

Horizon

ICVC public open-ended investment company
under Belgian law 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.

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1. GENERAL INFORMATION ON THE ICVC

1.1 ORGANISATION OF THE ICVC

REGISTERED OFFICE:

Avenue du Port 2, B-1080 Brussels, Belgium.

DATE OF INCORPORATION OF THE COMPANY:

22 February 1993

LIFE:

Unlimited.

BOARD OF DIRECTORS:

Chairman:

Luc Vanderhaegen, Private Banking Branch General Manager, KBC Bank NV.

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

Wouter Vanden Eynde, Managing Director KBC Asset Management SA

Christine Deleye, Head of Distribution and Sales Support Development KBC Asset Management SA

Other Directors:

René Van den Berghe, Senior General Manager CBC Banque SA

Filip Abraham, Independent Director

Theo Peeters, Independent Director

Guido Billion, Head of Securities Department, Centea SA

MANAGEMENT TYPE:

ICVC that has appointed a management company for undertakings for collective investment.

The management company appointed is KBC Asset Management NV, Havenlaan, 2 B-1080 Brussels.

DATE OF INCORPORATION OF THE MANAGEMENT COMPANY:

30 December 1999.

NAMES OF THE DIRECTORS THE MANAGEMENT COMPANY:

Chairman:

D. De Raymaecker

Directors:

J. Lema, President of the Executive Committee

J. Aerts, Independent Director

P. Buelens, Managing Director

J. Daemen, Non-Executive Director

M. Debaille, 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 ICVCs.

AUDITOR OF THE MANAGEMENT COMPANY, OR INDEPENDENT AUDITOR FIRM AND NAME OF THE INDEPENDENT AUDITOR REPRESENTING IT:

Ernst & Young Bedrijfsrevisoren BCVBA, De Kleetlaan 2, B-1831 Diegem, represented by partner Christel Weymeersch, company auditor and auditor recognised by the Belgian Financial Services and Markets Authority.

LEGAL STATUS OF THE ICVC:

ICVC 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:

The financial services providers in Belgium are:
Centea SA, Mechelsesteenweg 180, B-2018 Antwerp
KBC Bank SA, avenue du Port 2, B-1080 Brussels
CBC Banque SA, Grand Place 5, B-1000 Brussels, Belgium

CUSTODIAN:

KBC Bank SA, avenue du Port 2, B-1080 Brussels.

ADMINISTRATION AND ACCOUNTING MANAGEMENT:

KBC Asset Management N.V., avenue du Port 2, B-1080 Brussels.

ACCREDITED AUDITOR OF THE ICVC:

Deloitte Réviseurs d'entreprises SC s.f.d. SCRL, 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 HORIZON SUB-FUNDS

1. Access Fund Asian Infrastructure
2. Access Fund Brazil
3. Access Fund China
4. Access Fund CSOB Cesky Akciovy (PX®)
5. Access Fund Global Trends
6. Access Fund Russia
7. Access Fund Vietnam
8. Access India Fund
9. CSOB Asian Growth 5
10. CSOB Beverages SKK 1
11. CSOB Bonusovy Fond 1
12. CSOB Bonusovy Fond 2
13. CSOB Bonusovy Fond 3
14. CSOB Byci a Medvedi 3
15. CSOB Central Europe Frontier 2
16. CSOB Central Europe SKK 1
17. CSOB Commodity 1
18. CSOB Digitalni Reverzni 3
19. CSOB Duo Coupon 1
20. CSOB Duo Coupon 2
21. CSOB Duo Coupon 4
22. CSOB Duo Coupon 5
23. CSOB Duo Coupon 6
24. CSOB Duo Coupon 7
25. CSOB Europe Lookback 1
26. CSOB Europe Real Estate Growth 3
27. CSOB Europe Real Estate Growth 4
28. CSOB Exclusive Airbag Jumper 1
29. CSOB Exclusive Inflation Plus 1
30. CSOB Fix Upside Click 1
31. CSOB Fixovaneho Rustu 5
32. CSOB Fixovaneho Rustu 6
33. CSOB Global Growth Plus 6
34. CSOB Global Growth Plus 7
35. CSOB Global Growth Plus 8
36. CSOB Globalniho Rustu Plus 10
37. CSOB Globalniho Rustu Plus 9
38. CSOB Government Bonds 1
39. CSOB Growth Potential 10
40. CSOB Growth Potential 9
41. CSOB Inflation Plus 2
42. CSOB Jump Start 1

43. CSOB Jumper Plus 2
44. CSOB Komoditni Fond
45. CSOB Kratkodobeho Rustu 8
46. CSOB Pharma and Finance 1
47. CSOB Private Banking Asian Click 1
48. CSOB Private Banking Asian Jumpstart 1
49. CSOB Private Banking Central Europe Winners 2
50. CSOB Private Banking Emerging Markets 1
51. CSOB Private Banking Emerging Markets 2
52. CSOB Private Banking Europe Declining Jumper 1
53. CSOB Private Banking Europe Entry Optimizer 1
54. CSOB Private Banking Europe Index Jumper 1
55. CSOB Private Banking Europe Lookback 1
56. CSOB Private Banking Jumpstart 1
57. CSOB Private Banking Luxury and Growth Stocks 1
58. CSOB Private Banking World Jumper 1
59. CSOB Private Banking World Lookback 1
60. CSOB Rozvojove Trhy 1
61. CSOB Spectrum 1
62. CSOB Svetoveho Rustu USD 1
63. CSOB Svetovy Jumper 3
64. CSOB Svetovy Lookback 2
65. CSOB Svetovy Lookback 3
66. CSOB World Growth Plus 18
67. CSOB World Growth Plus 19
68. CSOB World Jumper 1
69. CSOB World Jumper 2
70. CSOB World Lookback 1
71. Duo Coupon 3
72. Kredyt Bank BRIC 1
73. Kredyt Bank CE Champions 1
74. Kredyt Bank Emerging Markets 1
75. Kredyt Bank Exposure Quick Booster 1
76. Kredyt Bank Fix Upside Coupon 1
77. Kredyt Bank Fix Upside Coupon 2
78. Kredyt Bank Fix Upside Coupon 3
79. Kredyt Bank Global Stocks 1
80. Kredyt Bank Private Banking 1
81. Kredyt Bank Reverse Click 1
82. Kredyt Bank SME 1
83. Private Banking Active Stock Selection
84. Sustainables SKK 1

SUB-FUNDS THAT REACHED MATURITY DURING THE PERIOD UNDER REVIEW:

1. Commodity 1
2. CSOB Central Europe Frontier 1
3. CSOB ECO World SKK 1
4. CSOB Emerging Forex 1
5. CSOB Financial Growth 2
6. CSOB Fix Upside 4
7. CSOB Growth Potential 8
8. CSOB Jumper Plus 1
9. CSOB Kratkodobeho Evropskeho Rustu 1
10. CSOB Kratkodobeho Globalniho Rustu 3
11. CSOB Kratkodobeho Globalniho Rustu 4
12. CSOB Private Banking BRIC 1
13. CSOB Private Banking Central Europe Winners 1
14. CSOB Private Banking Variable Participation 1
15. CSOB Short Term Growth 7
16. CSOB World Growth Plus 17
17. Kredyt Bank BRIC Jumper 1
18. Kredyt Bank Global Cap 1
19. Kredyt Bank Global Stocks 2
20. Kredyt Bank Poland Jumper 2

SHARE CLASSES

For the characteristics of the different share classes, consult the prospectus.

A 'Classic Shares' class exists for the following sub-funds:

- Access Fund Asian Infrastructure
- Access Fund China
- Access India Fund

An 'Institutional B Shares' class exists for the following sub-funds:

- Access Fund Asian Infrastructure
- Access Fund China
- Access India Fund

In the event of discrepancies between the Dutch and the other language versions of the Annual or Interim Report, the Dutch text shall prevail.

1.2 MANAGEMENT REPORT

1.2.1 INFORMATION FOR THE SHAREHOLDERS

Pursuant to Article 96 of the Companies Code, shareholders are informed of the following:

- The balance sheet and income statement faithfully reflects the performance and results of the collective investment undertaking. The "Global market vision" section describes the major risks and uncertainties facing the collective investment undertaking.
- No materially significant event occurred after the financial year-end.
- Regarding circumstances liable to materially affect the performance of the collective investment undertaking, we refer the reader to the "Forecasts" paragraph of the section entitled "Global market vision".
- The collective investment undertaking carries on no research and development activities.
- The collective investment undertaking possesses no branches.
- The establishment and application of the valuation rules consistently rely on the principle of continuity of the collective investment undertaking's activities, even when the income statement reports a loss for two consecutive financial years.
- All the information to be included pursuant to the Companies Code is contained in this report.
- The collective investment undertaking's risk profile, referred-to in the prospectus, gives an overview of the control of risk.

1.2.2 GENERAL MARKET OVERVIEW

The global economy emerged from a deep recession in mid-2009, but the recovery was highly dependent on massive government budgetary and monetary stimuli. The effects of these measures waned in 2011, and the US economy had difficulty in continuing to grow under its own steam. Doubts about the sustainability of the economic recovery therefore dominated investment sentiment in 2011. There has also been growing concern about the future of US public finances. In Europe the debt crisis continued to rage unabated. After the Greek, Irish and Portuguese dominoes had fallen, sights were trained on other governments. The continuing existence of the euro was even called into question. For nearly two years now the euro crisis has been holding the financial system in Europe hostage. 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 in 2010 and 2011, but the rate of employment growth remained on the low side. In the context of listless employment growth and negligible salary increases, the increase in households' purchasing power relied to a large extent on tax incentives which boosted consumption. In the US, growth (barely +1.2% year-on-year in the first nine months of 2011) was further hampered by the financial restructuring undertaken by states and local authorities and the increase in imports.

Growth in Europe accelerated in the first half of the year (+2.3%). However, there was still major divergence within the continent. Germany, Austria and Scandinavia recorded reasonably strong growth (more than 4%). Increased domestic demand – thanks to the fall in unemployment, reduction in the savings ratio, recovery in business investment and a catch-up movement in construction – complemented exports as the driver for growth. Greece, Ireland, Italy and Spain all have fairly modest export sectors. They had too little scope to mitigate the effects of restrictive budgetary policy, resulting in negative growth figures. The burden of the austerity measures became even greater in the third quarter. The German locomotive has also been running out of steam. Accordingly, growth slowed sharply in the third quarter of 2011 (+0.3% for the EMU). With annualised growth of 2.6% in the first half-year and of -0.1% in the third quarter, Belgium is closer to the hard core of the euro zone than to its fragile periphery.

The recent recession and the initial phase of the recovery have taught us much about the role of the emerging markets in the global economy. They are still dependent on exports. Although the region's ultimate engine of economic growth is still located in the West, primarily in the shape of US consumers, this dependence is becoming less pronounced. Intra-regional trade in Asia is growing all the time.

The economic recovery in Asia since the second quarter of 2009 was just as pronounced as the slump. The recovery continued in 2010 and 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.

Asia has unquestionably become the world's prime growth region. Exports, investment in infrastructure and consumption are complementing each other in boosting growth. In 2010, China took over from the US as the world's largest car market.

Moves to gradually mitigate the impact of the euro crisis not quick enough for the financial markets

In late 2009 and early 2010 there was considerable concern that the credit crisis would enter a second – fatal, according to the doom mongers – phase in 2010. That did not materialise. The decline in the US housing market has flattened off, but there is still no sign of a recovery. Home sales remain at the same low level as in 2009. Confidence among developers and contractors is still at an extremely low ebb, and home prices have remained flat since spring 2009, some 25% lower than the record prices of September 2005.

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 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. And yet it failed to temper the crisis. The Greek government's rather draconian restructuring plan, even if implemented in its entirety, was still not enough to stabilise that debt, even over the long term. In short, a mood of scepticism prevailed. The plan also ran into problems at the implementation stage. An interim assessment in May 2011 revealed that debt statistics from the past had to be adjusted again and that the budget results for the current year fell far short of the plans, which clearly showed that the emergency fund would be used up sooner than initially foreseen (in March 2012 rather than end 2013). Europe and the IMF insisted on additional savings, but these aroused ever-increasing opposition from the people of Greece. Against a backdrop of turbulence, the Greek parliament approved the additional austerity measures on 28 June. Europe responded to this show of goodwill by approving an additional aid package of 109 billion euros on 21 July. This was designed to safeguard Greece's funding until the end of 2014. However, Europe and the IMF no longer wanted to bear the burden alone. A show of solidarity on the part of private holders of Greek debt paper was deemed necessary. However, the negotiations with the European banking sector on the terms and procedures for voluntary cancellation of the debt (with remission of 50% of the debt considered) are proving extremely arduous. Some banks are reportedly unable to afford the cost of such an operation. In short, it was difficult to keep the unrest under control. When Prime Minister Papandreou threatened to subject the current austerity programme to a referendum (31 October), a Greek bankruptcy was not far off. Fortunately, Prime Minister Papandreou withdrew his threat.

The opening a package of aid for Greece in April 2010 created a precedent. After Greece, the markets also set their sights on Portugal, Ireland, Spain and even Belgium. The creation of a European Financial Stability Facility (EFSF, April 2010) with EUR 440 billion to finance the debt of the other EMU Member States failed to quell fears. The Irish domino fell on the last weekend in November 2010, followed by Portugal over the second weekend in April 2011. The incessant fear of the Spanish and possibly or alternatively, Italian domino (with Silvio Berlusconi's statements doing more harm than good to Italy) resolved the European leaders on a considerable widening and strengthening of the EFSF's remit. Its scope had been widened at the European Summit on 21 July and the financial arsenal was rolled out at the Summit on 26 October. Provisionally, the outcome of all these operations was the mobilisation by Europe, in partnership with the IMF, of over EUR 900 billion in 2010--2011 to guarantee the financing of public debt in the EMU countries. Additional measures were the launch of a new, this time permanent, aid fund on 1 July 2012, with a budget of EUR 550 billion, and the active intervention of the European Central Bank, which bought out government loans, mainly Spanish and Italian.

Excessive debt among a number of countries is not the only problem facing the EMU. The ever-widening gap in wage competitiveness is just as important. Over the course of time, Italy, Spain, Portugal and Greece have built up a wage handicap of 30-35% compared with Germany. Another problem is the chronic balance-of-payment deficits (particularly in Greece, Portugal, Spain, Italy and even France). European leaders made an historic breakthrough on 24 March 2011. The euro pact creates a framework for streamlining the euro countries' social and economic policy and promoting macroeconomic convergence. It was agreed that a concrete procedure would be worked out by March 2012, whereby action plans would be developed and monitored for each member state.

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. The way in which the various governments tackled the problem has differed widely. The UK and the EMU countries are implementing sweeping austerity measures – either voluntarily or under pressure. The budget debate in the US led to a political impasse. This was the signal for Standard & Poor's to lower 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 possibility of the credit rating being lowered was aired in June, so its announcement caused no surprise. 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% for 2010 as a whole, and by an average 18% in the first nine months of 2011. 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 10% in the first three quarters of 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###

For a long time the oil price fluctuated between USD 70 and 80/barrel, but it began to rise steeply in the latter part of 2010. The price already stood at USD 93/barrel at the end of December 2010, 20% higher than at the end of 2009. This trend continued in the early part of 2011. The uprisings in the Middle East and the breakdown of production in Libya bolstered the rise, but no more than that. The rise was only halted, but not 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. The price of Brent crude stood at USD 108/barrel at the end of the period under review, 16.7% higher than at the end of 2010.

The steep price rises on most other commodity markets had already ended earlier. The price of many industrial metals and agricultural commodities peaked towards mid-February. The correction in recent months ranged between 10 and 15%. This too could be interpreted as a sign of increasing doubts about the economy.

Upward pressure on inflation remained weak. In November 2011, the annual rise in the consumer prices index stood at 3.4% 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.

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

The Federal Reserve cut its reference rate very early on in the crisis. It began this process in September 2007, when the reference rate still stood at 5.25%. It had fallen to a symbolic 0.25% by December 2008. The European Central Bank (ECB) waited much longer, only cutting its reference rate for the first time in September 2008. The rate was cut from 4.25% in September 2008 to 1.00% in May 2009.

A rule of thumb states that it takes about six months before a rate cut has a positive impact on the real economy, and its effects wane after about eighteen months. It came as no surprise, therefore, 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. In the context of rising commodity prices and injections of liquidity, several non-US central banks gradually shifted their concern towards inflationary threats and away from threats to growth, especially in Europe, Latin America and Asia. Several of those central banks (particularly in China) began tightening credit. The ECB also shifted its stance on 7 April by raising its rate from 1.00% to 1.25%. Its basis for doing so is that, with unemployment now falling in Germany, accelerating inflation could trigger second-round effects on wages, thus maintaining inflationary pressure. In early July, the ECB gave a further hike to its key interest rate (to 1.50%), apparently ignoring the fact that the economic warning lights had moved back to amber. On 1 November the Italian Mario Draghi succeeded the Frenchman Jean-Claude Trichet as ECB president. The time was ripe for a change of course. The reference rate was lowered in a first stage to 1.25% on 3 November and again, to 1% on 8 December.

Bond markets volatile

Bond yields were on a downward trend for much of 2010. The German 10-year rate bottomed out (temporarily) at 2.10% in late August 2010. The picture changed between September 2010 and March 2011, largely due to the encouraging economic news, when the German bond yield increased to 3.35%. In the last nine months, intensified doubts about the economy have once again depressed European bond rates, especially at the height of the euro crisis. The German 10-year rate actually hit an all-time low of 1.65% on 22 September. The European Central Bank's tightened monetary stance had a limited, even insignificant impact, since it had forewarned of this policy shift.

Bond yields in the US followed a similar pattern. The Fed's action of buying up large amounts of government bonds, with the express intention of keeping long-term rates low or even bringing them down further, appears to have misfired. Likewise, the S&P announcement downgrading the triple A rating on American Treasury Bonds failed to arouse much response. At the end of December 2011, the US 10-year rate stood at 1.90%.

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 Belgian-German interest-rates spread also suffered as a result of the tensions in the euro area. The time when Belgium could borrow money on 'German terms' is long past. Belgium remained out of the firing line well into the euro crisis. The interest rate spread between Belgium and Germany may have widened, but only in line with the general movements in the market. 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. On 25 November, the interest-rate spread between Belgium and Germany reached a peak of 365 basis points. Belgium's strength, however, is its capacity for financing on the domestic market. This frees it from resorting to foreign investors. This was clearly demonstrated by the success of the November 2011 government bond issue. In the closing days of the year under review, market nervousness appeared to have subsided somewhat. At 31 December, the Belgian 10-year rate was 225 basis points higher than its German counterpart.

The healthiness 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 was in turn translated into widely erratic movements in rates for bank refinancing on the interbank market. Interest-rate spreads for non-financial borrowers suffered from credit-risk fears. This failed to take account of the healthy financial statements published by most of these borrowers. Credit spreads accordingly widened further in 2011.

Crisis atmosphere on the equity markets

Governments need to restructure their finances post haste, implying, among other things, that government financial stimuli will not only be scaled back but may cease altogether. This inevitably increases concern about the sustainability of the economic recovery, particularly in the US.

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. The equity markets then struggled to find fresh impetus. The euro crisis and fear that the European banking sector would collapse naturally continued to cast a dark shadow over the market. However, there was more to it than just that. Sound economic and earnings figures in the opening months of 2011 failed to convince. The market was apprehensive about the adverse impact on growth should draconian savings measures be adopted simultaneously throughout the Western world (not only on the periphery of the EMU, but also in its core countries, and in the US and UK). Monetary policy was already extremely accommodating, and there was little scope for additional stimuli from this quarter. Fears of a return to recessing were also fuelled by the listlessness of the American housing market, the fear of a job-creation deficit, the fear that high oil prices might impair household purchasing power and consumer confidence, and the nagging spectre of a credit shortage. The climate improved for just six months (Autumn 2010 – Spring 2011), when the Federal Reserve announced its second quantitative easing plan, dissipating all fears of deflation. Unfortunately, the recovery was short-lived. Fears for the economy re-emerged in March 2011. Risk aversion increased in the summer of 2011, when a revision of the recent US GDP figures showed that the 2008/09 recession was worse than previously believed and the subsequent economic recovery was weaker than had been thought. That brought the danger of recession closer, especially since the ISM index, which measures business confidence, continued to slide. At the end of the day, the EUR return on the MSCI All Countries – the largest world index – reached -4.9% during this crisis year.

Of the traditional markets, Western Europe also saw a relatively small underperformance. Performance of the MSCI Europe return index over the past twelve months was a rather limited - 8.0%. Western European stock markets have a high beta due to their highly cyclical nature and the major weighting of banks. In the current investment climate, marked by fear of recession and the euro crisis, these features can be expected to have a significant negative impact. Whatever the case may be, Europe's lag behind the US in recent years further widened in 2011. Wall street eventually ended the year on a rise (S&P 500 : +0.2%, Dow Jones : +5.5%) and, for the European investor, the dollar rise added the finishing touch with the MSCI USA euro index performing +5.4%.

The BEL 20 lost 19.2% since the start of the year. In response to the crisis concerning European government debt, the Belgian banking sector came under heavy fire. Dexia had to be supported, with intervention by the Belgian and French governments. KBC also went through a hard time, with its exposure to Belgium, Ireland and Hungary. Bekaert, the darling of 2010, saw its share price tumble. The success products of steel wire and sawing wire are exposed to ever-growing Chinese competition. Delhaize and Colruyt performed more or less in line with the BEL 20 index. During this crisis period the department stores were unable to pass on price increases in full. The big winner during the period under review was UCB, which quietly bucked the trend. In response to the third-quarter figures the forecasts for the year as a whole were revised sharply upwards. Takeover rumours did the rest. Telenet continued to surprise. The company combines growth with high margins and handsome dividends. AB InBev benefited from its defensive nature. Although beer sales have flattened off, the company has considerable pricing power due to its strong market position.

The investment result on the Japanese stock market was again negative (-11.2%). Of course, much of this is down to that country's nuclear disaster, but other factors also played a role. The Japanese stock market has lost much of its attraction. 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.

Emerging Asiatic markets (down 14.3%) also lagged behind. Investors began worrying about rising inflation and the tightening of monetary policy. Nevertheless, 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 (-16.4%) was also affected in the early part of 2011 by fears of overheating. The link to the commodity markets is always at 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 (-18.6%) was a divided region. The Russian stock market excelled until mid-2011, owing to the increase in oil prices. Thanks to high oil revenues, Russia is experiencing rapid growth, a balance-of-payments surplus and an appreciating rouble. Oil revenues are being used to support consumption (social security benefits are being increased again) and modernise the economy (infrastructure projects).

Style factors made a difference at times. During the period under review, small caps underperformed blue chips by an average of 5.8%. Surprisingly, the growth factor beat the value factor by 1.6%.

Defensive sectors were the winners on balance, while cyclical sectors lost out. Pharmaceuticals, food and telecommunications were ranked among the best-performing sectors. Finance, industry and commodities 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. Food producers continued to benefit from their expansion in the emerging markets, where margins are higher. Investors appreciated the high, stable dividends paid by telecoms companies. The auctioning of new licences went relatively quietly, so that the prices achieved were not exaggeratedly high. European banks came under pressure each time the euro crisis returned to the fore. Uncertainty about the new capital adequacy regulatory framework (Basle III) and the plans of the European institutions to recapitalise the European banking sector exacerbated the gloom. Although order books were full, the capital goods sector failed to convince. Doubts crept in about the sustainability of margins and the economic recovery world-wide, and particularly in Asia. Pessimism about the economy also stole over mining operators.

Real estate (-13.6%) also failed to limit the damage. 2011 marked a break with two years of outperformance. The financial turbulence in 2007-08 forced real estate companies to clean up their balance sheets, providing the sector with a sound base to make the most of the recovery. Its traditional discount to net asset value consequently disappeared. In an environment of a slowing economy with declining inflationary expectations, the potential for strong rental and price gains is, however, limited. As such, a premium is no longer justified, so that the sector came under pressure.

All in all, the negative stock-market performance contrasted sharply with the positive earnings trend of listed companies. As a result, valuations did not increase in this reporting period; quite the contrary, in fact.

Prospects

Business manager confidence indices in the United States and in Europe peaked in the spring of 2011, before returning to more neutral levels over the course of the year. In the last four months, fairly wide divergences have been observed between the United States and Europe. In America, the manufacturing index has been recovering, pointing to moderate business optimism. In Europe, the indicators are continuing to fall, ever closer to the boundary between optimism and pessimism regarding the economy. Growth in the United States is likely to remain positive but modest given limited job creation, the downward pressure on wage and salary increases, and the absence of any signs of recovery in the housing market. Budgetary plans will depress growth in Europe. On the other hand the indicators show that the business pessimism now dominating financial markets is not justified. The foundations for more sustainable growth in 2012 and 2013 were laid in 2010 and 2011. US households have greatly reduced their debt, their savings rate has already increased considerably, and the cost of financial services (total of repayments and interest payments) now only accounts for 11% (the lowest level for the past fifteen years) of their budget (compared to 14% three years ago). Households are gradually finding it possible to allocate a larger share of their purchasing power to consumption. The generous profits generated in 2010 and 2011 further swelled companies' cash reserves, which were already substantial. Investment fell off sharply during the crisis. The scene is therefore set for a catching-up process to take place.

In the United States, the budget policy is liable to become restrictive now that certain anticyclical measures taken in 2008 and 2010 are due to expire and will probably not be extended. Given these circumstances it should be possible to reduce the budget deficit from 9.8% of GDP in 2011 to 8.6% in 2012 and 6.2% in 2013. Nevertheless, it is unlikely that fiscal policy will drag down growth during an election year.

Finally, the US Central Bank carried out an unprecedented liquidity injection with its repurchase of government bonds and other debt instruments. The 2010-2011 programme was followed in June 2011 by a new programme which was smaller but more focused on specific market segments. This liquidity will reach the real economy or will fuel inflation forecasts. However, it will keep long-term rates at their current low level and dispel any deflationary fears.

Traditionally economic developments in the US are reflected in Europe. Economic growth in 2012 will be weaker in Europe (+0.5-1.0%) than in the United States (+1.5-2.0%). Europe has greater need of fiscal consolidation and its monetary policy is less aggressive. The euro crisis has prompted European banks to tighten lending conditions. 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. Strong economic growth has already created inflationary pressure in Asia. In China, the year-on-year increase in the consumer price index peaked at 6.5% in August 2011, largely due to a sharp rise in food prices, but prices and costs also began rising more rapidly in other sectors. Wages and salaries are soaring (up 12-16%), which has caused core inflation to shoot up to 2%, despite still being negative in early 2009. This trend is similarly evident in the rest of Asia.

The monetary authorities have reacted vigorously to this trend. Most notably China has raised its reference rate, increased its reserve requirements, tightened lending restrictions, etc. The tightening of monetary policy is already bearing fruit. Thus the rate of growth of the money supply has already fallen to that of nominal GDP and inflation has slowed to 4.5%. Consequently we believe that the phase of tightening of monetary policy in China is over. The risk of overheating therefore appears to be under control. While renewal will take place at the head of the Chinese Communist Party, nothing will be left to chance and economic growth will be barely lower than in previous years.

The development of consumption in Asia and China is one of the great challenges of this decade. It could help to strengthen the global economic balance. It is not only reducing the region's dependence on exports, but is also having an impact on international capital flows. Growth in consumption in China is causing a decline in savings and an increase in imports, including from the United States. It will help the West to solve 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. National autonomy dies hard, the crisis has demonstrated the urgent need for economic governance, which involves measures such as supranational supervision of banks, strict monitoring and sanctioning of budgetary policy, monitoring of pay policy and harmonisation of European taxation. Over the next few months, the organisation of the European Financial Stability Mechanism (EFSM), which is due to become operational on 1 July 2012, the reform of the Stability and Growth Pact, and implementation of the Euro Pact, will require further deployment of energy and diplomacy. The creation of a new architecture for EMU cannot wait, even if the daily twists and turns of the Greek debt crisis affect the serenity of the debate.

To ensure the stability of the financial system, the banks must strengthen their capital base in order to have sufficient financial reserves and cope with unexpected provisions and write-downs. This is just as necessary in 2012 as it was in 2011, and it will be even more so in the years ahead. All the appropriate steps have of course been taken to this end: the almost EUR 2,000 billion that has been set aside in two years to maintain the funding of the European states, the approval of a new banking law in the United States, the organisation of stress tests to ensure that banks have enough capital to face any serious new crisis, and the gradual introduction of more stringent capital requirements under Basel III.

The maintenance of a money market rate of (almost) zero also plays a part in this. As long as the weak economy persists in the West, and in the absence of genuine inflationary pressures, no macroeconomic factor requires a more restrictive policy.

So at least we learn from the facts. The ECB continues to live and move in a sphere of its own, with a different perception of the inflationary threat from, say the British and US central banks. The European Central Bank has for long been hindered by the exceptionally low level of its reference rate. In recent months, moreover, the ECB implicitly declared that inflationary fears were greatly exaggerated and that economic prospects were of far greater concern. Even though the ECB is still aiming at a 'normal' rate of 2.00% in the short term for the euro zone, in our view it will not achieve it earlier than the first half of 2013. In our opinion the American, British and Japanese central banks should wait even longer before raising their reference rates.

The bond rate may well have reached a lowest point. Given the current low levels they should logically rise, boosted by the economic recovery (or at least the reduced risk of slackening growth). Consequently, this year the market could anticipate a tightening of monetary policy. Initially, several unconventional measures will be discontinued in the United States. The market could then anticipate a normalisation of the reference rate. Fears of fiscal slippage in the United States and/or an inflationary surge due to recent unorthodox policy could lead to an increase in the risk premium.

Nevertheless, the rise in rates will not necessarily be pronounced. The yield curve is steep, steeper than is justified by the current low growth, and it is already anticipating a large number of monetary tightening measures.

Volatility will continue to dominate. In the short term increased downward pressure is very likely. The Federal Reserve will certainly try to bring it to bear.

The risk premium on the corporate bond market is very high both from a historical perspective, and having regard to the financial health of the majority of companies. This means that sizeable room remains for tightening interest rate spreads. Interest rate spreads within the EMU are likely to remain high and volatile for quite some time given the numerous problems to be solved within the monetary union.

Given the uninterrupted rise of the emerging markets, growth in the global economy should be 3.0-3.5% in 2012 and 2013, just as it was in 2011. Even though these growth rates are much lower than in 2010 (4.5%), they are still entirely acceptable and are above the average for the past forty years. This is one reason for us to predict a new boom in corporate profits over the next few quarters.

The observation appears paradoxical: 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 control goes well beyond restructuring operations (ad hoc and sometimes dramatic) and it is now well entrenched in corporate culture. The recession of 2008-2009 prompted companies to refine their approach to risk (money and therefore costs). Investment projects are being subjected to more stringent profitability studies. A combination of debt reduction and low interest rates has resulted in a steep drop in financial charges. Given globalisation (pressure to relocate) and the persistently high rate of unemployment, workers are not in a position to make high wage and salary demands and can hardly hope to do better than maintain their purchasing power. There is no question of real wage rises. Every euro cent of additional sales therefore strengthens the capital factor.

Expected earnings growth for 2012 is 9.5% for the S&P 500 and only 8% for the MSCI Europe. Given respectable global growth (3.0-3.5%), price increases (2.5-3.0%) and improved margins should be achievable without too many problems. Nevertheless, we are gradually reaching the end of the period of strong earnings growth. Ultimately profits should rise in parallel with sales, at a nominal GDP growth rate of about 6%.

The money market rate will not increase rapidly and the bond yield is close to historic lows. Everything appears to point to equities as being the most attractive investment class for the next few months. The absence of alternatives naturally does not boost the value of the market. For this to happen, investors must recover some inclination for risk. Current share valuations still incorporate very pessimistic scenarios. Equities are currently extremely low-priced. Based on expected profits for the next twelve months the price-earnings ratio (P/E) is 12.4 for the S&P 500 and 9.5 for the MSCI Europe, respectively 30% and 40% less than the historical average. Shares are definitely very cheap compared to bonds. The earnings yield (the inverse of the P/E ratio) currently stands at nearly 10.50% for the MSCI Europe, an exceptionally high premium of more than 850 basis points over the German Bund yield.

Copy deadline 3 January 2012

1.3 AUDITOR'S REPORT

Horizon SA ICVC open-ended investment company under Belgian law, UCITS category

Auditor's report for the financial year ended 31 December 2011 addressed to the General Meeting of Shareholders

To the shareholders

In accordance with legal and regulatory requirements, we are pleased to report to you on the performance of the audit mandate which you have entrusted to us. This report contains our opinion on the annual accounts and the requisite supplementary information.

Unqualified audit opinion on the financial statements

We have audited the financial statements of Horizon SA for the year ended 31 December 2011, established on the basis of the system of accounting standards applicable in Belgium. The statements show shareholders' equity of 658,616,541.06 EUR and a net loss for the year of 125,352,074.37 EUR. The following table provides a summary of the equity and profit (loss (-)) for each sub-fund.

Name of sub-fund	Currency	Shareholders' equity	Result
Horizon CSOB Bonusovy Fond 1	CZK	58.373.267,74	-902.558,73
Horizon CSOB Private Banking Europe Declining Jumper 1	CZK	92.946.045,40	-36.165.223,85
Horizon Access Fund China	USD	42.052.667,48	-13.912.341,28
Horizon CSOB Svetovy Jumper 3	CZK	78.076.717,46	-2.380.228,24
Horizon CSOB Bonusovy Fond 2	CZK	40.032.485,85	118.775,48
Horizon CSOB Beverages SKK 1	EUR	1.706.391,75	-51.061,71
Horizon Kredyt Bank Fix Upside Coupon 1	PLN	16.111.608,90	-28.586,65
Horizon CSOB Europe Lookback 1	CZK	242.032.969,18	-23.450.922,31
Horizon CSOB Svetovy Lookback 3	CZK	44.031.943,13	-1.262.091,34
Horizon CSOB Fix Upside Click 1	EUR	3.240.871,28	-4.915,31
Horizon CSOB Fixovaneho Rustu 6	CZK	30.648.566,67	-3.875.745,49
Horizon CSOB Bonusovy Fond 3	CZK	161.181.309,79	5.001.714,16
Horizon Kredyt Bank Reverse Click 1	PLN	12.039.031,72	-1.027.158,36
Horizon Kredyt Bank Fix Upside Coupon 2	PLN	12.010.903,78	4.241,41
Horizon CSOB Digitalni Reverzni 3	CZK	116.717.479,69	-8.977.097,66
Horizon Kredyt Bank Fix Upside Coupon 3	PLN	18.518.902,18	-312.437,64
Horizon CSOB Duo Coupon 1	EUR	11.245.918,83	739.338,76
Horizon KB Exposure Quick Booster 1	PLN	7.261.004,96	-3.067.461,64
Horizon CSOB Government Bonds 1	EUR	5.178.561,52	138.168,89
Horizon CSOB Growth Potential 10	EUR	3.241.410,47	-162.654,55
Horizon CSOB Duo Coupon 2	EUR	6.071.430,49	481.163,66
Horizon Duo Coupon 3	EUR	1.682.509,09	118.350,13
Horizon CSOB Exclusive Inflation Plus 1	EUR	3.269.078,61	-19.100,48
Horizon CSOB Jumper Plus 2	EUR	6.080.760,76	-609.030,92

Name of sub-fund	Currency	Shareholders' equity	Result
Horizon CSOB Duo Coupon 4	EUR	4.935.669,69	157.759,21
Horizon CSOB Duo Coupon 5	EUR	4.309.440,02	208.462,65
Horizon CSOB Inflation Plus 2	EUR	3.554.346,08	-94.247,82
Horizon CSOB Duo Coupon 6	EUR	5.434.729,09	-102.569,58
Horizon Access Fund Global Trends	EUR	36.711.383,96	-4.705.274,10
Horizon CSOB Duo Coupon 7	EUR	4.561.358,20	146.118,50
Horizon CSOB Exclusive Airbag Jumper 1	EUR	7.600.052,77	-712.835,21
Horizon Access Fund CSOB Cesky Akciovy(PX)	CZK	111.348.779,36	470.060,52
Horizon CSOB Jump Start 1	EUR	4.978.520,29	102.026,24
Horizon Private Banking Active Stock Selection	EUR	14.500.212,51	135.270,27
Horizon CSOB Private Banking Emerging Markets 1	CZK	35.111.637,81	-2.307.094,48
Horizon Access Fund Brazil	EUR	30.913.782,08	-9.047.027,51
Horizon Access Fund Russia	EUR	52.835.273,57	-17.800.005,58
Horizon CSOB Private Banking World Jumper1	CZK	466.823.647,00	-5.826.841,05
Horizon CSOB Spectrum 1	CZK	206.925.147,02	-24.502.580,74
Horizon CSOB Private Banking Asian Click 1	CZK	182.605.415,57	-3.359.429,94
Horizon CSOB Private Banking Europe Entry Optimizer 1	CZK	21.895.284,74	-100.105,99
Horizon CSOB Europe Real Estate Growth 3	CZK	40.816.390,70	106.811,97
Horizon CSOB Private Banking Central Europe Winners 2	CZK	361.239.413,69	-4.466.309,28
Horizon CSOB Commodity 1	CZK	216.856.356,49	-25.083.569,84
Horizon CSOB Europe Real Estate Growth 4	CZK	26.790.502,50	86.175,04
Horizon CSOB Global Growth Plus 6	CZK	203.304.251,12	-2.312.926,83
Horizon CSOB Private Banking World Lookback 1	CZK	185.267.585,48	-3.277.218,41
Horizon Kredyt Bank CE Champions 1	PLN	21.727.494,79	-496.932,60
Horizon CSOB World Jumper 1	CZK	234.151.390,40	-2.263.931,43
Horizon CSOB World Growth Plus 18	CZK	172.850.856,81	-2.757.691,77
Horizon CSOB Private Banking Jumpstart 1	CZK	88.834.176,83	-897.724,22
Horizon Kredyt Bank Private Banking 1	PLN	7.595.055,24	14.648,59
Horizon CSOB Central Europe SKK 1	EUR	3.057.218,02	-6.916,17
Horizon CSOB Private Banking Emerg Mark 2	CZK	225.829.361,90	-7.069.319,88
Horizon CSOB Pharma and Finance 1	CZK	306.012.561,28	-2.395.972,16
Horizon Kredyt Bank Global Stocks 1	PLN	9.887.365,99	-389.768,72
Horizon Kredyt Bank SME 1	PLN	8.243.447,78	-546.257,51
Horizon CSOB Private Banking Luxury and Growth Stocks 1	CZK	71.262.080,59	-4.261.940,20
Horizon CSOB Private Banking Asian Jumpstart 1	CZK	159.704.697,27	-8.788.920,54
Horizon CSOB World Growth Plus 19	CZK	146.767.572,33	-2.496.852,31
Horizon CSOB Asian Growth 5	CZK	198.445.050,65	-1.396.455,88
Horizon CSOB Global Growth Plus 7	CZK	94.437.927,21	-1.218.472,14
Horizon kredyt Bank Emerging Markets 1	PLN	1.464.573,74	-195.620,79
Horizon CSOB Central Europe Frontier 2	CZK	63.074.351,32	-1.071.083,38
Horizon Kredyt Bank Bric 1	PLN	13.798.517,16	-1.012.952,88
Horizon CSOB World Lookback 1	CZK	242.712.666,33	-4.831.496,40
Horizon CSOB World Jumper 2	CZK	88.804.718,58	-2.259.605,79
Horizon CSOB Growth Potential 9	EUR	4.189.865,37	-437.281,68
Horizon Access Fund Asian Infrastructure	EUR	30.017.853,78	-10.879.021,08
Horizon CSOB Global Growth Plus 8	CZK	87.756.215,83	-1.208.306,82

Name of sub-fund	Currency	Shareholders' equity	Result
Horizon CSOB Kratkodobeho Rustu 8	CZK	83.082.216,26	-996.911,61
Horizon Access Fund Vietnam	EUR	11.099.268,46	-4.513.183,59
Horizon Sustainables SKK 1	EUR	2.960.887,25	-15.598,06
Horizon CSOB Private Banking Europe Index Jumper 1	CZK	45.022.005,41	-25.054.523,42
Horizon CSOB Globalniho Rustu Plus 9	CZK	60.273.294,58	-707.558,68
Horizon CSOB Byci a Medvedi 3	CZK	80.213.836,19	1.463.509,58
Horizon CSOB Fixovaneho Rustu 5	CZK	66.565.433,32	-1.772.150,80
Horizon CSOB Rozvojove Trhy 1	CZK	46.718.257,67	-4.897.892,53
Horizon CSOB Svetovy Lookback 2	CZK	100.890.161,37	-2.652.781,82
Horizon CSOB Globalniho Rustu Plus10	CZK	121.447.663,92	-1.205.589,40
Horizon CSOB Komoditni Fond	CZK	288.437.135,11	-53.194.511,40
Horizon CSOB Private Banking Europe Lookback 1	CZK	101.244.366,37	-2.181.214,56
Horizon CSOB Svetoveho Rustu USD 1	USD	6.723.238,91	-231.821,19
Horizon Access India Fund	USD	116.467.362,56	-71.523.412,88

The Board of Directors is responsible for preparing the annual accounts. This includes: developing, applying and maintaining internal control procedures with regard to drafting the financial statements and ensuring that they are true and fair and are free from material misstatement as a result of fraud or error, establishing and applying suitable valuation principles, and making accounting estimates that are reasonable in the circumstances.

Our remit is to issue an opinion of these annual accounts based on our audit. We have conducted our audit according to the legal requirements and auditing standards applicable in Belgium, as issued by the *Reviseurs d'Entreprises* (Belgian Institute of Auditors). Those standards require that we plan and conduct our audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

In accordance with those standards, we undertook procedures to obtain audit information on the amounts and information included in the financial information. Those procedures were selected on the basis of our opinion, which includes an assessment of the risk of the financial statements containing material misstatements as a result of fraud or error. In making our risk assessment, we considered the company's existing internal control procedures with regard to drafting the financial statements and ensuring that they are true and fair in order to establish procedures that are suitable in the circumstances, but not to issue an opinion of the effectiveness of the company's internal control procedures. We also assessed the legitimacy of the valuation principles and the accounting estimates made by the company, as well as the overall presentation of the financial statements.

Finally, we obtained the explanations and information required for our audit from the Board of Directors and from the company's officers. We believe that the audit information we obtained provides a reasonable basis for our opinion.

In our opinion, the annual accounts as at 31 December 2011 give, in accordance with the system of accounting standards applicable in Belgium, a true and fair view of the company's assets, liabilities, financial position and results.

Supplementary information

The Board of Directors is responsible for the preparation and contents of the annual report and for ensuring that the company complies with the Companies Code and Articles of Association.

It is our responsibility to include in our report the following supplementary information, which does not, however, have any impact on the scope of our audit opinion on the annual accounts.

- The annual report contains the information required by law and is consistent with the annual accounts. We are not, however, able to express an opinion on the description of the main risks and contingencies with which the company has to contend, or its situation, foreseeable development or the material impact of certain factors on its future development. Nevertheless, we are able to confirm that the information provided is not obviously inconsistent with the information accessible to us as part of our mandate.
- Without prejudice to formal aspects of secondary importance, the accounts have been kept in accordance with the relevant legal and regulatory requirements in Belgium.
- We have no transactions or decisions to report that contravene the Articles of Association or the Companies Code. The profit and loss account to be submitted to the General Meeting of Shareholders complies with the legal and regulatory requirements.

Diegem, 7 March 2012

The Auditor

DELOITTE Réviseurs d'Entreprises

BV in the form of a CVBA (cooperative limited liability company)

Represented by Frank Verhaegen

1.4 AGGREGATE BALANCE SHEET (IN EUR)

<i>Balance sheet summary</i>	<i>31/12/2011</i> (in the currency of the ICVC)	<i>31/12/2010</i> (in the currency of the ICVC)
TOTAL NET ASSETS	658.616.541,06	893.741.965,14
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	322.506.074,49	468.213.046,61
a) Collateral received in the form of bonds	3.608.366,07	
C. Shares and similar instruments		
a) Bonds	262.420.195,32	358.146.832,84
of which shares lent	1.022.942,38	
D. Other securities	14,12	478.346,81
E. Open-end undertakings for collective investment	38.747.253,66	4.768.116,57
F. Financial derivatives		
a) On bonds		
Options contracts (+/-)	-10.569,43	
e) On shares		
Swaps (+/-)	-2.553.124,52	6.566.771,88
j) On currencies		
Future and forward contracts (+/-)	-316.148,89	-18.857,43
Swaps (+/-)		482.891,50
k) On interest-rates		
Swaps (+/-)	129.924,62	266.986,62
m) On financial indexes		
Future and forward contracts (+/-)	-2.399,03	
Swaps (+/-)	14.981,01	2.324.530,89
n) On financial derivatives		
Swaps (+/-)	-1.719.906,64	1.370.227,18

IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	455.408,79	1.018.215,58
c) Collateral	9.250.283,81	8.497.032,47
B. Debts		
a) Accounts payable (-)	-695.308,56	-1.612.192,65
c) Borrowings (-)	-245.797,74	-146.470,23
d) Collateral (-)	-3.608.366,07	
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	7.469.864,63	7.389.363,68
B. Term accounts at banks	25.459.255,77	36.402.526,37
VI. Accruals and deferrals		
A. Deferred charges	13.578,08	-1.496,22
B. Accrued income	488.837,33	714.243,04
C. Accrued expenses (-)	-2.795.875,76	-1.118.150,35
TOTAL CAPITAL AND RESERVES	658.616.541,06	893.741.965,14

A. Capital	616.333.627,89	718.408.846,51
B. Share in the profit	1.294.878,78	1.268.871,03
C. Profit (loss) brought forward	166.340.108,80	131.579.419,02
D. Result for the financial year	-125.352.074,37	42.484.828,64

Off-balance-sheet items

I Security in the form of real property (+/-)		
I.A Collateral (+/-)		
I.A.A Securities/money market instruments	3.608.366,07	
I.A.B Deposits and cash at bank and in hand	9.247.819,32	8.496.150,00
III Swap contract notional amounts (+)		
III.A Futures and forward contracts purchased	8.278.149,79	1.593.399,77
IV Notional amounts of swap contracts (+)	362.856.798,28	514.510.233,28
IX Financial instruments lent	1.022.942,38	

1.5 AGGREGATE INCOME STATEMENT (IN EUR)

<i>Income statement</i>	<i>31/12/2011</i> (in the currency of the ICVC)	<i>31/12/2010</i> (in the currency of the ICVC)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-6.115.642,55	40.141,90
C. Equities and similar instruments		
a) Bonds	-88.278.618,43	15.737.880,91
D. Other securities	-199.710,95	-9.213,81
E. Open-end undertakings for collective investment	-6.587.088,71	515.854,89
F. Financial derivatives		
e) On shares		
Options (+/-)	4.321,89	
Swaps (+/-)	-7.153.832,10	9.420.521,42
j) On interest rates		
Swaps (+/-)	44.638,07	-1.433,31
l) On financial indexes		
Futures and forward contracts	-2.399,03	
Swaps (+/-)	-278.515,53	1.335.070,19
m) On financial derivatives		
Swaps (+/-)	-1.982.260,09	808.732,56
G. Receivables, deposits, cash at bank and in hand, and payables	995,28	2.574,65
H. Foreign-exchange positions and transactions		
a) Financial derivatives		
Futures and forward contracts	-297.596,84	-7.136,89
Swaps (+/-)		782.207,17
b) Other foreign-exchange positions and transactions	-15.090.740,90	14.500.038,21

II. Investment income and expenses		
A. Dividends	6.130.235,24	5.031.472,47
B. Interest		
a) Securities and money market instruments	6.555.012,90	8.311.943,15
b) Deposits and cash at bank and in hand	565.104,47	1.214.628,56
c) Collateral (+/-)	110.787,24	192.450,12
C. Interest on loans taken out (-)	-35.946,96	-50.838,69
D. Swaps (+/-)	481.004,63	-2.101.181,42
F. Other investment income		-65.194,76
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	430.484,27	595.605,37
B. Other	-106.115,64	287.636,22
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-755.916,27	-622.128,40
B. Financial expenses (-)	-88.418,63	-153.956,43
C. Custodian's fee (-)	-319.298,75	-320.485,64
D. Manager's fee (-)		
a) Financial management	-9.293.074,45	-10.703.146,31
b) Administration and accounting management	-582.443,22	-613.865,01
E. Administrative expenses (-)	-10.773,26	-8.786,92
F. Formation and organisation expenses (-)	-113.641,05	-119.953,04
G. Remuneration, social security charges and pensions (-)	-806,15	-901,93
H. Services and sundry goods (-)	-196.253,42	-238.341,42
J. Taxes	-1.995.022,75	-1.096.277,83
K. Other expenses (-)	-190.542,79	-179.087,45
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	584.375,49	-640.409,25
V. Profit (loss) on ordinary activities before tax	-125.352.074,37	42.484.828,64
VII. Result for the financial year	-125.352.074,37	42.484.828,64

Profit appropriation statement

	<i>31/12/2011</i> (in the currency of the ICVC)	<i>31/12/2010</i> (in the currency of the ICVC)
I. Profit to be allocated (loss to be recognised)	42.282.913,17	175.333.118,62
Profit (loss) brought forward from the previous financial year	166.340.108,80	131.579.419,02
Profit for the period available for appropriation (loss to be recognised)	-125.352.074,37	42.484.828,64
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	1.294.878,78	1.268.871,03
II. (Appropriations to) Deductions from capital	19.267.189,38	-11.738.268,84
III. Profit (loss) to be carried forward	58.948.533,57	161.532.416,39
IV. (Dividends to be distributed)	-2.601.568,98	-2.062.433,40

1.6 SUMMARY OF ACCOUNTING AND VALUATION RULES

1.6.1 SUMMARY OF THE RULES

Summary of the valuation rules in accordance with the Royal Decree of 10 November 2006 on the bookkeeping, annual accounts and regular reports of certain open-end collective investment undertakings (CIUs).

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 recorded 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 valued 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.), mid-prices are used to value debt instruments, as laid down 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 on another organised market are valued as follows:
 - To determine the fair value, use is made of the current fair value of similar assets for which there is an active market and this current 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 using other valuation techniques which make maximum use of market data, 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 nature of these assets given the risk that the counterparties involved might not meet their obligations.
 - Shares for which there is no organised or over-the-counter market and whose fair value cannot be calculated reliably as set out above, are valued at cost. Impairment is applied to these shares where this is objectively indicated.
 - Units in collective investment undertakings (for which there is no organised market) are valued at fair value based on their last net asset value.

- Cash balances, including demand balances held with credit institutions, current-account obligations towards credit institutions, amounts payable and receivable in the short-term that are not embodied in negotiable securities or money market instruments (other than with respect to credit institutions), tax credits or liabilities are valued at nominal value.
Other long-term receivables that are not embodied in negotiable securities or money market instruments are valued at fair value.
Impairment is recorded on the assets, amounts to be received and receivables where there is uncertainty concerning their payment in full or in part on the maturity date or if the going concern value of those assets is lower than the 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.
- Income arising from securities lending is recognised as interest on loans and is included in the profit and loss account pro rata temporis for 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.

In the case of sub-funds with equity/index-linked, interest-rate and inflation swap structures, the bonds are valued by calculating the present value of projected payments on the basis of the risk-free yield curve. They may be marked down if payments in interest or principal are reduced, waived or deferred. The Board of Directors may then decide to reduce the above valuation or opt for a full mark-to-market valuation.

DIFFERENCES

Minor differences 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 were identified after publication. If these differences reach or exceed a certain tolerance limit, investors will be reimbursed the difference. For those buying or selling shares in the ICVC and for the ICVC itself, this tolerance limit will be a certain percentage of the net asset value and the net assets, respectively.

These tolerance limits are:

- Money market funds: 0.25%
- Bond funds, hybrid funds and funds offering capital protection: 0.50%
- Equity funds: 1%
- Other funds (real-estate funds etc.): 0.50%

Given that a number of securities exchanges were closed on 30 December 2011 and that the sub-funds below invested more than 20% of their assets in securities listed on these exchanges, the asset valuations used in the financial statements of the sub-funds concerned were made on 29 December 2011 instead of 30 December 2011. A theoretical net asset value as at 30 December 2011 has however been calculated for these sub-funds; this value was not used for entry and exit purposes.

Sub-funds concerned:

Access Fund Brazil

Access Fund Global Trends

1.6.2 EXCHANGE RATES

1 EUR =	30/12/2011		31/12/2010	
		2,4214	BRL	2,227
	1,2139	CHF	1,2505	CHF
	8,1706	CNY	8,8404	CNY
	25,503	CZK	25,09	CZK
	7,4324	DKK	7,4521	DKK
	1,00	EUR	1,00	EUR
	0,8353	GBP	0,85685	GBP
	10,0822	HKD	10,4288	HKD
	11.771,00	IDR	12.087,37	IDR
	68,9383	INR	59,9874	INR
	1.495,47	KRW	1.522,53	KRW
	4,1152	MYR	4,1367	MYR
	7,7473	NOK	7,7978	NOK
	56,9304	PHP	58,7733	PHP
	4,4578	PLN	3,9636	PLN
	8,8993	SEK	9,019	SEK
	1,6833	SGD	1,7186	SGD
	30,126	SKK	30,126	SKK
	40,9567	THB	40,4411	THB
	2,4517	TRY	2,0647	TRY
	39,3067	TWD	39,1149	TWD
	1,2982	USD	1,3416	USD
	27.305,00	VND	26.157,00	VND

1.7 COMPOSITION OF THE ASSETS

To achieve their investment objectives, the ICVC's sub-funds may invest in securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, financial derivatives, liquid assets and all other instruments, insofar as permitted under the applicable laws and regulations.

The financial mechanism used to achieve capital protection on maturity entails investing the total subscribed amounts in bonds and other debt instruments, deposits and/or liquid assets (including money placed on a fixed-term deposit or demand accounts). The financial mechanism used to achieve capital protection at maturity or a specified percentage gain as compared with the initial subscription price at maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or liquid assets.

The deposits, bonds and other debt instruments meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) an investment with an analogous structure and a counterparty risk identical to those referred to in points (1) and (2) above.

These investments may consist of:

an investment in stock-exchange-listed bonds issued by 26 'Special Purpose Vehicles' (SPVs). The following 16 SPVs were set up under the sponsorship of KBC Asset Management NV.

- Amethyst Structured Finance Plc
- Beechwood Structured Finance Plc
- Brookfields Capital Plc
- Eperon Finance Plc
- Espaccio Securities Plc
- Greenstreet Structured Financial Products Plc
- Nimrod Capital Plc
- Opal Financial Products Plc
- Profile Finance Plc
- Recolte Securities Plc
- Silverstate Financial Investments Plc
- Vespucci Structured Finance Products Plc
- Vigado Capital Plct
- Voyce Investments Plc
- Waterford Capital Investments Plc
- Waves Financial Investments Plc

The asset underlying these SPVs is a diversified portfolio of deposits (issued by financial institutions), bonds and other securities..

The following 10 SPVs were set up under the sponsorship of KBC Asset Management SA:

- Amber Protective bond portfolio limited
- Carmine Protective bond portfolio limited
- Coral Protective bond portfolio limited
- Emerald Protective bond portfolio limited
- Indigo Protective bond portfolio limited
- Ivory Protective bond portfolio limited
- Magenta Protective bond portfolio limited
- Sepia Protective bond portfolio limited
- Taupe Protective bond portfolio limited
- Vermillion Protective bond portfolio plc

These 10 SPVs are all managed by KBC Asset Management SA or a subsidiary.

The underlying asset of these SPVs is:

- on the one hand, a diversified portfolio of deposits issued by financial institutions, bonds and other securities. These include bonds issued by Arcade Finance Plc and D-Star Finance Plc, respectively. These companies are also SPVs, set up under the sponsorship of KBC Asset Management SA and whose underlying asset is also managed by KBC Asset Management SA;
- on the other, securities according to the terms and conditions of a Total Return Swap (TRS)¹ concluded with Goldman Sachs International. Goldman Sachs International is a financial institution supervised by the Financial Services Authority (FSA), which is the supervisory authority for the financial sector in the UK; in other words, it is a company subject to prudential supervision established in a Member State of the European Economic Area (EEA).

The assets that are eligible for purchase by the SPV under the terms and conditions of the TRS must fulfil a number of strict conditions, including rating requirements.

Further details of the criteria that the underlying assets must fulfil are given in the prospectus for this issue. The composition of the assets of the SPVs discussed here have not been audited. The prospectus and audited annual report are available free of charge from KBC Asset Management SA, Avenue du Port 6, 1080 Brussels.

1. A Total Return Swap (TRS) is a contract where the beneficiary (in this case the SPV) buys securities from/through the counterparty. For the term of the transaction, the beneficiary agrees to pay the counterparty with which the TRS was concluded the total income from the underlying assets. The counterparty, in its turn, assumes any decrease in the value of these underlying assets and thus acts as guarantor. The guarantor accordingly acquires beneficial ownership of the underlying assets while legal ownership remains in the hands of the beneficiary. In exchange, the beneficiary receives a fee for the funding cost of the assets. Since the guarantor bears the economic risk for the entire duration of the transaction, it receives all the income derived from the securities.

In other words, the beneficiary of a TRS buys securities from/through the counterparty/guarantor. However, the guarantor retains the credit risk attaching to the securities for the duration of the transaction and at maturity. The counterparty must deposit collateral with the beneficiary if the securities fall in value.

In practice, this means the beneficiary benefits from double protection.

Firstly, if the value of the assets on which the TRS is based falls in value, this is offset by the requirement to deposit collateral.

Secondly, if the counterparty defaults, the beneficiary has a portfolio of assets that it can realise.

At the end of the transaction, the beneficiary gets back the initial amount paid and ownership of the assets reverts to the counterparty.

1.7.1 COMPOSITION OF THE ASSETS OF BEECHWOOD STRUCTURED FINANCE PLC

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Government bonds						
<u>Belgium</u>						
BELGIUM 07/13 4% 28/3	2.000.000,00	EUR	103,167	2.123.885,15	0,34	0,32
BELGIUM 08/18 4% 28/03	14.400.000,00	EUR	102,951	15.260.808,16	2,42	2,32
FLEMISH COMMUNITY 09/14 3,75% 31/03	5.000.000,00	EUR	101,440	5.212.368,85	0,83	0,79
FLEMISH COMMUNITY 09/16 3.875% 20/07	7.000.000,00	EUR	101,971	7.258.772,59	1,15	1,10
<u>France</u>						
FRANCE 08/13 3.75% 12/01	2.000.000,00	EUR	103,589	2.144.101,07	0,34	0,33
FRANCE 09/14 2.50% 12/01	2.500.000,00	EUR	103,296	2.642.670,02	0,42	0,40
<u>Greece</u>						
HELLENIC REPUBLIC 02/12 5.25% 18/05	1.000.000,00	EUR	37,900	411.418,03	0,07	0,06
HELLENIC REPUBLIC 07/12 4.10% 20/08	2.750.000,00	EUR	32,755	941.426,33	0,15	0,14
<u>Czech Republic</u>						
CZECHIA 05/15 3.8% 11/04	45.000.000,00	CZK	105,070	1.902.197,78	0,30	0,29
Bonds issued by credit institutions						
<u>Germany</u>						
COMMERZBANK AG 09/15 4.75 26/01	500.000,00	EUR	102,886	536.423,15	0,09	0,08
LANDESBANK BADEN-WUERTTEMBERG 09/14 3.25% 29/01	365.000,00	EUR	104,070	390.743,00	0,06	0,06
<u>Australia</u>						
ANZ NATIONAL LTD 10/15 3.125% 10/08	10.000.000,00	USD	100,086	7.803.210,42	1,24	1,19
COMMONWEALTH BK OF AUSTRALIA 11/16 3.25% 17/03-17/09	10.000.000,00	USD	101,122	7.861.027,66	1,25	1,20
NATIONAL AUSTRALIA BANK 08/15 5.50% 20/05	10.000.000,00	EUR	108,501	11.186.712,02	1,77	1,70
NATIONAL AUSTRALIA BANK 09/15 3.50% 23/01	3.500.000,00	EUR	102,351	3.696.728,11	0,59	0,56
NATIONAL AUSTRALIA BANK 3E+0.47 22/07-24/10 2.074%	4.000.000,00	EUR	99,609	3.999.650,89	0,63	0,61
WESTPAC BANKING 10/17 3.875% 19/03	7.500.000,00	EUR	101,169	7.814.775,41	1,24	1,19
WESTPAC BANKING CORP 09-16 4.25% 22/09	3.500.000,00	EUR	104,346	3.692.345,65	0,59	0,56
<u>Austria</u>						
AUST&NZ BANKING GROUP 11/16 2.40% 23/05-23/11	5.000.000,00	USD	98,689	3.810.494,01	0,60	0,58
AUST&NZ BANKING GROUP 11/16 3.25% 01/03	6.500.000,00	USD	101,498	5.135.726,28	0,81	0,78
ERSTE GROUP BANK AG 10/13 1.625 % 02/09	1.200.000,00	EUR	99,899	1.205.128,16	0,19	0,18
ERSTE GROUP BANK AG 6E+VAR 23/03-23/09 1.688%	3.000.000,00	EUR	99,522	3.002.275,12	0,48	0,46
REIFFEISENLANDESBANK NIEDEROES 6E 21/04-21/10 1.635%	7.500.000,00	EUR	99,990	7.526.710,41	1,19	1,15
<u>Belgium</u>						
FLEMISH COMMUNITY 09/23 1.231% -23/03	11.400.000,00	EUR	98,983	11.346.625,19	1,80	1,73
<u>Denmark</u>						
NYKREDIT A/S 6E +0.1 23/3-23/9 1.578%	10.000.000,00	EUR	99,867	10.036.679,99	1,59	1,53
NYKREDIT A/S 6E 23/03-23/09 1.943%	5.000.000,00	EUR	98,917	4.975.195,56	0,79	0,76

SYDBANK A/S 3E+100 03/06-05/09 2.434%	1.925.000,00	EUR	99,905	1.926.471,82	0,31	0,29
<u>Spain</u>						
AYT CEDULAS CAJAS FTA 3E+5 14/03-14/06 1.519%	5.900.000,00	EUR	95,916	5.662.924,88	0,90	0,86
CAJA AHORRO MONTE MADRID 3E+12.5 01/06-01/09 1.555%	3.400.000,00	EUR	97,250	3.310.887,70	0,52	0,50
SANTANDER INTL 3E+11 25/07-25/10 1.718%	7.600.000,00	EUR	99,271	7.568.212,99	1,20	1,15
<u>US</u>						
BANCO DESIO DELLA BRIANZ 3E+15 13/05-15/08 1.57%	4.050.000,00	EUR	96,722	3.925.593,45	0,62	0,60
BANK OF AMERICA 3E+15 05/05-05/08 1.552%	4.500.000,00	EUR	89,469	4.037.566,25	0,64	0,61
BANK OF AMERICA 3E+15 12/12-12/03 1.620%	15.000.000,00	EUR	92,294	13.856.250,00	2,20	2,11
CITIGROUP INC 3E+14 06/06-05/09 1.575%	11.500.000,00	EUR	94,083	10.832.394,65	1,72	1,65
HSBC FINANCE CORP 3E+24 28/04-28/07 0.885%	8.799.000,00	EUR	95,042	8.390.893,58	1,33	1,28
MERRILL LYNCH & CO 3E+45 22/07-24/10 2.054%	8.679.000,00	EUR	86,416	7.532.898,99	1,19	1,15
MORGAN J.P. & CO 07/15 5.25% 14/01	10.000.000,00	EUR	106,743	11.177.724,65	1,77	1,70
<u>Finland</u>						
FINGRID OYJ 3S+12 18/10/11-18/01/12 3.71%	50.000.000,00	SEK	99,133	5.611.975,41	0,89	0,85
<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 10/12 2.026% 24/09	500.000,00	EUR	99,590	498.029,58	0,08	0,08
BANQUE FEDERATIVE DU CREDIT MUTUEL 3E+12.5 20/07-20/10 1.733%	7.500.000,00	EUR	97,780	7.358.705,00	1,17	1,12
BANQUE FEDERATIVE DU CREDIT MUTUEL 3E+15 27/05-29/08 1.585%	5.500.000,00	EUR	96,103	5.293.604,55	0,84	0,81
BNP PARIBAS 10-15 2.5% 09/06	4.000.000,00	EUR	99,327	4.028.817,70	0,64	0,61
CAISSE CENTR.CREDIT IMMOB. 02/12 5.875% 25/4	840.000,00	EUR	100,771	880.050,58	0,14	0,13
CAISSE CENTR.CREDIT IMMOB. 10/15 3.75 22/01	710.000,00	EUR	93,533	689.028,05	0,11	0,11
CAISSE CENTRALE DU CREDIT IMMO 3W +7.5BP 14/02-16/05	350.000,00	EUR	99,914	350.387,27	0,06	0,05
CIE FINANCEMENT FONCIER 10/15 2.625% 16/04	1.700.000,00	EUR	99,566	1.724.078,97	0,27	0,26
CIF EUROMORTGAGE 04/14 4.50 % 10/06	1.700.000,00	EUR	104,648	1.821.446,33	0,29	0,28
CREDIT AGRICOLE 08/18 5.971% 01/02	6.000.000,00	EUR	90,994	5.785.509,37	0,92	0,88
CREDIT AGRICOLE (LONDON) 3E+44 12/09-12/12 1.910%	800.000,00	EUR	99,608	797.628,00	0,13	0,12
CREDIT AGRICOLE HOME LOAN SFH 10/15 2.50% 24/06	14.000.000,00	EUR	99,407	14.097.717,70	2,23	2,15
DEXIA CREDIT LOCAL 3E+15 10/10-09/01 1.706%	7.350.000,00	EUR	27,500	2.049.462,98	0,33	0,31
<u>Ireland</u>						
AEGON GLOBAL INST 07/12 4.25% 23/01	17.500.000,00	EUR	99,720	18.145.845,88	2,87	2,76
IRISH INTERCONTINENTAL BANK 3E+16 21/07-21/10 1.769%	15.000.000,00	EUR	84,213	12.682.766,28	2,01	1,93
<u>Italy</u>						
BANCA INTESA SPA 3E+17.5 21/03-20/06 1.345%	6.900.000,00	EUR	76,263	5.265.198,33	0,83	0,80
BANCA INTESA SPA 3E+20 01/07-03/10 1.737%	10.000.000,00	EUR	86,707	8.713.477,77	1,38	1,33
INTESA SANPAOLO SPA 09/12 2.625 04/12	2.700.000,00	EUR	97,927	2.649.066,81	0,42	0,40
UNICREDIT SPA 3E+17.5 BP 18/05-18/08 1.601%	1.500.000,00	EUR	83,226	1.251.247,75	0,20	0,19
<u>Norway</u>						
DNB NORBANK BOLIGKREDITT 11/16 2.50% 18/10	8.000.000,00	EUR	101,136	8.130.770,70	1,29	1,24
<u>Netherlands</u>						
ABN AMRO BANK NV 11/18 3.50% 12/01	5.500.000,00	EUR	104,577	5.937.378,83	0,94	0,90
ABN AMRO BANK NV 3R 10/13 17/10-16/01 2.522%	7.000.000,00	EUR	99,928	7.031.248,78	1,11	1,07
BANK NED. GEMEENTEN 11/16 2.50% 18/01	4.600.000,00	EUR	102,058	4.803.681,70	0,76	0,73
COOPERATIEVE CENTRALE RAIFFEIS 11/16 3.875% 20/04	5.000.000,00	EUR	104,119	5.340.410,38	0,85	0,81
FORTIS BK NEDERLAND NV 10/12 1.796% 03/02	3.120.000,00	EUR	100,103	3.135.489,50	0,50	0,48
ING BANK 3E+55 10/10-09/01 2.106%	5.000.000,00	EUR	99,072	4.977.292,50	0,79	0,76
ING VERZEKERINGEN 3E+175 18/06-20/09 0.902%	5.500.000,00	EUR	95,788	5.271.018,80	0,84	0,80

KBC IFIMA 3E+20 14/03-14/06 2.169%	10.000.000,00	EUR	75,875	7.596.966,66	1,20	1,16
RABOBANK NEDERLAND NV 09/16 4.375% 05/05	6.000.000,00	EUR	106,298	6.549.293,93	1,04	1,00
RABOBANK NEDERLAND NV 3E+45BP 17/06-19/09 1.935 %	5.000.000,00	EUR	100,175	5.011.605,42	0,79	0,76
<u>UK</u>						
BANK OF SCOTLAND_PLC 3E+.075 25/07-24/10 1.683%	1.725.000,00	EUR	95,430	1.651.493,58	0,26	0,25
CLYDESDALE BANK 3E+7.5 30/11-29/02 1.552%	5.488.000,00	EUR	99,682	5.477.645,97	0,87	0,83
HBOS TREASURY SERVICES PLC 3L+5 16/05-16/08 0.31075%	7.600.000,00	USD	99,451	5.825.773,02	0,92	0,89
LLOYDS BANKING GROUP PLC 09/14 6.25% 15/04	1.480.000,00	EUR	102,697	1.585.373,25	0,25	0,24
ROYAL BANK OF SCOTLAND GROUP PLC 08/13 5.25% 15/05	600.000,00	EUR	100,214	620.993,02	0,10	0,09
ROYAL BANK OF SCOTLAND GROUP PLC 10/13 3.4% 23/08	8.000.000,00	USD	98,568	6.148.047,72	0,97	0,94
ROYAL BANK OF SCOTLAND GROUP PLC 10/15 4.875% 15/07	2.072.000,00	EUR	97,320	2.062.835,65	0,33	0,31
ROYAL BANK OF SCOTLAND GROUP PLC 2011-2016 4% 15-03	10.000.000,00	EUR	103,248	10.641.739,89	1,69	1,62
UBS LONDON 08/13 4.875% 21/1	5.000.000,00	EUR	102,273	5.342.717,47	0,85	0,81
UBS LONDON 09/14 5.625% 19/05	525.000,00	EUR	106,351	576.497,21	0,09	0,09
<u>Sweden</u>						
NORDEA BANK AB 10/13 1.75% 04/10	15.558.000,00	USD	97,814	11.772.410,41	1,86	1,79
SVENSKA HANDBK 10/17 3.75% 24/02	13.100.000,00	EUR	103,058	13.916.478,13	2,20	2,12
SWEDBANK 6E 16/05-23/09 1.97600	8.000.000,00	EUR	99,319	7.989.358,66	1,27	1,22
SWEDBANK HYPOTEK AB 11/16 2.95% 28/03-09	4.500.000,00	USD	102,185	3.568.209,83	0,57	0,54
<u>Switzerland</u>						
CREDIT SUISSE 05/2012 3.125% 14/09	1.700.000,00	EUR	100,851	1.729.998,08	0,27	0,26
CREDIT SUISSE LONDON 08/13 6.125% 05/08	4.000.000,00	EUR	105,318	4.311.121,64	0,68	0,66
CREDIT SUISSE LONDON 3E+5 06/06-05/09 1.485%	12.292.000,00	EUR	99,996	12.304.474,67	1,95	1,87
Private-sector bonds						
<u>Germany</u>						
BAYERISCHE LANDESBANK GIRO 01/10/2012	2.500.000,00	EUR	99,979	2.499.475,00	0,40	0,38
BAYERISCHE LANDESBANK GIRO 23/03/2012	3.500.000,00	EUR	99,715	3.490.025,00	0,55	0,53
COMMERZBANK AG 01/10/2012	1.500.000,00	USD	99,988	1.155.307,35	0,18	0,18
DEUTSCHE APOTHEKER ARZ 01/10/2012	2.000.000,00	EUR	99,979	1.999.580,00	0,32	0,30
DEUTSCHE APOTHEKER ARZ 02/10/2012	5.000.000,00	EUR	99,873	4.993.650,00	0,79	0,76
DEUTSCHE APOTHEKER ARZ 23/03/2012	7.000.000,00	EUR	99,712	6.979.840,00	1,11	1,06
DEUTSCHE POST AG 29/07/11-10/01/12	7.000.000,00	EUR	99,981	6.998.670,00	1,11	1,07
DEUTSCHE POSTBANK AG 01/10/2012	500.000,00	USD	99,971	385.036,97	0,06	0,06
LANDBK HESSEN-THUERINGEN 01/10/2012	3.500.000,00	USD	99,985	2.695.636,27	0,43	0,41
<u>Austria</u>						
RAIFFEISEN BANK INTL 02/10/2012	5.000.000,00	EUR	99,864	4.993.200,00	0,79	0,76
<u>Belgium</u>						
SOC PUBL DE GESTION DE L'EAU SA 23/04/2012	5.000.000,00	EUR	99,515	4.975.750,00	0,79	0,76
<u>Denmark</u>						
JYSKE BANK A/S 01/10/2012	1.000.000,00	USD	99,984	770.174,08	0,12	0,12
JYSKE BANK A/S 01/10/2012	3.500.000,00	EUR	99,978	3.499.230,00	0,55	0,53
NYKREDIT A/S 23/03/2012	5.000.000,00	EUR	99,689	4.984.450,00	0,79	0,76
<u>Spain</u>						
CORES 08/18 4.50% 23/04	9.300.000,00	EUR	98,372	9.435.600,09	1,49	1,44
<u>US</u>						
GENERAL ELEC CAP CORP 3E+14 05/07-03/10 1.696%	1.400.000,00	EUR	96,328	1.354.375,56	0,22	0,21
GENERAL ELEC CAP CORP 3L+13 02/08-02/11 0.38550%	16.750.000,00	USD	99,650	12.868.950,92	2,04	1,96

PFIZER 07/14 4.75 15/12	5.400.000,00	EUR	109,369	5.916.429,38	0,94	0,90
<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/03/2012	1.000.000,00	USD	99,790	768.679,71	0,12	0,12
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/03/2012	5.000.000,00	USD	99,809	3.844.130,34	0,61	0,59
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/04/2012	2.000.000,00	EUR	99,532	1.990.640,00	0,32	0,30
BPCE SA 22/06/2012	5.000.000,00	EUR	99,190	4.959.500,00	0,79	0,76
NATIXIS 23/03/2012	5.000.000,00	EUR	99,710	4.985.500,00	0,79	0,76
NATIXIS 23/03/2012	4.000.000,00	EUR	99,695	3.987.800,00	0,63	0,61
<u>Ireland</u>						
UNICREDIT BANK IRELAND 6E 10/05-10/11 1.91	2.500.000,00	EUR	99,837	2.501.865,97	0,40	0,38
<u>Italy</u>						
AUTO ABS COMPARTIMENT 3E+14 25/07-25/10 1.748%	12.000.000,00	EUR	98,638	5.250.554,82	0,83	0,80
<u>Netherlands</u>						
ABN AMRO BANK NV 01/10/2012	1.000.000,00	EUR	99,978	999.780,00	0,16	0,15
ABN AMRO BANK NV 23/03/2012	3.000.000,00	EUR	99,711	2.991.330,00	0,47	0,46
B.M.W. FIN 02/10/2012	5.000.000,00	EUR	99,867	4.993.350,00	0,79	0,76
ING BANK 23/04/2012	5.000.000,00	EUR	99,548	4.977.400,00	0,79	0,76
<u>UK</u>						
BARCLAYS BANK PLC 01/10/2012	9.400.000,00	USD	99,996	7.240.534,52	1,15	1,10
CLYDESDALE BANK 01/10/2012	4.000.000,00	EUR	99,979	3.999.160,00	0,63	0,61
GRANITE MASTER ISSUER PLC 1L+16 20/10-21/11 0.78750%	12.500.000,00	GBP	94,100	5.855.792,85	0,93	0,89
LANDESBANK BW LONDON 23/03/2012	7.000.000,00	USD	99,732	5.377.630,57	0,85	0,82
LLOYDS BANKING GROUP PLC 01/10/2012	5.000.000,00	EUR	99,979	4.998.950,00	0,79	0,76
LLOYDS BANKING GROUP PLC 05/10/2012	9.000.000,00	EUR	99,483	8.953.470,00	1,42	1,36
PERMANENT MASTER ISSUER PLC 3E+9 15/04-15/07 1.417%	7.000.000,00	EUR	99,916	3.509.018,56	0,56	0,53
ROYAL BANK OF SCOTLAND GROUP PLC 02/10/2012	8.000.000,00	EUR	99,870	7.989.600,00	1,27	1,22
ROYAL BANK OF SCOTLAND GROUP PLC 23/03/2012	5.000.000,00	EUR	99,682	4.984.100,00	0,79	0,76
<u>Sweden</u>						
SWEDBANK 23/03/2012	7.500.000,00	USD	99,854	5.768.795,25	0,91	0,88
Total bonds				650.067.250,89	102,96	98,90
Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-18.668.828,79	-2,96	-2,84
Total swaps				-18.668.828,79	-2,96	-2,84
TOTAL SECURITIES PORTFOLIO				631.398.422,10	100,00	96,06
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP CZK	5.850,85	CZK	1,000	229,42		
KBC GROUP EURO	916.841,18	EUR	1,000	916.841,18		0,14
KBC GROUP GBP	14,24	GBP	1,000	17,05		
KBC GROUP HUF	177.608,37	HUF	1,000	564,25		
KBC GROUP PLN	28.905,74	PLN	1,000	6.484,31		0,00
KBC GROUP USD	9.795.907,65	USD	1,000	7.545.761,55		1,15
Total demand accounts				8.469.897,76		1,29

Time deposit accounts						
<u>Belgium</u>						
KBC BANK NV 05/08-10/01/12 KBCBANK 4.250 %	2.000.000,00	PLN	99,991	448.611,42		0,07
KBC BANK NV 07/10-23/03/12 KBCBANK 1.000 %	2.000.000,00	CZK	99,981	78.407,24		0,01
KBC BANK NV 07/12-23/03/12 KBCBANK 1.000 %	12.500.000,00	CZK	100,005	490.162,92		0,08
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	20.950.000,00	PLN	99,984	4.698.875,68		0,72
KBC BANK NV 08/07-10/01/12 KBCBANK 5.250 %	34.000.000,00	HUF	99,967	107.979,73		0,02
KBC BANK NV 08/11-23/03/12 KBCBANK 0.900 %	9.000.000,00	CZK	99,958	352.751,44		0,05
KBC BANK NV 10/11-10/05/12 KBCBANK 0.950 %	13.400.000,00	CZK	99,899	524.897,70		0,08
KBC BANK NV 10/11-23/03/12 KBCBANK 0.900 %	9.800.000,00	CZK	99,958	384.107,12		0,06
KBC BANK NV 14/07-10/01/12 KBCBANK 4.000 %	3.730.000,00	PLN	99,983	836.593,37		0,13
KBC BANK NV 15/09-10/01/12 KBCBANK 4.400 %	2.700.000,00	PLN	99,997	605.661,76		0,09
KBC BANK NV 15/12-10/01/12 KBCBANK 4.600 %	1.830.000,00	PLN	100,005	410.536,93		0,06
KBC BANK NV 19/09-10/01/12 KBCBANK 1.000 %	65.100.000,00	CZK	100,009	2.552.870,61		0,39
KBC BANK NV 23/09-10/01/12 KBCBANK 4.450 %	6.400.000,00	PLN	99,998	1.435.657,06		0,22
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	51.000.000,00	CZK	100,005	1.999.864,73		0,30
KBC BANK NV 23/09-23/03/12 KBCBANK 4.450 %	18.020.000,00	PLN	99,891	4.037.946,56		0,61
KBC BANK NV 24/11-10/01/12 KBCBANK 5.200 %	1.600.000,00	PLN	100,024	359.007,58		0,06
KBC BANK NV 26/08-10/01/12 KBCBANK 0.850 %	800.000,00	CZK	100,004	31.370,12		0,01
KBC BANK NV 26/10-10/01/12 KBCBANK 0.800 %	52.700.000,00	CZK	100,002	2.066.464,89		0,31
KBC BANK NV 29/07-10/01/12 KBCBANK 4.100 %	11.200.000,00	PLN	99,986	2.512.098,34		0,38
KBC BANK NV 29/08-10/01/12 KBCBANK 4.000 %	240.000,00	PLN	99,983	53.829,06		0,01
KBC BANK NV 30/12-10/01/12 KBCBANK 0.700 %	11.700.000,00	CZK	100,000	458.769,56		0,07
Total time deposit accounts				24.446.463,82		3,72
TOTAL CASH AT BANK AND IN HAND				32.916.361,58		5,01
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP CZK RECEIVABLES	23,73	CZK	1,000	0,93		
KBC GROUP EUR RECEIVABLES	172,17	EUR	1,000	172,17		
KBC GROUP HUF TE ONTVANGEN	744,29	HUF	1,000	2,36		
KBC GROUP PLN RECEIVABLES	92,26	PLN	1,000	20,70		
KBC GROUP USD RECEIVABLES	40,14	USD	1,000	30,92		
Total receivables				227,08		
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-9.399.817,23	USD	1,000	-7.240.654,16		-1,10
Total debts				-7.240.654,16		-1,10
TOTAL OTHER RECEIVABLES AND PAYABLES				-7.240.427,08		-1,10
OTHER						
Accrued interest		EUR		255.643,14		0,04
Expenses payable		EUR		-18.790,10		0,00
TOTAL OTHER				236.853,04		0,04
TOTAL NET ASSETS				657.311.209,64		100,00

1.7.2 COMPOSITION OF THE ASSETS OF OPAL FINANCIAL PRODUCTS PLC

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Government bonds						
<u>Austria</u>						
AUSTRIA 09/14 3.40% 20/10	450.000,00	EUR	106,309	481.357,35	0,12	0,11
<u>Belgium</u>						
BELGIUM 02/17 5.5% 28/09	18.650.000,00	EUR	110,475	20.864.262,26	5,16	4,98
BELGIUM 04/14 4.25 % 28/09	450.000,00	EUR	104,162	473.590,18	0,12	0,11
BELGIUM 08/14 4,00% 28/03	1.800.000,00	EUR	103,313	1.914.121,14	0,47	0,46
BELGIUM 09/14 3.50% 28/03	700.000,00	EUR	102,146	733.567,30	0,18	0,17
FLEMISH COMMUNITY 09/12 2.75% 30/03	23.500.000,00	EUR	100,297	24.055.365,35	5,95	5,74
<u>Europe</u>						
EUROPEAN UNION 11/18 3.25% 04-04	3.500.000,00	EUR	105,140	3.767.232,65	0,93	0,90
<u>France</u>						
CADES 11/16 2.375% 31/03-30/09	5.000.000,00	USD	99,135	3.841.039,52	0,95	0,92
<u>Greece</u>						
HELLENIC REPUBLIC 07/12 4.10% 20/08	325.000,00	EUR	32,755	111.259,48	0,03	0,03
<u>Czech Republic</u>						
CZECHIA 05/15 3.8% 11/04	21.500.000,00	CZK	105,070	908.827,83	0,22	0,22
Bonds issued by credit institutions						
<u>Germany</u>						
COMMERZBANK AG 09/15 4.75 26/01	425.000,00	EUR	102,886	455.959,68	0,11	0,11
L-BANK BW FOERDERBANK 10/13 1.00 15/10	4.500.000,00	USD	100,099	3.476.991,22	0,86	0,83
LANDBK HESSEN-THUERINGEN 10/15 0% 23/09	5.000.000,00	USD	99,920	3.859.185,66	0,96	0,92
VOLKSWAGEN LEASE 11/15 2.75% 13/07	3.500.000,00	EUR	101,868	3.610.086,28	0,89	0,86
<u>Australia</u>						
NATIONAL AUSTRALIA BANK 3E+0.47 22/07-24/10 2.074%	3.000.000,00	EUR	99,609	2.999.738,17	0,74	0,72
<u>Austria</u>						
ERSTE GROUP BANK AG 10/13 1.625 % 02/09	1.000.000,00	EUR	99,899	1.004.273,47	0,25	0,24
ERSTE GROUP BANK AG 6E+VAR 23/03-23/09 1.688%	200.000,00	EUR	99,522	200.151,68	0,05	0,05
<u>Belgium</u>						
FORTIS BANK SA/NA 07/14 4.50% 30/05	15.000.000,00	EUR	102,214	15.726.772,13	3,89	3,75
<u>Denmark</u>						
NYKREDIT A/S 6E +0.1 23/3-23/9 1.578%	3.000.000,00	EUR	99,867	3.011.004,00	0,75	0,72
SYDBANK A/S 3E+100 03/06-05/09 2.434%	1.935.000,00	EUR	99,905	1.936.479,47	0,48	0,46
<u>Spain</u>						
BPE FINANCIACIONES SA 3E+7.5 08/08-08/11 1.677%	1.900.000,00	EUR	99,781	1.900.128,57	0,47	0,45

SANTANDER INTL 3E+12 29/07-31/10 1.732%	8.900.000,00	EUR	99,916	8.917.888,99	2,21	2,13
<u>US</u>						
BANCO DESIO DELLA BRIANZ 3E+15 13/05-15/08 1.57%	4.050.000,00	EUR	96,722	3.925.593,45	0,97	0,94
BANK OF AMERICA 3E+15 05/05-05/08 1.552%	4.700.000,00	EUR	89,469	4.217.013,64	1,04	1,01
JPMORGAN CHASE & CO 3L+10 28/03-27/06 0.925%	6.750.000,00	GBP	99,800	8.065.287,25	2,00	1,92
MORGAN J.P. & CO 07/15 5.25% 14/01	2.500.000,00	EUR	106,743	2.794.431,16	0,69	0,67
MORGAN J.P. & CO 11/16 3.15% 05/01-07	500.000,00	USD	100,773	394.225,66	0,10	0,09
WELLS FARGO COMPANY 3L+9 25/10-25/01 1.07475%	8.834.000,00	GBP	99,984	10.594.701,80	2,62	2,53
<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 3E+15 27/05-29/08 1.585%	1.850.000,00	EUR	96,103	1.780.576,08	0,44	0,42
BNP PARIBAS 10-15 2.5% 09/06	7.000.000,00	EUR	99,327	7.050.430,98	1,75	1,68
CAISSE CENTR.CREDIT IMMOB. 02/12 5.875% 25/4	420.000,00	EUR	100,771	440.025,29	0,11	0,10
CAISSE CENTR.CREDIT IMMOB. 10/15 FRN 23/9	6.500.000,00	EUR	98,997	6.466.428,59	1,60	1,54
CAISSE CENTR.CREDIT IMMOB. 10/15 3.75 22/01	599.000,00	EUR	93,533	581.306,75	0,14	0,14
CIE FINANCEMENT FONCIER 10/15 2.625% 16/04	800.000,00	EUR	99,566	811.331,28	0,20	0,19
CIF EUROMORTGAGE 04/14 4.50 % 10/06	800.000,00	EUR	104,648	857.151,21	0,21	0,20
CREDIT AGRICOLE 08/18 5.971% 01/02	9.500.000,00	EUR	90,994	9.160.389,83	2,27	2,18
CREDIT AGRICOLE (LONDON) 3E+44 12/09-12/12 1.910%	2.000.000,00	EUR	99,608	1.994.070,00	0,49	0,48
DEXIA CREDIT LOCAL 3E+15 10/10-09/01 1.706%	6.650.000,00	EUR	27,500	1.854.276,03	0,46	0,44
SOCIETE GENERALE 11/16 3.25% 06/06	3.500.000,00	EUR	101,031	3.600.419,01	0,89	0,86
<u>Ireland</u>						
GE CAPITAL EURO FUNDING 11/16 3.75% 04/04	5.000.000,00	EUR	102,588	5.267.719,67	1,30	1,26
<u>Italy</u>						
INTESA SANPAOLO SPA 09/12 2.625 04/12	2.400.000,00	EUR	97,927	2.354.726,05	0,58	0,56
INTESA SANPAOLO SPA 3E+37.5BP 17/06-19/09 1.86%	4.000.000,00	EUR	96,150	3.848.192,66	0,95	0,92
<u>Netherlands</u>						
COOPERATIEVE CENTRALE RAIFFEIS 3E +30 14/04-14/07 1.620%	12.000.000,00	EUR	99,993	12.047.182,33	2,98	2,87
ING BANK 2011-2016 3.25% 03-03	10.000.000,00	EUR	103,939	10.662.069,39	2,64	2,54
ING BANK 3E+55 10/10-09/01 2.106%	5.000.000,00	EUR	99,072	4.977.292,50	1,23	1,19
KBC IFIMA 05/20 4.05% 21/12	236.000.000,00	SKK	93,490	7.331.588,42	1,81	1,75
RABOBANK NEDERLAND NV 09/16 4.375% 05/05	1.900.000,00	EUR	106,298	2.073.943,08	0,51	0,49
<u>UK</u>						
BARCLAYS BANK PLC 3E+80 28/01-28/04 1.851%	3.000.000,00	EUR	99,750	3.005.037,00	0,74	0,72
HBOS TREASURY SERVICES PLC 3L+5 16/05-16/08 0.31075%	9.500.000,00	USD	99,451	7.282.216,27	1,80	1,74
LLOYDS BANKING GROUP PLC 09/14 6.25% 15/04	1.180.000,00	EUR	102,697	1.264.013,81	0,31	0,30
ROYAL BANK OF SCOTLAND GROUP PLC 08/13 5.25% 15/05	300.000,00	EUR	100,214	310.496,51	0,08	0,07
ROYAL BANK OF SCOTLAND GROUP PLC 10/12 2.921% 15/6-15/9	6.900.000,00	EUR	99,806	6.894.882,50	1,71	1,64
ROYAL BANK OF SCOTLAND GROUP PLC 10/13 3.4% 23/08	5.000.000,00	USD	98,568	3.842.529,83	0,95	0,92
ROYAL BANK OF SCOTLAND GROUP PLC 6E 11/13 22/2-22/8 2.419%	10.000.000,00	EUR	96,545	9.659.648,88	2,39	2,30
UBS LONDON 09/14 5.625% 19/05	440.000,00	EUR	106,351	483.159,56	0,12	0,12
<u>Slovenia</u>						
NOVA LJUBLJANSKA BANK 3E+20 28/06-28/09 1.728%	10.000.000,00	EUR	98,491	9.850.007,91	2,44	2,35
<u>Sweden</u>						
SVENSKA HANDBK 10/17 3.75% 24/02	4.200.000,00	EUR	103,058	4.461.771,62	1,10	1,06
SWEDBANK 10/13 3.125% 04/03	3.000.000,00	EUR	101,071	3.109.230,56	0,77	0,74

<u>Switzerland</u>						
CREDIT SUISSE 05/2012 3.125% 14/09	1.250.000,00	EUR	100,851	1.272.057,41	0,31	0,30
CREDIT SUISSE LONDON 08/13 6.125% 05/08	2.000.000,00	EUR	105,318	2.155.560,82	0,53	0,51
Private-sector bonds						
<u>Germany</u>						
BASF SE 07/14 5.00 26/09	4.000.000,00	EUR	109,324	4.424.861,77	1,10	1,06
BAYERISCHE LANDESBANK GIRO 01/10/2012	1.500.000,00	EUR	99,979	1.499.685,00	0,37	0,36
BAYERISCHE LANDESBANK GIRO 23/03/2012	9.500.000,00	EUR	99,713	9.472.735,00	2,34	2,26
COMMERZBANK AG 01/10/2012	3.000.000,00	USD	99,989	2.310.637,81	0,57	0,55
COMMERZBANK AG 01/10/2012	6.500.000,00	EUR	99,980	6.498.700,00	1,61	1,55
DEUTSCHE APOTHEKER ARZ 02/10/2012	2.000.000,00	EUR	99,873	1.997.460,00	0,49	0,48
DEUTSCHE POSTBANK AG 01/10/2012	1.500.000,00	USD	99,971	1.155.110,92	0,29	0,28
LANDBK HESSEN-THUERINGEN 01/10/2012	1.000.000,00	EUR	99,979	999.790,00	0,25	0,24
LANDBK HESSEN-THUERINGEN 01/10/2012	7.500.000,00	USD	99,985	5.776.363,43	1,43	1,38
<u>Austria</u>						
RAIFFEISEN BANK INTL 02/10/2012	2.000.000,00	EUR	99,864	1.997.280,00	0,49	0,48
RAIFFEISEN BANK INTL 23/04/2012	900.000,00	EUR	99,547	895.923,00	0,22	0,21
<u>Denmark</u>						
JYSKE BANK A/S 01/10/2012	1.000.000,00	USD	99,984	770.174,08	0,19	0,18
JYSKE BANK A/S 01/10/2012	2.500.000,00	EUR	99,978	2.499.450,00	0,62	0,60
JYSKE BANK A/S 23/03/2012	1.000.000,00	USD	99,657	767.655,22	0,19	0,18
<u>US</u>						
GENERAL ELEC CAP CORP 3E+14 05/07-03/10 1.696%	10.400.000,00	EUR	96,328	10.061.075,55	2,49	2,40
GENERAL ELEC CAP CORP 3L+26 15/09-15/12 0.60711%	5.000.000,00	USD	95,955	3.696.987,90	0,92	0,88
NEW YORK LIFE GLOBAL FDG 07/12 5.25% 16/04-10	20.000.000,00	USD	103,475	16.107.559,17	3,99	3,84
PFIZER 07/14 4.75 15/12	15.000.000,00	EUR	109,369	16.434.526,07	4,07	3,92
<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/03/2012	500.000,00	USD	99,790	384.339,86	0,10	0,09
BNP PARIBAS 23/04/2012	5.000.000,00	EUR	99,548	4.977.400,00	1,23	1,19
BPCE SA 22/06/2012	4.000.000,00	EUR	99,190	3.967.600,00	0,98	0,95
NATIXIS 23/03/2012	3.000.000,00	EUR	99,710	2.991.300,00	0,74	0,71
<u>Ireland</u>						
UNICREDIT BANK IRELAND 6E 10/05-10/11 1.91	12.500.000,00	EUR	99,837	12.509.329,85	3,10	2,98
<u>Italy</u>						
CORDUSIO RMBS SRL 3E+13 30/06-30/09 1.661%	25.000.000,00	EUR	90,864	11.454.035,00	2,84	2,73
<u>Netherlands</u>						
ABN AMRO BANK NV 01/10/2012	500.000,00	EUR	99,978	499.890,00	0,12	0,12
ABN AMRO BANK NV 23/03/2012	3.500.000,00	EUR	99,711	3.489.885,00	0,86	0,83
BELUGA MASTER ISSUER BV 3E+13 28/04-28/07 0.775% A2	7.000.000,00	EUR	99,137	6.960.636,90	1,72	1,66
ING BANK 05/10/2012	5.000.000,00	EUR	99,461	4.973.050,00	1,23	1,19
<u>UK</u>						
BARCLAYS BANK PLC 01/10/2012	3.500.000,00	USD	99,996	2.695.943,71	0,67	0,64
CLYDESDALE BANK 01/10/2012	1.000.000,00	USD	99,983	770.166,38	0,19	0,18
LANDESBANK BW LONDON 23/03/2012	1.000.000,00	USD	99,732	768.232,94	0,19	0,18

<u>Sweden</u>						
SWEDBANK 01/10/2012	1.500.000,00	USD	99,991	1.155.342,01	0,29	0,28
Total bonds				415.953.393,74	102,95	99,21
Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-11.935.255,93	-2,95	-2,85
Total swaps				-11.935.255,93	-2,95	-2,85
TOTAL SECURITIES PORTFOLIO				404.018.137,81	100,00	96,36
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP CZK	14.638,51	CZK	1,000	573,99		
KBC GROUP EURO	895.131,02	EUR	1,000	895.131,02		0,21
KBC GROUP GBP	10,36	GBP	1,000	12,40		
KBC GROUP HUF	188.187,28	HUF	1,000	597,86		
KBC GROUP PLN	9.440,72	PLN	1,000	2.117,80		
KBC GROUP USD	3.699.135,85	USD	1,000	2.849.434,49		0,68
Total demand accounts				3.747.867,56		0,89
Time deposit accounts						
<u>Belgium</u>						
KBC BANK NV 05/08-10/01/12 KBCBANK 4.250 %	1.100.000,00	PLN	99,991	246.736,28		0,06
KBC BANK NV 07/09-10/01/12 KBCBANK 0.850 %	2.000.000,00	CZK	100,004	78.425,28		0,02
KBC BANK NV 07/10-23/03/12 KBCBANK 1.000 %	13.300.000,00	CZK	99,981	521.408,19		0,12
KBC BANK NV 07/10-23/03/12 KBCBANK 1.000 %	2.500.000,00	PLN	99,950	560.534,34		0,13
KBC BANK NV 07/12-10/01/12 KBCBANK 0.950 %	5.900.000,00	CZK	100,007	231.361,53		0,06
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	3.500.000,00	CZK	100,001	137.240,13		0,03
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	4.700.000,00	PLN	99,984	1.054.163,04		0,25
KBC BANK NV 08/07-10/01/12 KBCBANK 5.250 %	16.400.000,00	HUF	99,967	52.084,35		0,01
KBC BANK NV 08/11-23/03/12 KBCBANK 0.900 %	17.100.000,00	CZK	99,958	670.227,74		0,16
KBC BANK NV 10/11-10/05/12 KBCBANK 0.950 %	12.000.000,00	CZK	99,899	470.057,64		0,11
KBC BANK NV 10/11-23/03/12 KBCBANK 0.900 %	10.500.000,00	CZK	99,958	411.543,35		0,10
KBC BANK NV 12/07-10/01/12 KBCBANK 0.750 %	3.200.000,00	CZK	100,001	125.476,69		0,03
KBC BANK NV 12/09-10/01/12 KBCBANK 0.880 %	3.550.000,00	CZK	100,005	139.206,27		0,03
KBC BANK NV 14/07-10/01/12 KBCBANK 4.000 %	1.150.000,00	PLN	99,983	257.930,93		0,06
KBC BANK NV 15/09-10/01/12 KBCBANK 4.400 %	1.350.000,00	PLN	99,997	302.830,88		0,07
KBC BANK NV 15/12-10/01/12 KBCBANK 4.600 %	910.000,00	PLN	100,005	204.146,78		0,05
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	71.000.000,00	CZK	100,005	2.784.125,40		0,66
KBC BANK NV 23/09-23/03/12 KBCBANK 4.450 %	10.800.000,00	PLN	99,891	2.420.078,97		0,58
KBC BANK NV 24/08-10/01/12 KBCBANK 0.850 %	51.000.000,00	CZK	100,004	1.999.844,73		0,48
KBC BANK NV 24/11-10/01/12 KBCBANK 5.200 %	750.000,00	PLN	100,024	168.284,80		0,04
KBC BANK NV 26/08-10/01/12 KBCBANK 0.850 %	400.000,00	CZK	100,004	15.685,06		
KBC BANK NV 26/10-10/01/12 KBCBANK 0.800 %	5.500.000,00	CZK	100,002	215.665,22		0,05
KBC BANK NV 29/07-10/01/12 KBCBANK 4.100 %	3.600.000,00	PLN	99,986	807.460,18		0,19
KBC BANK NV 30/12-10/01/12 KBCBANK 0.700 %	5.850.000,00	CZK	100,000	229.384,78		0,05
Total time deposit accounts				14.103.902,56		3,36
TOTAL CASH AT BANK AND IN HAND				17.851.770,12		4,26

OTHER RECEIVABLES AND PAYABLES						
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-3.499.931,95	USD	1,000	-2.695.988,25		-0,64
Total debts				-2.695.988,25		-0,64
TOTAL OTHER RECEIVABLES AND PAYABLES				-2.695.988,25		-0,64
OTHER						
Accrued interest		EUR		104.537,02		0,02
Expenses payable		EUR		-18.747,20		
TOTAL OTHER				85.789,82		0,02
TOTAL NET ASSETS				419.259.709,50		100,00

1.7.3 COMPOSITION OF THE ASSETS OF RECOLTE SECURITIES PLC.

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Government bonds						
<u>Austria</u>						
AUSTRIA 02/12 5% 15/07	2.500.000,00	EUR	102,580	2.621.877,05	0,65	0,63
<u>Belgium</u>						
BELGIUM 02/17 5.5% 28/09	2.712.600,00	EUR	110,475	3.034.659,40	0,75	0,73
BELGIUM 03/13 4.25% 28/09	600.000,00	EUR	103,602	628.091,51	0,16	0,15
BELGIUM 04/14 4.25 % 28/09	600.000,00	EUR	104,162	631.453,57	0,16	0,15
BELGIUM 08/14 4,00% 28/03	1.254.800,00	EUR	103,313	1.334.355,11	0,33	0,32
BELGIUM 08/18 4% 28/03	12.700.000,00	EUR	102,951	13.459.184,96	3,34	3,23
BELGIUM 10/15 2.75% 05/03	5.000.000,00	USD	96,015	3.784.797,11	0,94	0,91
FLEMISH COMMUNITY 09/12 2.75% 30/03	5.000.000,00	EUR	100,297	5.118.162,84	1,27	1,23
<u>Europe</u>						
EUROPEAN UNION 11/18 3.25% 04-04	4.000.000,00	EUR	105,140	4.305.408,74	1,07	1,03
<u>France</u>						
CADES 06/16 3.625% 25/04	2.000.000,00	EUR	105,118	2.151.683,77	0,54	0,52
<u>Greece</u>						
HELLENIC REPUBLIC 07/12 4.10% 20/08	5.155.000,00	EUR	32,755	1.764.746,46	0,44	0,42
<u>Netherlands</u>						
NETHERLANDS 03/13 4.25% 15/07	450.000,00	EUR	106,290	487.083,69	0,12	0,12
<u>Czech Republic</u>						
CZECHIA 05/15 3.8% 11/04	17.500.000,00	CZK	105,070	739.743,58	0,18	0,18
Bonds issued by credit institutions						
<u>Germany</u>						
COMMERZBANK AG 09/15 4.75 26/01	325.000,00	EUR	102,886	348.675,05	0,09	0,08
LANDBK HESSEN-THUERINGEN 10/15 0% 23/09	2.500.000,00	USD	99,920	1.929.592,83	0,48	0,46
VOLKSWAGEN LEASE 11/18 3.25% 10/05	5.000.000,00	EUR	101,574	5.100.899,45	1,27	1,22
<u>Australia</u>						
NATIONAL AUSTRALIA BANK 3E+0.47 22/07-24/10 2.074%	3.000.000,00	EUR	99,609	2.999.738,17	0,75	0,72
WESTPAC BANKING CORP 09-16 4.25% 22/09	1.000.000,00	EUR	104,346	1.054.955,90	0,26	0,25
<u>Austria</u>						
ERSTE GROUP BANK AG 10/13 1.625 % 02/09	1.000.000,00	EUR	99,899	1.004.273,47	0,25	0,24
ERSTE GROUP BANK AG 3E+10 25/07-25/10 1.708%	5.750.000,00	EUR	99,770	5.754.537,70	1,43	1,38
<u>Belgium</u>						
FORTIS BANK SA/NA 07/14 4.50% 30/05	15.000.000,00	EUR	102,214	15.726.772,13	3,91	3,77
FLEMISH COMMUNITY 09/23 1.231% -23/03	11.400.000,00	EUR	98,983	11.346.625,19	2,82	2,72

<u>Denmark</u>						
NYKREDIT A/S 6E +0.1 23/3-23/9 1.578%	3.000.000,00	EUR	99,867	3.011.004,00	0,75	0,72
<u>Spain</u>						
SANTANDER INTL 3E+11 25/07-25/10 1.718%	3.450.000,00	EUR	99,271	3.435.570,37	0,85	0,82
<u>US</u>						
HSBC FINANCE CORP 3E+24 28/04-28/07 0.885%	14.377.000,00	EUR	95,042	13.710.180,36	3,41	3,29
JPMORGAN CHASE & CO 3L+10 28/03-27/06 0.925%	15.900.000,00	GBP	99,800	18.998.232,18	4,72	4,55
MORGAN J.P. & CO 07/15 5.25% 14/01	6.000.000,00	EUR	106,743	6.706.634,79	1,67	1,61
MORGAN J.P. & CO 11/16 3.15% 05/01-07	2.000.000,00	USD	100,773	1.576.902,63	0,39	0,38
MORGAN STANLEY 3E+30 29/11-29/02 1.775%	3.000.000,00	EUR	91,891	2.761.315,42	0,69	0,66
<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 3E+15 12/10-12/01 1.717%	16.745.000,00	EUR	97,332	16.361.336,23	4,06	3,92
BANQUE FEDERATIVE DU CREDIT MUTUEL 3E+15 27/05-29/08 1.585%	2.800.000,00	EUR	96,103	2.694.925,95	0,67	0,65
BPCE SA 10/12 1.311 % 20/07	4.500.000,00	EUR	99,679	4.503.562,37	1,12	1,08
BPCE SA 11/16 3.625% 12/5	4.000.000,00	EUR	102,985	4.211.312,57	1,05	1,01
CAISSE CENTR.CREDIT IMMOB. 10/15 FRN 23/9	12.000.000,00	EUR	98,997	11.938.022,02	2,97	2,86
CAISSE CENTR.CREDIT IMMOB. 10/15 3.75 22/01	460.000,00	EUR	93,533	446.412,53	0,11	0,11
CAISSE CENTRALE DESJARDINS 3E+7.5 28/03-27/06 1.601%	10.000.000,00	EUR	100,016	10.002.421,66	2,49	2,40
CIE FINANCEMENT FONCIER 10/15 2.625% 16/04	600.000,00	EUR	99,566	608.498,46	0,15	0,15
CIF EUROMORTGAGE 04/14 4.50 % 10/06	600.000,00	EUR	104,648	642.863,41	0,16	0,15
DEXIA CREDIT LOCAL 3E+15 10/10-09/01 1.706%	7.350.000,00	EUR	27,500	2.049.462,98	0,51	0,49
SOCIETE GENERALE 11/16 3.25% 06/06	2.500.000,00	EUR	101,031	2.571.727,87	0,64	0,62
SOCIETE GENERALE 6E+8 25/03-23/09 1.581%	10.000.000,00	EUR	99,788	10.028.235,55	2,49	2,40
<u>Ireland</u>						
DEPFA BANK PLC/IRELAND 6P+19 23/04-23/10 0.66250%	8.500.000,00	USD	88,707	5.818.176,37	1,45	1,39
<u>Italy</u>						
BANCA INTESA SPA 3E+17.5 21/03-20/06 1.345%	6.000.000,00	EUR	76,263	4.578.433,33	1,14	1,10
INTESA SANPAOLO SPA 09/12 2.625 04/12	900.000,00	EUR	97,927	883.022,27	0,22	0,21
UNICREDIT SPA 09/12 4.125% 27/04	1.750.000,00	EUR	99,852	1.796.126,70	0,45	0,43
<u>Netherlands</u>						
BANK NED. GEMEENTEN 11/16 2.50% 18/01	4.000.000,00	EUR	102,058	4.177.114,52	1,04	1,00
COOPERATIEVE CENTRALE RAIFFEIS 3E +30 14/04-14/07 1.620%	3.000.000,00	EUR	99,993	3.011.795,58	0,75	0,72
ING VERZEKERINGEN 3E+175 18/06-20/09 0.902%	11.866.000,00	EUR	95,788	11.371.983,47	2,83	2,73
KBC IFIMA 05/16 3.87% 18/05	50.000.000,00	CZK	89,900	1.809.388,54	0,45	0,43
KBC IFIMA 05/20 4.05% 21/12	452.000.000,00	SKK	93,490	14.041.855,78	3,49	3,37
RABOBANK NEDERLAND NV 09/16 4.375% 05/05	16.700.000,00	EUR	106,298	18.228.868,12	4,53	4,37
<u>UK</u>						
BG ENERGY CAPITALPLC 11/18 3% 16-11	6.000.000,00	EUR	100,522	6.052.959,34	1,50	1,45
LLOYDS BANKING GROUP PLC 09/14 6.25% 15/04	890.000,00	EUR	102,697	953.366,35	0,24	0,23
ROYAL BANK OF SCOTLAND GROUP PLC 08/13 5.25% 15/05	300.000,00	EUR	100,214	310.496,51	0,08	0,07
ROYAL BANK OF SCOTLAND GROUP PLC 2011-2016 4% 15-03	5.000.000,00	EUR	103,248	5.320.869,95	1,32	1,28
ROYAL BANK OF SCOTLAND GROUP PLC 6E 11/13 22/2-22/8 2.419%	5.000.000,00	EUR	96,545	4.829.824,44	1,20	1,16
UBS LONDON 09/14 5.625% 19/05	340.000,00	EUR	106,351	373.350,57	0,09	0,09
<u>Sweden</u>						
NORDEA BANK AB 10/13 1.75% 04/10	3.148.000,00	USD	97,814	2.382.025,20	0,59	0,57
SVENSKA HANDBK 11/16 3.625% 16/2	14.000.000,00	EUR	102,930	14.851.015,56	3,69	3,56

<u>Switzerland</u>						
CREDIT SUISSE/GUERNSEY 10/15 2.875% 24/09	13.500.000,00	EUR	99,776	13.572.571,07	3,37	3,25
Private-sector bonds						
<u>Germany</u>						
BAYERISCHE LANDESBANK GIRO 01/10/2012	1.000.000,00	EUR	99,979	999.790,00	0,25	0,24
BAYERISCHE LANDESBANK GIRO 01/10/2012	2.000.000,00	USD	99,975	1.540.209,52	0,38	0,37
COMMERZBANK AG 01/10/2012	1.000.000,00	USD	99,988	770.204,89	0,19	0,19
COMMERZBANK AG 01/10/2012	3.500.000,00	USD	99,989	2.695.744,10	0,67	0,65
COMMERZBANK AG 01/10/2012	6.000.000,00	EUR	99,980	5.998.800,00	1,49	1,44
DEUTSCHE APOTHEKER ARZ 01/10/2012	1.000.000,00	EUR	99,979	999.790,00	0,25	0,24
LANDBK HESSEN-THUERINGEN 01/10/2012	2.500.000,00	USD	99,985	1.925.454,48	0,48	0,46
LANDESBANK BADEN-WUERTTEMBERG 01/10/2012	8.000.000,00	USD	99,986	6.161.515,95	1,53	1,48
LANDESBANK HESSEN LONDON 02/10/2012	500.000,00	EUR	99,878	499.390,00	0,12	0,12
<u>Austria</u>						
RAIFFEISEN BANK INTL 02/10/2012	500.000,00	EUR	99,864	499.320,00	0,12	0,12
RAIFFEISEN BANK INTL 23/04/2012	3.900.000,00	EUR	99,547	3.882.333,00	0,96	0,93
<u>Denmark</u>						
JYSKE BANK A/S 23/04/2012	3.000.000,00	EUR	99,564	2.986.920,00	0,74	0,72
NYKREDIT A/S 05/10/2012	5.000.000,00	EUR	99,445	4.972.250,00	1,24	1,19
<u>US</u>						
GENERAL ELEC CAP CORP 3E+20 28/04-28/07 0.845%	8.500.000,00	EUR	96,190	8.202.746,50	2,04	1,97
PFIZER 07/14 4.75 15/12	15.000.000,00	EUR	109,369	16.434.526,07	4,08	3,94
<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/03/2012	4.000.000,00	USD	99,809	3.075.304,27	0,76	0,74
BNP PARIBAS 23/04/12	3.000.000,00	EUR	99,548	2.986.440,00	0,74	0,72
CREDIT AGRICOLE 01/10/2012	6.000.000,00	EUR	99,979	5.998.740,00	1,49	1,44
NATIXIS 23/03/2012	5.000.000,00	EUR	99,695	4.984.750,00	1,24	1,20
<u>Ireland</u>						
<u>Netherlands</u>						
ABN AMRO BANK NV 01/10/2012	500.000,00	EUR	99,978	499.890,00	0,12	0,12
ABN AMRO BANK NV 23/03/2012	10.000.000,00	EUR	99,702	9.970.200,00	2,48	2,39
BELUGA MASTER ISSUER BV 3E+13 28/04-28/07 0.775% A2	4.400.000,00	EUR	99,137	4.375.257,48	1,09	1,05
<u>UK</u>						
GRANITE MASTER ISSUER PLC 2E+10 22/08-20/09 1.448%	13.250.000,00	EUR	95,038	5.236.997,26	1,30	1,26
LLOYDS BANKING GROUP PLC 01/10/2012	1.500.000,00	EUR	99,979	1.499.685,00	0,37	0,36
ROYAL BANK OF SCOTLAND GROUP PLC 23/03/2012	500.000,00	EUR	99,682	498.410,00	0,12	0,12
Total bonds				413.643.851,22	102,75	99,14
Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-11.084.167,01	-2,75	-2,66
Total swaps				-11.084.167,01	-2,75	-2,66
TOTAL SECURITIES PORTFOLIO				402.559.684,21	100,00	96,49

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP CZK	157.769,64	CZK	1,000	6.186,32		0,00
KBC GROUP EURO	579.558,55	EUR	1,000	579.558,55		0,14
KBC GROUP GBP	10,43	GBP	1,000	12,49		
KBC GROUP HUF	131.259,19	HUF	1,000	417,00		
KBC GROUP PLN	7.935,01	PLN	1,000	1.780,03		
KBC GROUP USD	128.058,37	USD	1,000	98.643,02		0,02
Total demand accounts				686.597,41		0,17
Time deposit accounts						
<u>Belgium</u>						
KBC BANK NV 05/08-10/01/12 KBCBANK 4.250 %	1.100.000,00	PLN	99,991	246.736,28		0,06
KBC BANK NV 07/10-23/03/12 KBCBANK 1.000 %	6.500.000,00	CZK	99,981	254.823,55		0,06
KBC BANK NV 07/12-23/03/12 KBCBANK 1.000 %	5.900.000,00	CZK	100,005	231.356,90		0,06
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	750.000,00	CZK	100,001	29.408,60		0,01
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	19.210.000,00	PLN	99,984	4.308.611,06		1,03
KBC BANK NV 08/07-10/01/12 KBCBANK 5.250 %	16.400.000,00	HUF	99,967	52.084,35		0,01
KBC BANK NV 08/11-23/03/12 KBCBANK 0.900 %	17.200.000,00	CZK	99,958	674.147,20		0,16
KBC BANK NV 10/11-10/05/12 KBCBANK 0.950 %	7.900.000,00	CZK	99,899	309.454,61		0,07
KBC BANK NV 12/09-10/01/12 KBCBANK 0.880 %	3.550.000,00	CZK	100,005	139.206,27		0,03
KBC BANK NV 14/07-10/01/12 KBCBANK 4.000 %	850.000,00	PLN	99,983	190.644,60		0,05
KBC BANK NV 15/09-10/01/12 KBCBANK 4.400 %	1.350.000,00	PLN	99,997	302.830,88		0,07
KBC BANK NV 15/12-10/01/12 KBCBANK 4.600 %	910.000,00	PLN	100,005	204.146,78		0,05
KBC BANK NV 23/09-10/01/12 KBCBANK 4.450 %	1.100.000,00	PLN	99,998	246.753,55		0,06
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	28.000.000,00	CZK	100,005	1.097.964,95		0,26
KBC BANK NV 23/09-23/03/12 KBCBANK 4.450 %	9.000.000,00	PLN	99,891	2.016.732,47		0,48
KBC BANK NV 24/08-10/01/12 KBCBANK 0.850 %	41.500.000,00	CZK	100,004	1.627.324,63		0,39
KBC BANK NV 24/11-10/01/12 KBCBANK 5.200 %	760.000,00	PLN	100,024	170.528,60		0,04
KBC BANK NV 26/08-10/01/12 KBCBANK 0.850 %	400.000,00	CZK	100,004	15.685,06		0,00
KBC BANK NV 26/10-10/01/12 KBCBANK 0.800 %	6.000.000,00	CZK	100,002	235.271,14		0,06
KBC BANK NV 29/07-10/01/12 KBCBANK 4.100 %	5.600.000,00	PLN	99,986	1.256.049,17		0,30
KBC BANK NV 30/12-10/01/12 KBCBANK 0.700 %	5.850.000,00	CZK	100,000	229.384,78		0,06
Total time deposit accounts				13.839.145,43		3,32
TOTAL CASH AT BANK AND IN HAND				14.525.742,84		3,48
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP CZK RECEIVABLES	2.257,15	CZK	1,000	88,51		
KBC GROUP EUR RECEIVABLES	103,31	EUR	1,000	103,31		
KBC GROUP HUF TE ONTVANGEN	545,71	HUF	1,000	1,73		
KBC GROUP PLN RECEIVABLES	104,22	PLN	1,000	23,38		
KBC GROUP USD RECEIVABLES	55,61	USD	1,000	42,84		
Total receivables				259,77		

Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-21,00	EUR	1,000	-21,00		
Total debts				-21,00		
TOTAL OTHER RECEIVABLES AND PAYABLES				238,77		
OTHER						
Accrued interest		EUR		157.806,16		0,04
Expenses payable		EUR		-18.747,20		0,00
TOTAL OTHER				139.058,96		0,03
TOTAL NET ASSETS				417.224.724,78		100,00

1.7.4 COMPOSITION OF THE ASSETS OF SILVERSTATE FINANCIAL INVESTMENTS PLC

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Government bonds						
<u>Austria</u>						
AUSTRIA 03/13 3.8 % 20/10	650.000,00	EUR	105,398	689.876,52	0,17	0,17
AUSTRIA 03/18 4.65% 15/01	13.000.000,00	EUR	112,222	15.166.923,76	3,74	3,64
<u>Belgium</u>						
BELGIUM 08/14 4,00% 28/03	500.000,00	EUR	103,313	531.700,32	0,13	0,13
BELGIUM 08/18 4% 28/03	3.300.000,00	EUR	102,951	3.497.268,54	0,86	0,84
BELGIUM 09/14 3.50% 28/03	11.050.000,00	EUR	102,146	11.579.883,86	2,85	2,78
FLEMISH COMMUNITY 09/12 2.75% 30/03	16.000.000,00	EUR	100,297	16.378.121,09	4,03	3,93
<u>Europe</u>						
EUROPEAN UNION 11/18 3.25% 04-04	2.000.000,00	EUR	105,140	2.152.704,37	0,53	0,52
<u>Greece</u>						
HELLENIC REPUBLIC 07/12 4.10% 20/08	325.000,00	EUR	32,755	111.259,48	0,03	0,03
<u>Czech Republic</u>						
CZECHIA 03/13 3.7% 16/06	15.300.000,00	CZK	103,195	631.059,09	0,16	0,15
CZECHIA 05/15 3.8% 11/04	35.500.000,00	CZK	105,070	1.500.622,69	0,37	0,36
Bonds issued by credit institutions						
<u>Germany</u>						
COMMERZBANK AG 09/15 4.75 26/01	5.375.000,00	EUR	102,886	5.766.548,87	1,42	1,39
LANDBK HESSEN-THUERINGEN 10/15 0% 23/09	2.500.000,00	USD	99,920	1.929.592,83	0,48	0,46
<u>Australia</u>						
ANZ NATIONAL LTD 10/15 3.125% 10/08	13.000.000,00	USD	100,086	10.144.173,55	2,50	2,44
COMMONWEALTH BK OF AUSTRALIA 10/15 3.5% 19/09	5.000.000,00	USD	102,739	3.994.798,35	0,98	0,96
NATIONAL AUSTRALIA BANK 3E+0.47 22/07-24/10 2.074%	4.250.000,00	EUR	99,609	4.249.629,07	1,05	1,02
WESTPAC BANKING CORP 09-16 4.25% 22/09	3.500.000,00	EUR	104,346	3.692.345,65	0,91	0,89
<u>Austria</u>						
ERSTE GROUP BANK AG 10/13 1.625 % 02/09	1.500.000,00	EUR	99,899	1.506.410,20	0,37	0,36
<u>Belgium</u>						
FORTIS BANK SA/NA 07/14 4.50% 30/05	15.000.000,00	EUR	102,214	15.726.772,13	3,87	3,78
<u>Canada</u>						
TORONTO DOMINION BK 08/15 5.375% 14/05	20.000.000,00	EUR	110,399	22.755.346,44	5,60	5,47
<u>Denmark</u>						
NYKREDIT A/S 6E +0.1 23/3-23/9 1.578%	1.000.000,00	EUR	99,867	1.003.668,00	0,25	0,24
SYDBANK A/S 3E+100 03/06-05/09 2.434%	345.000,00	EUR	99,905	345.263,78	0,09	0,08

<u>Spain</u>							
CAJA AHORRO MONTE MADRID 3E+12.5 01/06-01/09 1.555%	13.500.000,00	EUR	97,250	13.146.171,74	3,24	3,16	
CAJA AHORRO MONTE MADRID 3E+12.5 09/05-09/08 1.549%	2.700.000,00	EUR	99,689	2.697.726,82	0,66	0,65	
SANTANDER INTL 3E+11 25/07-25/10 1.718%	1.350.000,00	EUR	99,271	1.344.353,62	0,33	0,32	
<u>US</u>							
BANCO DESIO DELLA BRIANZ 3E+15 13/05-15/08 1.57%	3.100.000,00	EUR	96,722	3.004.775,23	0,74	0,72	
BANK OF AMERICA 3E+15 05/05-05/08 1.552%	4.700.000,00	EUR	89,469	4.217.013,64	1,04	1,01	
HSBC FINANCE CORP 3E+24 28/04-28/07 0.885%	10.000.000,00	EUR	95,042	9.536.190,00	2,35	2,29	
JPMORGAN CHASE & CO 3L+10 28/03-27/06 0.925%	7.550.000,00	GBP	99,800	9.021.173,15	2,22	2,17	
MORGAN J.P. & CO 11/16 3.75% 15/06	4.500.000,00	EUR	101,984	4.680.570,98	1,15	1,12	
<u>Finland</u>							
POHJOLA BANK PLC 3E 10/13 25/5-25/8 1.934%	5.000.000,00	EUR	100,124	5.015.781,25	1,24	1,21	
<u>France</u>							
BANQUE FEDERATIVE DU CREDIT MUTUEL 3E+15 27/05-29/08 1.585%	6.600.000,00	EUR	96,103	6.352.325,46	1,56	1,53	
BNP PARIBAS 10-15 2.5% 09/06	4.500.000,00	EUR	99,327	4.532.419,92	1,12	1,09	
CAISSE CENTR.CREDIT IMMOB. 10/15 FRN 23/9	10.000.000,00	EUR	98,997	9.948.351,68	2,45	2,39	
CAISSE CENTR.CREDIT IMMOB. 10/15 3.75 22/01	668.000,00	EUR	93,533	648.268,64	0,16	0,16	
CIE FINANCEMENT FONCIER 10/15 2.625% 16/04	1.300.000,00	EUR	99,566	1.318.413,33	0,33	0,32	
CIE FINANCIERE DU CRED 3E+0.7 11/13 2.263% 13-10	6.000.000,00	EUR	99,508	5.999.624,50	1,48	1,44	
CIF EUROMORTGAGE 04/14 4.50 % 10/06	1.300.000,00	EUR	104,648	1.392.870,72	0,34	0,34	
CREDIT AGRICOLE 3E+5 27/04-27/07 1.663%	10.000.000,00	EUR	99,838	10.012.919,99	2,47	2,41	
CREDIT AGRICOLE (LONDON) 3E+38BP 12/12-12/03 1.850%	4.500.000,00	EUR	98,343	4.429.597,50	1,09	1,06	
CREDIT AGRICOLE HOME LOAN SFH 09/16 4.5% 29/1	19.000.000,00	EUR	106,470	21.014.026,01	5,18	5,05	
DEXIA CREDIT LOCAL 3E+15 10/10-09/01 1.706%	7.350.000,00	EUR	27,500	2.049.462,98	0,51	0,49	
SOCIETE GENERALE 3E 11/13 14/4-14/7 1.82%	5.000.000,00	EUR	98,534	4.948.848,19	1,22	1,19	
SOCIETE GENERALE 3E+9 20/07-20/10 2.508%	3.000.000,00	EUR	98,138	2.958.807,41	0,73	0,71	
<u>Ireland</u>							
AEGON GLOBAL INST 07/12 4.25% 23/01	17.500.000,00	EUR	99,720	18.145.845,88	4,47	4,36	
DEPFA BANK PLC/IRELAND 6P+19 23/04-23/10 0.66250%	14.400.000,00	USD	88,707	9.856.675,27	2,43	2,37	
<u>Italy</u>							
BANCA INTESA SPA 3E+20 01/07-03/10 1.737%	10.000.000,00	EUR	86,707	8.713.477,77	2,15	2,09	
BANCA NAZ. DEL LAVORO 3E+15 06/06-06/09 1.584%	6.750.000,00	EUR	98,402	6.649.420,50	1,64	1,60	
INTESA SANPAOLO SPA 09/12 2.625 04/12	2.300.000,00	EUR	97,927	2.256.612,46	0,56	0,54	
UNICREDIT SPA 10/15 2.625 31/10	7.000.000,00	EUR	91,542	6.438.062,95	1,59	1,55	
<u>Netherlands</u>							
ING VERZEKERINGEN 3E+175 18/06-20/09 0.902%	6.866.000,00	EUR	95,788	6.580.148,20	1,62	1,58	
KBC IFIMA 05/16 4.01% 18/05	451.810.000,00	SKK	91,125	14.037.682,44	3,46	3,37	
RABOBANK NEDERLAND NV 09/16 4.375% 05/05	2.000.000,00	EUR	106,298	2.183.097,98	0,54	0,52	
RABOBANK NEDERLAND NV 3E+18 10/10-08/01 1.736%	3.000.000,00	EUR	100,022	3.012.378,00	0,74	0,72	
<u>UK</u>							
BARCLAYS BANK PLC 10/15 3.125% 14/01	13.400.000,00	EUR	101,960	14.064.181,09	3,46	3,38	
BARCLAYS BANK PLC 3E+80 28/01-28/04 1.851%	7.000.000,00	EUR	99,750	7.011.753,00	1,73	1,68	
LLOYDS BANKING GROUP PLC 09/14 6.25% 15/04	1.380.000,00	EUR	102,697	1.478.253,44	0,36	0,36	
ROYAL BANK OF SCOTLAND GROUP PLC 08/13 5.25% 15/05	3.550.000,00	EUR	100,214	3.674.208,68	0,91	0,88	
ROYAL BANK OF SCOTLAND GROUP PLC 2011-2016 4% 15-03	5.000.000,00	EUR	103,248	5.320.869,95	1,31	1,28	
UBS LONDON 09/12 4.625% 06/07	3.200.000,00	EUR	101,378	3.315.669,77	0,82	0,80	
UBS LONDON 09/14 5.625% 19/05	490.000,00	EUR	106,351	538.064,06	0,13	0,13	

<u>Switzerland</u>						
CREDIT SUISSE/GUERNSEY 10/15 2.875% 24/09	3.000.000,00	EUR	99,776	3.016.126,91	0,74	0,72
Private-sector bonds						
<u>Germany</u>						
BAYERISCHE LANDESBANK GIRO 01/10/2012	500.000,00	EUR	99,979	499.895,00	0,12	0,12
COMMERZBANK AG 01/10/2012	3.000.000,00	USD	99,989	2.310.637,81	0,57	0,56
COMMERZBANK AG 02/10/2012	2.000.000,00	EUR	99,882	1.997.640,00	0,49	0,48
DEUTSCHE APOTHEKER ARZ 01/10/2012	2.500.000,00	EUR	99,979	2.499.475,00	0,62	0,60
DEUTSCHE APOTHEKER ARZ 23/03/2012	5.000.000,00	EUR	99,712	4.985.600,00	1,23	1,20
DEUTSCHE POSTBANK AG 01/10/2012	400.000,00	USD	99,971	308.029,57	0,08	0,07
<u>Austria</u>						
RAIFFEISEN BANK INTL 02/10/2012	2.000.000,00	EUR	99,864	1.997.280,00	0,49	0,48
RAIFFEISEN BANK INTL 23/04/2012	6.000.000,00	EUR	99,547	5.972.820,00	1,47	1,44
<u>Denmark</u>						
JYSKE BANK A/S 23/03/2012	500.000,00	USD	99,657	383.827,61	0,10	0,09
NYKREDIT A/S 05/10/2012	5.000.000,00	EUR	99,445	4.972.250,00	1,22	1,19
<u>US</u>						
GENERAL ELEC CAP CORP 3L+13 02/08-02/11 0.38550%	11.500.000,00	USD	99,650	8.835.399,14	2,18	2,12
<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 01/10/2012	500.000,00	USD	99,983	385.083,19	0,10	0,09
BPCE SA 22/06/2012	2.500.000,00	EUR	99,190	2.479.750,00	0,61	0,60
<u>Ireland</u>						
<u>Netherlands</u>						
ABN AMRO BANK NV 01/10/2012	500.000,00	EUR	99,978	499.890,00	0,12	0,12
B.M.W. FIN 02/10/2012	2.500.000,00	EUR	99,867	2.496.675,00	0,62	0,60
CANDIDE FINANCING 3P+12 20/05-20/08 1.551%	12.500.000,00	EUR	92,587	11.594.734,58	2,86	2,79
<u>Sweden</u>						
SWEDBANK 23/03/2012	2.000.000,00	USD	99,854	1.538.345,40	0,38	0,37
Total bonds				421.673.522,00	103,84	101,28
Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-15.572.987,50	-3,84	-3,74
Total swaps				-15.572.987,50	-3,84	-3,74
TOTAL SECURITIES PORTFOLIO				406.100.534,50	100,00	97,54
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP CZK	409.025,81	CZK	1,000	16.038,34		0,00
KBC GROUP EURO	511.483,70	EUR	1,000	511.483,70		0,12
KBC GROUP GBP	27,58	GBP	1,000	33,02		
KBC GROUP HUF	81.431,67	HUF	1,000	258,70		
KBC GROUP PLN	17.445,14	PLN	1,000	3.913,40		0,00

KBC GROUP USD	417.667,30	USD	1,000	321.728,01	0,08
Total demand accounts				853.455,17	0,21
Time deposit accounts					
<u>Belgium</u>					
KBC BANK NV 05/08-10/01/12 KBCBANK 4.250 %	1.150.000,00	PLN	99,991	257.951,57	0,06
KBC BANK NV 07/12-23/03/12 KBCBANK 1.000 %	5.900.000,00	CZK	100,005	231.356,90	0,06
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	18.270.000,00	CZK	100,001	716.393,48	0,17
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	1.000.000,00	PLN	99,984	224.290,01	0,05
KBC BANK NV 08/07-10/01/12 KBCBANK 5.250 %	16.400.000,00	HUF	99,967	52.084,35	0,01
KBC BANK NV 08/11-23/03/12 KBCBANK 0.900 %	17.200.000,00	CZK	99,958	674.147,20	0,16
KBC BANK NV 10/11-10/05/12 KBCBANK 0.950 %	16.000.000,00	CZK	99,899	626.743,52	0,15
KBC BANK NV 12/09-10/01/12 KBCBANK 0.880 %	3.550.000,00	CZK	100,005	139.206,27	0,03
KBC BANK NV 14/07-10/01/12 KBCBANK 4.000 %	1.850.000,00	PLN	99,983	414.932,37	0,10
KBC BANK NV 15/09-10/01/12 KBCBANK 4.400 %	1.350.000,00	PLN	99,997	302.830,88	0,07
KBC BANK NV 15/12-10/01/12 KBCBANK 4.600 %	910.000,00	PLN	100,005	204.146,78	0,05
KBC BANK NV 23/09-10/01/12 KBCBANK 4.450 %	1.100.000,00	PLN	99,998	246.753,55	0,06
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	43.000.000,00	CZK	100,005	1.686.160,45	0,41
KBC BANK NV 23/09-23/03/12 KBCBANK 4.450 %	7.050.000,00	PLN	99,891	1.579.773,76	0,38
KBC BANK NV 24/08-10/01/12 KBCBANK 0.850 %	17.400.000,00	CZK	100,004	682.299,96	0,16
KBC BANK NV 24/11-10/01/12 KBCBANK 5.200 %	750.000,00	PLN	100,024	168.284,80	0,04
KBC BANK NV 26/08-10/01/12 KBCBANK 0.850 %	400.000,00	CZK	100,004	15.685,06	0,00
KBC BANK NV 29/07-10/01/12 KBCBANK 4.100 %	400.000,00	PLN	99,986	89.717,80	0,02
KBC BANK NV 29/08-10/01/12 KBCBANK 0.850 %	20.000.000,00	CZK	100,004	784.252,83	0,19
KBC BANK NV 29/08-10/01/12 KBCBANK 4.000 %	120.000,00	PLN	99,983	26.914,54	0,01
KBC BANK NV 30/12-10/01/12 KBCBANK 0.700 %	5.850.000,00	CZK	100,000	229.384,78	0,06
Total time deposit accounts				9.353.310,86	2,25
TOTAL CASH AT BANK AND IN HAND				10.206.766,03	2,45
OTHER RECEIVABLES AND PAYABLES					
Receivables					
<u>Belgium</u>					
KBC GROUP CZK RECEIVABLES	22.111,26	CZK	1,000	867,01	
KBC GROUP EUR RECEIVABLES	119,82	EUR	1,000	119,82	
KBC GROUP HUF TE ONTVANGEN	336,51	HUF	1,000	1,07	
KBC GROUP PLN RECEIVABLES	104,14	PLN	1,000	23,36	
KBC GROUP USD RECEIVABLES	59,81	USD	1,000	46,07	
Total receivables				1.057,33	
TOTAL OTHER RECEIVABLES AND PAYABLES				1.057,33	
OTHER					
Accrued interest		EUR		60.949,60	0,02
Expenses payable		EUR		-18.747,20	-0,01
TOTAL OTHER				42.202,40	0,01
TOTAL NET ASSETS				416.350.560,26	100,00

1.7.5 Composition of the assets of Vespucci Structured Financial Products plc.

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Government bonds						
<u>Austria</u>						
AUSTRIA 02/12 5% 15/07	6.500.000,00	EUR	102,580	6.816.880,32	1,67	1,63
AUSTRIA 03/14 4.30% 15/07	1.255.000,00	EUR	108,348	1.384.538,22	0,34	0,33
AUSTRIA 07/17 4.30 15/09	1.500.000,00	EUR	110,288	1.672.999,76	0,41	0,40
AUSTRIA 09/14 3.40% 20/10	450.000,00	EUR	106,309	481.357,35	0,12	0,12
<u>Belgium</u>						
BELGIUM 02/17 5.5% 28/09	1.300.000,00	EUR	110,475	1.454.345,36	0,36	0,35
BELGIUM 04/14 4.25 % 28/09	450.000,00	EUR	104,162	473.590,18	0,12	0,11
BELGIUM 08/18 4% 28/03	12.500.000,00	EUR	102,951	13.247.229,30	3,24	3,16
BELGIUM 09/14 3.50% 28/03	11.050.000,00	EUR	102,146	11.579.883,86	2,83	2,76
FLEMISH COMMUNITY 09/14 3,75% 31/03	11.900.000,00	EUR	101,440	12.405.437,86	3,03	2,96
<u>Europe</u>						
EUROPEAN UNION 11/16 2.75% 03/06	4.000.000,00	EUR	103,303	4.195.835,84	1,03	1,00
<u>Greece</u>						
HELLENIC REPUBLIC 07/12 4.10% 20/08	325.000,00	EUR	32,755	111.259,48	0,03	0,03
<u>Netherlands</u>						
NETHERLANDS 09/12 2.50% 15/01	600.000,00	EUR	100,085	614.852,47	0,15	0,15
<u>Czech Republic</u>						
CZECHIA 05/15 3.8% 11/04	28.000.000,00	CZK	105,070	1.183.589,73	0,29	0,28
Bonds issued by credit institutions						
<u>Germany</u>						
COMMERZBANK AG 09/15 4.75 26/01	315.000,00	EUR	102,886	337.946,58	0,08	0,08
LANDBK HESSEN-THUERINGEN 10/15 0% 23/09	5.000.000,00	USD	99,920	3.859.185,66	0,94	0,92
<u>Australia</u>						
NATIONAL AUSTRALIA BANK 3E+0.47 22/07-24/10 2.074%	2.000.000,00	EUR	99,609	1.999.825,44	0,49	0,48
WESTPAC BANKING CORP 09-16 4.25% 22/09	3.500.000,00	EUR	104,346	3.692.345,65	0,90	0,88
<u>Austria</u>						
AUST&NZ BANKING GROUP 11/16 2.40% 23/05-23/11	5.000.000,00	USD	98,689	3.810.494,01	0,93	0,91
<u>Belgium</u>						
FORTIS BANK SA/NA 3L+22 22/08-22/11 0.51778	31.500.000,00	USD	92,038	22.350.565,15	5,46	5,33
<u>Denmark</u>						
NYKREDIT A/S 1	10.000.000,00	EUR	99,963	10.054.427,96	2,46	2,40
SYDBANK A/S 3E+100 03/06-05/09 2.434%	360.000,00	EUR	99,905	360.275,25	0,09	0,09

<u>Spain</u>							
AYT CEDULAS CAJAS FTA 3E+5 14/03-14/06 1.519%	5.100.000,00	EUR	95,916	4.895.070,66	1,20	1,17	
<u>US</u>							
CITIGROUP INC 06/13 3.95% 10/10	15.000.000,00	EUR	99,568	15.066.380,30	3,68	3,60	
GENERAL ELEC CAP CORP 07/12 5.25% 19/04	3.500.000,00	USD	103,467	2.817.427,65	0,69	0,67	
HSBC FINANCE CORP 3E+24 28/04-28/07 0.885%	4.377.000,00	EUR	95,042	4.173.990,36	1,02	1,00	
JPMORGAN CHASE & CO 3E+15 30/04-30/07 0.804%	6.000.000,00	EUR	96,752	5.822.519,99	1,42	1,39	
JPMORGAN CHASE & CO 3L+10 28/03-27/06 0.925%	10.150.000,00	GBP	99,800	12.127.802,30	2,96	2,89	
MORGAN J.P. & CO 07/15 5.25% 14/01	4.000.000,00	EUR	106,743	4.471.089,86	1,09	1,07	
MORGAN J.P. & CO 11/16 3.15% 05/01-07	5.000.000,00	USD	100,773	3.942.256,59	0,96	0,94	
MORGAN STANLEY 3E 13/04-13/07 1.711	9.500.000,00	EUR	81,540	7.786.849,16	1,90	1,86	
MORGAN STANLEY 3E+30 29/11-29/02 1.775%	2.000.000,00	EUR	91,891	1.840.876,94	0,45	0,44	
<u>France</u>							
BANQUE FEDERATIVE DU CREDIT MUTUEL 10/12 2.026% 24/09	6.500.000,00	EUR	99,590	6.474.384,58	1,58	1,55	
BNP PARIBAS 10-15 2.5% 09/06	5.000.000,00	EUR	99,327	5.036.022,13	1,23	1,20	
BPCE SA 10/12 1.311 % 20/07	8.500.000,00	EUR	99,679	8.506.728,92	2,08	2,03	
BPCE SA 11/16 3.625% 12/5	2.500.000,00	EUR	102,985	2.632.070,36	0,64	0,63	
CAISSE CENTR.CREDIT IMMOB. 02/12 5.875% 25/4	420.000,00	EUR	100,771	440.025,29	0,11	0,11	
CAISSE CENTR.CREDIT IMMOB. 10/15 FRN 23/9	1.000.000,00	EUR	98,997	994.835,17	0,24	0,24	
CAISSE CENTR.CREDIT IMMOB. 10/15 3.75 22/01	443.000,00	EUR	93,533	429.914,68	0,11	0,10	
CIE FINANCEMENT FONCIER 10/15 2.625% 16/04	1.000.000,00	EUR	99,566	1.014.164,10	0,25	0,24	
CIE FINANCIERE DU CRED 3E+0.7 11/13 2.263% 13-10	6.000.000,00	EUR	99,508	5.999.624,50	1,47	1,43	
CIF EUROMORTGAGE 04/14 4.50 % 10/06	1.000.000,00	EUR	104,648	1.071.439,02	0,26	0,26	
CREDIT AGRICOLE 3E+5 27/04-27/07 1.663%	10.000.000,00	EUR	99,838	10.012.919,99	2,45	2,39	
SOCIETE GENERALE 6E+8 25/03-23/09 1.581%	4.000.000,00	EUR	99,788	4.011.294,22	0,98	0,96	
<u>Italy</u>							
BANCA INTESA SPA 3E+17.5 21/03-20/06 1.345%	6.050.000,00	EUR	76,263	4.616.586,94	1,13	1,10	
BANCA NAZ. DEL LAVORO 3E+15 06/06-06/09 1.584%	250.000,00	EUR	98,402	246.274,83	0,06	0,06	
UNICREDIT SPA 10/15 2.625 31/10	5.000.000,00	EUR	91,542	4.598.616,39	1,12	1,10	
<u>Japan</u>							
SUMITOMO MITSUI BANKING CORPORATION 11/16 2.90% 22/01-07	5.000.000,00	USD	103,401	4.031.496,60	0,98	0,96	
<u>Netherlands</u>							
ABN AMRO BANK NV 11/18 3.50% 12/01	4.000.000,00	EUR	104,577	4.318.093,70	1,05	1,03	
FORTIS BK NEDERLAND NV 10/12 1.796% 03/02	1.265.000,00	EUR	100,103	1.271.280,20	0,31	0,30	
ING VERZEKERINGEN 3E+175 18/06-20/09 0.902%	7.700.000,00	EUR	95,788	7.379.426,32	1,80	1,76	
RABOBANK NEDERLAND NV 07/12 4.125% 04/04	17.500.000,00	EUR	100,748	18.163.430,72	4,44	4,33	
RABOBANK NEDERLAND NV 09/14 4.375% 22/01	5.770.000,00	EUR	105,182	6.305.531,88	1,54	1,50	
RABOBANK NEDERLAND NV 09/16 4.375% 05/05	1.750.000,00	EUR	106,298	1.910.210,73	0,47	0,46	
RABOBANK NEDERLAND NV 3E+18 10/10-08/01 1.736%	11.000.000,00	EUR	100,022	11.045.386,00	2,70	2,64	
<u>UK</u>							
CLYDESDALE BANK 3E+7.5 30/11-29/02 1.552%	6.924.000,00	EUR	99,682	6.910.936,72	1,69	1,65	
HBOS TREASURY SERVICES PLC 3L+5 16/05-16/08 0.31075%	9.500.000,00	USD	99,451	7.282.216,27	1,78	1,74	
LLOYDS BANKING GROUP PLC 09/14 6.25% 15/04	820.000,00	EUR	102,697	878.382,48	0,21	0,21	
ROYAL BANK OF SCOTLAND GROUP PLC 08/13 5.25% 15/05	2.200.000,00	EUR	100,214	2.276.974,39	0,56	0,54	
ROYAL BANK OF SCOTLAND GROUP PLC 11/14 2.5% 07/09	1.500.000,00	EUR	99,581	1.505.395,33	0,37	0,36	
ROYAL BANK OF SCOTLAND GROUP PLC 6E 11/13 22/2-22/8 2.419%	5.000.000,00	EUR	96,545	4.829.824,44	1,18	1,15	
UBS LONDON 09/12 4.625% 06/07	1.800.000,00	EUR	101,378	1.865.064,25	0,46	0,45	
UBS LONDON 09/14 5.625% 19/05	325.000,00	EUR	106,351	356.879,22	0,09	0,09	

UBS LONDON 3E 11/13 17/6-19/9 1.935%	10.000.000,00	EUR	98,680	9.873.710,83	2,41	2,36
<u>Sweden</u>						
NORDEA BANK AB 10/13 1.75% 04/10	2.222.000,00	USD	97,814	1.681.340,53	0,41	0,40
STADSHYPOTEK AB 10/13 30/06-30/09 0.79575%	5.000.000,00	USD	99,560	3.843.482,96	0,94	0,92
SVENSKA HANDBK 3E 10/13 14/4-14/07 1.72%	6.000.000,00	EUR	100,220	6.038.494,49	1,47	1,44
SWEDBANK HYPOTEK AB 11/16 2.95% 28/03-09	3.000.000,00	USD	102,185	2.378.806,55	0,58	0,57
<u>Switzerland</u>						
CREDIT SUISSE LONDON 3E+5 06/06-05/09 1.485%	6.608.000,00	EUR	99,996	6.614.706,20	1,62	1,58
Private-sector bonds						
<u>Germany</u>						
BASF SE 07/14 5.00 26/09	11.000.000,00	EUR	109,324	12.168.369,86	2,97	2,90
BAYERISCHE LANDESBANK GIRO 01/10/2012	1.500.000,00	EUR	99,979	1.499.685,00	0,37	0,36
BAYERISCHE LANDESBANK GIRO 23/03/2012	2.000.000,00	EUR	99,715	1.994.300,00	0,49	0,48
DEUTSCHE APOTHEKER ARZ 01/10/2012	1.500.000,00	EUR	99,979	1.499.685,00	0,37	0,36
DEUTSCHE POSTBANK AG 01/10/2012	800.000,00	USD	99,971	616.059,16	0,15	0,15
LANDBK HESSEN-THUERINGEN 01/10/2012	4.000.000,00	USD	99,985	3.080.727,16	0,75	0,74
<u>Austria</u>						
RAIFFEISEN BANK INTL 02/10/2012	2.000.000,00	EUR	99,864	1.997.280,00	0,49	0,48
RAIFFEISEN BANK INTL 23/04/2012	4.400.000,00	EUR	99,547	4.380.068,00	1,07	1,05
<u>Denmark</u>						
JYSKE BANK A/S 23/04/2012	1.500.000,00	EUR	99,564	1.493.460,00	0,37	0,36
<u>US</u>						
GENERAL ELEC CAP CORP 3E+14 05/07-03/10 1.696%	11.000.000,00	EUR	96,328	10.641.522,22	2,60	2,54
GENERAL ELEC CAP CORP 3E+8 21/03-20/06 1.25%	1.400.000,00	EUR	98,644	1.381.598,17	0,34	0,33
SLM STUDENT LOAN 3E+17 25/10-25/01 1.755% A6	18.700.000,00	EUR	76,750	14.412.417,23	3,52	3,44
<u>France</u>						
CREDIT AGRICOLE 01/10/2012	1.000.000,00	EUR	99,979	999.790,00	0,24	0,24
NATIXIS 23/03/2012	1.000.000,00	EUR	99,695	996.950,00	0,24	0,24
<u>Ireland</u>						
<u>Netherlands</u>						
ABN AMRO BANK NV 01/10/2012	500.000,00	EUR	99,978	499.890,00	0,12	0,12
B.M.W. FIN 02/10/2012	2.000.000,00	EUR	99,867	1.997.340,00	0,49	0,48
BELUGA MASTER ISSUER BV 3E+13 28/04-28/07 0.775% A2	10.000.000,00	EUR	99,137	9.943.767,00	2,43	2,37
CANDIDE FINANCING 3P+12 20/05-20/08 1.551%	12.500.000,00	EUR	92,587	11.594.734,58	2,83	2,77
<u>UK</u>						
LLOYDS BANKING GROUP PLC 05/10/2012	5.000.000,00	EUR	99,483	4.974.150,00	1,22	1,19
ROYAL BANK OF SCOTLAND GROUP PLC 23/03/2012	2.000.000,00	EUR	99,682	1.993.640,00	0,49	0,48
<u>Sweden</u>						
SWEDBANK 23/03/2012	1.000.000,00	USD	99,854	769.172,71	0,19	0,18
Total bonds				420.811.707,26	102,76	100,40

Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-11.281.619,31	-2,76	-2,69
Total swaps				-11.281.619,31	-2,76	-2,69
TOTAL SECURITIES PORTFOLIO				409.530.087,95	100,00	97,71
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP CZK	385.263,29	CZK	1,000	15.106,59		0,00
KBC GROUP EURO	185.208,19	EUR	1,000	185.208,19		0,04
KBC GROUP GBP	10,25	GBP	1,000	12,27		
KBC GROUP HUF	118.018,73	HUF	1,000	374,94		
KBC GROUP PLN	8.573,52	PLN	1,000	1.923,26		
KBC GROUP USD	414.798,47	USD	1,000	319.518,16		0,08
Total demand accounts				522.143,41		0,13
Time deposit accounts						
<u>Belgium</u>						
KBC BANK NV 07/12-23/03/12 KBCBANK 1.000 %	5.900.000,00	CZK	100,005	231.356,90		0,06
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	36.100.000,00	CZK	100,001	1.415.533,90		0,34
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	200.000,00	PLN	99,984	44.858,00		0,01
KBC BANK NV 08/07-10/01/12 KBCBANK 5.250 %	16.400.000,00	HUF	99,967	52.084,35		0,01
KBC BANK NV 08/11-23/03/12 KBCBANK 0.900 %	17.200.000,00	CZK	99,958	674.147,20		0,16
KBC BANK NV 10/11-10/05/12 KBCBANK 0.950 %	10.900.000,00	CZK	99,899	426.969,02		0,10
KBC BANK NV 12/09-10/01/12 KBCBANK 0.880 %	3.550.000,00	CZK	100,005	139.206,27		0,03
KBC BANK NV 14/07-10/01/12 KBCBANK 4.000 %	250.000,00	PLN	99,983	56.071,94		0,01
KBC BANK NV 15/09-10/01/12 KBCBANK 4.400 %	1.350.000,00	PLN	99,997	302.830,88		0,07
KBC BANK NV 15/12-10/01/12 KBCBANK 4.600 %	910.000,00	PLN	100,005	204.146,78		0,05
KBC BANK NV 23/09-10/01/12 KBCBANK 4.450 %	1.100.000,00	PLN	99,998	246.753,55		0,06
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	64.000.000,00	CZK	100,005	2.509.634,16		0,60
KBC BANK NV 23/09-23/03/12 KBCBANK 4.450 %	1.670.000,00	PLN	99,891	374.215,91		0,09
KBC BANK NV 24/08-10/01/12 KBCBANK 0.850 %	17.500.000,00	CZK	100,004	686.221,23		0,16
KBC BANK NV 24/11-10/01/12 KBCBANK 5.200 %	750.000,00	PLN	100,024	168.284,80		0,04
KBC BANK NV 26/08-10/01/12 KBCBANK 0.850 %	400.000,00	CZK	100,004	15.685,06		0,00
KBC BANK NV 29/07-10/01/12 KBCBANK 4.100 %	5.600.000,00	PLN	99,986	1.256.049,17		0,30
KBC BANK NV 30/12-10/01/12 KBCBANK 0.700 %	5.850.000,00	CZK	100,000	229.384,78		0,06
Total time deposit accounts				9.033.433,90		2,16
TOTAL CASH AT BANK AND IN HAND				9.555.577,31		2,28
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP CZK RECEIVABLES	22.114,61	CZK	1,000	867,14		
KBC GROUP EUR RECEIVABLES	34,93	EUR	1,000	34,93		
KBC GROUP HUF TE ONTVANGEN	491,10	HUF	1,000	1,56		
KBC GROUP PLN RECEIVABLES	20,40	PLN	1,000	4,58		

KBC GROUP USD RECEIVABLES	59,32	USD	1,000	45,69		
Total receivables				953,90		
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-21,00	EUR	1,000	-21,00		
Total debts				-21,00		
TOTAL OTHER RECEIVABLES AND PAYABLES				932,90		
OTHER						
Accrued interest		EUR		54.283,21		0,01
Expenses payable		EUR		-18.747,20		0,00
TOTAL OTHER				35.536,01		0,01
TOTAL NET ASSETS				419.122.134,17		100,00

1.7.6 COMPOSITION OF THE ASSETS OF EPERON FINANCE PLC.

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Government bonds						
<u>Austria</u>						
AUSTRIA 02/12 5% 15/07	6.500.000,00	EUR	102,580	6.816.880,32	1,08	1,03
AUSTRIA 03/18 4.65% 15/01	17.000.000,00	EUR	112,222	19.833.669,53	3,13	3,00
AUSTRIA 07/17 4.30 15/09	5.500.000,00	EUR	110,288	6.134.332,44	0,97	0,93
<u>Belgium</u>						
BELGIUM 08/18 4% 28/03	12.300.000,00	EUR	102,951	13.035.273,64	2,06	1,97
BELGIUM 10/15 2.75% 05/03	9.000.000,00	USD	96,015	6.812.634,80	1,07	1,03
FLEMISH COMMUNITY 09/12 2.75% 30/03	11.050.000,00	EUR	100,297	11.311.139,88	1,78	1,71
FLEMISH COMMUNITY 09/14 3,75% 31/03	11.000.000,00	EUR	101,440	11.467.211,47	1,81	1,74
<u>Europe</u>						
EUROPEAN UNION 11/16 2.75% 03/06	2.100.000,00	EUR	103,303	2.202.813,82	0,35	0,33
EUROPEAN UNION 11/18 3.25% 04-04	4.000.000,00	EUR	105,140	4.305.408,74	0,68	0,65
<u>France</u>						
CADES 06/16 3.625% 25/04	4.000.000,00	EUR	105,118	4.303.367,54	0,68	0,65
CADES 11/16 2.375% 31/03-30/09	3.000.000,00	USD	99,135	2.304.623,71	0,36	0,35
<u>Greece</u>						
HELLENIC REPUBLIC 07/12 4.10% 20/08	2.000.000,00	EUR	32,755	684.673,70	0,11	0,10
<u>Czech Republic</u>						
CZECHIA 03/13 3.7% 16/06	29.100.000,00	CZK	103,195	1.200.249,64	0,19	0,18
CZECHIA 05/15 3.8% 11/04	48.500.000,00	CZK	105,070	2.050.146,50	0,32	0,31
Bonds issued by credit institutions						
<u>Germany</u>						
COMMERZBANK AG 09/15 4.75 26/01	505.000,00	EUR	102,886	541.787,38	0,09	0,08
L-BANK BW FOERDERBANK 10/13 1.00 15/10	3.500.000,00	USD	100,099	2.704.326,51	0,43	0,41
LANDBK HESSEN-THUERINGEN 10/15 0% 23/09	3.000.000,00	USD	99,920	2.315.511,40	0,37	0,35
<u>Australia</u>						
ANZ NATIONAL LTD 10/15 3.125% 10/08	6.000.000,00	USD	100,086	4.681.926,25	0,74	0,71
NATIONAL AUSTRALIA BANK 3E+0.47 22/07-24/10 2.074%	5.000.000,00	EUR	99,609	4.999.563,61	0,79	0,76
WESTPAC BANKING 10/17 3.875% 19/03	2.500.000,00	EUR	101,169	2.604.925,14	0,41	0,40
WESTPAC BANKING CORP 09-16 4.25% 22/09	3.500.000,00	EUR	104,346	3.692.345,65	0,58	0,56
<u>Austria</u>						
AUST&NZ BANKING GROUP 11/16 3.25% 01/03	6.500.000,00	USD	101,498	5.135.726,28	0,81	0,78
ERSTE GROUP BANK AG 10/13 1.625 % 02/09	1.500.000,00	EUR	99,899	1.506.410,20	0,24	0,23
ERSTE GROUP BANK AG 6E+VAR 23/03-23/09 1.688%	1.800.000,00	EUR	99,522	1.801.365,07	0,28	0,27
REIFFEISENLANDESBANK NIEDEROES 6E 21/04-21/10 1.635%	15.500.000,00	EUR	99,990	15.555.201,51	2,45	2,36

<u>Belgium</u>							
FLEMISH COMMUNITY 09/23 1.231% -23/03	7.600.000,00	EUR	98,983	7.564.416,79	1,19	1,15	
<u>Denmark</u>							
NYKREDIT A/S 6E +0.1 23/3-23/9 1.578%	4.000.000,00	EUR	99,867	4.014.672,00	0,63	0,61	
SYDBANK A/S 3E+100 03/06-05/09 2.434%	3.475.000,00	EUR	99,905	3.477.656,93	0,55	0,53	
<u>Spain</u>							
CAJA AHORRO MONTE MADRID 3E+12.5 01/06-01/09 1.555%	3.700.000,00	EUR	97,250	3.603.024,85	0,57	0,55	
CAJA AHORRO MONTE MADRID 3E+12.5 09/05-09/08 1.549%	3.200.000,00	EUR	99,689	3.197.305,87	0,50	0,48	
SANTANDER INTL 3E+11 25/07-25/10 1.718%	8.900.000,00	EUR	99,271	8.862.775,74	1,40	1,34	
<u>US</u>							
BANCO DESIO DELLA BRIANZ 3E+15 13/05-15/08 1.57%	3.350.000,00	EUR	96,722	3.247.095,82	0,51	0,49	
BANK OF AMERICA 3E+15 05/05-05/08 1.552%	9.400.000,00	EUR	89,469	8.434.027,27	1,33	1,28	
BANK OF AMERICA 3E+15 12/12-12/03 1.620%	9.300.000,00	EUR	92,294	8.590.875,00	1,36	1,30	
CITIGROUP INC 06/13 3.95% 10/10	15.000.000,00	EUR	99,568	15.066.380,30	2,38	2,28	
CITIGROUP INC 3E+10 12/10-12/01 1.667%	10.000.000,00	EUR	100,000	10.036.581,38	1,58	1,52	
CITIGROUP INC 3E+14 06/06-05/09 1.575%	13.600.000,00	EUR	94,083	12.810.484,11	2,02	1,94	
GENERAL ELEC CAP CORP 08/13 4.8% 01/05	3.000.000,00	USD	104,741	2.438.630,41	0,39	0,37	
HSBC FINANCE CORP 3E+24 28/04-28/07 0.885%	10.000.000,00	EUR	95,042	9.536.190,00	1,50	1,44	
MORGAN J.P. & CO 07/15 5.25% 14/01	10.000.000,00	EUR	106,743	11.177.724,65	1,76	1,69	
WELLS FARGO COMPANY 3L+9 25/10-25/01 1.07475%	7.332.000,00	GBP	99,984	8.793.338,63	1,39	1,33	
ZURICH FINANCE USA INC 09/15 6.50% 14/10	7.500.000,00	EUR	112,870	8.567.811,47	1,35	1,30	
<u>France</u>							
BANQUE FEDERATIVE DU CREDIT MUTUEL 10/12 2.026% 24/09	11.600.000,00	EUR	99,590	11.554.286,33	1,82	1,75	
BANQUE FEDERATIVE DU CREDIT MUTUEL 3E+12.5 20/07-20/10 1.733%	17.500.000,00	EUR	97,780	17.170.311,66	2,71	2,60	
BANQUE FEDERATIVE DU CREDIT MUTUEL 3E+15 12/10-12/01 1.717%	3.255.000,00	EUR	97,332	3.180.420,99	0,50	0,48	
BANQUE FEDERATIVE DU CREDIT MUTUEL 3E+15 27/05-29/08 1.585%	3.400.000,00	EUR	96,103	3.272.410,09	0,52	0,50	
CAISSE CENTR.CREDIT IMMOB. 02/12 5.875% 25/4	840.000,00	EUR	100,771	880.050,58	0,14	0,13	
CAISSE CENTR.CREDIT IMMOB. 10/15 3.75 22/01	710.000,00	EUR	93,533	689.028,05	0,11	0,10	
CIE FINANCEMENT FONCIER 10/15 2.625% 16/04	1.900.000,00	EUR	99,566	1.926.911,79	0,30	0,29	
CIE FINANCIERE DU CRED 10/13 2.125% 22/04	6.000.000,00	USD	99,252	4.605.764,39	0,73	0,70	
CIF EUROMORTGAGE 04/14 4.50 % 10/06	1.900.000,00	EUR	104,648	2.035.734,13	0,32	0,31	
DEXIA CREDIT LOCAL 3E+15 10/10-09/01 1.706%	7.350.000,00	EUR	27,500	2.049.462,98	0,32	0,31	
SOCIETE GENERALE 10/13 2.2% 14/09	5.000.000,00	USD	94,256	3.655.206,35	0,58	0,55	
SOCIETE GENERALE 6E+8 25/03-23/09 1.581%	5.000.000,00	EUR	99,788	5.014.117,78	0,79	0,76	
SOCIETE GENERALE SCF SA 09/16 4% 07-07	5.500.000,00	EUR	104,227	5.838.277,35	0,92	0,88	
<u>Italy</u>							
INTESA SANPAOLO SPA 09/12 2.625 04/12	2.200.000,00	EUR	97,927	2.158.498,88	0,34	0,33	
INTESA SANPAOLO SPA 3E+10 15/09-15/12 1.628%	250.000,00	EUR	94,180	235.608,96	0,04	0,04	
UNI BANCA SCPA 3E + 15 16/05-15/08 1.570%	8.750.000,00	EUR	99,485	8.722.568,75	1,38	1,32	
UNICREDIT SPA 10/15 2.625 31/10	5.000.000,00	EUR	91,542	4.598.616,39	0,73	0,70	
UNICREDIT SPA 3E+17.5 BP 18/05-18/08 1.601%	3.000.000,00	EUR	83,226	2.502.495,50	0,40	0,38	
<u>Japan</u>							
SUMITOMO MITSUI BANKING CORPORATION 11/16 2.90% 22/01-07	5.500.000,00	USD	103,401	4.434.646,26	0,70	0,67	
<u>Norway</u>							
DNB NORBANK BOLIGKREDDIT 11/16 2.625% 11/01	10.000.000,00	EUR	102,241	10.477.969,86	1,65	1,59	

<u>Netherlands</u>							
COOPERATIEVE CENTRALE RAIFFEIS 11/16 3.875% 20/04	15.300.000,00	EUR	104,119	16.341.655,76	2,58	2,48	
COOPERATIEVE CENTRALE RAIFFEIS 3E +30 14/04-14/07 1.620%	3.000.000,00	EUR	99,993	3.011.795,58	0,48	0,46	
FORTIS BK NEDERLAND NV 10/12 1.796% 03/02	2.910.000,00	EUR	100,103	2.924.446,94	0,46	0,44	
ING BANK 10/17 3.375 23/03	11.000.000,00	EUR	104,282	11.757.065,08	1,85	1,78	
ING VERZEKERINGEN 3E+175 18/06-20/09 0.902%	8.001.000,00	EUR	95,788	7.667.894,81	1,21	1,16	
KBC IFIMA 05/20 4.05% 21/12	236.000.000,00	SKK	93,490	7.331.588,42	1,16	1,11	
RABOBANK NEDERLAND NV 09/14 4.375% 22/01	3.610.000,00	EUR	105,182	3.945.055,47	0,62	0,60	
RABOBANK NEDERLAND NV 09/16 4.375% 05/05	18.800.000,00	EUR	106,298	20.521.120,99	3,24	3,11	
<u>UK</u>							
BANK OF SCOTLAND PLC 3E+.075 25/07-24/10 1.683%	2.474.000,00	EUR	95,430	2.368.576,88	0,37	0,36	
BARCLAYS BANK PLC 3E+80 28/01-28/04 1.851%	10.000.000,00	EUR	99,750	10.016.790,00	1,58	1,52	
LLOYDS BANKING GROUP PLC 09/14 6.25% 15/04	1.480.000,00	EUR	102,697	1.585.373,25	0,25	0,24	
LLOYDS TSB BANK PLC 3E 11-13 2.506%_18/01	3.000.000,00	EUR	99,607	3.006.910,16	0,47	0,46	
ROYAL BANK OF SCOTLAND GROUP PLC 08/13 5.25% 15/05	600.000,00	EUR	100,214	620.993,02	0,10	0,09	
ROYAL BANK OF SCOTLAND GROUP PLC 10/15 4.875% 15/07	2.985.000,00	EUR	97,320	2.971.797,49	0,47	0,45	
ROYAL BANK OF SCOTLAND GROUP PLC 3L+20 30/11-29/02 0.71806%	8.000.000,00	USD	66,875	4.124.778,20	0,65	0,63	
ROYAL BANK OF SCOTLAND GROUP PLC 6E 11/13 22/2-22/8 2.419%	10.000.000,00	EUR	96,545	9.659.648,88	1,52	1,46	
UBS LONDON 09/14 5.625% 19/05	520.000,00	EUR	106,351	571.006,76	0,09	0,09	
<u>Sweden</u>							
NORDEA BANK AB 10/13 1.75% 04/10	3.703.000,00	USD	97,814	2.801.981,99	0,44	0,42	
SKANDINAVISKA ENSKILDA 09/12 4.375% 29/05	5.000.000,00	EUR	101,080	5.182.500,68	0,82	0,79	
SVENSKA HANDBK 11/16 3.125% 12/01-07	3.500.000,00	USD	100,686	2.753.852,77	0,43	0,42	
SWEDBANK 10/13 3.125% 04/03	7.500.000,00	EUR	101,071	7.773.076,40	1,23	1,18	
SWEDBANK HYPOTEK AB 11/16 2.95% 28/03-09	1.000.000,00	USD	102,185	792.935,52	0,13	0,12	
VATTENFALL TREASURY 09/16 5.25% 17/03	2.500.000,00	EUR	112,709	2.921.003,69	0,46	0,44	
<u>Switzerland</u>							
CREDIT SUISSE 05/2012 3.125% 14/09	1.750.000,00	EUR	100,851	1.780.880,37	0,28	0,27	
CREDIT SUISSE/GUERNSEY 10/15 2.875% 24/09	10.000.000,00	EUR	99,776	10.053.756,35	1,59	1,52	
Private-sector bonds							
<u>Germany</u>							
BAYERISCHE LANDESBANK GIRO 01/10/2012	2.500.000,00	EUR	99,979	2.499.475,00	0,39	0,38	
COMMERZBANK AG 01/10/2012	500.000,00	USD	99,988	385.102,45	0,06	0,06	
COMMERZBANK AG 01/10/2012	8.500.000,00	USD	99,989	6.546.807,11	1,03	0,99	
DEUTSCHE APOTHEKER ARZ 01/10/2012	1.000.000,00	EUR	99,979	999.790,00	0,16	0,15	
DEUTSCHE APOTHEKER ARZ 02/10/2012	5.000.000,00	EUR	99,873	4.993.650,00	0,79	0,76	
DEUTSCHE POSTBANK AG 23/03/12	3.000.000,00	USD	99,705	2.304.074,88	0,36	0,35	
LANDBK HESSEN-THUERINGEN 01/10/2012	7.500.000,00	EUR	99,979	7.498.425,00	1,18	1,14	
<u>Belgium</u>							
FORTIS BANK SA/NA 05/10/2012	10.000.000,00	EUR	99,492	9.949.200,00	1,57	1,51	
SOC PUBL DE GESTION DE L'EAU SA 23/04/2012	5.000.000,00	EUR	99,515	4.975.750,00	0,79	0,75	
<u>Denmark</u>							
JYSKE BANK A/S 01/10/2012	4.000.000,00	EUR	99,978	3.999.120,00	0,63	0,61	
JYSKE BANK A/S 23/04/2012	7.000.000,00	EUR	99,564	6.969.480,00	1,10	1,06	
NYKREDIT A/S 23/03/2012	9.000.000,00	EUR	99,689	8.972.010,00	1,42	1,36	

<u>Spain</u>						
CORES 08/18 4.50% 23/04	9.200.000,00	EUR	98,372	9.334.142,03	1,47	1,41
<u>US</u>						
GENERAL ELEC CAP CORP 3E+14 05/07-03/10 1.696%	11.000.000,00	EUR	96,328	10.641.522,22	1,68	1,61
<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/03/2012	1.000.000,00	USD	99,790	768.679,71	0,12	0,12
BPCE SA 22/06/2012	10.000.000,00	EUR	99,190	9.919.000,00	1,56	1,50
NATIXIS 23/03/2012	2.500.000,00	EUR	99,710	2.492.750,00	0,39	0,38
<u>Ireland</u>						
UNICREDIT BANK IRELAND 6E 10/05-10/11 1.91	20.000.000,00	EUR	99,837	20.014.927,76	3,16	3,03
<u>Netherlands</u>						
ABN AMRO BANK NV 01/10/2012	1.000.000,00	EUR	99,978	999.780,00	0,16	0,15
B.M.W. FIN 02/10/2012	5.500.000,00	EUR	99,867	5.492.685,00	0,87	0,83
BELUGA MASTER ISSUER BV 3E+13 28/04-28/07 0.775% A2	10.000.000,00	EUR	99,137	9.943.767,00	1,57	1,51
<u>UK</u>						
CLYDESDALE BANK 01/10/2012	500.000,00	USD	99,983	385.083,19	0,06	0,06
LANDESBANK BW LONDON 23/03/2012	2.500.000,00	USD	99,732	1.920.582,35	0,30	0,29
LLOYDS BANKING GROUP PLC 01/10/2012	500.000,00	EUR	99,979	499.895,00	0,08	0,08
PERMANENT MASTER ISSUER PLC 3E+9 15/04-15/07 1.417%	10.500.000,00	EUR	99,916	5.263.527,84	0,83	0,80
ROYAL BANK OF SCOTLAND GROUP PLC 02/10/2012	7.000.000,00	EUR	99,870	6.990.900,00	1,10	1,06
ROYAL BANK OF SCOTLAND GROUP PLC 23/03/2012	5.000.000,00	EUR	99,682	4.984.100,00	0,79	0,76
Total bonds				654.653.605,02	103,23	99,14
Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-20.494.098,12	-3,23	-3,10
Total swaps				-20.494.098,12	-3,23	-3,10
TOTAL SECURITIES PORTFOLIO				634.159.506,90	100,00	96,04
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP CZK	-219.433,08	CZK	1,000	-8.604,21		0,00
KBC GROUP EURO	1.076.360,58	EUR	1,000	1.076.360,58		0,16
KBC GROUP GBP	10,15	GBP	1,000	12,15		
KBC GROUP HUF	164.153,77	HUF	1,000	521,50		
KBC GROUP PLN	28.921,60	PLN	1,000	6.487,86		0,00
KBC GROUP USD	64.902,91	USD	1,000	49.994,54		0,01
Total demand accounts				1.124.772,42		0,17
Time deposit accounts						
<u>Belgium</u>						
KBC BANK NV 05/08-10/01/12 KBCBANK 4.250 %	2.000.000,00	PLN	99,991	448.611,42		0,07
KBC BANK NV 07/10-23/03/12 KBCBANK 1.000 %	2.000.000,00	CZK	99,981	78.407,24		0,01
KBC BANK NV 07/12-10/01/12 KBCBANK 0.950 %	12.300.000,00	CZK	100,007	482.329,96		0,07
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	3.450.000,00	PLN	99,984	773.800,52		0,12
KBC BANK NV 08/07-10/01/12 KBCBANK 5.250 %	33.000.000,00	HUF	99,967	104.803,86		0,02

KBC BANK NV 08/11-23/03/12 KBCBANK 0.900 %	3.600.000,00	CZK	99,958	141.100,57		0,02
KBC BANK NV 10/11-10/01/12 KBCBANK 0.850 %	20.000.000,00	CZK	100,004	784.252,83		0,12
KBC BANK NV 10/11-10/05/12 KBCBANK 0.950 %	15.000.000,00	CZK	99,899	587.572,05		0,09
KBC BANK NV 10/11-23/03/12 KBCBANK 0.900 %	10.000.000,00	CZK	99,958	391.946,04		0,06
KBC BANK NV 12/07-10/01/12 KBCBANK 4.000 %	1.100.000,00	PLN	99,983	246.716,54		0,04
KBC BANK NV 14/07-10/01/12 KBCBANK 4.000 %	3.520.000,00	PLN	99,983	789.492,93		0,12
KBC BANK NV 15/09-10/01/12 KBCBANK 4.400 %	2.700.000,00	PLN	99,997	605.661,76		0,09
KBC BANK NV 15/12-10/01/12 KBCBANK 4.600 %	1.830.000,00	PLN	100,005	410.536,93		0,06
KBC BANK NV 19/07-10/01/12 KBCBANK 4.000 %	16.300.000,00	PLN	99,983	3.655.890,57		0,55
KBC BANK NV 19/09-10/01/12 KBCBANK 1.000 %	86.600.000,00	CZK	100,009	3.395.984,55		0,51
KBC BANK NV 23/09-10/01/12 KBCBANK 4.450 %	2.200.000,00	PLN	99,998	493.507,12		0,08
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	80.000.000,00	CZK	100,005	3.137.042,70		0,48
KBC BANK NV 23/09-23/03/12 KBCBANK 4.450 %	16.150.000,00	PLN	99,891	3.618.914,38		0,55
KBC BANK NV 24/11-10/01/12 KBCBANK 5.200 %	1.570.000,00	PLN	100,024	352.276,19		0,05
KBC BANK NV 26/08-10/01/12 KBCBANK 0.850 %	800.000,00	CZK	100,004	31.370,12		0,01
KBC BANK NV 29/07-10/01/12 KBCBANK 4.100 %	11.400.000,00	PLN	99,986	2.556.957,24		0,39
KBC BANK NV 29/08-10/01/12 KBCBANK 4.000 %	5.530.000,00	PLN	99,983	1.240.311,34		0,19
KBC BANK NV 30/12-10/01/12 KBCBANK 0.700 %	11.700.000,00	CZK	100,000	458.769,56		0,07
Total time deposit accounts				24.786.256,42		3,75
TOTAL CASH AT BANK AND IN HAND				25.911.028,84		3,92
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP CZK RECEIVABLES	2.475,37	CZK	1,000	97,06		
KBC GROUP EUR RECEIVABLES	176,45	EUR	1,000	176,45		
KBC GROUP HUF TE ONTVANGEN	690,49	HUF	1,000	2,19		
KBC GROUP PLN RECEIVABLES	149,21	PLN	1,000	33,47		
KBC GROUP USD RECEIVABLES	46,70	USD	1,000	35,97		
Total receivables				345,14		
TOTAL OTHER RECEIVABLES AND PAYABLES				345,14		
OTHER						
Accrued interest		EUR		252.770,91		0,04
Expenses payable		EUR		-18.790,10		0,00
TOTAL OTHER				233.980,81		0,04
TOTAL NET ASSETS				660.304.861,69		100,00

1.7.7 COMPOSITION OF THE ASSETS OF VIGADO CAPITAL PLC.

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Government bonds						
<u>Austria</u>						
AUSTRIA 07/17 4.30 15/09	3.000.000,00	EUR	110,288	3.345.999,51	0,84	0,80
<u>Belgium</u>						
BELGIUM 02/17 5.5% 28/09	5.000.000,00	EUR	110,475	5.593.636,00	1,40	1,34
BELGIUM 06/16 3.25 % 28/09	5.500.000,00	EUR	100,870	5.593.262,60	1,40	1,34
BELGIUM 07/13 4% 28/3	800.000,00	EUR	103,167	849.554,06	0,21	0,20
BELGIUM 07/17 4% 28/03	12.500.000,00	EUR	103,263	13.286.241,55	3,34	3,19
BELGIUM 09/14 3.50% 28/03	5.950.000,00	EUR	102,146	6.235.322,08	1,57	1,50
BELGIUM 10/15 2.75% 05/03	5.000.000,00	USD	96,015	3.784.797,11	0,95	0,91
FLEMISH COMMUNITY 09/12 2.75% 30/03	10.000.000,00	EUR	100,297	10.236.325,68	2,57	2,46
<u>Greece</u>						
HELLENIC REPUBLIC 07/12 4.10% 20/08	5.155.000,00	EUR	32,755	1.764.746,46	0,44	0,42
<u>Italy</u>						
ITALY 03/14 2.15% 15/03-09	10.000.000,00	EUR	93,785	11.145.672,91	2,80	2,68
<u>Czech Republic</u>						
CZECHIA 05/15 3.8% 11/04	15.500.000,00	CZK	105,070	655.201,46	0,16	0,16
Bonds issued by credit institutions						
<u>Germany</u>						
COMMERZBANK AG 09/15 4.75 26/01	315.000,00	EUR	102,886	337.946,58	0,09	0,08
LANDBK HESSEN-THUERINGEN 10/15 0% 23/09	5.000.000,00	USD	99,920	3.859.185,66	0,97	0,93
<u>Australia</u>						
NATIONAL AUSTRALIA BANK 08/15 5.50% 20/05	5.000.000,00	EUR	108,501	5.593.356,01	1,40	1,34
NATIONAL AUSTRALIA BANK 3E+0.47 22/07-24/10 2.074%	2.500.000,00	EUR	99,609	2.499.781,81	0,63	0,60
WESTPAC BANKING CORP 09-16 4.25% 22/09	3.500.000,00	EUR	104,346	3.692.345,65	0,93	0,89
<u>Austria</u>						
ERSTE GROUP BANK AG 10/13 1.625 % 02/09	300.000,00	EUR	99,899	301.282,04	0,08	0,07
<u>Canada</u>						
TORONTO DOMINION BK 08/15 5.375% 14/05	30.000.000,00	EUR	110,399	34.133.019,66	8,57	8,20
<u>Denmark</u>						
NYKREDIT A/S 1	10.000.000,00	EUR	99,963	10.054.427,96	2,52	2,42
SYDBANK A/S 3E+100 03/06-05/09 2.434%	340.000,00	EUR	99,905	340.259,96	0,09	0,08
<u>Spain</u>						
AYT CEDULAS CAJAS FTA 3E+5 14/03-14/06 1.519%	6.400.000,00	EUR	95,916	6.142.833,77	1,54	1,48
SANTANDER INTL 3E+11 25/07-25/10 1.718%	3.450.000,00	EUR	99,271	3.435.570,37	0,86	0,83

<u>US</u>							
BANCO DESIO DELLA BRIANZ 3E+15 13/05-15/08 1.57%	3.350.000,00	EUR	96,722	3.247.095,82	0,82	0,78	
CITIGROUP INC 3E+14 06/06-05/09 1.575%	19.400.000,00	EUR	94,083	18.273.778,80	4,59	4,39	
GENERAL ELEC CAP CORP 08/13 4.8% 01/05	1.500.000,00	USD	104,741	1.219.315,21	0,31	0,29	
MORGAN J.P. & CO 11/16 3.15% 05/01-07	2.500.000,00	USD	100,773	1.971.128,29	0,50	0,47	
WELLS FARGO COMPANY 3L+9 24/07-24/10 0.34300%	11.250.000,00	USD	99,278	8.611.431,34	2,16	2,07	
<u>France</u>							
BANQUE FEDERATIVE DU CREDIT MUTUEL 3E+15 27/05-29/08 1.585%	6.600.000,00	EUR	96,103	6.352.325,46	1,60	1,53	
BPCE SA 10/12 1.311 % 20/07	2.000.000,00	EUR	99,679	2.001.583,28	0,50	0,48	
CAISSE CENTR.CREDIT IMMOB. 10/15 3.75 22/01	443.000,00	EUR	93,533	429.914,68	0,11	0,10	
CAISSE CENTRALE DESJARDINS 3E+7.5 28/03-27/06 1.601%	10.000.000,00	EUR	100,016	10.002.421,66	2,51	2,40	
CIE FINANCEMENT FONCIER 10/15 2.625% 16/04	600.000,00	EUR	99,566	608.498,46	0,15	0,15	
CIE FINANCIERE DU CRED 10/13 2.125% 22/04	8.500.000,00	USD	99,252	6.524.832,88	1,64	1,57	
CIF EUROMORTGAGE 04/14 4.50 % 10/06	600.000,00	EUR	104,648	642.863,41	0,16	0,15	
CREDIT AGRICOLE 08/18 5.971% 01/02	9.500.000,00	EUR	90,994	9.160.389,83	2,30	2,20	
CREDIT AGRICOLE HOME LOAN SFH 10/15 2.50% 24/06	11.500.000,00	EUR	99,407	11.580.268,11	2,91	2,78	
CREDIT LOGEMENT SA 11/16 3.375 18/07	12.500.000,00	EUR	102,136	12.957.189,54	3,25	3,11	
DEXIA CREDIT LOCAL 3E+15 10/10-09/01 1.706%	6.600.000,00	EUR	27,500	1.840.334,10	0,46	0,44	
SOCIETE GENERALE 11/16 4.00% 20/04	3.200.000,00	EUR	98,837	3.251.614,60	0,82	0,78	
SOCIETE GENERALE 6E+8 25/03-23/09 1.581%	7.000.000,00	EUR	99,788	7.019.764,89	1,76	1,69	
<u>Ireland</u>							
DEPFA BANK PLC/IRELAND 6P+19 23/04-23/10 0.66250%	23.600.000,00	USD	88,707	16.153.995,58	4,06	3,88	
<u>Italy</u>							
BANCA NAZ. DEL LAVORO 3E+15 06/06-06/09 1.584%	6.500.000,00	EUR	98,402	6.403.145,66	1,61	1,54	
INTESA SANPAOLO SPA 3E+12 21/03-20/06 1.29%	15.000.000,00	EUR	89,138	13.377.753,74	3,36	3,21	
<u>Netherlands</u>							
COOPERATIEVE CENTRALE RAIFFEIS 11/16 3.875% 20/04	5.000.000,00	EUR	104,119	5.340.410,38	1,34	1,28	
COOPERATIEVE CENTRALE RAIFFEIS 3E +30 14/04-14/07 1.620%	1.300.000,00	EUR	99,993	1.305.111,42	0,33	0,31	
ING BANK 10/13 2.25% 23/09	10.000.000,00	EUR	99,307	9.990.945,90	2,51	2,40	
ING VERZEKERINGEN 3E+175 18/06-20/09 0.902%	6.666.000,00	EUR	95,788	6.388.474,79	1,60	1,53	
<u>UK</u>							
BARCLAYS BANK PLC 3E+80 28/01-28/04 1.851%	1.000.000,00	EUR	99,750	1.001.679,00	0,25	0,24	
LLOYDS BANKING GROUP PLC 09/14 6.25% 15/04	820.000,00	EUR	102,697	878.382,48	0,22	0,21	
LLOYDS TSB BANK PLC 11/16 4.125% 6/4	15.000.000,00	EUR	103,820	16.026.073,77	4,02	3,85	
ROYAL BANK OF SCOTLAND GROUP PLC 08/13 5.25% 15/05	300.000,00	EUR	100,214	310.496,51	0,08	0,08	
ROYAL BANK OF SCOTLAND GROUP PLC 3E 11/13 18/5-18/8 2.576%	7.500.000,00	EUR	97,163	7.310.045,00	1,84	1,76	
ROYAL BANK OF SCOTLAND GROUP PLC 6E 11/13 22/2-22/8 2.419%	5.000.000,00	EUR	96,545	4.829.824,44	1,21	1,16	
UBS LONDON 09/14 5.625% 19/05	325.000,00	EUR	106,351	356.879,22	0,09	0,09	
<u>Sweden</u>							
NORDEA BANK AB 10/13 1.75% 04/10	7.408.000,00	USD	97,814	5.605.477,33	1,41	1,35	
SVENSKA HANDBK 11/16 3.625% 16/2	4.000.000,00	EUR	102,930	4.243.147,30	1,07	1,02	
SWEDBANK 10/13 3.125% 04/03	1.300.000,00	EUR	101,071	1.347.333,25	0,34	0,32	
SWEDBANK HYPOTEK AB 11/16 2.95% 28/03-09	2.000.000,00	USD	102,185	1.585.871,04	0,40	0,38	
VATTENFALL TREASURY 09/16 5.25% 17/03	3.500.000,00	EUR	112,709	4.089.405,16	1,03	0,98	
<u>Switzerland</u>							
CREDIT SUISSE LONDON 3E+5 06/06-05/09 1.485%	7.092.000,00	EUR	99,996	7.099.197,39	1,78	1,71	

CREDIT SUISSE/GUERNSEY 10/15 2.875% 24/09	5.000.000,00	EUR	99,776	5.026.878,18	1,26	1,21
Private-sector bonds						
<u>Germany</u>						
BAYERISCHE LANDESBANK GIRO 01/10/2012	500.000,00	EUR	99,979	499.895,00	0,13	0,12
BAYERISCHE LANDESBANK GIRO 23/03/2012	3.500.000,00	EUR	99,713	3.489.955,00	0,88	0,84
COMMERZBANK AG 01/10/2012	3.500.000,00	USD	99,989	2.695.744,10	0,68	0,65
DEUTSCHE APOTHEKER ARZ 01/10/2012	5.000.000,00	EUR	99,979	4.998.950,00	1,26	1,20
DEUTSCHE POST AG 29/07/11-10/01/12	500.000,00	EUR	99,981	499.905,00	0,13	0,12
DEUTSCHE POSTBANK AG 01/10/2012	1.000.000,00	USD	99,971	770.073,95	0,19	0,19
<u>Austria</u>						
RAIFFEISEN BANK INTL 02/10/2012	500.000,00	EUR	99,864	499.320,00	0,13	0,12
RAIFFEISEN BANK INTL 23/04/2012	2.000.000,00	EUR	99,547	1.990.940,00	0,50	0,48
<u>Belgium</u>						
FORTIS BANK SA/NA 05/10/2012	3.000.000,00	EUR	99,492	2.984.760,00	0,75	0,72
<u>Denmark</u>						
JYSKE BANK A/S 01/10/2012	2.500.000,00	EUR	99,978	2.499.450,00	0,63	0,60
JYSKE BANK A/S 23/03/2012	1.000.000,00	USD	99,657	767.655,22	0,19	0,18
NYKREDIT A/S 23/03/2012	3.000.000,00	EUR	99,689	2.990.670,00	0,75	0,72
<u>Spain</u>						
CORES 08/18 4.50% 23/04	1.500.000,00	EUR	98,372	1.521.870,98	0,38	0,37
<u>US</u>						
GENERAL ELEC CAP CORP 3L+17 27/04-27/07 0.4221%	6.340.000,00	USD	99,701	4.874.224,60	1,22	1,17
PFIZER 07/14 4.75 15/12	15.000.000,00	EUR	109,369	16.434.526,07	4,13	3,95
<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/03/2012	500.000,00	USD	99,790	384.339,86	0,10	0,09
<u>Ireland</u>						
<u>Netherlands</u>						
ABN AMRO BANK NV 01/10/2012	500.000,00	EUR	99,978	499.890,00	0,13	0,12
B.M.W. FIN 02/10/2012	3.000.000,00	EUR	99,867	2.996.010,00	0,75	0,72
<u>UK</u>						
BARCLAYS BANK PLC 01/10/2012	5.600.000,00	USD	99,996	4.313.509,93	1,08	1,04
GRANITE MASTER ISSUER PLC 1L+16 20/10-21/11 0.78750%	12.500.000,00	GBP	94,100	5.855.792,85	1,47	1,41
Total bonds				418.813.529,35	105,14	100,59
Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-20.460.649,56	-5,14	-4,91
Total swaps				-20.460.649,56	-5,14	-4,91
TOTAL SECURITIES PORTFOLIO				398.352.879,79	100,00	95,67
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP CZK	752.372,65	CZK	1,000	29.501,34		0,01
KBC GROUP EURO	505.167,36	EUR	1,000	505.167,36		0,12

KBC GROUP GBP	13,94	GBP	1,000	16,69		
KBC GROUP HUF	156.700,67	HUF	1,000	497,83		
KBC GROUP PLN	50.747,14	PLN	1,000	11.383,90		0,00
KBC GROUP USD	5.844.123,46	USD	1,000	4.501.712,73		1,08
Total demand accounts				5.048.279,85		1,21
Time deposit accounts						
Belgium						
KBC BANK NV 05/08-10/01/12 KBCBANK 4.250 %	1.100.000,00	PLN	99,991	246.736,28		0,06
KBC BANK NV 07/10-23/03/12 KBCBANK 1.000 %	3.500.000,00	CZK	99,981	137.212,68		0,03
KBC BANK NV 07/12-23/03/12 KBCBANK 1.000 %	6.500.000,00	CZK	100,005	254.884,72		0,06
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	32.500.000,00	CZK	100,001	1.274.372,63		0,31
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	17.200.000,00	PLN	99,984	3.857.788,14		0,93
KBC BANK NV 08/07-10/01/12 KBCBANK 5.250 %	15.100.000,00	HUF	99,967	47.955,71		0,01
KBC BANK NV 08/11-10/01/12 KBCBANK 0.850 %	17.000.000,00	CZK	100,004	666.614,91		0,16
KBC BANK NV 10/11-10/05/12 KBCBANK 0.950 %	51.000.000,00	CZK	99,899	1.997.744,97		0,48
KBC BANK NV 12/07-10/01/12 KBCBANK 0.750 %	1.800.000,00	CZK	100,001	70.580,64		0,02
KBC BANK NV 12/07-10/01/12 KBCBANK 4.000 %	50.000,00	PLN	99,983	11.214,39		0,00
KBC BANK NV 12/09-10/01/12 KBCBANK 0.880 %	3.550.000,00	CZK	100,005	139.206,27		0,03
KBC BANK NV 14/07-10/01/12 KBCBANK 4.000 %	2.740.000,00	PLN	99,983	614.548,48		0,15
KBC BANK NV 15/09-10/01/12 KBCBANK 4.400 %	1.350.000,00	PLN	99,997	302.830,88		0,07
KBC BANK NV 15/12-10/01/12 KBCBANK 4.600 %	910.000,00	PLN	100,005	204.146,78		0,05
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	45.000.000,00	CZK	100,005	1.764.586,52		0,42
KBC BANK NV 23/09-23/03/12 KBCBANK 4.450 %	9.200.000,00	PLN	99,891	2.061.548,74		0,50
KBC BANK NV 24/08-10/01/12 KBCBANK 0.850 %	17.000.000,00	CZK	100,004	666.614,91		0,16
KBC BANK NV 24/11-10/01/12 KBCBANK 5.200 %	860.000,00	PLN	100,024	192.966,58		0,05
KBC BANK NV 26/08-10/01/12 KBCBANK 0.850 %	400.000,00	CZK	100,004	15.685,06		0,00
KBC BANK NV 29/07-10/01/12 KBCBANK 4.100 %	5.600.000,00	PLN	99,986	1.256.049,17		0,30
KBC BANK NV 29/08-10/01/12 KBCBANK 4.000 %	5.000.000,00	PLN	99,983	1.121.438,83		0,27
KBC BANK NV 30/12-10/01/12 KBCBANK 0.700 %	5.850.000,00	CZK	100,000	229.384,78		0,06
Total time deposit accounts				17.134.112,07		4,12
TOTAL CASH AT BANK AND IN HAND				22.182.391,92		5,33
OTHER RECEIVABLES AND PAYABLES						
Receivables						
Belgium						
KBC GROUP CZK RECEIVABLES	12.515,76	CZK	1,000	490,76		
KBC GROUP EUR RECEIVABLES	99,42	EUR	1,000	99,42		
KBC GROUP HUF TE ONTVANGEN	653,10	HUF	1,000	2,07		
KBC GROUP PLN RECEIVABLES	253,18	PLN	1,000	56,79		
KBC GROUP USD RECEIVABLES	39,72	USD	1,000	30,60		
Total receivables				679,64		
Debts						
Belgium						
KBC GROUP EUR PAYABLES	-21,00	EUR	1,000	-21,00		
KBC GROUP EUR PAYABLES	-5.599.891,11	USD	1,000	-4.313.581,20		-1,04
Total debts				-4.313.602,20		-1,04
TOTAL OTHER RECEIVABLES AND PAYABLES				-4.312.922,56		-1,04

OTHER					
Accrued interest		EUR		175.286,40	0,04
Expenses payable		EUR		-18.747,20	-0,01
TOTAL OTHER				156.539,20	0,04
TOTAL NET ASSETS				416.378.888,35	100,00

1.7.8 COMPOSITION OF THE ASSETS OF VOYCE INVESTMENTS PLC.

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Government bonds						
<u>Austria</u>						
AUSTRIA 03/18 4.65% 15/01	12.500.000,00	EUR	112,222	14.583.580,54	3,58	3,48
AUSTRIA 07/17 4.30 15/09	5.000.000,00	EUR	110,288	5.576.665,86	1,37	1,33
<u>Belgium</u>						
BELGIUM 02/17 5.5% 28/09	3.750.000,00	EUR	110,475	4.195.226,99	1,03	1,00
BELGIUM 04/14 4.25 % 28/09	600.000,00	EUR	104,162	631.453,57	0,16	0,15
BELGIUM 08/14 4,00% 28/03	1.490.600,00	EUR	103,313	1.585.104,99	0,39	0,38
FLEMISH COMMUNITY 09/16 3.875% 20/07	13.000.000,00	EUR	101,971	13.480.577,67	3,31	3,22
<u>Europe</u>						
EUROPEAN UNION 11/18 3.25% 04-04	1.500.000,00	EUR	105,140	1.614.528,28	0,40	0,39
<u>France</u>						
CADES 11/16 2.375% 31/03-30/09	3.000.000,00	USD	99,135	2.304.623,71	0,57	0,55
<u>Greece</u>						
HELLENIC REPUBLIC 07/12 4.10% 20/08	2.125.000,00	EUR	32,755	727.465,80	0,18	0,17
<u>Italy</u>						
ITALY 03/14 2.15% 15/03-09	8.000.000,00	EUR	93,785	8.916.538,33	2,19	2,13
<u>Czech Republic</u>						
CZECHIA 05/15 3.8% 11/04	29.000.000,00	CZK	105,070	1.225.860,79	0,30	0,29
Bonds issued by credit institutions						
<u>Germany</u>						
COMMERZBANK AG 09/15 4.75 26/01	250.000,00	EUR	102,886	268.211,58	0,07	0,06
LANDBK HESSEN-THUERINGEN 10/15 0% 23/09	5.000.000,00	USD	99,920	3.859.185,66	0,95	0,92
MUNCHENER HYPOTHEKENBANK 6E+5 23/03-23/09 2.088%	15.000.000,00	EUR	100,009	15.100.825,85	3,71	3,61
<u>Australia</u>						
NATIONAL AUSTRALIA BANK 3E+0.47 22/07-24/10 2.074%	2.500.000,00	EUR	99,609	2.499.781,81	0,61	0,60
WESTPAC BANKING CORP 09-16 4.25% 22/09	3.500.000,00	EUR	104,346	3.692.345,65	0,91	0,88
<u>Austria</u>						
ERSTE GROUP BANK AG 10/13 1.625 % 02/09	1.200.000,00	EUR	99,899	1.205.128,16	0,30	0,29
REIFFEISENLANDESBANK NIEDEROES 6E 21/04-21/10 1.635%	4.300.000,00	EUR	99,990	4.315.313,97	1,06	1,03
<u>Belgium</u>						
FORTIS BANK SA/NA 07/14 4.50% 30/05	23.750.000,00	EUR	102,214	24.900.722,53	6,11	5,95
FORTIS BANK SA/NA 3L+22 22/08-22/11 0.51778	24.300.000,00	USD	92,038	17.241.864,54	4,23	4,12
<u>Denmark</u>						
NYKREDIT A/S 1	6.000.000,00	EUR	99,963	6.032.656,78	1,48	1,44

SYDBANK A/S 3E+100 03/06-05/09 2.434%	355.000,00	EUR	99,905	355.271,43	0,09	0,09
<u>Spain</u>						
BPE FINANCIACIONES SA 3E+7.5 08/08-08/11 1.677%	1.800.000,00	EUR	99,781	1.800.121,80	0,44	0,43
CAJA AHORRO MONTE MADRID 3E+12.5 09/05-09/08 1.549%	2.700.000,00	EUR	99,689	2.697.726,82	0,66	0,64
SANTANDER INTL 3E+11 25/07-25/10 1.718%	2.000.000,00	EUR	99,271	1.991.635,00	0,49	0,48
<u>US</u>						
BANCO DESIO DELLA BRIANZ 3E+15 13/05-15/08 1.57%	4.050.000,00	EUR	96,722	3.925.593,45	0,96	0,94
BANK OF AMERICA 3E+15 05/05-05/08 1.552%	4.700.000,00	EUR	89,469	4.217.013,64	1,04	1,01
BANK OF AMERICA 3E+15 12/12-12/03 1.620%	5.000.000,00	EUR	92,294	4.618.750,00	1,13	1,10
CITIGROUP INC 3E+10 12/10-12/01 1.667%	10.000.000,00	EUR	100,000	10.036.581,38	2,46	2,40
CITIGROUP INC 3E+14 06/06-05/09 1.575%	6.500.000,00	EUR	94,083	6.122.657,85	1,50	1,46
GENERAL ELEC CAP CORP 07/12 5.25% 19/04	1.500.000,00	USD	103,467	1.207.469,00	0,30	0,29
MERRILL LYNCH & CO 3E+45 22/07-24/10 2.054%	11.321.000,00	EUR	86,416	9.826.010,99	2,41	2,35
MORGAN STANLEY 3E+30 29/11-29/02 1.775%	6.000.000,00	EUR	91,891	5.522.630,83	1,36	1,32
WELLS FARGO COMPANY 3L+9 25/10-25/01 1.07475%	8.834.000,00	GBP	99,984	10.594.701,80	2,60	2,53
<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 10/12 2.026% 24/09	1.500.000,00	EUR	99,590	1.494.088,75	0,37	0,36
BANQUE FEDERATIVE DU CREDIT MUTUEL 3E+15 27/05-29/08 1.585%	600.000,00	EUR	96,103	577.484,13	0,14	0,14
BPCE SA 10/12 1.311 % 20/07	2.000.000,00	EUR	99,679	2.001.583,28	0,49	0,48
CAISSE CENTR.CREDIT IMMOB. 02/12 5.875% 25/4	420.000,00	EUR	100,771	440.025,29	0,11	0,11
CAISSE CENTR.CREDIT IMMOB. 10/15 3.75 22/01	356.000,00	EUR	93,533	345.484,49	0,09	0,08
CAISSE CENTRALE DESJARDINS 3E+7.5 28/03-27/06 1.601%	15.000.000,00	EUR	100,016	15.003.632,49	3,68	3,58
CIE FINANCEMENT FONCIER 10/15 2.625% 16/04	1.100.000,00	EUR	99,566	1.115.580,51	0,27	0,27
CIF EUROMORTGAGE 04/14 4.50 % 10/06	1.100.000,00	EUR	104,648	1.178.582,92	0,29	0,28
CREDIT AGRICOLE (LONDON) 3E+44 12/09-12/12 1.910%	2.200.000,00	EUR	99,608	2.193.477,00	0,54	0,52
CREDIT AGRICOLE HOME LOAN SFH 10/15 2.50% 24/06	5.000.000,00	EUR	99,407	5.034.899,18	1,24	1,20
SOCIETE GENERALE 08/13 5.25% 28/03	3.000.000,00	EUR	102,045	3.180.550,82	0,78	0,76
SOCIETE GENERALE 6E+8 25/03-23/09 1.581%	7.000.000,00	EUR	99,788	7.019.764,89	1,72	1,68
<u>Netherlands</u>						
ABN AMRO BANK NV 11/18 3.50% 12/01	5.500.000,00	EUR	104,577	5.937.378,83	1,46	1,42
ALLIANZ FINANCE II BV 08/13 5% 06/03	7.000.000,00	EUR	103,706	7.545.348,96	1,85	1,80
COOPERATIEVE CENTRALE RAIFFEIS 3E +30 14/04-14/07 1.620%	6.000.000,00	EUR	99,993	6.023.591,17	1,48	1,44
FORTIS BK NEDERLAND NV 10/12 1.796% 03/02	885.000,00	EUR	100,103	889.393,66	0,22	0,21
KBC IFIMA 05/16 3.87% 18/05	361.500.000,00	CZK	89,900	13.081.879,18	3,21	3,12
RABOBANK NEDERLAND NV 09/14 4.375% 22/01	2.900.000,00	EUR	105,182	3.169.158,14	0,78	0,76
RABOBANK NEDERLAND NV 3E+45BP 17/06-19/09 1.935 %	5.000.000,00	EUR	100,175	5.011.605,42	1,23	1,20
<u>UK</u>						
BARCLAYS BANK PLC 3E+80 28/01-28/04 1.851%	3.000.000,00	EUR	99,750	3.005.037,00	0,74	0,72
HBOS TREASURY SERVICES PLC 3L+5 16/05-16/08 0.31075%	9.500.000,00	USD	99,451	7.282.216,27	1,79	1,74
LLOYDS BANKING GROUP PLC 09/14 6.25% 15/04	630.000,00	EUR	102,697	674.854,83	0,17	0,16
ROYAL BANK OF SCOTLAND GROUP PLC 08/13 5.25% 15/05	300.000,00	EUR	100,214	310.496,51	0,08	0,07
ROYAL BANK OF SCOTLAND GROUP PLC 3L+20 30/11-29/02 0.71806%	8.000.000,00	USD	66,875	4.124.778,20	1,01	0,99
UBS LONDON 08/13 6.25% 03/09	5.600.000,00	EUR	105,938	6.045.369,53	1,48	1,44
UBS LONDON 09/14 5.625% 19/05	265.000,00	EUR	106,351	290.993,83	0,07	0,07
<u>Sweden</u>						
NORDEA BANK AB 10/13 1.75% 04/10	1.481.000,00	USD	97,814	1.120.641,46	0,28	0,27
SVENSKA HANDBK 11/16 3.125% 12/01-07	1.000.000,00	USD	100,686	786.815,07	0,19	0,19
SVENSKA HANDBK 3E 10/13 14/4-14/07 1.72%	1.000.000,00	EUR	100,220	1.006.415,75	0,25	0,24

SWEDBANK 10/13 3.125% 04/03	3.000.000,00	EUR	101,071	3.109.230,56	0,76	0,74
SWEDBANK HYPOTEK AB 11/16 2.95% 28/03-09	4.000.000,00	USD	102,185	3.171.742,07	0,78	0,76
<u>Switzerland</u>						
CREDIT SUISSE 05/2012 3.125% 14/09	1.800.000,00	EUR	100,851	1.831.762,67	0,45	0,44
CREDIT SUISSE LONDON 3E+5 06/06-05/09 1.485%	500.000,00	EUR	99,996	500.507,43	0,12	0,12
CREDIT SUISSE/GUERNSEY 10/15 2.875% 24/09	4.500.000,00	EUR	99,776	4.524.190,36	1,11	1,08
Private-sector bonds						
<u>Germany</u>						
BAYERISCHE LANDESBANK GIRO 01/10/2012	500.000,00	EUR	99,979	499.895,00	0,12	0,12
BAYERISCHE LANDESBANK GIRO 01/10/2012	4.500.000,00	USD	99,975	3.465.471,43	0,85	0,83
DEUTSCHE APOTHEKER ARZ 01/10/2012	5.000.000,00	EUR	99,979	4.998.950,00	1,23	1,19
DEUTSCHE APOTHEKER ARZ 02/10/2012	3.500.000,00	EUR	99,873	3.495.555,00	0,86	0,84
LANDESBANK BADEN-WUERTTEMBERG 01/10/2012	11.000.000,00	USD	99,986	8.472.084,42	2,08	2,02
<u>Austria</u>						
RAIFFEISEN BANK INTL 23/04/2012	1.500.000,00	EUR	99,547	1.493.205,00	0,37	0,36
<u>Denmark</u>						
JYSKE BANK A/S 01/10/2012	2.500.000,00	EUR	99,978	2.499.450,00	0,61	0,60
JYSKE BANK A/S 23/03/2012	500.000,00	USD	99,657	383.827,61	0,09	0,09
<u>US</u>						
GENERAL ELEC CAP CORP 3L+17 27/04-27/07 0.4221%	26.160.000,00	USD	99,701	20.111.942,51	4,94	4,80
NEW YORK LIFE GLOBAL FDG 07/12 5.25% 16/04-10	20.000.000,00	USD	103,475	16.107.559,17	3,96	3,85
<u>France</u>						
NATIXIS 23/03/2012	2.500.000,00	EUR	99,710	2.492.750,00	0,61	0,60
NATIXIS 23/03/2012	5.000.000,00	EUR	99,695	4.984.750,00	1,22	1,19
<u>Ireland</u>						
<u>Netherlands</u>						
ABN AMRO BANK NV 01/10/2012	500.000,00	EUR	99,980	499.900,00	0,12	0,12
ABN AMRO BANK NV 01/10/2012	500.000,00	EUR	99,978	499.890,00	0,12	0,12
BELUGA MASTER ISSUER BV 3E+13 28/04-28/07 0.775% A2	16.900.000,00	EUR	99,137	16.804.966,23	4,13	4,01
ING BANK 05/10/2012	5.000.000,00	EUR	99,461	4.973.050,00	1,22	1,19
ING BANK 23/04/2012	1.000.000,00	EUR	99,548	995.480,00	0,24	0,24
<u>UK</u>						
GRANITE MASTER ISSUER PLC 2E+10 22/08-20/09 1.448%	15.000.000,00	EUR	95,038	5.928.676,15	1,46	1,42
GRANITE MORTGAGES PLC 1L+12 22/08-20/09 0.77438%	14.700.000,00	GBP	94,490	6.914.836,16	1,70	1,65
LANDESBANK BW LONDON 23/03/2012	4.500.000,00	USD	99,732	3.457.048,22	0,85	0,83
LLOYDS BANKING GROUP PLC 01/10/2012	1.000.000,00	EUR	99,979	999.790,00	0,25	0,24
Total bonds				425.981.464,60	104,59	101,73
Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-18.709.942,33	-4,59	-4,47
Total swaps				-18.709.942,33	-4,59	-4,47
TOTAL SECURITIES PORTFOLIO				407.271.522,27	100,00	97,26

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP CZK	354.964,50	CZK	1,000	13.918,54		0,00
KBC GROUP EURO	798.433,37	EUR	1,000	798.433,37		0,19
KBC GROUP GBP	23,61	GBP	1,000	28,27		
KBC GROUP HUF	155.728,19	HUF	1,000	494,74		
KBC GROUP PLN	3.836,71	PLN	1,000	860,67		
KBC GROUP USD	49.186,54	USD	1,000	37.888,26		0,01
Total demand accounts				851.623,85		0,20
Time deposit accounts						
<u>Belgium</u>						
KBC BANK NV 05/08-10/01/12 KBCBANK 4.250 %	1.100.000,00	PLN	99,991	246.736,28		0,06
KBC BANK NV 07/10-23/03/12 KBCBANK 1.000 %	2.200.000,00	CZK	99,981	86.247,97		0,02
KBC BANK NV 07/12-10/01/12 KBCBANK 0.950 %	6.500.000,00	CZK	100,007	254.889,82		0,06
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	500.000,00	CZK	100,001	19.605,73		0,01
KBC BANK NV 08/07-10/01/12 KBCBANK 5.250 %	15.000.000,00	HUF	99,967	47.638,11		0,01
KBC BANK NV 10/11-10/05/12 KBCBANK 0.950 %	52.000.000,00	CZK	99,899	2.036.916,45		0,49
KBC BANK NV 12/07-10/01/12 KBCBANK 0.750 %	1.800.000,00	CZK	100,001	70.580,64		0,02
KBC BANK NV 12/07-10/01/12 KBCBANK 4.000 %	200.000,00	PLN	99,983	44.857,56		0,01
KBC BANK NV 12/09-10/01/12 KBCBANK 0.880 %	3.550.000,00	CZK	100,005	139.206,27		0,03
KBC BANK NV 14/07-10/01/12 KBCBANK 4.000 %	600.000,00	PLN	99,983	134.572,66		0,03
KBC BANK NV 15/09-10/01/12 KBCBANK 4.400 %	1.350.000,00	PLN	99,997	302.830,88		0,07
KBC BANK NV 15/12-10/01/12 KBCBANK 4.600 %	910.000,00	PLN	100,005	204.146,78		0,05
KBC BANK NV 19/07-10/01/12 KBCBANK 0.850 %	7.500.000,00	CZK	100,004	294.094,81		0,07
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	80.000.000,00	CZK	100,005	3.137.042,70		0,75
KBC BANK NV 23/09-23/03/12 KBCBANK 4.450 %	13.380.000,00	PLN	99,891	2.998.208,94		0,72
KBC BANK NV 24/11-10/01/12 KBCBANK 5.200 %	830.000,00	PLN	100,024	186.235,18		0,04
KBC BANK NV 26/08-10/01/12 KBCBANK 0.850 %	400.000,00	CZK	100,004	15.685,06		0,00
KBC BANK NV 29/07-10/01/12 KBCBANK 4.100 %	500.000,00	PLN	99,986	112.147,24		0,03
KBC BANK NV 30/12-10/01/12 KBCBANK 0.700 %	5.850.000,00	CZK	100,000	229.384,78		0,06
Total time deposit accounts				10.561.027,86		2,52
TOTAL CASH AT BANK AND IN HAND				11.412.651,71		2,73
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP CZK RECEIVABLES	62,55	CZK	1,000	2,45		
KBC GROUP EUR RECEIVABLES	196,01	EUR	1,000	196,01		
KBC GROUP HUF TE ONTVANGEN	657,09	HUF	1,000	2,09		
KBC GROUP PLN RECEIVABLES	68,10	PLN	1,000	15,28		
KBC GROUP USD RECEIVABLES	41,53	USD	1,000	31,99		
Total receivables				247,82		

Debts						
<u>Belgium</u>						
KBC GROUP GBP A PAYER	-10,91	GBP	1,000	-13,06		
Total debts				-13,06		
TOTAL OTHER RECEIVABLES AND PAYABLES				234,76		
OTHER						
Accrued interest		EUR		66.104,41		0,02
Expenses payable		EUR		-18.747,20		0,00
TOTAL OTHER				47.357,21		0,01
TOTAL NET ASSETS				418.731.765,95		100,00

1.7.9 COMPOSITION OF THE ASSETS OF NIMROD CAPITAL PLC.

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Government bonds						
<u>Austria</u>						
AUSTRIA 03/14 4.30% 15/07	1.254.000,00	EUR	108,348	1.383.435,00	0,34	0,33
AUSTRIA 07/17 4.30 15/09	12.462.000,00	EUR	110,288	13.899.281,97	3,41	3,32
<u>Belgium</u>						
BELGIUM 08/18 4% 28/03	3.900.000,00	EUR	102,951	4.133.135,54	1,01	0,99
BELGIUM 92/12 8% 24/12 OLO12	2.000.000,00	EUR	107,095	2.144.522,95	0,53	0,51
<u>Europe</u>						
EUROPEAN UNION 11/18 3.25% 04-04	2.000.000,00	EUR	105,140	2.152.704,37	0,53	0,51
<u>Greece</u>						
HELLENIC REPUBLIC 07/12 4.10% 20/08	325.000,00	EUR	32,755	111.259,48	0,03	0,03
<u>Italy</u>						
ITALY 03/14 2.15% 15/03-09	10.000.000,00	EUR	93,785	11.145.672,91	2,73	2,66
<u>Czech Republic</u>						
CZECHIA 03/13 3.7% 16/06	11.000.000,00	CZK	103,195	453.702,61	0,11	0,11
CZECHIA 05/15 3.8% 11/04	34.000.000,00	CZK	105,070	1.437.216,10	0,35	0,34
Bonds issued by credit institutions						
<u>Germany</u>						
COMMERZBANK AG 09/15 4.75 26/01	355.000,00	EUR	102,886	380.860,44	0,09	0,09
L-BANK BW FOERDERBANK 10/13 1.00 15/10	2.000.000,00	USD	100,099	1.545.329,43	0,38	0,37
LANDBK HESSEN-THUERINGEN 10/15 0% 23/09	4.500.000,00	USD	99,920	3.473.267,09	0,85	0,83
VOLKSWAGEN LEASE 11/15 2.75% 13/07	1.500.000,00	EUR	101,868	1.547.179,84	0,38	0,37
<u>Australia</u>						
COMMONWEALTH BK OF AUSTRALIA 10/15 3.5% 19/09	6.000.000,00	USD	102,739	4.793.758,02	1,17	1,14
NATIONAL AUSTRALIA BANK 3E+0.47 22/07-24/10 2.074%	5.250.000,00	EUR	99,609	5.249.541,79	1,29	1,25
WESTPAC BANKING 3E+45 10/13 1.493% 29/10	3.000.000,00	EUR	100,090	3.012.900,00	0,74	0,72
<u>Denmark</u>						
NYKREDIT A/S 6E +0.1 23/3-23/9 1.578%	5.000.000,00	EUR	99,867	5.018.340,00	1,23	1,20
NYKREDIT A/S 6E 23/03-23/09 1.943%	10.000.000,00	EUR	98,917	9.950.391,11	2,44	2,37
SYDBANK A/S 3E+100 03/06-05/09 2.434%	335.000,00	EUR	99,905	335.256,14	0,08	0,08
<u>Spain</u>						
SANTANDER INTL 3E+11 25/07-25/10 1.718%	2.800.000,00	EUR	99,271	2.788.289,00	0,68	0,67
<u>US</u>						
BANCO DESIO DELLA BRIANZ 3E+15 13/05-15/08 1.57%	3.350.000,00	EUR	96,722	3.247.095,82	0,80	0,77
BANK OF AMERICA 3E+15 12/12-12/03 1.620%	10.000.000,00	EUR	92,294	9.237.500,00	2,26	2,20

CITIGROUP INC 3E+10 12/10-12/01 1.667%	10.000.000,00	EUR	100,000	10.036.581,38	2,46	2,39
GENERAL ELEC CAP CORP 07/12 5.25% 19/04	1.500.000,00	USD	103,467	1.207.469,00	0,30	0,29
HSBC FINANCE CORP 3E+24 28/04-28/07 0.885%	10.000.000,00	EUR	95,042	9.536.190,00	2,34	2,27
MERRILL LYNCH & CO 3E+45 22/07-24/10 2.054%	11.321.000,00	EUR	86,416	9.826.010,99	2,41	2,34
MORGAN J.P. & CO 11/16 3.15% 05/01-07	2.500.000,00	USD	100,773	1.971.128,29	0,48	0,47
MORGAN STANLEY 3E+30 29/11-29/02 1.775%	4.400.000,00	EUR	91,891	4.049.929,28	0,99	0,97
WELLS FARGO COMPANY 3L+9 25/10-25/01 1.07475%	22.034.000,00	GBP	99,984	26.425.589,68	6,47	6,30
<u>France</u>						
BPCE SA 10/12 1.311 % 20/07	2.000.000,00	EUR	99,679	2.001.583,28	0,49	0,48
CAISSE CENTR.CREDIT IMMOB. 02/12 5.875% 25/4	420.000,00	EUR	100,771	440.025,29	0,11	0,11
CAISSE CENTR.CREDIT IMMOB. 10/15 FRN 23/9	13.500.000,00	EUR	98,997	13.430.274,77	3,29	3,20
CAISSE CENTR.CREDIT IMMOB. 10/15 3.75 22/01	496.000,00	EUR	93,533	481.349,17	0,12	0,12
CIE FINANCEMENT FONCIER 10/15 2.625% 16/04	1.300.000,00	EUR	99,566	1.318.413,33	0,32	0,31
CIF EUROMORTGAGE 04/14 4.50 % 10/06	1.300.000,00	EUR	104,648	1.392.870,72	0,34	0,33
CREDIT AGRICOLE HOME LOAN SFH 10/15 2.50% 24/06	2.200.000,00	EUR	99,407	2.215.355,64	0,54	0,53
SOCIETE GENERALE 11/16 3.25% 06/06	3.500.000,00	EUR	101,031	3.600.419,01	0,88	0,86
<u>Ireland</u>						
DEPFA BANK PLC/IRELAND 6P+19 23/04-23/10 0.66250%	37.100.000,00	USD	88,707	25.394.628,64	6,22	6,06
<u>Italy</u>						
BANCA INTESA SPA .	9.100.000,00	EUR	99,710	9.094.005,12	2,23	2,17
BANCA INTESA SPA 3E+20 01/07-03/10 1.737%	16.900.000,00	EUR	86,707	14.725.777,43	3,61	3,51
UNICREDIT SPA 10/15 2.625 31/10	3.000.000,00	EUR	91,542	2.759.169,83	0,68	0,66
<u>Japan</u>						
SUMITOMO MITSUI BANKING CORPORATION 11/16 2.90% 22/01-07	5.000.000,00	USD	103,401	4.031.496,60	0,99	0,96
<u>Norway</u>						
DNB NORBANK BOLIGKREDITT 11/16 2.625% 11/01	10.000.000,00	EUR	102,241	10.477.969,86	2,57	2,50
<u>Netherlands</u>						
FORTIS BK NEDERLAND NV 10/12 1.796% 03/02	630.000,00	EUR	100,103	633.127,69	0,16	0,15
ING VERZEKERINGEN 3E+175 18/06-20/09 0.902%	5.000.000,00	EUR	95,788	4.791.835,28	1,17	1,14
KBC IFIMA 05/16 3.87% 18/05	469.200.000,00	CZK	89,900	16.979.302,10	4,16	4,05
RABOBANK NEDERLAND NV 09/14 4.375% 22/01	3.250.000,00	EUR	105,182	3.551.642,74	0,87	0,85
RABOBANK NEDERLAND NV 3E+18 10/10-08/01 1.736%	5.000.000,00	EUR	100,022	5.020.630,00	1,23	1,20
<u>UK</u>						
BARCLAYS BANK PLC 3E+80 28/01-28/04 1.851%	5.000.000,00	EUR	99,750	5.008.395,00	1,23	1,19
HBOS TREASURY SERVICES PLC 3L+5 16/05-16/08 0.31075%	9.500.000,00	USD	99,451	7.282.216,27	1,78	1,74
LLOYDS BANKING GROUP PLC 09/14 6.25% 15/04	980.000,00	EUR	102,697	1.049.774,18	0,26	0,25
ROYAL BANK OF SCOTLAND GROUP PLC 08/13 5.25% 15/05	300.000,00	EUR	100,214	310.496,51	0,08	0,07
ROYAL BANK OF SCOTLAND GROUP PLC 10/13 3.4% 23/08	4.500.000,00	USD	98,568	3.458.276,84	0,85	0,83
ROYAL BANK OF SCOTLAND GROUP PLC 11/14 2.5% 07/09	1.100.000,00	EUR	99,581	1.103.956,57	0,27	0,26
UBS LONDON 09/14 5.625% 19/05	360.000,00	EUR	106,351	395.312,37	0,10	0,09
<u>Slovenia</u>						
NOVA LJUBLJANSKA BANK 3E+20 28/06-28/09 1.728%	10.000.000,00	EUR	98,491	9.850.007,91	2,41	2,35
<u>Sweden</u>						
STADSHYPOTEK AB 10/13 30/06-30/09 0.79575%	5.000.000,00	USD	99,560	3.843.482,96	0,94	0,92
SWEDBANK 10/13 3.125% 04/03	8.400.000,00	EUR	101,071	8.705.845,56	2,13	2,08
SWEDBANK 6E 16/05-23/09 1.97600	5.000.000,00	EUR	99,319	4.993.349,17	1,22	1,19

<u>Switzerland</u>						
CREDIT SUISSE 05/2012 3.125% 14/09	2.500.000,00	EUR	100,851	2.544.114,82	0,62	0,61
CREDIT SUISSE LONDON 08/13 6.125% 05/08	2.000.000,00	EUR	105,318	2.155.560,82	0,53	0,51
Private-sector bonds						
<u>Germany</u>						
BAYERISCHE LANDESBANK GIRO 01/10/2012	1.500.000,00	EUR	99,979	1.499.685,00	0,37	0,36
BAYERISCHE LANDESBANK GIRO 01/10/2012	2.500.000,00	USD	99,975	1.925.261,90	0,47	0,46
COMMERZBANK AG 02/10/2012	2.500.000,00	EUR	99,882	2.497.050,00	0,61	0,60
DEUTSCHE POST AG 29/07/11-10/01/12	2.000.000,00	EUR	99,981	1.999.620,00	0,49	0,48
LANDBK HESSEN-THUERINGEN 01/10/2012	500.000,00	USD	99,985	385.090,90	0,09	0,09
<u>Austria</u>						
RAIFFEISEN BANK INTL 02/10/2012	2.000.000,00	EUR	99,864	1.997.280,00	0,49	0,48
RAIFFEISEN BANK INTL 23/04/2012	1.500.000,00	EUR	99,547	1.493.205,00	0,37	0,36
<u>Belgium</u>						
FORTIS BANK SA/NA 05/10/2012	5.000.000,00	EUR	99,492	4.974.600,00	1,22	1,19
<u>Denmark</u>						
JYSKE BANK A/S 23/03/2012	1.000.000,00	USD	99,657	767.655,22	0,19	0,18
<u>US</u>						
GENERAL ELEC CAP CORP 3E+20 28/04-28/07 0.845%	8.500.000,00	EUR	96,190	8.202.746,50	2,01	1,96
GENERAL ELEC CAP CORP 3L+13 02/08-02/11 0.38550%	16.750.000,00	USD	99,650	12.868.950,92	3,15	3,07
<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 01/10/2012	500.000,00	USD	99,983	385.083,19	0,09	0,09
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/03/2012	2.500.000,00	USD	99,809	1.922.065,16	0,47	0,46
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/04/2012	4.500.000,00	EUR	99,532	4.478.940,00	1,10	1,07
BPCE SA 22/06/2012	4.000.000,00	EUR	99,190	3.967.600,00	0,97	0,95
CREDIT AGRICOLE 01/10/2012	5.000.000,00	EUR	99,979	4.998.950,00	1,23	1,19
NATIXIS 23/03/2012	3.000.000,00	EUR	99,710	2.991.300,00	0,73	0,71
NATIXIS 23/03/2012	3.000.000,00	EUR	99,695	2.990.850,00	0,73	0,71
<u>Ireland</u>						
<u>Netherlands</u>						
ABN AMRO BANK NV 01/10/2012	500.000,00	EUR	99,978	499.890,00	0,12	0,12
ABN AMRO BANK NV 23/03/2012	1.500.000,00	EUR	99,711	1.495.665,00	0,37	0,36
BELUGA MASTER ISSUER BV 3E+13 28/04-28/07 0.775% A2	17.000.000,00	EUR	99,137	16.904.403,90	4,14	4,03
<u>UK</u>						
CLYDESDALE BANK 01/10/2012	7.500.000,00	USD	99,983	5.776.247,88	1,42	1,38
PERMANENT MASTER ISSUER PLC 3E+9 15/04-15/07 1.417%	15.000.000,00	EUR	99,916	7.519.325,49	1,84	1,79
ROYAL BANK OF SCOTLAND GROUP PLC 23/03/2012	3.000.000,00	EUR	99,682	2.990.460,00	0,73	0,71
Total bonds				419.066.129,77	102,66	99,94
Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-10.845.189,01	-2,66	-2,59
Total swaps				-10.845.189,01	-2,66	-2,59
TOTAL SECURITIES PORTFOLIO				408.220.940,76	100,00	97,35

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP CZK	42.305,39	CZK	1,000	1.658,84		
KBC GROUP EURO	310.852,26	EUR	1,000	310.852,26		0,07
KBC GROUP GBP	10,56	GBP	1,000	12,64		
KBC GROUP HUF	75.607,14	HUF	1,000	240,20		
KBC GROUP PLN	4.498,96	PLN	1,000	1.009,23		
KBC GROUP USD	301.761,46	USD	1,000	232.446,05		0,06
Total demand accounts				546.219,22		0,13
Time deposit accounts						
<u>Belgium</u>						
KBC BANK NV 05/08-10/01/12 KBCBANK 4.250 %	1.100.000,00	PLN	99,991	246.736,28		0,06
KBC BANK NV 07/09-10/01/12 KBCBANK 0.850 %	12.700.000,00	CZK	100,004	498.000,55		0,12
KBC BANK NV 07/10-10/01/12 KBCBANK 4.550 %	1.200.000,00	PLN	100,002	269.196,47		0,06
KBC BANK NV 07/12-23/03/12 KBCBANK 1.000 %	5.900.000,00	CZK	100,005	231.356,90		0,06
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	900.000,00	CZK	100,001	35.290,32		0,01
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	1.490.000,00	PLN	99,984	334.192,11		0,08
KBC BANK NV 08/07-10/01/12 KBCBANK 5.250 %	16.200.000,00	HUF	99,967	51.449,17		0,01
KBC BANK NV 08/11-23/03/12 KBCBANK 0.900 %	10.300.000,00	CZK	99,958	403.704,42		0,10
KBC BANK NV 10/11-10/05/12 KBCBANK 0.950 %	11.000.000,00	CZK	99,899	430.886,18		0,10
KBC BANK NV 10/11-23/03/12 KBCBANK 0.900 %	17.000.000,00	CZK	99,958	666.308,28		0,16
KBC BANK NV 12/09-10/01/12 KBCBANK 0.880 %	3.550.000,00	CZK	100,005	139.206,27		0,03
KBC BANK NV 14/07-10/01/12 KBCBANK 4.000 %	10.000,00	PLN	99,983	2.242,88		0,00
KBC BANK NV 15/09-10/01/12 KBCBANK 4.400 %	1.350.000,00	PLN	99,997	302.830,88		0,07
KBC BANK NV 15/12-10/01/12 KBCBANK 4.600 %	910.000,00	PLN	100,005	204.146,78		0,05
KBC BANK NV 19/07-10/01/12 KBCBANK 0.850 %	8.700.000,00	CZK	100,004	341.149,98		0,08
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	28.650.000,00	CZK	100,005	1.123.453,42		0,27
KBC BANK NV 23/09-23/03/12 KBCBANK 4.450 %	8.650.000,00	PLN	99,891	1.938.303,98		0,46
KBC BANK NV 24/08-10/01/12 KBCBANK 0.850 %	41.300.000,00	CZK	100,004	1.619.482,10		0,39
KBC BANK NV 24/11-10/01/12 KBCBANK 5.200 %	760.000,00	PLN	100,024	170.528,60		0,04
KBC BANK NV 26/08-10/01/12 KBCBANK 0.850 %	400.000,00	CZK	100,004	15.685,06		0,00
KBC BANK NV 29/07-10/01/12 KBCBANK 4.100 %	5.600.000,00	PLN	99,986	1.256.049,17		0,30
KBC BANK NV 30/12-10/01/12 KBCBANK 0.700 %	5.850.000,00	CZK	100,000	229.384,78		0,06
Total time deposit accounts				10.509.584,58		2,51
TOTAL CASH AT BANK AND IN HAND				11.055.803,80		2,64
OTHER						
Accrued interest		EUR		78.488,42		0,02
Expenses payable		EUR		-18.747,20		0,00
TOTAL OTHER				59.741,22		0,01
TOTAL NET ASSETS				419.336.485,78		100,00

1.7.10 COMPOSITION OF THE ASSETS OF WATERFORD CAPITAL INVESTMENTS PLC

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Government bonds						
<u>Belgium</u>						
BELGIUM 03/13 4.25% 28/09	1.900.000,00	EUR	103,602	1.988.956,44	0,50	0,48
BELGIUM 06/16 3.25 % 28/09	5.500.000,00	EUR	100,870	5.593.262,60	1,39	1,34
FLEMISH COMMUNITY 09/12 2.75% 30/03	13.000.000,00	EUR	100,297	13.307.223,38	3,31	3,19
FLEMISH COMMUNITY 09/14 3,75% 31/03	7.500.000,00	EUR	101,440	7.818.553,28	1,95	1,88
<u>Europe</u>						
EUROPEAN UNION 11/16 2.75% 03/06	4.000.000,00	EUR	103,303	4.195.835,84	1,04	1,01
<u>France</u>						
CADES 11/16 2.375% 31/03-30/09	3.000.000,00	USD	99,135	2.304.623,71	0,57	0,55
<u>Greece</u>						
HELLENIC REPUBLIC 07/12 4.10% 20/08	325.000,00	EUR	32,755	111.259,48	0,03	0,03
<u>Czech Republic</u>						
CZECHIA 03/13 3.7% 16/06	15.300.000,00	CZK	103,195	631.059,09	0,16	0,15
CZECHIA 05/15 3.8% 11/04	29.500.000,00	CZK	105,070	1.246.996,32	0,31	0,30
Bonds issued by credit institutions						
<u>Germany</u>						
COMMERZBANK AG 09/15 4.75 26/01	5.050.000,00	EUR	102,886	5.417.873,82	1,35	1,30
LANDBK HESSEN-THUERINGEN 10/15 0% 23/09	2.000.000,00	USD	99,920	1.543.674,26	0,38	0,37
VOLKSWAGEN LEASE 11/15 2.75% 13/07	2.000.000,00	EUR	101,868	2.062.906,45	0,51	0,50
<u>Australia</u>						
COMMONWEALTH BK OF AUSTRALIA 11/16 3.25% 17/03-17/09	10.000.000,00	USD	101,122	7.861.027,66	1,96	1,89
NATIONAL AUSTRALIA BANK 3E+0.47 22/07-24/10 2.074%	3.000.000,00	EUR	99,609	2.999.738,17	0,75	0,72
WESTPAC BANKING 3E+45 10/13 1.493% 29/10	3.000.000,00	EUR	100,090	3.012.900,00	0,75	0,72
WESTPAC BANKING CORP 09-16 4.25% 22/09	3.500.000,00	EUR	104,346	3.692.345,65	0,92	0,89
<u>Austria</u>						
AUST&NZ BANKING GROUP 11/16 2.40% 23/05-23/11	5.000.000,00	USD	98,689	3.810.494,01	0,95	0,91
ERSTE GROUP BANK AG 10/13 1.625 % 02/09	200.000,00	EUR	99,899	200.854,69	0,05	0,05
<u>Denmark</u>						
NYKREDIT A/S 1	10.000.000,00	EUR	99,963	10.054.427,96	2,50	2,41
<u>Spain</u>						
AYT CEDULAS CAJAS FTA 3E+5 14/03-14/06 1.519%	2.700.000,00	EUR	95,916	2.591.508,00	0,65	0,62
<u>US</u>						
BANK OF AMERICA 3E+15 05/05-05/08 1.552%	9.000.000,00	EUR	89,469	8.075.132,50	2,01	1,94
BMW US CAPITAL LLC 08/15 5.00% 28/05	6.000.000,00	EUR	109,052	6.720.169,18	1,67	1,61

CITIGROUP INC 3E+10 12/10-12/01 1.667%	10.000.000,00	EUR	100,000	10.036.581,38	2,50	2,41
CREDIT SUISSE FB USA INC 04/15 4.875% 15/01-15/07	25.000.000,00	USD	105,080	20.665.994,25	5,14	4,96
HSBC FINANCE CORP 3E+25 05/07-05/10 1.806%	6.000.000,00	EUR	96,710	5.828.500,33	1,45	1,40
JPMORGAN CHASE & CO 3L+10 28/03-27/06 0.925%	6.750.000,00	GBP	99,800	8.065.287,25	2,01	1,94
MERRILL LYNCH & CO 3E+45 22/07-24/10 2.054%	11.500.000,00	EUR	86,416	9.981.373,24	2,48	2,40
MORGAN STANLEY 3E+30 29/11-29/02 1.775%	10.000.000,00	EUR	91,891	9.204.384,72	2,29	2,21
<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 10/12 2.026% 24/09	2.500.000,00	EUR	99,590	2.490.147,92	0,62	0,60
BPCE SA 10/12 1.311 % 20/07	1.000.000,00	EUR	99,679	1.000.791,64	0,25	0,24
CAISSE CENTR.CREDIT IMMOB. 10/15 3.75 22/01	703.000,00	EUR	93,533	682.234,81	0,17	0,16
CAISSE CENTRALE DU CREDIT IMMO 3W +7.5BP 14/02-16/05	3.450.000,00	EUR	99,914	3.453.817,42	0,86	0,83
CIE FINANCEMENT FONCIER 10/15 2.625% 16/04	1.100.000,00	EUR	99,566	1.115.580,51	0,28	0,27
CIF EUROMORTGAGE 04/14 4.50 % 10/06	1.100.000,00	EUR	104,648	1.178.582,92	0,29	0,28
CREDIT AGRICOLE HOME LOAN SFH 10/15 2.50% 24/06	6.000.000,00	EUR	99,407	6.041.879,02	1,50	1,45
CREDIT LOGEMENT SA 11/16 3.375 18/07	12.500.000,00	EUR	102,136	12.957.189,54	3,22	3,11
DEXIA CREDIT LOCAL 3E+15 10/10-09/01 1.706%	7.350.000,00	EUR	27,500	2.049.462,98	0,51	0,49
SOCIETE GENERALE 08/13 5.25% 28/03	5.000.000,00	EUR	102,045	5.300.918,03	1,32	1,27
SOCIETE GENERALE 11/16 3.25% 06/06	11.000.000,00	EUR	101,031	11.315.602,62	2,82	2,72
SOCIETE GENERALE 6E+8 25/03-23/09 1.581%	2.000.000,00	EUR	99,788	2.005.647,11	0,50	0,48
SOCIETE GENERALE SCF SA 09/16 4% 07-07	3.500.000,00	EUR	104,227	3.715.267,40	0,92	0,89
<u>Ireland</u>						
IRISH INTERCONTINENTAL BANK 3E+16 21/07-21/10 1.769%	15.000.000,00	EUR	84,213	12.682.766,28	3,16	3,04
<u>Italy</u>						
BANCA INTESA SPA .	900.000,00	EUR	99,710	899.407,10	0,22	0,22
BANCA INTESA SPA 3E+17.5 21/03-20/06 1.345%	6.900.000,00	EUR	76,263	5.265.198,33	1,31	1,26
BANCA NAZ. DEL LAVORO 3E+15 06/06-06/09 1.584%	6.500.000,00	EUR	98,402	6.403.145,66	1,59	1,54
<u>Norway</u>						
DNB NORBANK BOLIGKREDITT 11/16 2.50% 18/10	10.000.000,00	EUR	101,136	10.163.463,38	2,53	2,44
<u>Netherlands</u>						
COOPERATIEVE CENTRALE RAIFFEIS 3E +30 14/04-14/07 1.620%	1.800.000,00	EUR	99,993	1.807.077,35	0,45	0,43
ING BANK 10/13 2.25% 23/09	10.000.000,00	EUR	99,307	9.990.945,90	2,49	2,40
RABOBANK NEDERLAND NV 10/17 3.375 % 21/04	11.500.000,00	EUR	101,742	11.968.624,06	2,98	2,87
<u>UK</u>						
HSBC HOLDING PLC 11/16 3.875% 16/03	5.000.000,00	EUR	103,739	5.339.921,64	1,33	1,28
LLOYDS BANKING GROUP PLC 09/14 6.25% 15/04	1.420.000,00	EUR	102,697	1.521.101,36	0,38	0,37
ROYAL BANK OF SCOTLAND GROUP PLC 08/13 5.25% 15/05	3.550.000,00	EUR	100,214	3.674.208,68	0,91	0,88
ROYAL BANK OF SCOTLAND GROUP PLC 10/12 2.921% 15/6-15/9	4.000.000,00	EUR	99,806	3.997.033,33	0,99	0,96
UBS LONDON 08/13 6.25% 03/09	3.050.000,00	EUR	105,938	3.292.567,33	0,82	0,79
UBS LONDON 09/14 5.625% 19/05	515.000,00	EUR	106,351	565.516,31	0,14	0,14
<u>Sweden</u>						
SVENSKA HANDBK 10/17 3.75% 24/02	2.500.000,00	EUR	103,058	2.655.816,44	0,66	0,64
SVENSKA HANDBK 3E 10/13 14/4-14/07 1.72%	3.000.000,00	EUR	100,220	3.019.247,25	0,75	0,72
SWEDBANK 6E 16/05-23/09 1.97600	12.500.000,00	EUR	99,319	12.483.372,91	3,11	3,00
<u>Private-sector bonds</u>						
<u>Germany</u>						
BAYERISCHE LANDESBANK GIRO 01/10/2012	6.000.000,00	EUR	99,979	5.998.740,00	1,49	1,44
BAYERISCHE LANDESBANK GIRO 01/10/2012	2.000.000,00	USD	99,975	1.540.209,52	0,38	0,37

BAYERISCHE LANDESBANK GIRO 23/03/2012	2.000.000,00	EUR	99,715	1.994.300,00	0,50	0,48
COMMERZBANK AG 01/10/2012	500.000,00	USD	99,989	385.106,30	0,10	0,09
COMMERZBANK AG 01/10/2012	6.500.000,00	EUR	99,980	6.498.700,00	1,62	1,56
DEUTSCHE APOTHEKER ARZ 01/10/2012	3.500.000,00	EUR	99,979	3.499.265,00	0,87	0,84
LANDBK HESSEN-THUERINGEN 01/10/2012	1.500.000,00	USD	99,985	1.155.272,68	0,29	0,28
<u>Austria</u>						
RAIFFEISEN BANK INTL 02/10/2012	2.000.000,00	EUR	99,864	1.997.280,00	0,50	0,48
RAIFFEISEN BANK INTL 23/04/2012	1.500.000,00	EUR	99,547	1.493.205,00	0,37	0,36
<u>Belgium</u>						
FORTIS BANK SA/NA 05/10/2012	3.000.000,00	EUR	99,492	2.984.760,00	0,74	0,72
<u>Denmark</u>						
JYSKE BANK A/S 01/10/2012	500.000,00	USD	99,984	385.087,04	0,10	0,09
JYSKE BANK A/S 01/10/2012	2.500.000,00	EUR	99,978	2.499.450,00	0,62	0,60
NYKREDIT A/S 05/10/2012	5.000.000,00	EUR	99,445	4.972.250,00	1,24	1,19
<u>US</u>						
GENERAL ELEC CAP CORP 3E+14 05/07-03/10 1.696%	4.000.000,00	EUR	96,328	3.869.644,44	0,96	0,93
GENERAL ELEC CAP CORP 3E+8 21/03-20/06 1.25%	1.800.000,00	EUR	98,644	1.776.340,50	0,44	0,43
<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/03/2012	500.000,00	USD	99,790	384.339,86	0,10	0,09
BPCE SA 22/06/2012	3.500.000,00	EUR	99,190	3.471.650,00	0,86	0,83
NATIXIS 23/03/2012	5.000.000,00	EUR	99,695	4.984.750,00	1,24	1,20
NATIXIS 23/03/2012	4.500.000,00	EUR	99,710	4.486.950,00	1,12	1,08
<u>Ireland</u>						
<u>Netherlands</u>						
ABN AMRO BANK NV 01/10/2012	2.000.000,00	EUR	99,980	1.999.600,00	0,50	0,48
ABN AMRO BANK NV 01/10/2012	500.000,00	EUR	99,978	499.890,00	0,12	0,12
B.M.W. FIN 02/10/2012	2.000.000,00	EUR	99,867	1.997.340,00	0,50	0,48
BELUGA MASTER ISSUER BV 3E+13 28/04-28/07 0.775% A2	4.300.000,00	EUR	99,137	4.275.819,81	1,06	1,03
ING BANK 23/04/2012	9.000.000,00	EUR	99,548	8.959.320,00	2,23	2,15
<u>UK</u>						
CLYDESDALE BANK 01/10/2012	10.500.000,00	USD	99,983	8.086.747,04	2,01	1,94
LANDESBANK BW LONDON 23/03/2012	8.500.000,00	USD	99,732	6.529.979,97	1,63	1,57
LLOYDS BANKING GROUP PLC 01/10/2012	7.000.000,00	EUR	99,979	6.998.530,00	1,74	1,68
LLOYDS BANKING GROUP PLC 05/10/2012	4.000.000,00	EUR	99,483	3.979.320,00	0,99	0,96
PERMANENT MASTER ISSUER PLC 3E+9 15/04-15/07 1.417%	10.500.000,00	EUR	99,916	5.263.527,84	1,31	1,26
Total bonds				411.026.853,89	102,26	98,61
<u>Swaps</u>						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-9.100.719,49	-2,26	-2,18
Total swaps				-9.100.719,49	-2,26	-2,18
TOTAL SECURITIES PORTFOLIO				401.926.134,40	100,00	96,43

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP CZK	366.017,60	CZK	1,000	14.351,94		0,00
KBC GROUP EURO	80.287,08	EUR	1,000	80.287,08		0,02
KBC GROUP GBP	20,02	GBP	1,000	23,97		
KBC GROUP HUF	191.788,30	HUF	1,000	609,30		
KBC GROUP PLN	1.593,77	PLN	1,000	357,52		
KBC GROUP USD	162.971,96	USD	1,000	125.536,87		0,03
Total demand accounts				221.166,68		0,05
Time deposit accounts						
<u>Belgium</u>						
KBC BANK NV 07/10-23/03/12 KBCBANK 1.000 %	1.000.000,00	CZK	99,981	39.203,63		0,01
KBC BANK NV 07/12-10/01/12 KBCBANK 0.950 %	6.000.000,00	CZK	100,007	235.282,91		0,06
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	22.100.000,00	PLN	99,984	4.956.809,19		1,19
KBC BANK NV 08/07-10/01/12 KBCBANK 5.250 %	16.200.000,00	HUF	99,967	51.449,17		0,01
KBC BANK NV 08/11-10/01/12 KBCBANK 0.850 %	16.500.000,00	CZK	100,004	647.008,59		0,16
KBC BANK NV 10/11-10/05/12 KBCBANK 0.950 %	22.000.000,00	CZK	99,899	861.772,34		0,21
KBC BANK NV 14/07-10/01/12 KBCBANK 4.000 %	830.000,00	PLN	99,983	186.158,84		0,05
KBC BANK NV 15/09-10/01/12 KBCBANK 4.400 %	1.350.000,00	PLN	99,997	302.830,88		0,07
KBC BANK NV 15/12-10/01/12 KBCBANK 4.600 %	910.000,00	PLN	100,005	204.146,78		0,05
KBC BANK NV 19/09-10/01/12 KBCBANK 1.000 %	27.350.000,00	CZK	100,009	1.072.519,37		0,26
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	65.000.000,00	CZK	100,005	2.548.847,19		0,61
KBC BANK NV 23/09-23/03/12 KBCBANK 4.450 %	7.500.000,00	PLN	99,891	1.680.610,39		0,40
KBC BANK NV 24/11-10/01/12 KBCBANK 5.200 %	920.000,00	PLN	100,024	206.429,35		0,05
KBC BANK NV 26/10-10/01/12 KBCBANK 0.800 %	1.000.000,00	CZK	100,002	39.211,86		0,01
KBC BANK NV 29/07-10/01/12 KBCBANK 4.100 %	5.600.000,00	PLN	99,986	1.256.049,17		0,30
KBC BANK NV 30/12-10/01/12 KBCBANK 0.700 %	5.850.000,00	CZK	100,000	229.384,78		0,06
Total time deposit accounts				14.517.714,44		3,48
TOTAL CASH AT BANK AND IN HAND				14.738.881,12		3,54
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP CZK RECEIVABLES	52,82	CZK	1,000	2,07		
KBC GROUP EUR RECEIVABLES	57,13	EUR	1,000	57,13		
KBC GROUP HUF TE ONTVANGEN	804,31	HUF	1,000	2,56		
KBC GROUP PLN RECEIVABLES	199,17	PLN	1,000	44,68		
KBC GROUP USD RECEIVABLES	61,81	USD	1,000	47,61		
Total receivables				154,05		
TOTAL OTHER RECEIVABLES AND PAYABLES				154,05		
OTHER						
Accrued interest		EUR		161.068,40		0,04

Expenses payable		EUR		-18.747,20		0,00
TOTAL OTHER				142.321,20		0,03
TOTAL NET ASSETS				416.807.490,77		100,00

1.7.11 COMPOSITION OF THE ASSETS OF PROFILE FINANCE PLC.

Name	Quantity at 31.12.11	Curren cy	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Government bonds						
<u>Austria</u>						
AUSTRIA 04/15 3.5% 15/07	15.000.000,00	EUR	106,858	16.269.713,45	3,95	3,87
<u>Belgium</u>						
BELGIUM 08/18 4% 28/03	2.800.000,00	EUR	102,951	2.967.379,37	0,72	0,71
BELGIUM 10/15 2.75% 05/03	3.150.000,00	USD	96,015	2.384.422,18	0,58	0,57
<u>France</u>						
CADES 11/16 2.375% 31/03-30/09	3.000.000,00	USD	99,135	2.304.623,71	0,56	0,55
FRANCE 02/13 4 % 25/04	2.000.000,00	EUR	104,808	2.150.584,57	0,52	0,51
<u>Greece</u>						
HELLENIC REPUBLIC 07/12 4.10% 20/08	325.000,00	EUR	32,755	111.259,48	0,03	0,03
<u>Italy</u>						
ITALY 03/14 2.15% 15/03-09	10.000.000,00	EUR	93,785	11.145.672,91	2,71	2,65
<u>Czech Republic</u>						
CZECHIA 05/15 3.8% 11/04	30.000.000,00	CZK	105,070	1.268.131,85	0,31	0,30
Bonds issued by credit institutions						
<u>Germany</u>						
COMMERZBANK AG 09/15 4.75 26/01	545.000,00	EUR	102,886	584.701,23	0,14	0,14
LANDBK HESSEN-THUERINGEN 10/15 0% 23/09	5.000.000,00	USD	99,920	3.859.185,66	0,94	0,92
MUNCHENER HYPOTHEKENBANK 6E+5 23/03-23/09 2.088%	11.000.000,00	EUR	100,009	11.073.938,95	2,69	2,64
<u>Australia</u>						
NATIONAL AUSTRALIA BANK 3E+0.47 22/07-24/10 2.074%	3.000.000,00	EUR	99,609	2.999.738,17	0,73	0,71
<u>Austria</u>						
ERSTE GROUP BANK AG 3E+10 25/07-25/10 1.708%	10.500.000,00	EUR	99,770	10.508.286,24	2,55	2,50
ERSTE GROUP BANK AG 6E+VAR 23/03-23/09 1.688%	500.000,00	EUR	99,522	500.379,19	0,12	0,12
<u>Belgium</u>						
FLEMISH COMMUNITY 09/23 1.231% -23/03	7.600.000,00	EUR	98,983	7.564.416,79	1,84	1,80
<u>Denmark</u>						
NYKREDIT A/S 6E 23/03-23/09 1.943%	10.000.000,00	EUR	98,917	9.950.391,11	2,42	2,37
SYDBANK A/S 3E+100 03/06-05/09 2.434%	4.570.000,00	EUR	99,905	4.573.494,14	1,11	1,09
<u>Spain</u>						
CAJA AHORRO MONTE MADRID 3E+12.5 09/05-09/08 1.549%	3.200.000,00	EUR	99,689	3.197.305,87	0,78	0,76
SANTANDER INTL 3E+11 25/07-25/10 1.718%	5.250.000,00	EUR	99,271	5.228.041,87	1,27	1,24

<u>US</u>							
BANCO DESIO DELLA BRIANZ 3E+15 13/05-15/08 1.57%	3.150.000,00	EUR	96,722	3.053.239,35	0,74	0,73	
GENERAL ELEC CAP CORP 08/18 5.375% 16/01	3.000.000,00	EUR	108,724	3.415.447,58	0,83	0,81	
JPMORGAN CHASE & CO 3E+15 30/04-30/07 0.804%	9.000.000,00	EUR	96,752	8.733.779,99	2,12	2,08	
MERRILL LYNCH & CO 3E+45 22/07-24/10 2.054%	20.000.000,00	EUR	86,416	17.358.909,98	4,21	4,13	
MORGAN J.P. & CO 07/15 5.25% 14/01	3.500.000,00	EUR	106,743	3.912.203,63	0,95	0,93	
WELLS FARGO COMPANY 3L+9 25/10-25/01 1.07475%	8.834.000,00	GBP	99,984	10.594.701,80	2,57	2,52	
<u>Finland</u>							
POHJOLA BANK PLC 3E 10/13 25/5-25/8 1.934%	5.000.000,00	EUR	100,124	5.015.781,25	1,22	1,19	
<u>France</u>							
BANQUE FEDERATIVE DU CREDIT MUTUEL 10/12 2.026% 24/09	7.000.000,00	EUR	99,590	6.972.414,16	1,69	1,66	
BANQUE FEDERATIVE DU CREDIT MUTUEL 3E+15 27/05-29/08 1.585%	9.650.000,00	EUR	96,103	9.287.869,81	2,26	2,21	
CAISSE CENTR.CREDIT IMMOB. 02/12 5.875% 25/4	420.000,00	EUR	100,771	440.025,29	0,11	0,11	
CAISSE CENTR.CREDIT IMMOB. 10/15 FRN 23/9	2.300.000,00	EUR	98,997	2.288.120,88	0,56	0,54	
CAISSE CENTR.CREDIT IMMOB. 10/15 3.75 22/01	754.000,00	EUR	93,533	731.728,38	0,18	0,17	
CIE FINANCEMENT FONCIER 10/15 2.625% 16/04	1.100.000,00	EUR	99,566	1.115.580,51	0,27	0,27	
CIF EUROMORTGAGE 04/14 4.50 % 10/06	1.100.000,00	EUR	104,648	1.178.582,92	0,29	0,28	
CREDIT AGRICOLE HOME LOAN SFH 09/16 4.5% 29/1	6.000.000,00	EUR	106,470	6.636.008,21	1,61	1,58	
SOCIETE GENERALE 11/16 3.25% 06/06	3.500.000,00	EUR	101,031	3.600.419,01	0,87	0,86	
<u>Ireland</u>							
DEPFA BANK PLC/IRELAND 6P+19 23/04-23/10 0.66250%	28.400.000,00	USD	88,707	19.439.554,00	4,72	4,63	
<u>Italy</u>							
INTESA SANPAOLO SPA 09/12 2.625 04/12	2.400.000,00	EUR	97,927	2.354.726,05	0,57	0,56	
INTESA SANPAOLO SPA 3E+10 15/09-15/12 1.628%	9.750.000,00	EUR	94,180	9.188.749,37	2,23	2,19	
INTESA SANPAOLO SPA 3E+12 21/03-20/06 1.29%	15.000.000,00	EUR	89,138	13.377.753,74	3,25	3,18	
INTESA SANPAOLO SPA 3E+37.5BP 17/06-19/09 1.86%	5.000.000,00	EUR	96,150	4.810.240,83	1,17	1,14	
UNICREDIT SPA 09/12 4.125% 27/04	1.500.000,00	EUR	99,852	1.539.537,17	0,37	0,37	
<u>Japan</u>							
SUMITOMO MITSUI BANKING CORPORATION 11/16 2.90% 22/01-07	4.500.000,00	USD	103,401	3.628.346,94	0,88	0,86	
<u>Norway</u>							
DNB NORBANK BOLIGKREDITT 11/15 2.75% 20/4	13.000.000,00	EUR	102,925	13.628.351,09	3,31	3,24	
<u>Netherlands</u>							
FORTIS BK NEDERLAND NV 10/12 1.796% 03/02	880.000,00	EUR	100,103	884.368,83	0,22	0,21	
ING VERZEKERINGEN 3E+175 18/06-20/09 0.902%	11.667.000,00	EUR	95,788	11.181.268,43	2,71	2,66	
KBC IFIMA 04/14 VAR 17/03	100.000,00	EUR	89,880	93.810,56	0,02	0,02	
KBC IFIMA 3E+20 14/03-14/06 2.169%	10.000.000,00	EUR	75,875	7.596.966,66	1,84	1,81	
RABOBANK NEDERLAND NV 07/12 4.125% 04/04	17.500.000,00	EUR	100,748	18.163.430,72	4,41	4,32	
RABOBANK NEDERLAND NV 3E+18 10/10-08/01 1.736%	7.000.000,00	EUR	100,022	7.028.882,00	1,71	1,67	
<u>Portugal</u>							
CAIXA GERAL DEPOSIT FIN 07/12 4.625 28/06	20.000.000,00	EUR	97,987	20.064.954,64	4,87	4,77	
<u>UK</u>							
BARCLAYS BANK PLC 11/16__4.125% 15-03	7.000.000,00	EUR	100,482	7.262.546,73	1,76	1,73	
BG ENERGY CAPITALPLC 11/18 3% 16-11	6.000.000,00	EUR	100,522	6.052.959,34	1,47	1,44	
HBOS TREASURY SERVICES PLC 3L+5 16/05-16/08 0.31075%	9.500.000,00	USD	99,451	7.282.216,27	1,77	1,73	
LLOYDS BANKING GROUP PLC 09/14 6.25% 15/04	1.570.000,00	EUR	102,697	1.681.781,08	0,41	0,40	
LLOYDS TSB BANK PLC 3E 11-13 2.506%_18/01	1.000.000,00	EUR	99,607	1.002.303,39	0,24	0,24	

ROYAL BANK OF SCOTLAND GROUP PLC 08/13 5.25% 15/05	900.000,00	EUR	100,214	931.489,52	0,23	0,22
ROYAL BANK OF SCOTLAND GROUP PLC 10/12 2.921% 15/6-15/9	6.600.000,00	EUR	99,806	6.595.105,00	1,60	1,57
ROYAL BANK OF SCOTLAND GROUP PLC 11/14 2.5% 07/09	1.000.000,00	EUR	99,581	1.003.596,89	0,24	0,24
UBS LONDON 09/14 5.625% 19/05	545.000,00	EUR	106,351	598.459,01	0,15	0,14
<u>Sweden</u>						
NORDEA BANK AB 10/13 1.75% 04/10	4.259.000,00	USD	97,814	3.222.695,46	0,78	0,77
SVENSKA HANDBK 11/16 3.125% 12/01-07	2.000.000,00	USD	100,686	1.573.630,16	0,38	0,37
Private-sector bonds						
<u>Germany</u>						
BAYERISCHE LANDESBANK GIRO 23/03/2012	1.000.000,00	EUR	99,713	997.130,00	0,24	0,24
DEUTSCHE APOTHEKER ARZ 02/10/2012	3.500.000,00	EUR	99,873	3.495.555,00	0,85	0,83
DEUTSCHE POSTBANK AG 01/10/2012	300.000,00	USD	99,971	231.022,19	0,06	0,06
DEUTSCHE POSTBANK AG 23/03/12	1.500.000,00	USD	99,705	1.152.037,44	0,28	0,27
LANDBK HESSEN-THUERINGEN 01/10/2012	1.000.000,00	EUR	99,979	999.790,00	0,24	0,24
<u>Austria</u>						
RAIFFEISEN BANK INTL 02/10/2012	1.000.000,00	EUR	99,864	998.640,00	0,24	0,24
RAIFFEISEN BANK INTL 23/04/2012	2.000.000,00	EUR	99,547	1.990.940,00	0,48	0,47
<u>Denmark</u>						
JYSKE BANK A/S 01/10/2012	3.500.000,00	USD	99,984	2.695.609,30	0,65	0,64
JYSKE BANK A/S 23/03/2012	500.000,00	USD	99,657	383.827,61	0,09	0,09
JYSKE BANK A/S 23/04/2012	4.500.000,00	EUR	99,564	4.480.380,00	1,09	1,07
NYKREDIT A/S 05/10/2012	3.500.000,00	EUR	99,445	3.480.575,00	0,85	0,83
NYKREDIT A/S 23/03/2012	3.000.000,00	EUR	99,689	2.990.670,00	0,73	0,71
<u>US</u>						
GENERAL ELEC CAP CORP 3E+8 21/03-20/06 1.25%	1.700.000,00	EUR	98,644	1.677.654,92	0,41	0,40
GENERAL ELEC CAP CORP 3L+13 02/08-02/11 0.38550%	11.000.000,00	USD	99,650	8.451.251,36	2,05	2,01
GENERAL ELEC CAP CORP 3L+17 27/04-27/07 0.4221%	15.000.000,00	USD	99,701	11.532.077,13	2,80	2,74
<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/03/2012	1.500.000,00	USD	99,809	1.153.239,10	0,28	0,27
BPCE SA 22/06/2012	4.500.000,00	EUR	99,190	4.463.550,00	1,08	1,06
NATIXIS 23/03/2012	500.000,00	EUR	99,710	498.550,00	0,12	0,12
<u>Ireland</u>						
<u>Netherlands</u>						
ABN AMRO BANK NV 01/10/2012	500.000,00	EUR	99,978	499.890,00	0,12	0,12
<u>UK</u>						
BARCLAYS BANK PLC 01/10/2012	1.300.000,00	USD	99,996	1.001.350,52	0,24	0,24
CLYDESDALE BANK 01/10/2012	2.000.000,00	EUR	99,979	1.999.580,00	0,49	0,48
GRANITE MASTER ISSUER PLC 1BP+12 22/08-20/09 0.77438%	10.000.000,00	GBP	94,350	4.697.022,27	1,14	1,12
LLOYDS BANKING GROUP PLC 05/10/2012	1.500.000,00	EUR	99,483	1.492.245,00	0,36	0,36
PERMANENT MASTER ISSUER PLC 3E+9 15/04-15/07 1.417%	10.000.000,00	EUR	99,916	5.012.883,66	1,22	1,19
ROYAL BANK OF SCOTLAND GROUP PLC 23/03/2012	3.000.000,00	EUR	99,682	2.990.460,00	0,73	0,71
Total bonds				422.530.133,87	102,57	100,53

Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-10.569.567,81	-2,57	-2,52
Total swaps				-10.569.567,81	-2,57	-2,52
TOTAL SECURITIES PORTFOLIO				411.960.566,06	100,00	98,02
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP CZK	10.673,93	CZK	1,000	418,54		
KBC GROUP EURO	452.429,31	EUR	1,000	452.429,31		0,11
KBC GROUP GBP	14,26	GBP	1,000	17,07		
KBC GROUP HUF	119.540,86	HUF	1,000	379,77		
KBC GROUP PLN	18.054,51	PLN	1,000	4.050,09		0,00
KBC GROUP USD	1.385.723,85	USD	1,000	1.067.419,39		0,25
Total demand accounts				1.524.714,17		0,36
Time deposit accounts						
<u>Belgium</u>						
KBC BANK NV 05/08-10/01/12 KBCBANK 4.250 %	1.100.000,00	PLN	99,991	246.736,28		0,06
KBC BANK NV 07/10-23/03/12 KBCBANK 1.000 %	1.200.000,00	CZK	99,981	47.044,35		0,01
KBC BANK NV 07/12-23/03/12 KBCBANK 1.000 %	5.900.000,00	CZK	100,005	231.356,90		0,06
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	6.500.000,00	CZK	100,001	254.874,53		0,06
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	1.200.000,00	PLN	99,984	269.148,01		0,06
KBC BANK NV 08/07-10/01/12 KBCBANK 5.250 %	16.300.000,00	HUF	99,967	51.766,75		0,01
KBC BANK NV 08/11-23/03/12 KBCBANK 0.900 %	17.100.000,00	CZK	99,958	670.227,74		0,16
KBC BANK NV 10/11-10/05/12 KBCBANK 0.950 %	7.800.000,00	CZK	99,899	305.537,46		0,07
KBC BANK NV 12/07-10/01/12 KBCBANK 0.750 %	15.200.000,00	CZK	100,001	596.014,27		0,14
KBC BANK NV 12/09-10/01/12 KBCBANK 0.880 %	3.550.000,00	CZK	100,005	139.206,27		0,03
KBC BANK NV 14/07-10/01/12 KBCBANK 4.000 %	190.000,00	PLN	99,983	42.614,68		0,01
KBC BANK NV 15/09-10/01/12 KBCBANK 4.400 %	1.350.000,00	PLN	99,997	302.830,88		0,07
KBC BANK NV 15/12-10/01/12 KBCBANK 4.600 %	910.000,00	PLN	100,005	204.146,78		0,05
KBC BANK NV 23/09-10/01/12 KBCBANK 4.450 %	2.600.000,00	PLN	99,998	583.235,67		0,14
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	43.000.000,00	CZK	100,005	1.686.160,45		0,40
KBC BANK NV 23/09-23/03/12 KBCBANK 4.450 %	7.320.000,00	PLN	99,891	1.640.275,74		0,39
KBC BANK NV 24/11-10/01/12 KBCBANK 5.200 %	750.000,00	PLN	100,024	168.284,80		0,04
KBC BANK NV 26/08-10/01/12 KBCBANK 0.850 %	400.000,00	CZK	100,004	15.685,06		0,00
KBC BANK NV 29/07-10/01/12 KBCBANK 4.100 %	400.000,00	PLN	99,986	89.717,80		0,02
KBC BANK NV 30/12-10/01/12 KBCBANK 0.700 %	5.850.000,00	CZK	100,000	229.384,78		0,06
Total time deposit accounts				7.774.249,20		1,85
TOTAL CASH AT BANK AND IN HAND				9.298.963,37		2,21
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLES	111,81	EUR	1,000	111,81		
KBC GROUP HUF TE ONTVANGEN	496,69	HUF	1,000	1,58		
KBC GROUP PLN RECEIVABLES	70,48	PLN	1,000	15,81		

KBC GROUP USD RECEIVABLES	53,29	USD	1,000	41,05		
Total receivables				170,25		
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-20,00	EUR	1,000	-20,00		
KBC GROUP EUR PAYABLES	-1.299.974,72	USD	1,000	-1.001.367,06		-0,24
Total debts				-1.001.387,06		-0,24
TOTAL OTHER RECEIVABLES AND PAYABLES				-1.001.216,81		-0,24
OTHER						
Accrued interest		EUR		54.886,80		0,01
Expenses payable		EUR		-18.747,20		0,00
TOTAL OTHER				36.139,60		0,01
TOTAL NET ASSETS				420.294.452,22		100,00

1.7.12 COMPOSITION OF THE ASSETS OF ESPACCIO SECURITIES PLC

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Government bonds						
<u>Austria</u>						
AUSTRIA 03/13 3.8 % 20/10	1.000.000,00	EUR	105,398	1.061.348,48	0,26	0,25
AUSTRIA 03/18 4.65% 15/01	7.000.000,00	EUR	112,222	8.166.805,10	2,02	1,96
AUSTRIA 07/17 4.30 15/09	2.713.000,00	EUR	110,288	3.025.898,89	0,75	0,73
<u>Belgium</u>						
BELGIUM 02/17 5.5% 28/09	3.500.000,00	EUR	110,475	3.915.545,20	0,97	0,94
BELGIUM 06/16 3.25 % 28/09	4.500.000,00	EUR	100,870	4.576.305,76	1,13	1,10
FLEMISH COMMUNITY 09/14 3,75% 31/03	5.000.000,00	EUR	101,440	5.212.368,85	1,29	1,25
<u>Europe</u>						
EUROPEAN UNION 11/16 2.75% 03/06	5.800.000,00	EUR	103,303	6.083.961,97	1,51	1,46
<u>Greece</u>						
HELLENIC REPUBLIC 07/12 4.10% 20/08	5.155.000,00	EUR	32,755	1.764.746,46	0,44	0,42
<u>Italy</u>						
ITALY 03/14 2.15% 15/03-09	12.500.000,00	EUR	93,785	13.932.091,14	3,45	3,34
<u>Czech Republic</u>						
CZECHIA 04/14 4.625% 23/06	15.000.000,00	EUR	104,805	16.080.893,43	3,99	3,85
CZECHIA 05/15 3.8% 11/04	17.500.000,00	CZK	105,070	739.743,58	0,18	0,18
Bonds issued by credit institutions						
<u>Germany</u>						
COMMERZBANK AG 09/15 4.75 26/01	375.000,00	EUR	102,886	402.317,36	0,10	0,10
LANDBK HESSEN-THUERINGEN 10/15 0% 23/09	5.000.000,00	USD	99,920	3.859.185,66	0,96	0,93
<u>Australia</u>						
WESTPAC BANKING 3E+45 10/13 1.493% 29/10	4.000.000,00	EUR	100,090	4.017.200,00	1,00	0,96
<u>Austria</u>						
AUST&NZ BANKING GROUP 11/16 2.40% 23/05-23/11	5.000.000,00	USD	98,689	3.810.494,01	0,95	0,91
ERSTE GROUP BANK AG 10/13 1.625 % 02/09	1.000.000,00	EUR	99,899	1.004.273,47	0,25	0,24
ERSTE GROUP BANK AG 6E+VAR 23/03-23/09 1.688%	5.000.000,00	EUR	99,522	5.003.791,87	1,24	1,20
<u>Denmark</u>						
NYKREDIT A/S 6E +0.1 23/3-23/9 1.578%	7.000.000,00	EUR	99,867	7.025.675,99	1,74	1,68
SYDBANK A/S 3E+100 03/06-05/09 2.434%	345.000,00	EUR	99,905	345.263,78	0,09	0,08
<u>Spain</u>						
CAJA AHORRO MONTE MADRID 3E+12.5 01/06-01/09 1.555%	6.900.000,00	EUR	97,250	6.719.154,44	1,67	1,61
SANTANDER INTL 3E+12 29/07-31/10 1.732%	1.100.000,00	EUR	99,916	1.102.211,00	0,27	0,26

<u>US</u>						
BANCO DESIO DELLA BRIANZ 3E+15 13/05-15/08 1.57%	4.050.000,00	EUR	96,722	3.925.593,45	0,97	0,94
BANK OF AMERICA 3E+15 12/12-12/03 1.620%	24.200.000,00	EUR	92,294	22.354.750,00	5,54	5,36
GENERAL ELEC CAP CORP 08/13 4.8% 01/05	1.500.000,00	USD	104,741	1.219.315,21	0,30	0,29
HSBC FINANCE CORP 3E+24 28/04-28/07 0.885%	13.877.000,00	EUR	95,042	13.233.370,86	3,28	3,17
MERRILL LYNCH & CO 3E+45 22/07-24/10 2.054%	8.679.000,00	EUR	86,416	7.532.898,99	1,87	1,81
MORGAN J.P. & CO 11/16 3.75% 15/06	10.000.000,00	EUR	101,984	10.401.268,85	2,58	2,49
WELLS FARGO COMPANY 3L+9 24/07-24/10 0.34300%	11.250.000,00	USD	99,278	8.611.431,34	2,14	2,06
WELLS FARGO COMPANY 3L+9 25/10-25/01 1.07475%	13.600.000,00	GBP	99,984	16.310.611,77	4,04	3,91
<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 10/12 2.026% 24/09	3.075.000,00	EUR	99,590	3.062.881,94	0,76	0,73
BANQUE FEDERATIVE DU CREDIT MUTUEL 3E+15 27/05-29/08 1.585%	500.000,00	EUR	96,103	481.236,78	0,12	0,12
CAISSE CENTR.CREDIT IMMOB. 02/12 5.875% 25/4	420.000,00	EUR	100,771	440.025,29	0,11	0,11
CAISSE CENTR.CREDIT IMMOB. 10/15 FRN 23/9	500.000,00	EUR	98,997	497.417,58	0,12	0,12
CAISSE CENTR.CREDIT IMMOB. 10/15 3.75 22/01	526.000,00	EUR	93,533	510.463,03	0,13	0,12
CIE FINANCEMENT FONCIER 10/15 2.625% 16/04	600.000,00	EUR	99,566	608.498,46	0,15	0,15
CIE FINANCIERE DU CRED 10/13 2.125% 22/04	3.000.000,00	USD	99,252	2.302.882,19	0,57	0,55
CIE FINANCIERE DU CRED 3E+0.7 11/13 2.263% 13-10	6.000.000,00	EUR	99,508	5.999.624,50	1,49	1,44
CIF EUROMORTGAGE 04/14 4.50 % 10/06	600.000,00	EUR	104,648	642.863,41	0,16	0,15
CREDIT AGRICOLE 08/18 5.971% 01/02	6.000.000,00	EUR	90,994	5.785.509,37	1,43	1,39
SOCIETE GENERALE 08/13 5.25% 28/03	3.000.000,00	EUR	102,045	3.180.550,82	0,79	0,76
SOCIETE GENERALE 10/13 2.2% 14/09	5.000.000,00	USD	94,256	3.655.206,35	0,91	0,88
SOCIETE GENERALE 10/15 3.00 % 31/03	10.500.000,00	EUR	96,533	10.371.812,50	2,57	2,49
SOCIETE GENERALE 11/16 3.25% 06/06	3.500.000,00	EUR	101,031	3.600.419,01	0,89	0,86
SOCIETE GENERALE 6E+8 25/03-23/09 1.581%	5.000.000,00	EUR	99,788	5.014.117,78	1,24	1,20
<u>Italy</u>						
BANCA INTESA SPA 3E+20 01/07-03/10 1.737%	1.800.000,00	EUR	86,707	1.568.426,00	0,39	0,38
INTESA SANPAOLO SPA 09/12 2.625 04/12	3.200.000,00	EUR	97,927	3.139.634,73	0,78	0,75
INTESA SANPAOLO SPA 3E+37.5BP 17/06-19/09 1.86%	2.000.000,00	EUR	96,150	1.924.096,33	0,48	0,46
UNI BANCA SCPA 3E + 15 16/05-15/08 1.570%	2.500.000,00	EUR	99,485	2.492.162,50	0,62	0,60
UNICREDIT SPA 3E+17.5 BP 18/05-18/08 1.601%	4.500.000,00	EUR	83,226	3.753.743,25	0,93	0,90
<u>Norway</u>						
DNB NORBANK BOLIGKREDITT 11/16 2.625% 11/01	5.000.000,00	EUR	102,241	5.238.984,93	1,30	1,26
<u>Netherlands</u>						
FORTIS BK NEDERLAND NV 10/12 1.796% 03/02	630.000,00	EUR	100,103	633.127,69	0,16	0,15
ING BANK 10/17 3.375 23/03	9.000.000,00	EUR	104,282	9.619.416,88	2,38	2,31
RABOBANK NEDERLAND NV 09/14 4.375% 22/01	3.600.000,00	EUR	105,182	3.934.127,34	0,98	0,94
RABOBANK NEDERLAND NV 09/16 4.375% 05/05	9.000.000,00	EUR	106,298	9.823.940,90	2,44	2,35
<u>UK</u>						
BANK OF SCOTLAND_PLC 3E+.075 25/07-24/10 1.683%	2.744.000,00	EUR	95,430	2.627.071,53	0,65	0,63
LLOYDS BANKING GROUP PLC 08/13 5.625% 05/03	12.500.000,00	EUR	75,625	10.029.456,96	2,49	2,40
LLOYDS BANKING GROUP PLC 09/14 6.25% 15/04	1.030.000,00	EUR	102,697	1.103.334,09	0,27	0,26
ROYAL BANK OF SCOTLAND GROUP PLC 08/13 5.25% 15/05	800.000,00	EUR	100,214	827.990,69	0,21	0,20
ROYAL BANK OF SCOTLAND GROUP PLC 10/15 4.875% 15/07	3.316.000,00	EUR	97,320	3.301.333,49	0,82	0,79
UBS LONDON 09/14 5.625% 19/05	385.000,00	EUR	106,351	422.764,62	0,11	0,10
<u>Sweden</u>						
SVENSKA HANDBK 11/16 3.625% 16/2	8.500.000,00	EUR	102,930	9.016.688,03	2,24	2,16
SWEDBANK 10/13 3.125% 04/03	5.148.000,00	EUR	101,071	5.335.439,64	1,32	1,28

<u>Switzerland</u>						
CREDIT SUISSE LONDON 08/13 6.125% 05/08	4.000.000,00	EUR	105,318	4.311.121,64	1,07	1,03
CREDIT SUISSE LONDON 3E+5 06/06-05/09 1.485%	6.608.000,00	EUR	99,996	6.614.706,20	1,64	1,59
Private-sector bonds						
<u>Germany</u>						
BASF SE 07/14 5.00 26/09	15.000.000,00	EUR	109,324	16.593.231,63	4,11	3,98
BAYERISCHE LANDESBANK GIRO 01/10/2012	1.500.000,00	EUR	99,979	1.499.685,00	0,37	0,36
COMMERZBANK AG 01/10/2012	1.000.000,00	USD	99,988	770.204,89	0,19	0,19
COMMERZBANK AG 02/10/2012	2.500.000,00	EUR	99,882	2.497.050,00	0,62	0,60
DEUTSCHE POSTBANK AG 01/10/2012	4.000.000,00	USD	99,971	3.080.295,80	0,76	0,74
DEUTSCHE POSTBANK AG 23/03/12	500.000,00	USD	99,705	384.012,48	0,10	0,09
LANDBK HESSEN-THUERINGEN 01/10/2012	3.500.000,00	USD	99,985	2.695.636,27	0,67	0,65
LANDBK HESSEN-THUERINGEN 01/10/2012	7.500.000,00	EUR	99,979	7.498.425,00	1,86	1,80
<u>Austria</u>						
RAIFFEISEN BANK INTL 02/10/2012	3.500.000,00	EUR	99,864	3.495.240,00	0,87	0,84
RAIFFEISEN BANK INTL 23/04/2012	1.000.000,00	EUR	99,547	995.470,00	0,25	0,24
<u>Denmark</u>						
NYKREDIT A/S 23/03/2012	3.500.000,00	EUR	99,689	3.489.115,00	0,87	0,84
<u>US</u>						
GENERAL ELEC CAP CORP 3E+14 05/07-03/10 1.696%	8.000.000,00	EUR	96,328	7.739.288,89	1,92	1,86
GENERAL ELEC CAP CORP 3L+13 01/08-02/11 0.38395%	17.500.000,00	USD	99,867	13.474.634,13	3,34	3,23
<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 01/10/2012	500.000,00	USD	99,983	385.083,19	0,10	0,09
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/04/2012	1.500.000,00	EUR	99,532	1.492.980,00	0,37	0,36
NATIXIS 23/03/2012	7.000.000,00	EUR	99,695	6.978.650,00	1,73	1,67
<u>Ireland</u>						
<u>Italy</u>						
AUTO ABS COMPARTIMENT 3E+14 25/07-25/10 1.748%	11.000.000,00	EUR	98,638	4.813.008,59	1,19	1,15
<u>Netherlands</u>						
ABN AMRO BANK NV 01/10/2012	500.000,00	EUR	99,978	499.890,00	0,12	0,12
BELUGA MASTER ISSUER BV 3E+13 28/04-28/07 0.775% A2	6.400.000,00	EUR	99,137	6.364.010,88	1,58	1,53
ING BANK 05/10/2012	5.000.000,00	EUR	99,461	4.973.050,00	1,23	1,19
<u>UK</u>						
GRANITE MASTER ISSUER PLC 2E+10 22/08-20/09 1.448%	13.250.000,00	EUR	95,038	5.236.997,26	1,30	1,26
PERMANENT MASTER ISSUER PLC 3E+9 15/04-15/07 1.417%	7.000.000,00	EUR	99,916	3.509.018,56	0,87	0,84
ROYAL BANK OF SCOTLAND GROUP PLC 23/03/2012	2.000.000,00	EUR	99,682	1.993.640,00	0,49	0,48
<u>Sweden</u>						
SWEDBANK 23/03/2012	2.500.000,00	USD	99,854	1.922.931,76	0,48	0,46
Total bonds				415.691.142,69	103,04	99,63
Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-12.260.512,40	-3,04	-2,94
Total swaps				-12.260.512,40	-3,04	-2,94
TOTAL SECURITIES PORTFOLIO				403.430.630,29	100,00	96,69

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP CZK	10.968,15	CZK	1,000	430,07		
KBC GROUP EURO	62.473,45	EUR	1,000	62.473,45		0,02
KBC GROUP GBP	10,28	GBP	1,000	12,31		
KBC GROUP HUF	163.530,04	HUF	1,000	519,52		
KBC GROUP PLN	1.937,47	PLN	1,000	434,62		
KBC GROUP USD	806.390,73	USD	1,000	621.160,63		0,15
Total demand accounts				685.030,60		0,16
Time deposit accounts						
<u>Belgium</u>						
KBC BANK NV 05/08-10/01/12 KBCBANK 4.250 %	1.100.000,00	PLN	99,991	246.736,28		0,06
KBC BANK NV 07/09-10/01/12 KBCBANK 0.850 %	2.900.000,00	CZK	100,004	113.716,67		0,03
KBC BANK NV 07/10-23/03/12 KBCBANK 1.000 %	1.200.000,00	CZK	99,981	47.044,35		0,01
KBC BANK NV 07/12-23/03/12 KBCBANK 1.000 %	6.000.000,00	CZK	100,005	235.278,20		0,06
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	3.400.000,00	CZK	100,001	133.318,99		0,03
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	9.400.000,00	PLN	99,984	2.108.326,08		0,51
KBC BANK NV 08/07-10/01/12 KBCBANK 5.250 %	16.400.000,00	HUF	99,967	52.084,35		0,01
KBC BANK NV 08/11-10/01/12 KBCBANK 0.850 %	17.200.000,00	CZK	100,004	674.457,44		0,16
KBC BANK NV 10/11-10/05/12 KBCBANK 0.950 %	12.000.000,00	CZK	99,899	470.057,64		0,11
KBC BANK NV 10/11-23/03/12 KBCBANK 0.900 %	10.000.000,00	CZK	99,958	391.946,04		0,09
KBC BANK NV 12/09-10/01/12 KBCBANK 0.880 %	3.550.000,00	CZK	100,005	139.206,27		0,03
KBC BANK NV 14/07-10/01/12 KBCBANK 4.000 %	1.020.000,00	PLN	99,983	228.773,52		0,06
KBC BANK NV 15/09-10/01/12 KBCBANK 4.400 %	1.350.000,00	PLN	99,997	302.830,88		0,07
KBC BANK NV 15/12-10/01/12 KBCBANK 4.600 %	910.000,00	PLN	100,005	204.146,78		0,05
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	60.000.000,00	CZK	100,005	2.352.782,03		0,56
KBC BANK NV 23/09-23/03/12 KBCBANK 4.450 %	13.600.000,00	PLN	99,891	3.047.506,84		0,73
KBC BANK NV 24/08-10/01/12 KBCBANK 0.850 %	26.900.000,00	CZK	100,004	1.054.820,06		0,25
KBC BANK NV 24/11-10/01/12 KBCBANK 5.200 %	760.000,00	PLN	100,024	170.528,60		0,04
KBC BANK NV 26/08-10/01/12 KBCBANK 0.850 %	400.000,00	CZK	100,004	15.685,06		0,00
KBC BANK NV 29/07-10/01/12 KBCBANK 4.100 %	3.620.000,00	PLN	99,986	811.946,07		0,20
KBC BANK NV 30/12-10/01/12 KBCBANK 0.700 %	5.850.000,00	CZK	100,000	229.384,78		0,06
Total time deposit accounts				13.030.576,93		3,12
TOTAL CASH AT BANK AND IN HAND				13.715.607,53		3,29
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP CZK RECEIVABLES	6,33	CZK	1,000	0,25		
KBC GROUP EUR RECEIVABLES	36,37	EUR	1,000	36,37		
KBC GROUP HUF TE ONTVANGEN	681,76	HUF	1,000	2,17		
KBC GROUP PLN RECEIVABLES	109,07	PLN	1,000	24,47		
KBC GROUP USD RECEIVABLES	67,45	USD	1,000	51,96		
Total receivables				115,22		
TOTAL OTHER RECEIVABLES AND PAYABLES				115,22		

OTHER					
Accrued interest		EUR		120.021,87	0,03
Expenses payable		EUR		-18.747,20	0,00
TOTAL OTHER				101.274,67	0,02
TOTAL NET ASSETS				417.247.627,71	100,00

1.7.13 COMPOSITION OF THE ASSETS OF BROOKFIELDS CAPITAL PLC.

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Government bonds						
<u>Austria</u>						
AUSTRIA 03/18 4.65% 15/01	18.000.000,00	EUR	112,222	21.000.355,97	3,30	3,17
AUSTRIA 04/15 3.5% 15/07	5.300.000,00	EUR	106,858	5.748.632,09	0,90	0,87
<u>Belgium</u>						
BELGIUM 02/17 5.5% 28/09	3.750.000,00	EUR	110,475	4.195.226,99	0,66	0,63
BELGIUM 08/14 4,00% 28/03	1.254.600,00	EUR	103,313	1.334.142,44	0,21	0,20
BELGIUM 08/18 4% 28/03	18.500.000,00	EUR	102,951	19.605.899,36	3,08	2,96
BELGIUM 09/14 3.50% 28/03	9.250.000,00	EUR	102,146	9.693.567,95	1,52	1,47
FLEMISH COMMUNITY 09/12 2.75% 30/03	940.000,00	EUR	100,297	962.214,61	0,15	0,15
<u>France</u>						
CADES 06/16 3.625% 25/04	6.500.000,00	EUR	105,118	6.992.972,25	1,10	1,06
CADES 11/16 2.375% 31/03-30/09	3.000.000,00	USD	99,135	2.304.623,71	0,36	0,35
FRANCE 02/13 4 % 25/04	2.000.000,00	EUR	104,808	2.150.584,57	0,34	0,33
<u>Greece</u>						
HELLENIC REPUBLIC 07/12 4.10% 20/08	2.200.000,00	EUR	32,755	753.141,07	0,12	0,11
<u>Italy</u>						
ITALY 03/14 2.15% 15/03-09	22.500.000,00	EUR	93,785	25.077.764,05	3,94	3,79
<u>Czech Republic</u>						
CZECHIA 05/15 3.8% 11/04	34.000.000,00	CZK	105,070	1.437.216,10	0,23	0,22
Bonds issued by credit institutions						
<u>Germany</u>						
COMMERZBANK AG 09/15 4.75 26/01	425.000,00	EUR	102,886	455.959,68	0,07	0,07
LANDESBANK BADEN-WUERTTEMBERG 09/14 3.25% 29/01	2.920.000,00	EUR	104,070	3.125.944,00	0,49	0,47
<u>Australia</u>						
ANZ NATIONAL LTD 10/15 3.125% 10/08	6.000.000,00	USD	100,086	4.681.926,25	0,74	0,71
NATIONAL AUSTRALIA BANK 09/15 3.50% 23/01	6.500.000,00	EUR	102,351	6.865.352,20	1,08	1,04
NATIONAL AUSTRALIA BANK 3E+0.47 22/07-24/10 2.074%	5.000.000,00	EUR	99,609	4.999.563,61	0,79	0,76
<u>Austria</u>						
ERSTE GROUP BANK AG 10/13 1.625 % 02/09	1.000.000,00	EUR	99,899	1.004.273,47	0,16	0,15
ERSTE GROUP BANK AG 3E+10 25/07-25/10 1.708%	10.500.000,00	EUR	99,770	10.508.286,24	1,65	1,59
ERSTE GROUP BANK AG 6E+VAR 23/03-23/09 1.688%	10.000.000,00	EUR	99,522	10.007.583,74	1,57	1,51
REIFFEISENLANDESBANK NIEDEROES 6E 21/04-21/10 1.635%	7.500.000,00	EUR	99,990	7.526.710,41	1,18	1,14
<u>Belgium</u>						
ELIA SYSTEM OPERATOR 09/16 5.625% 22/04	3.000.000,00	EUR	112,554	3.492.808,52	0,55	0,53

<u>Denmark</u>							
NYKREDIT A/S 6E +0.1 23/3-23/9 1.578%	6.000.000,00	EUR	99,867	6.022.007,99	0,95	0,91	
SYDBANK A/S 3E+100 03/06-05/09 2.434%	1.560.000,00	EUR	99,905	1.561.192,75	0,25	0,24	
<u>Spain</u>							
CAJA AHORRO MONTE MADRID 3E+12.5 01/06-01/09 1.555%	3.800.000,00	EUR	97,250	3.700.403,90	0,58	0,56	
SANTANDER INTL 3E+12 29/07-31/10 1.732%	2.000.000,00	EUR	99,916	2.004.020,00	0,32	0,30	
<u>US</u>							
BANCO DESIO DELLA BRIANZ 3E+15 13/05-15/08 1.57%	6.750.000,00	EUR	96,722	6.542.655,75	1,03	0,99	
BANK OF AMERICA 3E+15 05/05-05/08 1.552%	9.200.000,00	EUR	89,469	8.254.579,88	1,30	1,25	
BANK OF AMERICA 3E+15 12/12-12/03 1.620%	15.000.000,00	EUR	92,294	13.856.250,00	2,18	2,09	
GENERAL ELEC CAP CORP 07/12 5.25% 19/04	1.500.000,00	USD	103,467	1.207.469,00	0,19	0,18	
GENERAL ELEC CAP CORP 08/13 4.8% 01/05	4.000.000,00	USD	104,741	3.251.507,21	0,51	0,49	
HSBC FINANCE CORP 3E+24 28/04-28/07 0.885%	10.000.000,00	EUR	95,042	9.536.190,00	1,50	1,44	
HSBC FINANCE CORP 3E+25 05/07-05/10 1.806%	12.500.000,00	EUR	96,710	12.142.709,03	1,91	1,84	
JPMORGAN CHASE & CO 3L+10 28/03-27/06 0.925%	13.300.000,00	GBP	99,800	15.891.603,02	2,50	2,40	
MORGAN J.P. & CO 07/15 5.25% 14/01	5.000.000,00	EUR	106,743	5.588.862,33	0,88	0,85	
MORGAN J.P. & CO 11/16 3.15% 05/01-07	6.000.000,00	USD	100,773	4.730.707,90	0,74	0,72	
WELLS FARGO COMPANY 3L+9 25/10-25/01 1.07475%	20.532.000,00	GBP	99,984	24.624.226,53	3,87	3,72	
<u>France</u>							
BANQUE FEDERATIVE DU CREDIT MUTUEL 10/12 2.026% 24/09	1.500.000,00	EUR	99,590	1.494.088,75	0,24	0,23	
BANQUE FEDERATIVE DU CREDIT MUTUEL 3E+12.5 20/07-20/10 1.733%	7.500.000,00	EUR	97,780	7.358.705,00	1,16	1,11	
BANQUE FEDERATIVE DU CREDIT MUTUEL 3E+15 27/05-29/08 1.585%	3.400.000,00	EUR	96,103	3.272.410,09	0,51	0,50	
BNP PARIBAS 10-15 2.5% 09/06	5.000.000,00	EUR	99,327	5.036.022,13	0,79	0,76	
CAISSE CENTR.CREDIT IMMOB. 02/12 5.875% 25/4	840.000,00	EUR	100,771	880.050,58	0,14	0,13	
CAISSE CENTR.CREDIT IMMOB. 10/15 3.75 22/01	598.000,00	EUR	93,533	580.336,30	0,09	0,09	
CAISSE CENTRALE DESJARDINS 3E+7.5 28/03-27/06 1.601%	15.000.000,00	EUR	100,016	15.003.632,49	2,36	2,27	
CAISSE CENTRALE DU CREDIT IMMO 3W +7.5BP 14/02-16/05	3.200.000,00	EUR	99,914	3.203.540,80	0,50	0,48	
CIE FINANCEMENT FONCIER 10/15 2.625% 16/04	1.400.000,00	EUR	99,566	1.419.829,74	0,22	0,22	
CIE FINANCIERE DU CRED 10/13 2.125% 22/04	8.000.000,00	USD	99,252	6.141.019,18	0,97	0,93	
CIE FINANCIERE DU CRED 3E+0.7 11/13 2.263% 13-10	5.000.000,00	EUR	99,508	4.999.687,08	0,79	0,76	
CIF EUROMORTGAGE 04/14 4.50 % 10/06	1.400.000,00	EUR	104,648	1.500.014,62	0,24	0,23	
CREDIT AGRICOLE (LONDON) 3E+38BP 12/12-12/03 1.850%	2.000.000,00	EUR	98,343	1.968.710,00	0,31	0,30	
CREDIT AGRICOLE HOME LOAN SFH 10/15 2.50% 24/06	10.000.000,00	EUR	99,407	10.069.798,36	1,58	1,52	
SOCIETE GENERALE 10/13 2.2% 14/09	5.000.000,00	USD	94,256	3.655.206,35	0,57	0,55	
SOCIETE GENERALE SCF SA 09/16 4% 07-07	2.000.000,00	EUR	104,227	2.123.009,94	0,33	0,32	
<u>Ireland</u>							
DEPFA BANK PLC/IRELAND 6P+19 23/04-23/10 0.66250%	14.400.000,00	USD	88,707	9.856.675,27	1,55	1,51	
IRISH INTERCONTINENTAL BANK 3E+16 21/07-21/10 1.769%	10.000.000,00	EUR	84,213	8.455.177,52	1,33	1,28	
<u>Italy</u>							
INTESA SANPAOLO SPA 09/12 2.625 04/12	2.600.000,00	EUR	97,927	2.550.953,22	0,40	0,39	
INTESA SANPAOLO SPA 3E+15BP 11/05-11/08 1.573%	1.750.000,00	EUR	98,905	1.734.696,25	0,27	0,26	
UNI BANCA SCPA 3E + 15 16/05-15/08 1.570%	1.250.000,00	EUR	99,485	1.246.081,25	0,20	0,19	
UNICREDIT SPA 09/12 4.125% 27/04	1.500.000,00	EUR	99,852	1.539.537,17	0,24	0,23	
UNICREDIT SPA 3E+17.5 BP 18/05-18/08 1.601%	2.000.000,00	EUR	83,226	1.668.330,33	0,26	0,25	
<u>Japan</u>							
SUMITOMO MITSUI BANKING CORPORATION 11/16 2.90% 22/01-07	5.000.000,00	USD	103,401	4.031.496,60	0,63	0,61	

<u>Norway</u>						
DNB NORBANK BOLIGKREDITT 11/16 2.625% 11/01	7.000.000,00	EUR	102,241	7.334.578,90	1,15	1,11
<u>Netherlands</u>						
COOPERATIEVE CENTRALE RAIFFEIS 11/16 3.875% 20/04	7.900.000,00	EUR	104,119	8.437.848,40	1,33	1,28
FORTIS BK NEDERLAND NV 10/12 1.796% 03/02	2.780.000,00	EUR	100,103	2.793.801,54	0,44	0,42
ING VERZEKERINGEN 3E+175 18/06-20/09 0.902%	10.701.000,00	EUR	95,788	10.255.485,86	1,61	1,55
KBC IFIMA 3E+20 14/03-14/06 2.169%	20.000.000,00	EUR	75,875	15.193.933,32	2,39	2,30
RABOBANK NEDERLAND NV 07/12 4.125% 04/04	15.500.000,00	EUR	100,748	16.087.610,07	2,53	2,43
RABOBANK NEDERLAND NV 09/14 4.375% 22/01	3.250.000,00	EUR	105,182	3.551.642,74	0,56	0,54
RABOBANK NEDERLAND NV 3E+18 10/10-08/01 1.736%	5.000.000,00	EUR	100,022	5.020.630,00	0,79	0,76
RABOBANK NEDERLAND NV 3E+45BP 17/06-19/09 1.935 %	4.000.000,00	EUR	100,175	4.009.284,33	0,63	0,61
<u>Portugal</u>						
CAIXA GERAL DEPOSIT FIN 07/12 4.625 28/06	20.000.000,00	EUR	97,987	20.064.954,64	3,15	3,03
<u>UK</u>						
BANK OF SCOTLAND_PLC 3E+.075 25/07-24/10 1.683%	2.474.000,00	EUR	95,430	2.368.576,88	0,37	0,36
BARCLAYS BANK PLC 11/16__4.125% 15-03	3.000.000,00	EUR	100,482	3.112.520,03	0,49	0,47
BG ENERGY CAPITALPLC 11/18 3% 16-11	6.000.000,00	EUR	100,522	6.052.959,34	0,95	0,92
LLOYDS BANKING GROUP PLC 09/14 6.25% 15/04	1.230.000,00	EUR	102,697	1.317.573,71	0,21	0,20
LLOYDS TSB BANK PLC 3E 11-13 2.506%_18/01	3.000.000,00	EUR	99,607	3.006.910,16	0,47	0,45
ROYAL BANK OF SCOTLAND GROUP PLC 08/13 5.25% 15/05	850.000,00	EUR	100,214	879.740,11	0,14	0,13
ROYAL BANK OF SCOTLAND GROUP PLC 10/15 4.875% 15/07	2.985.000,00	EUR	97,320	2.971.797,49	0,47	0,45
UBS LONDON 08/13 6.25% 03/09	3.650.000,00	EUR	105,938	3.940.285,50	0,62	0,60
UBS LONDON 09/14 5.625% 19/05	440.000,00	EUR	106,351	483.159,56	0,08	0,07
<u>Sweden</u>						
INVESTOR AB 06/16 4.00% 14/03	11.000.000,00	EUR	106,861	12.104.582,91	1,90	1,83
NORDEA BANK AB 10/13 1.75% 04/10	2.222.000,00	USD	97,814	1.681.340,53	0,26	0,25
SWEDBANK 10/13 3.125% 04/03	7.200.000,00	EUR	101,071	7.462.153,34	1,17	1,13
SWEDBANK HYPOTEK AB 11/16 2.95% 28/03-09	4.000.000,00	USD	102,185	3.171.742,07	0,50	0,48
Private-sector bonds						
<u>Germany</u>						
BAYERISCHE LANDESBANK GIRO 01/10/2012	3.000.000,00	EUR	99,979	2.999.370,00	0,47	0,45
BAYERISCHE LANDESBANK GIRO 01/10/2012	10.000.000,00	USD	99,975	7.701.047,60	1,21	1,16
BAYERISCHE LANDESBANK GIRO 23/03/2012	5.000.000,00	EUR	99,715	4.985.750,00	0,78	0,75
COMMERZBANK AG 01/10/2012	1.000.000,00	USD	99,988	770.204,89	0,12	0,12
DEUTSCHE APOTHEKER ARZ 02/10/2012	6.000.000,00	EUR	99,873	5.992.380,00	0,94	0,91
DEUTSCHE POST AG 29/07/11-10/01/12	1.500.000,00	EUR	99,981	1.499.715,00	0,24	0,23
DEUTSCHE POSTBANK AG 23/03/12	1.000.000,00	USD	99,705	768.024,96	0,12	0,12
LANDESBANK BADEN-WUERTTEMBERG 01/10/2012	1.000.000,00	USD	99,986	770.189,49	0,12	0,12
LANDESBANK HESSEN LONDON 02/10/2012	5.000.000,00	EUR	99,878	4.993.900,00	0,79	0,76
<u>Austria</u>						
RAIFFEISEN BANK INTL 02/10/2012	1.000.000,00	EUR	99,864	998.640,00	0,16	0,15
<u>Belgium</u>						
SOC PUBL DE GESTION DE L'EAU SA 23/04/2012	5.000.000,00	EUR	99,515	4.975.750,00	0,78	0,75
<u>Denmark</u>						
JYSKE BANK A/S 01/10/2012	10.000.000,00	USD	99,984	7.701.740,87	1,21	1,16
JYSKE BANK A/S 01/10/2012	3.500.000,00	EUR	99,978	3.499.230,00	0,55	0,53
JYSKE BANK A/S 23/03/2012	2.000.000,00	USD	99,657	1.535.310,43	0,24	0,23

NYKREDIT A/S 23/03/2012	3.500.000,00	EUR	99,689	3.489.115,00	0,55	0,53
<u>US</u>						
GENERAL ELEC CAP CORP 3L+13 01/08-02/11 0.38395%	17.500.000,00	USD	99,867	13.474.634,13	2,12	2,04
<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/03/2012	2.000.000,00	USD	99,809	1.537.652,13	0,24	0,23
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/03/2012	1.000.000,00	USD	99,790	768.679,71	0,12	0,12
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/04/2012	2.000.000,00	EUR	99,532	1.990.640,00	0,31	0,30
BPCE SA 22/06/2012	3.000.000,00	EUR	99,190	2.975.700,00	0,47	0,45
NATIXIS 23/03/2012	10.000.000,00	EUR	99,695	9.969.500,00	1,57	1,51
<u>Ireland</u>						
UNICREDIT BANK IRELAND 6E 10/05-10/11 1.91	2.500.000,00	EUR	99,837	2.501.865,97	0,39	0,38
<u>Netherlands</u>						
ABN AMRO BANK NV 01/10/2012	1.000.000,00	EUR	99,978	999.780,00	0,16	0,15
ABN AMRO BANK NV 23/03/2012	10.000.000,00	EUR	99,702	9.970.200,00	1,57	1,51
B.M.W. FIN 02/10/2012	5.000.000,00	EUR	99,867	4.993.350,00	0,79	0,76
ING BANK 23/04/2012	5.000.000,00	EUR	99,548	4.977.400,00	0,78	0,75
<u>UK</u>						
CLYDESDALE BANK 01/10/2012	2.500.000,00	EUR	99,979	2.499.475,00	0,39	0,38
GRANITE MASTER ISSUER PLC 1BP+12 22/08-20/09 0.77438%	10.000.000,00	GBP	94,350	4.697.022,27	0,74	0,71
LANDESBANK BW LONDON 23/03/2012	1.500.000,00	USD	99,732	1.152.349,41	0,18	0,17
LLOYDS BANKING GROUP PLC 01/10/2012	5.000.000,00	EUR	99,979	4.998.950,00	0,79	0,76
LLOYDS BANKING GROUP PLC 05/10/2012	9.000.000,00	EUR	99,483	8.953.470,00	1,41	1,35
ROYAL BANK OF SCOTLAND GROUP PLC 02/10/2012	10.000.000,00	EUR	99,870	9.987.000,00	1,57	1,51
<u>Sweden</u>						
SWEDBANK 23/03/2012	5.000.000,00	USD	99,854	3.845.863,50	0,60	0,58
Total bonds				656.905.155,38	103,23	99,26
Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-20.549.438,41	-3,23	-3,11
Total swaps				-20.549.438,41	-3,23	-3,11
TOTAL SECURITIES PORTFOLIO				636.355.716,97	100,00	96,15
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP CZK	-24.911.692,18	CZK	1,000	-976.814,19		-0,15
KBC GROUP EURO	832.840,62	EUR	1,000	832.840,62		0,13
KBC GROUP GBP	10,67	GBP	1,000	12,77		
KBC GROUP HUF	134.185,64	HUF	1,000	426,30		
KBC GROUP PLN	-2.488.359,38	PLN	1,000	-558.203,46		-0,08
KBC GROUP USD	12.385,06	USD	1,000	9.540,18		0,00
Total demand accounts				-692.197,78		-0,11
Time deposit accounts						
<u>Belgium</u>						
KBC BANK NV 03/01-10/01/12 KBCBANK 0.450 %	25.500.000,00	CZK	100,000	999.882,37		0,15

KBC BANK NV 03/01-10/01/12 KBCBANK 4.350 %	2.500.000,00	PLN	100,000	560.814,75		0,09
KBC BANK NV 05/08-10/01/12 KBCBANK 4.250 %	2.000.000,00	PLN	99,991	448.611,42		0,07
KBC BANK NV 07/10-23/03/12 KBCBANK 1.000 %	2.000.000,00	CZK	99,981	78.407,24		0,01
KBC BANK NV 07/12-23/03/12 KBCBANK 1.000 %	12.300.000,00	CZK	100,005	482.320,31		0,07
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	4.430.000,00	PLN	99,984	993.604,74		0,15
KBC BANK NV 08/07-10/01/12 KBCBANK 5.250 %	32.900.000,00	HUF	99,967	104.486,27		0,02
KBC BANK NV 08/11-23/03/12 KBCBANK 0.900 %	9.300.000,00	CZK	99,958	364.509,82		0,06
KBC BANK NV 10/11-10/01/12 KBCBANK 0.850 %	10.700.000,00	CZK	100,004	419.575,27		0,06
KBC BANK NV 10/11-10/05/12 KBCBANK 0.950 %	14.000.000,00	CZK	99,899	548.400,58		0,08
KBC BANK NV 12/07-10/01/12 KBCBANK 4.000 %	700.000,00	PLN	99,983	157.001,44		0,02
KBC BANK NV 14/07-10/01/12 KBCBANK 4.000 %	3.440.000,00	PLN	99,983	771.549,91		0,12
KBC BANK NV 15/09-10/01/12 KBCBANK 4.400 %	2.700.000,00	PLN	99,997	605.661,76		0,09
KBC BANK NV 15/12-10/01/12 KBCBANK 4.600 %	1.830.000,00	PLN	100,005	410.536,93		0,06
KBC BANK NV 19/07-10/01/12 KBCBANK 4.000 %	15.300.000,00	PLN	99,983	3.431.602,81		0,52
KBC BANK NV 19/09-10/01/12 KBCBANK 1.000 %	87.400.000,00	CZK	100,009	3.427.356,23		0,52
KBC BANK NV 23/09-10/01/12 KBCBANK 4.450 %	2.200.000,00	PLN	99,998	493.507,12		0,08
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	74.000.000,00	CZK	100,005	2.901.764,50		0,44
KBC BANK NV 23/09-23/03/12 KBCBANK 4.450 %	15.700.000,00	PLN	99,891	3.518.077,75		0,53
KBC BANK NV 24/11-10/01/12 KBCBANK 5.200 %	1.630.000,00	PLN	100,024	365.738,97		0,06
KBC BANK NV 26/08-10/01/12 KBCBANK 0.850 %	800.000,00	CZK	100,004	31.370,12		0,01
KBC BANK NV 26/10-10/01/12 KBCBANK 0.800 %	46.200.000,00	CZK	100,002	1.811.587,82		0,27
KBC BANK NV 29/07-10/01/12 KBCBANK 4.100 %	11.400.000,00	PLN	99,986	2.556.957,24		0,39
KBC BANK NV 30/12-10/01/12 KBCBANK 0.700 %	11.700.000,00	CZK	100,000	458.769,56		0,07
Total time deposit accounts				25.942.094,93		3,92
TOTAL CASH AT BANK AND IN HAND				25.249.897,15		3,82
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP CZK RECEIVABLES	18.806,31	CZK	1,000	737,42		
KBC GROUP EUR RECEIVABLES	94,53	EUR	1,000	94,53		
KBC GROUP HUF TE ONTVANGEN	562,19	HUF	1,000	1,79		
KBC GROUP PLN RECEIVABLES	94,99	PLN	1,000	21,31		
KBC GROUP USD RECEIVABLES	14,47	USD	1,000	11,15		
Total receivables				866,20		
TOTAL OTHER RECEIVABLES AND PAYABLES				866,20		
OTHER						
Accrued interest		EUR		234.492,81		0,04
Expenses payable		EUR		-18.790,10		0,00
TOTAL OTHER				215.702,71		0,03
TOTAL NET ASSETS				661.822.183,03		100,00

1.7.14 COMPOSITION OF THE ASSETS OF WAVES FINANCIAL INVESTMENTS PLC

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Government bonds						
<u>Austria</u>						
AUSTRIA 03/18 4.65% 15/01	9.000.000,00	EUR	112,222	10.500.177,99	2,62	2,51
AUSTRIA 07/17 4.30 15/09	3.650.000,00	EUR	110,288	4.070.966,07	1,01	0,97
<u>Belgium</u>						
BELGIUM 06/16 3.25 % 28/09	4.500.000,00	EUR	100,870	4.576.305,76	1,14	1,09
BELGIUM 08/18 4% 28/03	4.000.000,00	EUR	102,951	4.239.113,38	1,06	1,01
BELGIUM 09/12 2.00% 28/03	600.000,00	EUR	100,470	611.901,97	0,15	0,15
BELGIUM 10/15 2.75% 05/03	7.500.000,00	USD	96,015	5.677.195,67	1,41	1,36
<u>Europe</u>						
EUROPEAN UNION 11/16 2.75% 03/06	4.000.000,00	EUR	103,303	4.195.835,84	1,05	1,00
EUROPEAN UNION 11/18 3.25% 04-04	4.000.000,00	EUR	105,140	4.305.408,74	1,07	1,03
<u>Greece</u>						
HELLENIC REPUBLIC 07/12 4.10% 20/08	5.155.000,00	EUR	32,755	1.764.746,46	0,44	0,42
<u>Czech Republic</u>						
CZECHIA 05/15 3.8% 11/04	41.500.000,00	CZK	105,070	1.754.249,06	0,44	0,42
Bonds issued by credit institutions						
<u>Germany</u>						
COMMERZBANK AG 09/15 4.75 26/01	2.550.000,00	EUR	102,886	2.735.758,07	0,68	0,65
LANDBK HESSEN-THUERINGEN 10/15 0% 23/09	5.000.000,00	USD	99,920	3.859.185,66	0,96	0,92
<u>Australia</u>						
COMMONWEALTH BK OF AUSTRALIA 10/15 3.5% 19/09	2.000.000,00	USD	102,739	1.597.919,34	0,40	0,38
COMMONWEALTH BK OF AUSTRALIA 11/16 3.25% 17/03-17/09	10.000.000,00	USD	101,122	7.861.027,66	1,96	1,88
NATIONAL AUSTRALIA BANK 3E+0.47 22/07-24/10 2.074%	6.000.000,00	EUR	99,609	5.999.476,33	1,49	1,44
WESTPAC BANKING CORP 09-16 4.25% 22/09	3.500.000,00	EUR	104,346	3.692.345,65	0,92	0,88
<u>Austria</u>						
AUST&NZ BANKING GROUP 11/16 2.40% 23/05-23/11	5.000.000,00	USD	98,689	3.810.494,01	0,95	0,91
ERSTE GROUP BANK AG 10/13 1.625 % 02/09	1.200.000,00	EUR	99,899	1.205.128,16	0,30	0,29
<u>Belgium</u>						
FORTIS BANK SA/NA 07/14 4.50% 30/05	8.750.000,00	EUR	102,214	9.173.950,41	2,29	2,19
FORTIS BANK SA/NA 3L+22 22/08-22/11 0.51778	24.200.000,00	USD	92,038	17.170.910,37	4,28	4,11
<u>Denmark</u>						
NYKREDIT A/S 1	10.000.000,00	EUR	99,963	10.054.427,96	2,50	2,40
<u>Spain</u>						
CAJA AHORRO MONTE MADRID 3E+12.5 01/06-01/09 1.555%	6.900.000,00	EUR	97,250	6.719.154,44	1,67	1,61
SANTANDER INTL 3E+11 25/07-25/10 1.718%	850.000,00	EUR	99,271	846.444,87	0,21	0,20

<u>US</u>							
BANCO DESIO DELLA BRIANZ 3E+15 13/05-15/08 1.57%	4.050.000,00	EUR	96,722	3.925.593,45	0,98	0,94	
BANK OF AMERICA 3E+15 12/12-12/03 1.620%	15.500.000,00	EUR	92,294	14.318.125,00	3,57	3,42	
CITIGROUP INC 3E+10 12/10-12/01 1.667%	10.000.000,00	EUR	100,000	10.036.581,38	2,50	2,40	
GENERAL ELEC CAP CORP 07/12 5.25% 19/04	1.500.000,00	USD	103,467	1.207.469,00	0,30	0,29	
HSBC FINANCE CORP 3E+24 28/04-28/07 0.885%	4.058.000,00	EUR	95,042	3.869.785,90	0,96	0,93	
JPMORGAN CHASE & CO 3E+15 30/04-30/07 0.804%	15.000.000,00	EUR	96,752	14.556.299,99	3,63	3,48	
JPMORGAN CHASE & CO 3L+10 28/03-27/06 0.925%	13.250.000,00	GBP	99,800	15.831.860,15	3,94	3,79	
MERRILL LYNCH & CO 3E+45 22/07-24/10 2.054%	16.500.000,00	EUR	86,416	14.321.100,73	3,57	3,43	
MORGAN J.P. & CO 11/16 3.15% 05/01-07	1.500.000,00	USD	100,773	1.182.676,98	0,30	0,28	
MORGAN STANLEY 3E 13/04-13/07 1.711	2.000.000,00	EUR	81,540	1.639.336,67	0,41	0,39	
<u>France</u>							
BPCE SA 10/12 1.311 % 20/07	1.000.000,00	EUR	99,679	1.000.791,64	0,25	0,24	
CAISSE CENTR.CREDIT IMMOB. 02/12 5.875% 25/4	420.000,00	EUR	100,771	440.025,29	0,11	0,11	
CIE FINANCEMENT FONCIER 10/15 2.625% 16/04	1.600.000,00	EUR	99,566	1.622.662,56	0,40	0,39	
CIF EUROMORTGAGE 04/14 4.50 % 10/06	1.600.000,00	EUR	104,648	1.714.302,43	0,43	0,41	
SOCIETE GENERALE 3E+9 20/07-20/10 2.508%	3.000.000,00	EUR	98,138	2.958.807,41	0,74	0,71	
<u>Ireland</u>							
IRISH INTERCONTINENTAL BANK 3E+16 21/07-21/10 1.769%	10.000.000,00	EUR	84,213	8.455.177,52	2,11	2,02	
<u>Italy</u>							
BANCA INTESA SPA 3E+20 01/07-03/10 1.737%	1.300.000,00	EUR	86,707	1.132.752,11	0,28	0,27	
UNICREDIT SPA 3E+17.5 BP 18/05-18/08 1.601%	5.000.000,00	EUR	83,226	4.170.825,83	1,04	1,00	
<u>Japan</u>							
SUMITOMO MITSUI BANKING CORPORATION 11/16 2.90% 22/01-07	3.000.000,00	USD	103,401	2.418.897,96	0,60	0,58	
<u>Netherlands</u>							
FORTIS BK NEDERLAND NV 10/12 1.796% 03/02	885.000,00	EUR	100,103	889.393,66	0,22	0,21	
ING BANK 11/18 3.375% 11-01	16.000.000,00	EUR	103,810	17.131.846,56	4,27	4,10	
ING BANK 3E+55 10/10-09/01 2.106%	5.000.000,00	EUR	99,072	4.977.292,50	1,24	1,19	
ING VERZEKERINGEN 3E+175 18/06-20/09 0.902%	4.250.000,00	EUR	95,788	4.073.059,98	1,01	0,97	
RABOBANK NEDERLAND NV 07/12 4.125% 04/04	15.500.000,00	EUR	100,748	16.087.610,07	4,01	3,85	
RABOBANK NEDERLAND NV 09/14 4.375% 22/01	3.250.000,00	EUR	105,182	3.551.642,74	0,89	0,85	
RABOBANK NEDERLAND NV 3E+18 10/10-08/01 1.736%	6.000.000,00	EUR	100,022	6.024.756,00	1,50	1,44	
RABOBANK NEDERLAND NV 3E+45BP 17/06-19/09 1.935 %	6.000.000,00	EUR	100,175	6.013.926,50	1,50	1,44	
<u>UK</u>							
BANK OF SCOTLAND_PLC 06/13 3.25% 25/01	5.000.000,00	EUR	101,025	5.202.174,66	1,30	1,24	
BANK OF SCOTLAND_PLC 3E+.075 25/07-24/10 1.683%	2.541.000,00	EUR	95,430	2.432.721,85	0,61	0,58	
BARCLAYS BANK PLC 11/16_ 4.125% 15-03	8.000.000,00	EUR	100,482	8.300.053,41	2,07	1,99	
CLYDESDALE BANK 3E+7.5 30/11-29/02 1.552%	12.500.000,00	EUR	99,682	12.476.416,66	3,11	2,98	
LLOYDS BANKING GROUP PLC 09/14 6.25% 15/04	1.880.000,00	EUR	102,697	2.013.852,51	0,50	0,48	
ROYAL BANK OF SCOTLAND GROUP PLC 08/13 5.25% 15/05	300.000,00	EUR	100,214	310.496,51	0,08	0,07	
ROYAL BANK OF SCOTLAND GROUP PLC 10/12 2.921% 15/6-15/9	4.000.000,00	EUR	99,806	3.997.033,33	1,00	0,96	
ROYAL BANK OF SCOTLAND GROUP PLC 10/15 4.875% 15/07	3.067.000,00	EUR	97,320	3.053.434,81	0,76	0,73	
UBS LONDON 3E 11/13 17/6-19/9 1.935%	10.000.000,00	EUR	98,680	9.873.710,83	2,46	2,36	
<u>Sweden</u>							
NORDEA BANK AB 10/13 1.75% 04/10	4.074.000,00	USD	97,814	3.082.709,86	0,77	0,74	
<u>Switzerland</u>							
CREDIT SUISSE LONDON 3E+5 06/06-05/09 1.485%	2.800.000,00	EUR	99,996	2.802.841,61	0,70	0,67	

Private-sector bonds							
<u>Germany</u>							
BAYERISCHE LANDESBANK GIRO 23/03/2012	7.000.000,00	EUR	99,713	6.979.910,00	1,74	1,67	
COMMERZBANK AG 02/10/2012	2.500.000,00	EUR	99,882	2.497.050,00	0,62	0,60	
DEUTSCHE APOTHEKER ARZ 01/10/2012	3.500.000,00	EUR	99,979	3.499.265,00	0,87	0,84	
DEUTSCHE POSTBANK AG 01/10/2012	500.000,00	USD	99,976	385.056,23	0,10	0,09	
LANDBK HESSEN-THUERINGEN 01/10/2012	5.000.000,00	EUR	99,979	4.998.950,00	1,25	1,20	
LANDBK HESSEN-THUERINGEN 01/10/2012	5.500.000,00	USD	99,985	4.235.999,85	1,06	1,01	
LANDESBANK BADEN-WUERTTEMBERG 01/10/2012	4.000.000,00	USD	99,986	3.080.757,97	0,77	0,74	
<u>Austria</u>							
RAIFFEISEN BANK INTL 23/04/2012	3.300.000,00	EUR	99,547	3.285.051,00	0,82	0,79	
<u>Denmark</u>							
JYSKE BANK A/S 01/10/2012	1.000.000,00	USD	99,984	770.174,08	0,19	0,18	
<u>US</u>							
GENERAL ELEC CAP CORP 3L+13 02/08-02/11 0.38550%	12.500.000,00	USD	99,650	9.603.694,72	2,39	2,30	
<u>France</u>							
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/03/2012	2.500.000,00	USD	99,809	1.922.065,16	0,48	0,46	
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/04/2012	3.000.000,00	EUR	99,532	2.985.960,00	0,74	0,71	
BPCE SA 22/06/2012	3.500.000,00	EUR	99,190	3.471.650,00	0,87	0,83	
NATIXIS 23/03/2012	1.500.000,00	EUR	99,710	1.495.650,00	0,37	0,36	
<u>Ireland</u>							
<u>Netherlands</u>							
ABN AMRO BANK NV 01/10/2012	500.000,00	EUR	99,978	499.890,00	0,12	0,12	
BELUGA MASTER ISSUER BV 3E+13 28/04-28/07 0.775% A2	6.900.000,00	EUR	99,137	6.861.199,23	1,71	1,64	
<u>UK</u>							
GRANITE MASTER ISSUER PLC 2E+10 22/08-20/09 1.448%	15.000.000,00	EUR	95,038	5.928.676,15	1,48	1,42	
GRANITE MORTGAGES PLC 1L+12 22/08-20/09 0.77438%	14.800.000,00	GBP	94,490	6.961.875,86	1,73	1,67	
LLOYDS BANKING GROUP PLC 05/10/2012	5.000.000,00	EUR	99,483	4.974.150,00	1,24	1,19	
ROYAL BANK OF SCOTLAND GROUP PLC 02/10/2012	2.000.000,00	EUR	99,870	1.997.400,00	0,50	0,48	
ROYAL BANK OF SCOTLAND GROUP PLC 23/03/2012	3.000.000,00	EUR	99,682	2.990.460,00	0,75	0,72	
Total bonds				412.945.055,17	102,84	98,75	
Swaps							
<u>Belgium</u>							
KBC SWAPS IRS/CCS		EUR	1,000	-11.411.094,12	-2,84	-2,73	
Total swaps				-11.411.094,12	-2,84	-2,73	
TOTAL SECURITIES PORTFOLIO				401.533.961,05	100,00	96,02	
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	281.511,57	CZK	1,000	11.038,37		0,00	
KBC GROUP EURO	53.892,19	EUR	1,000	53.892,19		0,01	
KBC GROUP GBP	12,44	GBP	1,000	14,89			
KBC GROUP HUF	189.723,78	HUF	1,000	602,74			
KBC GROUP PLN	9.199,31	PLN	1,000	2.063,64			

KBC GROUP USD	448.167,03	USD	1,000	345.221,87		0,08
Total demand accounts				412.833,70		0,10
Time deposit accounts						
<u>Belgium</u>						
KBC BANK NV 07/12-10/01/12 KBCBANK 0.950 %	6.000.000,00	CZK	100,007	235.282,91		0,06
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	9.800.000,00	PLN	99,984	2.198.042,08		0,53
KBC BANK NV 08/07-10/01/12 KBCBANK 5.250 %	15.900.000,00	HUF	99,967	50.496,40		0,01
KBC BANK NV 10/11-10/05/12 KBCBANK 0.950 %	72.000.000,00	CZK	99,899	2.820.345,84		0,67
KBC BANK NV 12/07-10/01/12 KBCBANK 0.750 %	1.500.000,00	CZK	100,001	58.817,20		0,01
KBC BANK NV 12/07-10/01/12 KBCBANK 4.000 %	200.000,00	PLN	99,983	44.857,56		0,01
KBC BANK NV 12/09-10/01/12 KBCBANK 0.880 %	3.550.000,00	CZK	100,005	139.206,27		0,03
KBC BANK NV 14/07-10/01/12 KBCBANK 4.000 %	1.430.000,00	PLN	99,983	320.731,51		0,08
KBC BANK NV 15/09-10/01/12 KBCBANK 4.400 %	1.350.000,00	PLN	99,997	302.830,88		0,07
KBC BANK NV 15/12-10/01/12 KBCBANK 4.600 %	910.000,00	PLN	100,005	204.146,78		0,05
KBC BANK NV 19/07-10/01/12 KBCBANK 0.850 %	2.400.000,00	CZK	100,004	94.110,34		0,02
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	99.000.000,00	CZK	100,005	3.882.090,34		0,93
KBC BANK NV 23/09-23/03/12 KBCBANK 4.450 %	17.000.000,00	PLN	99,891	3.809.383,55		0,91
KBC BANK NV 24/08-10/01/12 KBCBANK 0.850 %	10.500.000,00	CZK	100,004	411.732,74		0,10
KBC BANK NV 24/11-10/01/12 KBCBANK 5.200 %	900.000,00	PLN	100,024	201.941,77		0,05
KBC BANK NV 29/07-10/01/12 KBCBANK 4.100 %	5.000.000,00	PLN	99,986	1.121.472,48		0,27
KBC BANK NV 30/12-10/01/12 KBCBANK 0.700 %	5.850.000,00	CZK	100,000	229.384,78		0,06
Total time deposit accounts				16.124.873,43		3,86
TOTAL CASH AT BANK AND IN HAND				16.537.707,13		3,96
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP CZK RECEIVABLES	91,75	CZK	1,000	3,60		
KBC GROUP EUR RECEIVABLES	66,00	EUR	1,000	66,00		
KBC GROUP HUF TE ONTVANGEN	798,69	HUF	1,000	2,54		
KBC GROUP PLN RECEIVABLES	273,87	PLN	1,000	61,44		
KBC GROUP USD RECEIVABLES	114,07	USD	1,000	87,87		
Total receivables				221,45		
TOTAL OTHER RECEIVABLES AND PAYABLES				221,45		
OTHER						
Accrued interest		EUR		138.697,79		0,03
Expenses payable		EUR		-18.747,20		0,00
TOTAL OTHER				119.950,59		0,03
TOTAL NET ASSETS				418.191.840,22		100,00

1.7.15 COMPOSITION OF THE ASSETS OF AMETHYST STRUCTURED FINANCE PLC

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Government bonds						
<u>Austria</u>						
AUSTRIA 03/14 4.30% 15/07	1.491.000,00	EUR	108,348	1.644.897,60	0,26	0,25
<u>Belgium</u>						
BELGIUM 10/15 2.75% 05/03	19.000.000,00	USD	96,015	14.382.229,02	2,29	2,18
BELGIUM 92/12 8% 24/12 OLO12	4.600.000,00	EUR	107,095	4.932.402,79	0,79	0,75
FLEMISH COMMUNITY 09/12 2.75% 30/03	5.200.000,00	EUR	100,297	5.322.889,35	0,85	0,81
<u>Europe</u>						
EUROPEAN UNION 11/16 2.75% 03/06	8.300.000,00	EUR	103,303	8.706.359,38	1,39	1,32
EUROPEAN UNION 11/18 3.25% 04-04	5.000.000,00	EUR	105,140	5.381.760,93	0,86	0,82
<u>France</u>						
CADES 06/16 3.625% 25/04	5.000.000,00	EUR	105,118	5.379.209,43	0,86	0,82
<u>Greece</u>						
HELLENIC REPUBLIC 02/12 5.25% 18/05	450.000,00	EUR	37,900	185.138,11	0,03	0,03
HELLENIC REPUBLIC 07/12 4.10% 20/08	7.000.000,00	EUR	32,755	2.396.357,94	0,38	0,36
<u>Italy</u>						
ITALY 03/14 2.15% 15/03-09	17.000.000,00	EUR	93,785	18.947.643,94	3,02	2,88
<u>Poland</u>						
POLAND 02/12 5.5% 12/03	1.450.000,00	EUR	100,803	1.525.487,08	0,24	0,23
<u>Czech Republic</u>						
CZECHIA 05/15 3.8% 11/04	36.000.000,00	CZK	105,070	1.521.758,22	0,24	0,23
Bonds issued by credit institutions						
<u>Germany</u>						
COMMERZBANK AG 09/15 4.75 26/01	625.000,00	EUR	102,886	670.528,94	0,11	0,10
LANDBK HESSEN-THUERINGEN 10/15 0% 23/09	500.000,00	USD	99,920	385.918,56	0,06	0,06
LANDESBANK BADEN-WUERTTEMBERG 09/14 3.25% 29/01	2.555.000,00	EUR	104,070	2.735.201,00	0,44	0,42
<u>Australia</u>						
ANZ NATIONAL LTD 10/15 3.125% 10/08	5.000.000,00	USD	100,086	3.901.605,21	0,62	0,59
COMMONWEALTH BK OF AUSTRALIA 11/16 3.25% 17/03-17/09	20.000.000,00	USD	101,122	15.722.055,32	2,51	2,39
NATIONAL AUSTRALIA BANK 3E+0.47 22/07-24/10 2.074%	3.500.000,00	EUR	99,609	3.499.694,53	0,56	0,53
<u>Austria</u>						
AUST&NZ BANKING GROUP 11/16 2.40% 23/05-23/11	5.000.000,00	USD	98,689	3.810.494,01	0,61	0,58
ERSTE GROUP BANK AG 6E+VAR 23/03-23/09 1.688%	10.000.000,00	EUR	99,522	10.007.583,74	1,60	1,52
REIFFEISENLANDESBANK NIEDEROES 6E 21/04-21/10 1.635%	7.500.000,00	EUR	99,990	7.526.710,41	1,20	1,14

<u>Denmark</u>							
NYKREDIT A/S 6E +0.1 23/3-23/9 1.578%	6.000.000,00	EUR	99,867	6.022.007,99	0,96	0,91	
SYDBANK A/S 3E+100 03/06-05/09 2.434%	1.820.000,00	EUR	99,905	1.821.391,54	0,29	0,28	
<u>Spain</u>							
AYT CEDULAS CAJAS FTA 3E+5 14/03-14/06 1.519%	5.000.000,00	EUR	95,916	4.799.088,89	0,76	0,73	
CAJA AHORRO MONTE MADRID 3E+12.5 01/06-01/09 1.555%	3.400.000,00	EUR	97,250	3.310.887,70	0,53	0,50	
SANTANDER INTL 3E+11 25/07-25/10 1.718%	2.350.000,00	EUR	99,271	2.340.171,12	0,37	0,36	
<u>US</u>							
AMERICAN INT. GROUP 3E+17.5 19/07-19/10 1.783%	14.000.000,00	EUR	93,125	13.086.584,00	2,09	1,99	
BANCO DESIO DELLA BRIANZ 3E+15 13/05-15/08 1.57%	6.700.000,00	EUR	96,722	6.494.191,63	1,04	0,99	
BANK OF AMERICA 3E+15 05/05-05/08 1.552%	4.700.000,00	EUR	89,469	4.217.013,64	0,67	0,64	
BANK OF AMERICA 3E+15 12/12-12/03 1.620%	12.000.000,00	EUR	92,294	11.085.000,00	1,77	1,68	
CITIGROUP INC 3E+14 06/06-05/09 1.575%	8.000.000,00	EUR	94,083	7.535.578,89	1,20	1,14	
HSBC FINANCE CORP 3E+24 28/04-28/07 0.885%	20.012.000,00	EUR	95,042	19.083.823,43	3,04	2,90	
JPMORGAN CHASE & CO 3L+10 28/03-27/06 0.925%	10.150.000,00	GBP	99,800	12.127.802,30	1,93	1,84	
MORGAN J.P. & CO 07/15 5.25% 14/01	9.000.000,00	EUR	106,743	10.059.952,19	1,60	1,53	
MORGAN STANLEY 3E 13/04-13/07 1.711	1.500.000,00	EUR	81,540	1.229.502,50	0,20	0,19	
<u>France</u>							
BANQUE FEDERATIVE DU CREDIT MUTUEL 10/12 2.026% 24/09	1.500.000,00	EUR	99,590	1.494.088,75	0,24	0,23	
BANQUE FEDERATIVE DU CREDIT MUTUEL 3E+15 27/05-29/08 1.585%	5.500.000,00	EUR	96,103	5.293.604,55	0,84	0,80	
BPCE SA 11/16 3.625% 12/5	15.500.000,00	EUR	102,985	16.318.836,20	2,60	2,48	
CAISSE CENTR.CREDIT IMMOB. 02/12 5.875% 25/4	840.000,00	EUR	100,771	880.050,58	0,14	0,13	
CAISSE CENTR.CREDIT IMMOB. 10/15 3.75 22/01	883.000,00	EUR	93,533	856.917,98	0,14	0,13	
CIE FINANCEMENT FONCIER 10/15 2.625% 16/04	1.500.000,00	EUR	99,566	1.521.246,15	0,24	0,23	
CIF EUROMORTGAGE 04/14 4.50 % 10/06	1.500.000,00	EUR	104,648	1.607.158,52	0,26	0,24	
CREDIT AGRICOLE (LONDON) 3E+38BP 12/12-12/03 1.850%	2.000.000,00	EUR	98,343	1.968.710,00	0,31	0,30	
FRANCE TELECOM 07/17 4.75 % 21/02	7.500.000,00	EUR	109,352	8.505.944,54	1,36	1,29	
HSBC FRANCE 08/13 5.75% 19/06	9.000.000,00	EUR	104,947	9.719.521,13	1,55	1,48	
HSBC FRANCE 3E 06/13 6/6-6/9 1.56%	5.000.000,00	EUR	98,471	4.928.863,33	0,79	0,75	
SOCIETE GENERALE 6E+8 25/03-23/09 1.581%	10.000.000,00	EUR	99,788	10.028.235,55	1,60	1,52	
<u>Italy</u>							
BANCA INTESA SPA 3E+17.5 21/03-20/06 1.345%	6.900.000,00	EUR	76,263	5.265.198,33	0,84	0,80	
INTESA SANPAOLO SPA 09/12 2.625 04/12	1.400.000,00	EUR	97,927	1.373.590,20	0,22	0,21	
INTESA SANPAOLO SPA 3E+15BP 11/05-11/08 1.573%	1.750.000,00	EUR	98,905	1.734.696,25	0,28	0,26	
UNICREDIT SPA 3E+17.5 BP 18/05-18/08 1.601%	2.000.000,00	EUR	83,226	1.668.330,33	0,27	0,25	
<u>Japan</u>							
SUMITOMO MITSUI BANKING CORPORATION 11/16 2.90% 22/01-07	7.000.000,00	USD	103,401	5.644.095,24	0,90	0,86	
<u>Netherlands</u>							
COOPERATIEVE CENTRALE RAIFFEIS 11/16 3.875% 20/04	8.200.000,00	EUR	104,119	8.758.273,02	1,40	1,33	
FORTIS BK NEDERLAND NV 10/12 1.796% 03/02	3.415.000,00	EUR	100,103	3.431.954,05	0,55	0,52	
ING BANK 2011-2016 3.25% 03-03	10.000.000,00	EUR	103,939	10.662.069,39	1,70	1,62	
ING VERZEKERINGEN 3E+175 18/06-20/09 0.902%	11.667.000,00	EUR	95,788	11.181.268,43	1,78	1,70	
KBC IFIMA 05/16 3.87% 18/05	469.300.000,00	CZK	89,900	16.982.920,88	2,71	2,58	
KBC IFIMA 05/16 4.01% 18/05	451.810.000,00	SKK	91,125	14.037.682,44	2,24	2,13	
RABOBANK NEDERLAND NV 09/14 4.375% 22/01	3.610.000,00	EUR	105,182	3.945.055,47	0,63	0,60	
RABOBANK NEDERLAND NV 09/16 4.375% 05/05	6.000.000,00	EUR	106,298	6.549.293,93	1,04	0,99	

<u>UK</u>							
BANK OF SCOTLAND_PLC 3E+.075 25/07-24/10 1.683%	1.523.000,00	EUR	95,430	1.458.101,29	0,23	0,22	
BARCLAYS BANK PLC 11/16_.4.125% 15-03	5.000.000,00	EUR	100,482	5.187.533,38	0,83	0,79	
CLYDESDALE BANK 3E+7.5 30/11-29/02 1.552%	5.488.000,00	EUR	99,682	5.477.645,97	0,87	0,83	
HBOS TREASURY SERVICES PLC 3L+5 16/05-16/08 0.31075%	7.700.000,00	USD	99,451	5.902.427,92	0,94	0,90	
HSBC HOLDING PLC 11/16 3.875% 16/03	5.000.000,00	EUR	103,739	5.339.921,64	0,85	0,81	
LLOYDS BANKING GROUP PLC 08/13 5.625% 05/03	12.500.000,00	EUR	75,625	10.029.456,96	1,60	1,52	
LLOYDS BANKING GROUP PLC 09/14 6.25% 15/04	1.880.000,00	EUR	102,697	2.013.852,51	0,32	0,31	
ROYAL BANK OF SCOTLAND GROUP PLC 08/13 5.25% 15/05	600.000,00	EUR	100,214	620.993,02	0,10	0,09	
ROYAL BANK OF SCOTLAND GROUP PLC 10/13 3.4% 23/08	5.000.000,00	USD	98,568	3.842.529,83	0,61	0,58	
ROYAL BANK OF SCOTLAND GROUP PLC 10/15 4.875% 15/07	1.825.000,00	EUR	97,320	1.816.928,11	0,29	0,28	
ROYAL BANK OF SCOTLAND GROUP PLC 11/14 2.5% 07/09	3.200.000,00	EUR	99,581	3.211.510,03	0,51	0,49	
STANDARD CHARTERED 10/15 3.85% 27/4	5.500.000,00	USD	101,681	4.336.397,51	0,69	0,66	
UBS LONDON 09/14 5.625% 19/05	650.000,00	EUR	106,351	713.758,45	0,11	0,11	
<u>Sweden</u>							
NORDEA BANK AB 10/13 1.75% 04/10	5.925.000,00	USD	97,814	4.483.322,52	0,71	0,68	
SVENSKA HANDBK 11/16 3.125% 12/01-07	3.500.000,00	USD	100,686	2.753.852,77	0,44	0,42	
SVENSKA HANDBK 11/16 3.625% 16/2	3.000.000,00	EUR	102,930	3.182.360,48	0,51	0,48	
SWEDBANK 10/13 3.125% 04/03	14.600.000,00	EUR	101,071	15.131.588,72	2,41	2,30	
SWEDBANK 6E 16/05-23/09 1.97600	13.500.000,00	EUR	99,319	13.482.042,75	2,15	2,05	
<u>Switzerland</u>							
CREDIT SUISSE LONDON 3E+5 06/06-05/09 1.485%	6.450.000,00	EUR	99,996	6.456.545,85	1,03	0,98	
<u>Czech Republic</u>							
CESKA EXPORTNI BANKA AS 6E+80 08/07-09/01 2.614%	20.000.000,00	EUR	98,800	20.014.138,88	3,19	3,04	
Private-sector bonds							
<u>Germany</u>							
BASF SE 07/14 5.00 26/09	20.000.000,00	EUR	109,324	22.124.308,84	3,53	3,36	
BAYERISCHE LANDESBANK GIRO 01/10/2012	3.000.000,00	EUR	99,979	2.999.370,00	0,48	0,46	
BAYERISCHE LANDESBANK GIRO 23/03/2012	5.000.000,00	EUR	99,715	4.985.750,00	0,79	0,76	
COMMERZBANK AG 01/10/2012	500.000,00	USD	99,988	385.102,45	0,06	0,06	
DEUTSCHE APOTHEKER ARZ 02/10/2012	5.000.000,00	EUR	99,873	4.993.650,00	0,80	0,76	
DEUTSCHE APOTHEKER ARZ 23/03/2012	5.000.000,00	EUR	99,712	4.985.600,00	0,79	0,76	
DEUTSCHE POSTBANK AG 01/10/2012	500.000,00	USD	99,971	385.036,97	0,06	0,06	
LANDBK HESSEN-THUERINGEN 01/10/2012	1.500.000,00	USD	99,985	1.155.272,68	0,18	0,18	
LANDESBANK BADEN-WUERTTEMBERG 01/10/2012	6.000.000,00	USD	99,986	4.621.136,96	0,74	0,70	
LANDESBANK HESSEN LONDON 02/10/2012	4.500.000,00	EUR	99,878	4.494.510,00	0,72	0,68	
<u>Austria</u>							
RAIFFEISEN BANK INTL 02/10/2012	5.000.000,00	EUR	99,864	4.993.200,00	0,80	0,76	
<u>Belgium</u>							
FORTIS BANK SA/NA 05/10/2012	9.000.000,00	EUR	99,492	8.954.280,00	1,43	1,36	
SOC PUBL DE GESTION DE L'EAU SA 23/04/2012	5.000.000,00	EUR	99,515	4.975.750,00	0,79	0,76	
<u>Denmark</u>							
JYSKE BANK A/S 01/10/2012	1.000.000,00	USD	99,984	770.174,08	0,12	0,12	
<u>US</u>							
PFIZER 07/14 4.75 15/12	15.000.000,00	EUR	109,369	16.434.526,07	2,62	2,50	

<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/03/2012	1.000.000,00	USD	99,809	768.826,06	0,12	0,12
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/03/2012	1.000.000,00	USD	99,790	768.679,71	0,12	0,12
BANQUE FEDERATIVE DU CREDIT MUTUEL 23/04/2012	2.000.000,00	EUR	99,532	1.990.640,00	0,32	0,30
BPCE SA 22/06/2012	5.000.000,00	EUR	99,190	4.959.500,00	0,79	0,75
CREDIT AGRICOLE 01/10/2012	5.000.000,00	EUR	99,979	4.998.950,00	0,80	0,76
NATIXIS 23/03/2012	7.600.000,00	EUR	99,695	7.576.820,00	1,21	1,15
<u>Ireland</u>						
UNICREDIT BANK IRELAND 6E 10/05-10/11 1.91	2.500.000,00	EUR	99,837	2.501.865,97	0,40	0,38
<u>Italy</u>						
CORDUSIO RMBS SRL 3E+13 30/06-30/09 1.661%	25.000.000,00	EUR	90,988	11.454.035,00	1,83	1,74
<u>Netherlands</u>						
ABN AMRO BANK NV 01/10/2012	1.000.000,00	EUR	99,978	999.780,00	0,16	0,15
B.M.W. FIN 02/10/2012	5.000.000,00	EUR	99,867	4.993.350,00	0,80	0,76
ING BANK 23/04/2012	5.000.000,00	EUR	99,548	4.977.400,00	0,79	0,76
<u>UK</u>						
CLYDESDALE BANK 01/10/2012	4.000.000,00	EUR	99,979	3.999.160,00	0,64	0,61
LLOYDS BANKING GROUP PLC 01/10/2012	5.000.000,00	EUR	99,979	4.998.950,00	0,80	0,76
PERMANENT MASTER ISSUER PLC 3E+9 15/04-15/07 1.417%	10.000.000,00	EUR	99,916	5.012.883,66	0,80	0,76
ROYAL BANK OF SCOTLAND GROUP PLC 02/10/2012	6.000.000,00	EUR	99,870	5.992.200,00	0,96	0,91
ROYAL BANK OF SCOTLAND GROUP PLC 23/03/2012	4.500.000,00	EUR	99,682	4.485.690,00	0,71	0,68
<u>Sweden</u>						
SWEDBANK 01/10/2012	500.000,00	USD	99,991	385.114,00	0,06	0,06
SWEDBANK 23/03/2012	5.000.000,00	USD	99,854	3.845.863,50	0,61	0,58
Total bonds				653.578.811,11	104,17	99,23
<u>Swaps</u>						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-26.187.394,89	-4,17	-3,98
Total swaps				-26.187.394,89	-4,17	-3,98
TOTAL SECURITIES PORTFOLIO				627.391.416,22	100,00	95,26
<u>CASH AT BANK AND IN HAND</u>						
<u>Demand accounts</u>						
<u>Belgium</u>						
KBC GROUP CZK	-27.478.645,08	CZK	1,000	-1.077.467,16		-0,16
KBC GROUP EURO	1.474.938,80	EUR	1,000	1.474.938,80		0,22
KBC GROUP GBP	10,25	GBP	1,000	12,27		
KBC GROUP HUF	52.606,17	HUF	1,000	167,13		
KBC GROUP PLN	38.187,86	PLN	1,000	8.566,53		
KBC GROUP USD	378.463,91	USD	1,000	291.529,74		0,04
Total demand accounts				697.747,31		0,11
<u>Time deposit accounts</u>						
<u>Belgium</u>						
KBC BANK NV 03/01-10/01/12 KBCBANK 0.450 %	27.500.000,00	CZK	100,000	1.078.304,51		0,16
KBC BANK NV 05/08-10/01/12 KBCBANK 4.250 %	2.000.000,00	PLN	99,991	448.611,42		0,07

KBC BANK NV 07/10-23/03/12 KBCBANK 1.000 %	5.000.000,00	CZK	99,981	196.018,12	0,03
KBC BANK NV 07/12-10/01/12 KBCBANK 0.950 %	12.300.000,00	CZK	100,007	482.329,96	0,07
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	20.350.000,00	PLN	99,984	4.564.301,67	0,69
KBC BANK NV 08/07-10/01/12 KBCBANK 5.250 %	33.200.000,00	HUF	99,967	105.439,03	0,02
KBC BANK NV 08/11-23/03/12 KBCBANK 0.900 %	4.000.000,00	CZK	99,958	156.778,42	0,02
KBC BANK NV 10/11-10/05/12 KBCBANK 0.950 %	21.500.000,00	CZK	99,899	842.186,61	0,13
KBC BANK NV 10/11-23/03/12 KBCBANK 0.900 %	75.600.000,00	CZK	99,958	2.963.112,11	0,45
KBC BANK NV 14/07-10/01/12 KBCBANK 4.000 %	150.000,00	PLN	99,983	33.643,16	0,01
KBC BANK NV 15/09-10/01/12 KBCBANK 4.400 %	2.700.000,00	PLN	99,997	605.661,76	0,09
KBC BANK NV 15/12-10/01/12 KBCBANK 4.600 %	1.830.000,00	PLN	100,005	410.536,93	0,06
KBC BANK NV 19/09-10/01/12 KBCBANK 1.000 %	203.600.000,00	CZK	100,009	7.984.093,01	1,21
KBC BANK NV 23/09-10/01/12 KBCBANK 4.450 %	2.200.000,00	PLN	99,998	493.507,12	0,07
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	50.000.000,00	CZK	100,005	1.960.651,69	0,30
KBC BANK NV 23/09-23/03/12 KBCBANK 4.450 %	17.420.000,00	PLN	99,891	3.903.497,73	0,59
KBC BANK NV 24/11-10/01/12 KBCBANK 5.200 %	1.690.000,00	PLN	100,024	379.201,76	0,06
KBC BANK NV 26/08-10/01/12 KBCBANK 0.850 %	800.000,00	CZK	100,004	31.370,12	
KBC BANK NV 26/10-10/01/12 KBCBANK 0.800 %	17.000.000,00	CZK	100,002	666.601,58	0,10
KBC BANK NV 29/07-10/01/12 KBCBANK 4.100 %	11.300.000,00	PLN	99,986	2.534.527,79	0,38
KBC BANK NV 29/08-10/01/12 KBCBANK 4.000 %	140.000,00	PLN	99,983	31.400,29	
KBC BANK NV 30/12-10/01/12 KBCBANK 0.700 %	11.700.000,00	CZK	100,000	458.769,56	0,07
Total time deposit accounts				30.330.544,35	4,61
TOTAL CASH AT BANK AND IN HAND				31.028.291,66	4,71
OTHER RECEIVABLES AND PAYABLES					
Receivables					
<u>Belgium</u>					
KBC GROUP CZK RECEIVABLES	18,80	CZK	1,000	0,74	
KBC GROUP EUR RECEIVABLES	171,43	EUR	1,000	171,43	
KBC GROUP HUF TE ONTVANGEN	387,19	HUF	1,000	1,23	
KBC GROUP PLN RECEIVABLES	125,47	PLN	1,000	28,15	
KBC GROUP USD RECEIVABLES	66,05	USD	1,000	50,88	
Total receivables				252,43	
TOTAL OTHER RECEIVABLES AND PAYABLES				252,43	
OTHER					
Accrued interest		EUR		242.274,94	0,04
Expenses payable		EUR		-18.790,10	
TOTAL OTHER				223.484,84	0,03
TOTAL NET ASSETS				658.643.445,15	100,00

1.7.16 COMPOSITION OF THE ASSETS OF GREENSTREET STRUCTURED FINANCIAL PRODUCTS PLC

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Government bonds						
<u>Austria</u>						
AUSTRIA 03/18 4.65% 15/01	1.800.000,00	EUR	112,222	2.100.035,60	0,52	0,50
<u>Belgium</u>						
BELGIUM 02/12 5% 28/9_OLO 38	600.000,00	EUR	103,535	628.832,95	0,16	0,15
BELGIUM 02/17 5.5% 28/09	2.712.400,00	EUR	110,475	3.034.435,66	0,75	0,73
BELGIUM 07/13 4% 28/3	2.000.000,00	EUR	103,167	2.123.885,15	0,52	0,51
BELGIUM 08/14 4,00% 28/03	1.500.000,00	EUR	103,313	1.595.100,96	0,39	0,38
BELGIUM 08/18 4% 28/03	16.600.000,00	EUR	102,951	17.592.320,51	4,34	4,21
BELGIUM 92/12 8% 24/12 OLO12	4.600.000,00	EUR	107,095	4.932.402,79	1,22	1,18
FLEMISH COMMUNITY 09/12 2.75% 30/03	660.000,00	EUR	100,297	675.597,49	0,17	0,16
<u>France</u>						
FRANCE 02/13 4 % 25/04	250.000,00	EUR	104,808	268.823,07	0,07	0,06
<u>Greece</u>						
HELLENIC REPUBLIC 07/12 4.10% 20/08	5.255.000,00	EUR	32,755	1.798.980,14	0,44	0,43
<u>Italy</u>						
ITALY 03/14 2.15% 15/03-09	15.000.000,00	EUR	93,785	16.718.509,37	4,12	4,00
<u>Czech Republic</u>						
CZECHIA 05/15 3.8% 11/04	37.000.000,00	CZK	105,070	1.564.029,29	0,39	0,37
Bonds issued by credit institutions						
<u>Germany</u>						
COMMERZBANK AG 09/15 4.75 26/01	465.000,00	EUR	102,886	498.873,53	0,12	0,12
L-BANK BW FOERDERBANK 10/13 1.00 15/10	2.000.000,00	USD	100,099	1.545.329,43	0,38	0,37
<u>Australia</u>						
COMMONWEALTH BK OF AUSTRALIA 10/15 3.5% 19/09	2.000.000,00	USD	102,739	1.597.919,34	0,39	0,38
NATIONAL AUSTRALIA BANK 3E+0.47 22/07-24/10 2.074%	2.500.000,00	EUR	99,609	2.499.781,81	0,62	0,60
<u>Austria</u>						
ERSTE GROUP BANK AG 6E+VAR 23/03-23/09 1.688%	4.500.000,00	EUR	99,522	4.503.412,69	1,11	1,08
REIFFEISENLANDESBANK NIEDEROES 6E 21/04-21/10 1.635%	2.000.000,00	EUR	99,990	2.007.122,78	0,50	0,48
<u>Denmark</u>						
NYKREDIT A/S 6E +0.1 23/3-23/9 1.578%	5.000.000,00	EUR	99,867	5.018.340,00	1,24	1,20
SYDBANK A/S 3E+100 03/06-05/09 2.434%	335.000,00	EUR	99,905	335.256,14	0,08	0,08
<u>Spain</u>						
AYT CEDULAS CAJAS FTA 3E+5 14/03-14/06 1.519%	7.900.000,00	EUR	95,916	7.582.560,44	1,87	1,81
BPE FINANCIACIONES SA 3E+7.5 08/08-08/11 1.677%	1.000.000,00	EUR	99,781	1.000.067,67	0,25	0,24

CAJA AHORRO MONTE MADRID 3E+12.5 01/06-01/09 1.555%	6.600.000,00	EUR	97,250	6.427.017,29	1,59	1,54
CAJA AHORRO MONTE MADRID 3E+12.5 09/05-09/08 1.549%	3.200.000,00	EUR	99,689	3.197.305,87	0,79	0,76
<u>US</u>						
BANK OF AMERICA 3E+15 05/05-05/08 1.552%	4.700.000,00	EUR	89,469	4.217.013,64	1,04	1,01
BANK OF AMERICA 3E+15 12/12-12/03 1.620%	15.000.000,00	EUR	92,294	13.856.250,00	3,42	3,31
CITIGROUP INC 3E+10 12/10-12/01 1.667%	10.000.000,00	EUR	100,000	10.036.581,38	2,48	2,40
CREDIT SUISSE FB USA INC 04/15 4.875% 15/01-15/07	25.000.000,00	USD	105,080	20.665.994,25	5,10	4,94
GENERAL ELEC CAP CORP 07/12 5.25% 19/04	1.500.000,00	USD	103,467	1.207.469,00	0,30	0,29
HSBC FINANCE CORP 3E+24 28/04-28/07 0.885%	9.500.000,00	EUR	95,042	9.059.380,50	2,23	2,17
HSBC FINANCE CORP 3E+25 05/07-05/10 1.806%	27.500.000,00	EUR	96,710	26.713.959,86	6,59	6,39
MORGAN J.P. & CO 11/16 3.15% 05/01-07	5.000.000,00	USD	100,773	3.942.256,59	0,97	0,94
<u>Finland</u>						
POHJOLA BANK PLC 3E 10/13 25/5-25/8 1.934%	5.000.000,00	EUR	100,124	5.015.781,25	1,24	1,20
<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 3E+12.5 20/07-20/10 1.733%	17.500.000,00	EUR	97,780	17.170.311,66	4,23	4,11
BANQUE FEDERATIVE DU CREDIT MUTUEL 3E+15 27/05-29/08 1.585%	6.600.000,00	EUR	96,103	6.352.325,46	1,57	1,52
BPCE SA 11/16 3.625% 12/5	3.000.000,00	EUR	102,985	3.158.484,43	0,78	0,76
CAISSE CENTR.CREDIT IMMOB. 10/15 FRN 23/9	350.000,00	EUR	98,997	348.192,31	0,09	0,08
CAISSE CENTR.CREDIT IMMOB. 10/15 3.75 22/01	651.000,00	EUR	93,533	631.770,79	0,16	0,15
CIE FINANCEMENT FONCIER 10/15 2.625% 16/04	1.400.000,00	EUR	99,566	1.419.829,74	0,35	0,34
CIF EUROMORTGAGE 04/14 4.50 % 10/06	1.400.000,00	EUR	104,648	1.500.014,62	0,37	0,36
SOCIETE GENERALE 08/13 5.25% 28/03	2.000.000,00	EUR	102,045	2.120.367,21	0,52	0,51
SOCIETE GENERALE 10/15 3.00 % 31/03	7.000.000,00	EUR	96,533	6.914.541,66	1,71	1,65
SOCIETE GENERALE 11/16 3.25% 06/06	3.500.000,00	EUR	101,031	3.600.419,01	0,89	0,86
SOCIETE GENERALE 11/16 4.00% 20/04	6.800.000,00	EUR	98,837	6.909.681,02	1,70	1,65
SOCIETE GENERALE 3E 11/13 14/4-14/7 1.82%	5.000.000,00	EUR	98,534	4.948.848,19	1,22	1,18
SOCIETE GENERALE 6E+8 25/03-23/09 1.581%	5.000.000,00	EUR	99,788	5.014.117,78	1,24	1,20
<u>Ireland</u>						
DEPFA BANK PLC/IRELAND 6P+19 23/04-23/10 0.66250%	23.600.000,00	USD	88,707	16.153.995,58	3,98	3,86
<u>Italy</u>						
INTESA SANPAOLO SPA 09/12 2.625 04/12	2.400.000,00	EUR	97,927	2.354.726,05	0,58	0,56
<u>Norway</u>						
DNB NORBANK BOLIGKREDITT 11/16 2.625% 11/01	5.000.000,00	EUR	102,241	5.238.984,93	1,29	1,25
<u>Netherlands</u>						
FORTIS BK NEDERLAND NV 10/15 4.00% 03/02	5.000.000,00	EUR	101,730	5.267.321,92	1,30	1,26
ING VERZEKERINGEN 3E+175 18/06-20/09 0.902%	11.116.000,00	EUR	95,788	10.653.208,18	2,63	2,55
KBC IFIMA 05/16 4.01% 18/05	491.380.000,00	SKK	91,125	15.267.117,59	3,77	3,65
RABOBANK NEDERLAND NV 09/14 4.375% 22/01	3.260.000,00	EUR	105,182	3.562.570,87	0,88	0,85
<u>UK</u>						
BARCLAYS BANK PLC 3E+80 28/01-28/04 1.851%	2.000.000,00	EUR	99,750	2.003.358,00	0,49	0,48
CLYDESDALE BANK 3E+7.5 30/11-29/02 1.552%	12.500.000,00	EUR	99,682	12.476.416,66	3,08	2,98
LLOYDS BANKING GROUP PLC 08/13 5.625% 05/03	20.000.000,00	EUR	75,625	16.047.131,14	3,96	3,84
LLOYDS BANKING GROUP PLC 09/14 6.25% 15/04	1.330.000,00	EUR	102,697	1.424.693,53	0,35	0,34
LLOYDS TSB BANK PLC 3E 11-13 2.506%_18/01	3.000.000,00	EUR	99,607	3.006.910,16	0,74	0,72
ROYAL BANK OF SCOTLAND GROUP PLC 08/13 5.25% 15/05	300.000,00	EUR	100,214	310.496,51	0,08	0,07
ROYAL BANK OF SCOTLAND GROUP PLC 10/12 2.921% 15/6-15/9	3.500.000,00	EUR	99,806	3.497.404,17	0,86	0,84
ROYAL BANK OF SCOTLAND GROUP PLC 10/13 3.4% 23/08	4.500.000,00	USD	98,568	3.458.276,84	0,85	0,83

ROYAL BANK OF SCOTLAND GROUP PLC 11/14 2.5% 07/09	2.200.000,00	EUR	99,581	2.207.913,15	0,54	0,53
UBS LONDON 09/14 5.625% 19/05	475.000,00	EUR	106,351	521.592,71	0,13	0,13
<u>Sweden</u>						
STADSHYPOTEK AB 10/13 30/06-30/09 0.79575%	5.000.000,00	USD	99,560	3.843.482,96	0,95	0,92
SWEDBANK 10/13 3.125% 04/03	2.000.000,00	EUR	101,071	2.072.820,37	0,51	0,50
SWEDBANK 6E 16/05-23/09 1.97600	11.000.000,00	EUR	99,319	10.985.368,16	2,71	2,63
SWEDBANK HYPOTEK AB 11/16 2.95% 28/03-09	2.000.000,00	USD	102,185	1.585.871,04	0,39	0,38
<u>Switzerland</u>						
CREDIT SUISSE 05/2012 3.125% 14/09	3.000.000,00	EUR	100,851	3.052.937,78	0,75	0,73
CREDIT SUISSE LONDON 08/13 6.125% 05/08	2.000.000,00	EUR	105,318	2.155.560,82	0,53	0,52
CREDIT SUISSE LONDON 3E+5 06/06-05/09 1.485%	3.700.000,00	EUR	99,996	3.703.754,99	0,91	0,89
Private-sector bonds						
<u>Germany</u>						
BAYERISCHE LANDESBANK GIRO 01/10/2012	1.500.000,00	EUR	99,979	1.499.685,00	0,37	0,36
BAYERISCHE LANDESBANK GIRO 23/03/2012	3.500.000,00	EUR	99,713	3.489.955,00	0,86	0,83
COMMERZBANK AG 01/10/2012	3.000.000,00	USD	99,989	2.310.637,81	0,57	0,55
LANDBK HESSEN-THUERINGEN 01/10/2012	3.000.000,00	EUR	99,979	2.999.370,00	0,74	0,72
<u>Austria</u>						
RAIFFEISEN BANK INTL 02/10/2012	3.500.000,00	EUR	99,864	3.495.240,00	0,86	0,84
RAIFFEISEN BANK INTL 23/04/2012	3.500.000,00	EUR	99,547	3.484.145,00	0,86	0,83
<u>Denmark</u>						
JYSKE BANK A/S 01/10/2012	2.500.000,00	EUR	99,978	2.499.450,00	0,62	0,60
JYSKE BANK A/S 23/03/2012	1.000.000,00	USD	99,657	767.655,22	0,19	0,18
NYKREDIT A/S 23/03/2012	4.500.000,00	EUR	99,689	4.486.005,00	1,11	1,07
<u>US</u>						
GENERAL ELEC CAP CORP 3E+14 05/07-03/10 1.696%	8.000.000,00	EUR	96,328	7.739.288,89	1,91	1,85
<u>France</u>						
BANQUE FEDERATIVE DU CREDIT MUTUEL 01/10/2012	1.500.000,00	USD	99,983	1.155.249,57	0,29	0,28
BNP PARIBAS 23/04/12	2.500.000,00	EUR	99,548	2.488.700,00	0,61	0,60
<u>Ireland</u>						
<u>Netherlands</u>						
ABN AMRO BANK NV 01/10/2012	500.000,00	EUR	99,978	499.890,00	0,12	0,12
ING BANK 05/10/2012	5.000.000,00	EUR	99,461	4.973.050,00	1,23	1,19
<u>UK</u>						
GRANITE MASTER ISSUER PLC 2E+10 22/08-20/09 1.448%	15.000.000,00	EUR	95,038	5.928.676,15	1,46	1,42
<u>Sweden</u>						
SWEDBANK 23/03/2012	2.000.000,00	USD	99,854	1.538.345,40	0,38	0,37
Total bonds				424.256.787,47	104,61	101,43
Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-18.704.792,54	-4,61	-4,47
Total swaps				-18.704.792,54	-4,61	-4,47
TOTAL SECURITIES PORTFOLIO				405.551.994,93	100,00	96,96

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP CZK	-1.721.489,30	CZK	1,000	-67.501,44		-0,02
KBC GROUP EURO	1.950.733,13	EUR	1,000	1.950.733,13		0,47
KBC GROUP HUF	112.472,04	HUF	1,000	357,31		
KBC GROUP PLN	2.884,87	PLN	1,000	647,15		
KBC GROUP USD	205.231,25	USD	1,000	158.089,08		0,04
Total demand accounts				2.042.325,23		0,49
Time deposit accounts						
<u>Belgium</u>						
KBC BANK NV 05/08-10/01/12 KBCBANK 4.250 %	1.100.000,00	PLN	99,991	246.736,28		0,06
KBC BANK NV 07/09-10/01/12 KBCBANK 0.850 %	12.700.000,00	CZK	100,004	498.000,55		0,12
KBC BANK NV 07/10-10/01/12 KBCBANK 4.550 %	1.200.000,00	PLN	100,002	269.196,47		0,06
KBC BANK NV 07/10-23/03/12 KBCBANK 1.000 %	9.300.000,00	CZK	99,981	364.593,70		0,09
KBC BANK NV 07/12-10/01/12 KBCBANK 0.950 %	6.000.000,00	CZK	100,007	235.282,91		0,06
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	5.600.000,00	CZK	100,001	219.584,20		0,05
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	3.020.000,00	PLN	99,984	677.355,83		0,16
KBC BANK NV 08/07-10/01/12 KBCBANK 5.250 %	16.400.000,00	HUF	99,967	52.084,35		0,01
KBC BANK NV 08/11-23/03/12 KBCBANK 0.900 %	17.200.000,00	CZK	99,958	674.147,20		0,16
KBC BANK NV 10/11-10/05/12 KBCBANK 0.950 %	12.000.000,00	CZK	99,899	470.057,64		0,11
KBC BANK NV 10/11-23/03/12 KBCBANK 0.900 %	12.500.000,00	CZK	99,958	489.932,56		0,12
KBC BANK NV 12/09-10/01/12 KBCBANK 0.880 %	3.550.000,00	CZK	100,005	139.206,27		0,03
KBC BANK NV 14/07-10/01/12 KBCBANK 4.000 %	1.220.000,00	PLN	99,983	273.631,07		0,07
KBC BANK NV 15/09-10/01/12 KBCBANK 4.400 %	1.350.000,00	PLN	99,997	302.830,88		0,07
KBC BANK NV 15/12-10/01/12 KBCBANK 4.600 %	910.000,00	PLN	100,005	204.146,78		0,05
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	49.500.000,00	CZK	100,005	1.941.045,17		0,46
KBC BANK NV 23/09-23/03/12 KBCBANK 4.450 %	8.300.000,00	PLN	99,891	1.859.875,50		0,45
KBC BANK NV 24/08-10/01/12 KBCBANK 0.850 %	26.600.000,00	CZK	100,004	1.043.056,27		0,25
KBC BANK NV 24/11-10/01/12 KBCBANK 5.200 %	760.000,00	PLN	100,024	170.528,60		0,04
KBC BANK NV 26/08-10/01/12 KBCBANK 0.850 %	400.000,00	CZK	100,004	15.685,06		0,00
KBC BANK NV 26/10-10/01/12 KBCBANK 0.800 %	6.000.000,00	CZK	100,002	235.271,14		0,06
KBC BANK NV 29/07-10/01/12 KBCBANK 4.100 %	100.000,00	PLN	99,986	22.429,45		0,01
KBC BANK NV 30/12-10/01/12 KBCBANK 0.700 %	5.850.000,00	CZK	100,000	229.384,78		0,06
Total time deposit accounts				10.634.062,66		2,54
TOTAL CASH AT BANK AND IN HAND				12.676.387,89		3,03
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP CZK RECEIVABLES	1.565,07	CZK	1,000	61,37		
KBC GROUP EUR RECEIVABLES	71,78	EUR	1,000	71,78		
KBC GROUP HUF TE ONTVANGEN	464,16	HUF	1,000	1,47		
KBC GROUP PLN RECEIVABLES	21,36	PLN	1,000	4,79		
KBC GROUP USD RECEIVABLES	16,34	USD	1,000	12,59		
Total receivables				152,00		
TOTAL OTHER RECEIVABLES AND PAYABLES				152,00		

OTHER					
Accrued interest		EUR		69.326,14	0,02
Expenses payable		EUR		-18.747,20	0,00
TOTAL OTHER				50.578,94	0,01
TOTAL NET ASSETS				418.279.113,76	100,00

1.7.17 COMPOSITION OF THE ASSETS OF AMBER PROTECTIVE BOND PORTFOLIO LIMITED

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Bonds issued by credit institutions						
<u>Austria</u>						
ERSTE GROUP BANK AG 6E+VAR 23/03-23/09 1.688%	3.750.000,00	EUR	99,522	3.752.843,91	0,43	0,43
REIFFEISENLANDESBANK NIEDEROES 6E 21/04-21/10 1.635%	320.000,00	EUR	99,990	321.139,64	0,04	0,04
<u>Belgium</u>						
HOME LOAN INVEST FRN 3E+8 17/10-16/01 1.652%	52.500.000,00	EUR	94,220	49.643.778,29	5,73	5,72
<u>US</u>						
GS AMBER 23/03-23/09 EUR /TRS/	71.428.571,43	EUR	100,096	71.888.892,79	8,29	8,29
GS AMBER 6E+12 10/05-10/11 /TRS/	49.110.987,29	EUR	100,082	49.274.608,69	5,68	5,68
GS AMBER 6E+12 23/03-23/09 /TRS/	106.761.739,86	EUR	100,096	107.403.670,87	12,39	12,38
GS AMBER 6E+12 23/04-23/10 /TRS/	67.858.977,29	EUR	100,114	68.187.318,17	7,87	7,86
GS AMBER 6E+12 23/06-23/12 /TRS/	34.070.484,00	EUR	100,034	34.094.060,00	3,93	3,93
GS AMBER 6E+5 10/07-10/01 /TRS/	65.043.165,33	EUR	100,032	65.653.309,96	7,57	7,57
<u>France</u>						
CAISSE CENTR.CREDIT IMMOB. 10/15 FRN 23/9	400.000,00	EUR	98,997	397.934,07	0,05	0,05
<u>Netherlands</u>						
ING VERZEKERINGEN 3E+175 18/06-20/09 0.902%	30.000.000,00	EUR	95,788	28.751.011,65	3,32	3,32
KBC IFIMA 3E+75 20/10/11-20/01/12 1.427%	550.000,00	EUR	100,027	552.674,82	0,06	0,06
<u>Sweden</u>						
PKO FINANCE AB 10/15 3.733 21/10	12.500.000,00	EUR	92,522	11.654.495,21	1,34	1,34
Private-sector bonds						
<u>US</u>						
SLM STUDENT LOAN 3E+8 25/07-25/10 1.688% A5	10.000.000,00	EUR	90,500	9.083.641,66	1,05	1,05
<u>Ireland</u>						
ARCADE FINANCE PLC R1 6E+7 23/04-22/10 1.104%	215.000.000,00	EUR	100,710	216.526.500,00	24,97	24,96
ARCADE FINANCE PLC R17 JAN/JUL 6E+13.5BP 10/01-10/07	10.200.000,00	EUR	100,032	10.299.893,75	1,19	1,19
D-STAR FINANCE PLC 6E+13.5BP 23/03-23/09	2.000.000,00	EUR	100,096	2.012.106,55	0,23	0,23
D-STAR FINANCE PLC 6E+13.5BP 23/04-23/10	108.000.000,00	EUR	100,114	108.525.683,95	12,52	12,51
<u>Netherlands</u>						
BELUGA MASTER ISSUER BV 3E+13 28/04-28/07 0.775% A2	22.300.000,00	EUR	99,137	22.174.600,41	2,56	2,56
STORM BV 3E+11 22/07-21/10 1.714%	4.700.000,00	EUR	97,317	4.588.708,80	0,53	0,53
Total bonds				864.786.873,19	99,74	99,70

Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	2.233.997,78	0,26	0,26
Total swaps				2.233.997,78	0,26	0,26
TOTAL SECURITIES PORTFOLIO				867.020.870,97	100,00	99,96
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC BANK NV KAPITAAL REKENING	8.098,44	EUR	1,000	8.098,44		0,00
KBC GROUP EURO	17.374,37	EUR	1,000	17.374,37		0,00
KBC GROUP USD	73.981,29	USD	1,000	56.987,59		0,01
Total demand accounts				82.460,40		0,01
TOTAL CASH AT BANK AND IN HAND				82.460,40		0,01
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLES	298.142,47	EUR	1,000	298.142,47		0,03
Total receivables				298.142,47		0,03
TOTAL OTHER RECEIVABLES AND PAYABLES				298.142,47		0,03
OTHER						
Expenses payable		EUR		-0,08		
TOTAL OTHER				-0,08		
TOTAL NET ASSETS				867.401.473,76		100,00

1.7.18 COMPOSITION OF THE ASSETS OF CARMINE PROTECTIVE BOND PORTFOLIO LIMITED

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Bonds issued by credit institutions						
<u>Germany</u>						
COMMERZBANK AG 10/17 3.875 22/03	10.000.000,00	EUR	98,873	10.186.909,31	1,18	1,18
<u>Austria</u>						
ERSTE GROUP BANK AG 6E+VAR 23/03-23/09 1.688%	3.500.000,00	EUR	99,522	3.502.654,31	0,40	0,40
REIFFEISENLANDESBANK NIEDEROES 6E 21/04-21/10 1.635%	320.000,00	EUR	99,990	321.139,64	0,04	0,04
<u>Belgium</u>						
HOME LOAN INVEST FRN 3E+8 17/10-16/01 1.652%	40.750.000,00	EUR	94,220	38.533.027,91	4,45	4,45
<u>US</u>						
GS CARMINE 23/03-23/09 EUR /TRS/	71.428.571,43	EUR	100,096	71.888.892,79	8,30	8,30
GS CARMINE 6E+12 10/05-10/11 /TRS/	49.110.987,29	EUR	100,082	49.274.608,69	5,69	5,69
GS CARMINE 6E+12 23/03-23/09 /TRS/	106.761.739,86	EUR	100,096	107.403.670,87	12,40	12,40
GS CARMINE 6E+12 23/04-23/10 /TRS/	67.858.977,29	EUR	100,114	68.187.318,17	7,87	7,87
GS CARMINE 6E+12 23/06-23/12 /TRS/	34.070.484,00	EUR	100,034	34.094.060,00	3,94	3,94
GS CARMINE 6E+5 10/01-10/07 /TRS/	65.043.165,33	EUR	100,032	65.653.309,96	7,58	7,58
<u>France</u>						
CAISSE CENTR.CREDIT IMMOB. 10/15 FRN 23/9	300.000,00	EUR	98,997	298.450,55	0,03	0,03
CAISSE CENTRALE DU CREDIT IMMO 10/16 2.60% 26/04	12.500.000,00	EUR	99,560	12.665.218,58	1,46	1,46
<u>Norway</u>						
DNB NORBANK BOLIGKREDITT 10/17 2.375% 31/08	12.500.000,00	EUR	99,598	12.547.897,19	1,45	1,45
<u>Netherlands</u>						
KBC IFIMA 3E+75 20/10/11-20/01/12 1.427%	600.000,00	EUR	100,027	602.917,98	0,07	0,07
RABOBANK NEDERLAND NV 07/17 4.25% 16/01	18.800.000,00	EUR	106,030	20.695.399,96	2,39	2,39
<u>Sweden</u>						
PKO FINANCE AB 10/15 3.733 21/10	12.500.000,00	EUR	92,522	11.654.495,21	1,35	1,35
Private-sector bonds						
<u>Ireland</u>						
ARCADE FINANCE PLC R1 6E+7 23/04-22/10 1.104%	187.800.000,00	EUR	100,710	189.133.380,00	21,84	21,83
ARCADE FINANCE PLC R17 APR/OCT 6E+13.5BP 23/10-23/04	120.500.000,00	EUR	100,114	121.086.527,00	13,98	13,98
ARCADE FINANCE PLC R17 JAN/JUL 6E+13.5BP 10/01-10/07	22.900.000,00	EUR	100,032	23.124.271,26	2,67	2,67
<u>Netherlands</u>						
STORM BV 3E+11 22/07-21/10 1.714%	29.000.000,00	EUR	97,317	28.313.309,64	3,27	3,27
Total bonds				869.167.459,02	100,37	100,32

Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-3.198.346,59	-0,37	-0,37
Total swaps				-3.198.346,59	-0,37	-0,37
TOTAL SECURITIES PORTFOLIO				865.969.112,43	100,00	99,95
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC BANK NV KAPITAAL REKENING	8.098,44	EUR	1,000	8.098,44		0,00
KBC GROUP EURO	-4.941,88	EUR	1,000	-4.941,88		0,00
KBC GROUP USD	130.544,12	USD	1,000	100.557,79		0,01
Total demand accounts				103.714,35		0,01
TOTAL CASH AT BANK AND IN HAND				103.714,35		0,01
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLES	290.829,81	EUR	1,000	290.829,81		0,03
Total receivables				290.829,81		0,03
TOTAL OTHER RECEIVABLES AND PAYABLES				290.829,81		0,03
OTHER						
Expenses payable		EUR		-0,08		
TOTAL OTHER				-0,08		
TOTAL NET ASSETS				866.363.656,51		100,00

1.7.19 COMPOSITION OF THE ASSETS OF CORAL PROTECTIVE BOND PORTFOLIO LIMITED

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Bonds issued by credit institutions						
<u>Austria</u>						
AUST&NZ BANKING GROUP 10/17 3.75% 10/03	5.000.000,00	EUR	102,357	5.268.977,05	0,61	0,61
ERSTE GROUP BANK AG 6E+VAR 23/03-23/09 1.688%	6.000.000,00	EUR	99,522	6.004.550,24	0,69	0,69
REIFFEISENLANDESBANK NIEDEROES 6E 21/04-21/10 1.635%	320.000,00	EUR	99,990	321.139,64	0,04	0,04
<u>Belgium</u>						
HOME LOAN INVEST FRN 3E+8 17/10-16/01 1.652%	36.500.000,00	EUR	94,220	34.514.245,86	3,98	3,98
<u>US</u>						
GS CORAL 23/03-23/09 EUR /TRS/	71.428.571,43	EUR	100,096	71.888.892,79	8,29	8,29
GS CORAL 6E+12 10/05-10/11 /TRS/	49.110.987,29	EUR	100,082	49.274.608,69	5,69	5,69
GS CORAL 6E+12 23/03-23/09 /TRS/	106.761.739,86	EUR	100,096	107.403.670,87	12,39	12,39
GS CORAL 6E+12 23/04-23/10 /TRS/	67.858.977,29	EUR	100,114	68.187.318,17	7,87	7,87
GS CORAL 6E+12 23/06-23/12 /TRS/	34.070.484,00	EUR	100,034	34.094.060,00	3,93	3,93
GS CORAL 6E+5 10/01-10/07 /TRS/	65.043.165,33	EUR	100,032	65.653.309,96	7,58	7,57
<u>France</u>						
CAISSE CENTR.CREDIT IMMOB. 10/15 FRN 23/9	300.000,00	EUR	98,997	298.450,55	0,03	0,03
SOCIETE GENERALE 08/13 5.25% 28/03	8.500.000,00	EUR	102,045	9.011.560,65	1,04	1,04
<u>Netherlands</u>						
ING VERZEKERINGEN 3E+175 18/06-20/09 0.902%	7.500.000,00	EUR	95,788	7.187.752,91	0,83	0,83
KBC IFIMA 3E+75 20/10/11-20/01/12 1.427%	1.000.000,00	EUR	100,027	1.004.863,31	0,12	0,12
<u>UK</u>						
BARCLAYS BANK PLC 10/15 3.125% 14/01	4.600.000,00	EUR	101,960	4.828.002,46	0,56	0,56
NORDEA BK FINLAND PLC LONDON 10/15 2.25% 16/11	11.000.000,00	EUR	101,238	11.165.934,10	1,29	1,29
<u>Sweden</u>						
NORDEA BANK AB 10/17 3.75% 24/02	5.000.000,00	EUR	102,142	5.265.832,88	0,61	0,61
PKO FINANCE AB 10/15 3.733 21/10	12.500.000,00	EUR	92,522	11.654.495,21	1,35	1,35
Private-sector bonds						
<u>US</u>						
SLM STUDENT LOAN 3E+8 25/07-25/10 1.688% A5	20.000.000,00	EUR	90,500	18.167.283,32	2,10	2,10
<u>Ireland</u>						
ARCADE FINANCE PLC R1 6E+7 23/04-22/10 1.104%	273.000.000,00	EUR	100,710	274.938.300,00	31,72	31,72
ARCADE FINANCE PLC R17 JAN/JUL 6E+13.5BP 10/01-10/07	40.700.000,00	EUR	100,032	41.098.595,65	4,74	4,74
ARCADE FINANCE PLC R2 6E+2 10/05-10/11 1.723%	29.874.000,00	EUR	101,000	30.172.740,00	3,48	3,48
D-STAR FINANCE PLC 6E+13.5BP 10/01-10/07	5.500.000,00	EUR	100,032	5.553.864,28	0,64	0,64

<u>Netherlands</u>						
STORM BV 3E+11 22/07-21/10 1.714%	3.500.000,00	EUR	97,317	3.417.123,58	0,39	0,39
Total bonds				866.375.572,17	99,96	99,95
Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	344.751,02	0,04	0,04
Total swaps				344.751,02	0,04	0,04
TOTAL SECURITIES PORTFOLIO				866.720.323,19	100,00	99,99
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC BANK NV KAPITAAL REKENING	8.098,44	EUR	1,000	8.098,44		0,00
KBC GROUP EURO	14.816,84	EUR	1,000	14.816,84		0,00
KBC GROUP USD	86.552,37	USD	1,000	66.671,06		0,01
Total demand accounts				89.586,34		0,01
TOTAL CASH AT BANK AND IN HAND				89.586,34		0,01
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLES	543,37	EUR	1,000	543,37		
KBC GROUP USD RECEIVABLES	26,04	USD	1,000	20,06		
Total receivables				563,43		
TOTAL OTHER RECEIVABLES AND PAYABLES				563,43		
OTHER						
Expenses payable		EUR		-0,08		
TOTAL OTHER				-0,08		
TOTAL NET ASSETS				866.810.472,88		100,00

1.7.20 COMPOSITION OF THE ASSETS OF EMERALD PROTECTIVE BOND PORTFOLIO LIMITED

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Bonds issued by credit institutions						
<u>Austria</u>						
ERSTE GROUP BANK AG 6E+VAR 23/03-23/09 1.688%	1.750.000,00	EUR	99,522	1.751.327,16	0,20	0,20
REIFFEISENLANDESBANK NIEDEROES 6E 21/04-21/10 1.635%	170.000,00	EUR	99,990	170.605,44	0,02	0,02
<u>Belgium</u>						
HOME LOAN INVEST FRN 3E+8 17/10-16/01 1.652%	70.000.000,00	EUR	94,220	66.191.704,39	7,63	7,63
<u>Denmark</u>						
NYKREDIT A/S 1	1.000.000,00	EUR	99,963	1.005.442,80	0,12	0,12
<u>US</u>						
GS EMERALD 23/03-23/09 EUR /TRS/	71.428.571,43	EUR	100,096	71.888.892,79	8,29	8,29
GS EMERALD 6E+12 10/05-10/11 /TRS/	49.110.987,29	EUR	100,082	49.274.608,69	5,68	5,68
GS EMERALD 6E+12 23/03-23/09 /TRS/	106.761.739,86	EUR	100,096	107.403.670,87	12,38	12,38
GS EMERALD 6E+12 23/04-23/10 /TRS/	67.858.977,29	EUR	100,114	68.187.318,17	7,86	7,86
GS EMERALD 6E+12 23/06-23/12 /TRS/	34.070.484,00	EUR	100,034	34.094.060,00	3,93	3,93
GS EMERALD 6E+5 10/01-10/07 /TRS/	65.043.165,33	EUR	100,032	65.653.309,96	7,57	7,57
MERRILL LYNCH & CO 3E+45 22/07-24/10 2.054%	5.000.000,00	EUR	86,416	4.339.727,50	0,50	0,50
MORGAN STANLEY 3E 13/04-13/07 1.711	7.500.000,00	EUR	81,540	6.147.512,50	0,71	0,71
<u>France</u>						
CAISSE CENTR.CREDIT IMMOB. 10/15 FRN 23/9	400.000,00	EUR	98,997	397.934,07	0,05	0,05
<u>Netherlands</u>						
KBC IFIMA 3E+75 20/10/11-20/01/12 1.427%	500.000,00	EUR	100,027	502.431,65	0,06	0,06
RABOBANK NEDERLAND NV 07/17 4.25% 16/01	3.800.000,00	EUR	106,030	4.183.112,76	0,48	0,48
<u>UK</u>						
NORDEA BK FINLAND PLC LONDON 10/15 2.25% 16/11	8.000.000,00	EUR	101,238	8.120.679,34	0,94	0,94
Private-sector bonds						
<u>Ireland</u>						
ARCADE FINANCE PLC R1 6E+7 23/04-22/10 1.104%	217.300.000,00	EUR	100,710	218.842.830,00	25,23	25,23
ARCADE FINANCE PLC R17 JAN/JUL 6E+13.5BP 10/01-10/07	24.500.000,00	EUR	100,032	24.739.940,87	2,85	2,85
ARCADE FINANCE PLC R2 6E+2 10/05-10/11 1.723%	5.000.000,00	EUR	101,000	5.050.000,00	0,58	0,58
D-STAR FINANCE PLC 6E+13.5BP 10/01-10/07	55.000.000,00	EUR	100,032	55.538.642,78	6,40	6,40
D-STAR FINANCE PLC 6E+13.5BP 23/03-23/09	38.000.000,00	EUR	100,096	38.230.024,53	4,41	4,41
<u>Netherlands</u>						
BELUGA MASTER ISSUER BV 3E+13 28/04-28/07 0.775% A2	10.000.000,00	EUR	99,137	9.943.767,00	1,15	1,15
<u>UK</u>						
NATIONWIDE BLDG SOCIETY 07/12 5.5 18/07	33.000.000,00	USD	102,167	26.599.799,72	3,07	3,07
Total bonds				868.257.342,99	100,11	100,09

Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-908.940,91	-0,11	-0,11
Total swaps				-908.940,91	-0,11	-0,11
TOTAL SECURITIES PORTFOLIO				867.348.402,08	100,00	99,98
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC BANK NV KAPITAAL REKENING	8.098,44	EUR	1,000	8.098,44		0,00
KBC GROUP EURO	35.803,26	EUR	1,000	35.803,26		0,00
KBC GROUP USD	121.629,66	USD	1,000	93.691,00		0,01
Total demand accounts				137.592,70		0,02
TOTAL CASH AT BANK AND IN HAND				137.592,70		0,02
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLES	24,79	EUR	1,000	24,79		
KBC GROUP USD RECEIVABLES	22,39	USD	1,000	17,25		
Total receivables				42,04		
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-21,00	EUR	1,000	-21,00		
Total debts				-21,00		
TOTAL OTHER RECEIVABLES AND PAYABLES				21,04		
OTHER						
Expenses payable		EUR		-0,08		
TOTAL OTHER				-0,08		
TOTAL NET ASSETS				867.486.015,74		100,00

1.7.21 COMPOSITION OF THE ASSETS OF INDIGO PROTECTIVE BOND PORTFOLIO LIMITED

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Bonds issued by credit institutions						
<u>Austria</u>						
REIFFEISENLANDESBANK NIEDEROES 6E 21/04-21/10 1.635%	70.000,00	EUR	99,990	70.249,30	0,02	0,02
<u>Belgium</u>						
HOME LOAN INVEST FRN 3E+8 17/10-16/01 1.652%	36.500.000,00	EUR	94,220	34.514.245,86	7,95	7,95
<u>Denmark</u>						
NYKREDIT A/S 1	1.500.000,00	EUR	99,963	1.508.164,20	0,35	0,35
<u>US</u>						
GS INDIGO 23/03-23/09 EUR /TRS/	35.714.285,71	EUR	100,096	35.944.446,38	8,28	8,28
GS INDIGO 6E+12 10/05-10/11 /TRS/	24.555.493,64	EUR	100,082	24.637.304,35	5,68	5,68
GS INDIGO 6E+12 23/03-23/09 /TRS/	53.380.869,93	EUR	100,096	53.701.835,44	12,38	12,37
GS INDIGO 6E+12 23/04-23/10 /TRS/	33.929.488,64	EUR	100,114	34.093.659,09	7,86	7,86
GS INDIGO 6E+12 23/06-23/12 /TRS/	17.035.242,00	EUR	100,034	17.047.030,00	3,93	3,93
GS INDIGO 6E+5 10/01-10/07 /TRS/	32.521.582,66	EUR	100,032	32.826.654,98	7,57	7,56
MORGAN STANLEY 3E+30 29/11-29/02 1.775%	7.000.000,00	EUR	91,891	6.443.069,30	1,49	1,49
<u>France</u>						
CAISSE CENTR.CREDIT IMMOB. 10/15 FRN 23/9	400.000,00	EUR	98,997	397.934,07	0,09	0,09
<u>Netherlands</u>						
KBC IFIMA 3E+75 20/10/11-20/01/12 1.427%	1.000.000,00	EUR	100,027	1.004.863,31	0,23	0,23
RABOBANK NEDERLAND NV 07/17 4.25% 16/01	7.400.000,00	EUR	106,030	8.146.061,69	1,88	1,88
Private-sector bonds						
<u>Ireland</u>						
ARCADE FINANCE PLC R1 6E+7 23/04-22/10 1.104%	103.400.000,00	EUR	100,710	104.134.140,00	24,00	23,99
ARCADE FINANCE PLC R17 JAN/JUL 6E+13.5BP 10/01-10/07	2.600.000,00	EUR	100,032	2.625.463,11	0,61	0,61
ARCADE FINANCE PLC R17 MAR/SEP 6E+13.5BP 23/03-23/09	45.000.000,00	EUR	100,096	45.272.397,47	10,43	10,43
ARCADE FINANCE PLC R2 6E+2 10/05-10/11 1.723%	10.000.000,00	EUR	101,000	10.100.000,00	2,33	2,33
<u>Netherlands</u>						
BELUGA MASTER ISSUER BV 3E+13 28/04-28/07 0.775% A2	20.700.000,00	EUR	99,137	20.583.597,69	4,74	4,74
Total bonds				433.051.116,24	99,80	99,78
Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	872.813,00	0,20	0,20
Total swaps				872.813,00	0,20	0,20
TOTAL SECURITIES PORTFOLIO				433.923.929,24	100,00	99,98

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC BANK NV KAPITAAL REKENING	8.098,44	EUR	1,000	8.098,44		0,00
KBC GROUP EURO	46.997,26	EUR	1,000	46.997,26		0,01
KBC GROUP USD	34.002,26	USD	1,000	26.191,85		0,01
Total demand accounts				81.287,55		0,02
TOTAL CASH AT BANK AND IN HAND				81.287,55		0,02
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLES	574,07	EUR	1,000	574,07		
KBC GROUP USD RECEIVABLES	3,97	USD	1,000	3,06		
Total receivables				577,13		
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-9.082,87	EUR	1,000	-9.082,87		0,00
Total debts				-9.082,87		0,00
TOTAL OTHER RECEIVABLES AND PAYABLES				-8.505,74		0,00
OTHER						
Expenses payable		EUR		-0,08		
TOTAL OTHER				-0,08		
TOTAL NET ASSETS				433.996.710,97		100,00

1.7.22 COMPOSITION OF THE ASSETS OF IVORY PROTECTIVE BOND PORTFOLIO LIMITED

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Bonds issued by credit institutions						
<u>Germany</u>						
MUNCHENER HYPOTHEKENBANK 6E+5 23/03-23/09 2.088%	1.000.000,00	EUR	100,009	1.006.721,72	0,23	0,23
<u>Austria</u>						
REIFFEISENLANDESBANK NIEDEROES 6E 21/04-21/10 1.635%	70.000,00	EUR	99,990	70.249,30	0,02	0,02
<u>Belgium</u>						
HOME LOAN INVEST FRN 3E+8 17/10-16/01 1.652%	38.000.000,00	EUR	94,220	35.932.639,53	8,30	8,30
<u>US</u>						
GS IVORY 23/03-23/09 EUR /TRS/	35.714.286,00	EUR	100,096	35.944.446,68	8,30	8,30
GS IVORY 6E+12 10/05-10/11 /TRS/	24.555.494,00	EUR	100,082	24.637.304,71	5,69	5,69
GS IVORY 6E+12 23/03-23/09 /TRS/	53.380.870,00	EUR	100,096	53.701.835,51	12,40	12,40
GS IVORY 6E+12 23/04-23/10 /TRS/	33.929.489,00	EUR	100,114	34.093.659,45	7,87	7,87
GS IVORY 6E+12 23/06-23/12 /TRS/	17.035.242,00	EUR	100,034	17.047.030,00	3,94	3,94
GS IVORY 6E+5 10/01-10/07 /TRS/	32.521.582,66	EUR	100,032	32.826.654,98	7,58	7,58
<u>France</u>						
CAISSE CENTR.CREDIT IMMOB. 10/15 FRN 23/9	450.000,00	EUR	98,997	447.675,83	0,10	0,10
CAISSE CENTRALE DU CREDIT IMMO 10/16 2.60% 26/04	12.500.000,00	EUR	99,560	12.665.218,58	2,92	2,92
<u>Netherlands</u>						
KBC IFIMA 3E+75 20/10/11-20/01/12 1.427%	600.000,00	EUR	100,027	602.917,98	0,14	0,14
<u>Sweden</u>						
PKO FINANCE AB 10/15 3.733 21/10	4.500.000,00	EUR	92,522	4.195.618,28	0,97	0,97
Private-sector bonds						
<u>US</u>						
PFIZER 07/14 4.75 15/12	9.600.000,00	EUR	109,369	10.518.096,68	2,43	2,43
<u>Ireland</u>						
ARCADE FINANCE PLC R1 6E+7 23/04-22/10 1.104%	130.000.000,00	EUR	100,710	130.923.000,00	30,23	30,23
ARCADE FINANCE PLC R17 JAN/JUL 6E+13.5BP 10/01-10/07	1.400.000,00	EUR	100,032	1.413.710,91	0,33	0,33
D-STAR FINANCE PLC 6E+13.5BP 10/01-10/07	35.500.000,00	EUR	100,032	35.847.669,43	8,28	8,28
D-STAR FINANCE PLC 6E+13.5BP 23/03-23/09	2.000.000,00	EUR	100,096	2.012.106,55	0,47	0,47
Total bonds				433.886.556,12	100,19	100,17

Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-802.538,62	-0,19	-0,19
Total swaps				-802.538,62	-0,19	-0,19
TOTAL SECURITIES PORTFOLIO				433.084.017,50	100,00	99,98
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC BANK NV KAPITAAL REKENING	8.098,44	EUR	1,000	8.098,44		0,00
KBC GROUP EURO	34.617,46	EUR	1,000	34.617,46		0,01
KBC GROUP USD	59.005,15	USD	1,000	45.451,51		0,01
Total demand accounts				88.167,41		0,02
TOTAL CASH AT BANK AND IN HAND				88.167,41		0,02
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLES	335,03	EUR	1,000	335,03		
KBC GROUP USD RECEIVABLES	6,89	USD	1,000	5,31		
Total receivables				340,34		
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-9.085,72	EUR	1,000	-9.085,72		0,00
Total debts				-9.085,72		0,00
TOTAL OTHER RECEIVABLES AND PAYABLES				-8.745,38		0,00
OTHER						
Expenses payable		EUR		-0,08		
TOTAL OTHER				-0,08		
TOTAL NET ASSETS				433.163.439,45		100,00

1.7.23 COMPOSITION OF THE ASSETS OF MAGENTA PROTECTIVE BOND PORTFOLIO LIMITED

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Bonds issued by credit institutions						
<u>Germany</u>						
MUNCHENER HYPOTHEKENBANK 6E+5 23/03-23/09 2.088%	1.250.000,00	EUR	100,009	1.258.402,16	0,29	0,29
<u>Austria</u>						
REIFFEISENLANDESBANK NIEDEROES 6E 21/04-21/10 1.635%	70.000,00	EUR	99,990	70.249,30	0,02	0,02
<u>Belgium</u>						
HOME LOAN INVEST FRN 3E+8 17/10-16/01 1.652%	34.500.000,00	EUR	94,220	32.623.054,31	7,53	7,53
<u>Denmark</u>						
NYKREDIT A/S 10/15 3.50 04/11	5.000.000,00	EUR	98,623	4.957.925,96	1,15	1,14
<u>US</u>						
GS MANGENTA 23/03-23/09 EUR_/TRS/	35.714.286,00	EUR	100,096	35.944.446,68	8,30	8,30
GS MANGENTA 6E+12 10/05-10/11 /TRS/	24.555.494,00	EUR	100,082	24.637.304,71	5,69	5,69
GS MANGENTA 6E+12 23/03-23/09 /TRS/	53.380.869,93	EUR	100,096	53.701.835,44	12,40	12,40
GS MANGENTA 6E+12 23/04-23/10 /TRS/	33.929.488,64	EUR	100,114	34.093.659,09	7,87	7,87
GS MANGENTA 6E+12 23/06-23/12 /TRS/	17.035.242,00	EUR	100,034	17.047.030,00	3,94	3,94
GS MANGENTA 6E+5 10/01-10/07 /TRS/	32.521.582,66	EUR	100,032	32.826.654,98	7,58	7,58
<u>France</u>						
CAISSE CENTR.CREDIT IMMOB. 10/15 FRN 23/9	300.000,00	EUR	98,997	298.450,55	0,07	0,07
<u>Norway</u>						
DNB NORBANK BOLIGKREDITT 10/17 2.375% 31/08	12.500.000,00	EUR	99,598	12.547.897,19	2,90	2,90
<u>Netherlands</u>						
BANK NED. GEMEENTEN 10/17 2.5% 15/11	12.500.000,00	EUR	100,530	12.604.672,13	2,91	2,91
KBC IFIMA 3E+75 20/10/11-20/01/12 1.427%	500.000,00	EUR	100,027	502.431,65	0,12	0,12
<u>UK</u>						
BARCLAYS BANK PLC 10/17 4.00% 20/01	1.800.000,00	EUR	99,301	1.855.275,53	0,43	0,43
Private-sector bonds						
<u>Ireland</u>						
ARCADE FINANCE PLC R1 6E+7 23/04-22/10 1.104%	154.100.000,00	EUR	100,710	155.194.110,00	35,83	35,82
ARCADE FINANCE PLC R17 JAN/JUL 6E+13.5BP 10/01-10/07	11.600.000,00	EUR	100,032	11.713.604,66	2,70	2,70
Total bonds				431.877.004,34	99,71	99,69

Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	1.278.850,24	0,30	0,30
Total swaps				1.278.850,24	0,30	0,30
TOTAL SECURITIES PORTFOLIO				433.155.854,58	100,00	99,98
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC BANK NV KAPITAAL REKENING	8.098,44	EUR	1,000	8.098,44		0,00
KBC GROUP EURO	35.725,72	EUR	1,000	35.725,72		0,01
KBC GROUP USD	35.414,98	USD	1,000	27.280,06		0,01
Total demand accounts				71.104,22		0,02
TOTAL CASH AT BANK AND IN HAND				71.104,22		0,02
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLES	15,72	EUR	1,000	15,72		
KBC GROUP USD RECEIVABLES	6,52	USD	1,000	5,02		
Total receivables				20,74		
TOTAL OTHER RECEIVABLES AND PAYABLES				20,74		
OTHER						
Expenses payable		EUR		-0,08		
TOTAL OTHER				-0,08		
TOTAL NET ASSETS				433.226.979,46		100,00

1.7.24 COMPOSITION OF THE ASSETS OF SEPIA PROTECTIVE BOND PORTFOLIO LIMITED

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Bonds issued by credit institutions						
<u>Austria</u>						
REIFFEISENLANDESBANK NIEDEROES 6E 21/04-21/10 1.635%	4.220.000,00	EUR	99,990	4.235.029,06	0,98	0,98
<u>Belgium</u>						
HOME LOAN INVEST FRN 3E+8 17/10-16/01 1.652%	36.250.000,00	EUR	94,220	34.277.846,92	7,92	7,92
<u>Denmark</u>						
NYKREDIT A/S 1	1.500.000,00	EUR	99,963	1.508.164,20	0,35	0,35
<u>US</u>						
GS SEPIA 23/03-23/09 EUR /TRS/	35.714.286,00	EUR	100,096	35.944.446,68	8,31	8,30
GS SEPIA 6E+12 10/05-10/11 /TRS/	24.555.494,00	EUR	100,082	24.637.304,71	5,70	5,69
GS SEPIA 6E+12 23/03-23/09 /TRS/	53.380.870,00	EUR	100,096	53.701.835,51	12,41	12,40
GS SEPIA 6E+12 23/04-23/10 /TRS/	33.929.489,00	EUR	100,114	34.093.659,45	7,88	7,87
GS SEPIA 6E+12 23/06-23/12 /TRS/	17.035.242,00	EUR	100,034	17.047.030,00	3,94	3,94
GS SEPIA 6E+5 10/01-10/07 /TRS/	32.521.582,66	EUR	100,032	32.826.654,98	7,59	7,58
<u>France</u>						
CAISSE CENTR.CREDIT IMMOB. 10/15 FRN 23/9	500.000,00	EUR	98,997	497.417,58	0,12	0,12
<u>Netherlands</u>						
KBC IFIMA 3E+75 20/10/11-20/01/12 1.427%	500.000,00	EUR	100,027	502.431,65	0,12	0,12
RABOBANK NEDERLAND NV 07/17 4.25% 16/01	10.000.000,00	EUR	106,030	11.008.191,47	2,55	2,54
<u>UK</u>						
BARCLAYS BANK PLC 10/17 4.00% 20/01	6.900.000,00	EUR	99,301	7.111.889,55	1,64	1,64
<u>Sweden</u>						
PKO FINANCE AB 10/15 3.733 21/10	8.000.000,00	EUR	92,522	7.458.876,94	1,72	1,72
Private-sector bonds						
<u>Ireland</u>						
ARCADE FINANCE PLC R1 6E+7 23/04-22/10 1.104%	67.500.000,00	EUR	100,710	67.979.250,00	15,71	15,70
ARCADE FINANCE PLC R17 APR/OCT 6E+13.5BP 23/10-23/04	7.000.000,00	EUR	100,114	7.034.072,11	1,63	1,62
ARCADE FINANCE PLC R17 JAN/JUL 6E+13.5BP 10/01-10/07	11.500.000,00	EUR	100,032	11.612.625,31	2,68	2,68
ARCADE FINANCE PLC R17 MAR/SEP 6E+13.5BP 23/03-23/09	82.500.000,00	EUR	100,096	82.999.395,35	19,19	19,16
Total bonds				434.476.121,47	100,44	100,32

Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-1.882.917,32	-0,44	-0,44
Total swaps				-1.882.917,32	-0,44	-0,44
TOTAL SECURITIES PORTFOLIO				432.593.204,15	100,00	99,89
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC BANK NV KAPITAAL REKENING	8.098,44	EUR	1,000	8.098,44		0,00
KBC GROUP EURO	438.173,98	EUR	1,000	438.173,98		0,10
KBC GROUP USD	65.702,27	USD	1,000	50.610,28		0,01
Total demand accounts				496.882,70		0,12
TOTAL CASH AT BANK AND IN HAND				496.882,70		0,12
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLES	14,11	EUR	1,000	14,11		
KBC GROUP USD RECEIVABLES	12,09	USD	1,000	9,31		
Total receivables				23,42		
TOTAL OTHER RECEIVABLES AND PAYABLES				23,42		
OTHER						
Expenses payable		EUR		-0,08		
TOTAL OTHER				-0,08		
TOTAL NET ASSETS				433.090.110,19		100,00

1.7.25 COMPOSITION OF THE ASSETS OF TAUPE PROTECTIVE BOND PORTFOLIO LIMITED

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Bonds issued by credit institutions						
<u>Germany</u>						
MUNCHENER HYPOTHEKENBANK 6E+5 23/03-23/09 2.088%	1.250.000,00	EUR	100,009	1.258.402,16	0,29	0,29
<u>Austria</u>						
REIFFEISENLANDESBANK NIEDEROES 6E 21/04-21/10 1.635%	70.000,00	EUR	99,990	70.249,30	0,02	0,02
<u>Belgium</u>						
HOME LOAN INVEST FRN 3E+8 17/10-16/01 1.652%	44.000.000,00	EUR	94,220	41.606.214,19	9,61	9,61
<u>Denmark</u>						
NYKREDIT A/S 10/15 3.50 04/11	10.000.000,00	EUR	98,623	9.915.851,91	2,29	2,29
<u>US</u>						
GS TAUPE 23/03-23/09 EUR /TRS/	35.714.286,00	EUR	100,096	35.944.446,68	8,30	8,30
GS TAUPE 6E+12 10/05-10/11 /TRS/	24.555.494,00	EUR	100,082	24.637.304,71	5,69	5,69
GS TAUPE 6E+12 23/03-23/09 /TRS/	53.380.870,00	EUR	100,096	53.701.835,51	12,40	12,40
GS TAUPE 6E+12 23/04-23/10 /TRS/	33.929.489,00	EUR	100,114	34.093.659,45	7,87	7,87
GS TAUPE 6E+12 23/06-23/12 /TRS/	17.035.242,00	EUR	100,034	17.047.030,00	3,94	3,94
GS TAUPE 6E+5 10/01-10/07 /TRS/	32.521.582,66	EUR	100,032	32.826.654,98	7,58	7,58
<u>France</u>						
CAISSE CENTR.CREDIT IMMOB. 10/15 FRN 23/9	150.000,00	EUR	98,997	149.225,27	0,03	0,03
<u>Netherlands</u>						
BANK NED. GEMEENTEN 10/17 2.5% 15/11	12.500.000,00	EUR	100,530	12.604.672,13	2,91	2,91
KBC IFIMA 3E+75 20/10/11-20/01/12 1.427%	600.000,00	EUR	100,027	602.917,98	0,14	0,14
Private-sector bonds						
<u>Ireland</u>						
ARCADE FINANCE PLC R1 6E+7 23/04-22/10 1.104%	135.900.000,00	EUR	100,710	136.864.890,00	31,61	31,60
ARCADE FINANCE PLC R17 JAN/JUL 6E+13.5BP 10/01-10/07	2.100.000,00	EUR	100,032	2.120.566,36	0,49	0,49
D-STAR FINANCE PLC 6E+13.5BP 10/01-10/07	5.500.000,00	EUR	100,032	5.553.864,28	1,28	1,28
D-STAR FINANCE PLC 6E+13.5BP 23/03-23/09	5.000.000,00	EUR	100,096	5.030.266,39	1,16	1,16
D-STAR FINANCE PLC 6E+13.5BP 23/04-23/10	19.500.000,00	EUR	100,114	19.594.915,16	4,53	4,52
Total bonds				433.622.966,46	100,14	100,11
Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-606.975,11	-0,14	-0,14
Total swaps				-606.975,11	-0,14	-0,14
TOTAL SECURITIES PORTFOLIO				433.015.991,35	100,00	99,97

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC BANK NV KAPITAAL REKENING	8.098,44	EUR	1,000	8.098,44		0,00
KBC GROUP EURO	48.441,23	EUR	1,000	48.441,23		0,01
KBC GROUP USD	96.411,83	USD	1,000	74.265,78		0,02
Total demand accounts				130.805,45		0,03
TOTAL CASH AT BANK AND IN HAND				130.805,45		0,03
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLES	374,48	EUR	1,000	374,48		
KBC GROUP USD RECEIVABLES	29,01	USD	1,000	22,35		
Total receivables				396,83		
TOTAL OTHER RECEIVABLES AND PAYABLES				396,83		
OTHER						
Expenses payable		EUR		-0,08		
TOTAL OTHER				-0,08		
TOTAL NET ASSETS				433.147.193,55		100,00

1.7.26 COMPOSITION OF THE ASSETS OF VERMILLION PROTECTIVE BOND PORTFOLIO PLC

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Bonds issued by credit institutions						
<u>Germany</u>						
MUNCHENER HYPOTHEKENBANK 6E+5 23/03-23/09 2.088%	500.000,00	EUR	100,009	503.360,87	0,12	0,12
<u>Austria</u>						
REIFFEISENLANDESBANK NIEDEROES 6E 21/04-21/10 1.635%	70.000,00	EUR	99,990	70.249,30	0,02	0,02
<u>Belgium</u>						
HOME LOAN INVEST FRN 3E+8 17/10-16/01 1.652%	36.000.000,00	EUR	94,220	34.041.447,97	7,87	7,87
<u>Denmark</u>						
NYKREDIT A/S 10/15 3.50 04/11	11.000.000,00	EUR	98,623	10.907.437,10	2,52	2,52
<u>US</u>						
GOLDMAN SACHS 6E+12 10/05-10/11 /TRS/	24.555.494,00	EUR	100,082	24.637.304,71	5,70	5,70
GOLDMAN SACHS 6E+12 23/03-23/09 1.608% /TRS/	53.380.870,00	EUR	100,096	53.701.835,51	12,42	12,41
GOLDMAN SACHS 6E+12 23/04-23/10 /TRS/	33.929.489,00	EUR	100,114	34.093.608,55	7,88	7,88
GOLDMAN SACHS 6E+12 23/06-23/12 /TRS/	17.035.242,00	EUR	100,033	17.046.791,50	3,94	3,94
GOLDMAN SACHS 6E+5 10/07-10/01 /TRS/	32.521.582,66	EUR	100,032	32.826.654,98	7,59	7,59
GS VERMILLION 6E+28 23/03-23/09 /TRS/	35.714.286,00	EUR	100,096	35.944.446,68	8,31	8,31
<u>France</u>						
CAISSE CENTR.CREDIT IMMOB. 10/15 FRN 23/9	650.000,00	EUR	98,997	646.642,86	0,15	0,15
CREDIT AGRICOLE 10/17 3.25% 23/03	15.000.000,00	EUR	100,599	15.465.464,75	3,58	3,58
<u>Netherlands</u>						
KBC IFIMA 3E+75 20/10/11-20/01/12 1.427%	650.000,00	EUR	100,027	653.161,15	0,15	0,15
Private-sector bonds						
<u>Ireland</u>						
ARCADE FINANCE PLC R1 6E+7 23/04-22/10 1.104%	66.000.000,00	EUR	100,710	66.468.600,00	15,37	15,36
D-STAR FINANCE PLC 6E+13.5BP 10/01-10/07	26.000.000,00	EUR	100,032	26.254.631,13	6,07	6,07
D-STAR FINANCE PLC 6E+13.5BP 23/03-23/09	80.500.000,00	EUR	100,096	80.987.288,80	18,73	18,72
Total bonds				434.248.925,86	100,41	100,38
Swaps						
<u>Belgium</u>						
KBC SWAPS IRS/CCS		EUR	1,000	-1.759.252,08	-0,41	-0,41
Total swaps				-1.759.252,08	-0,41	-0,41
TOTAL SECURITIES PORTFOLIO				432.489.673,78	100,00	99,97

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC BANK NV KAPITAAL REKENING	6.099,22	EUR	1,000	6.099,22		0,00
KBC GROUP EURO	205.231,05	EUR	1,000	205.231,05		0,05
KBC GROUP GBP	2,45	GBP	1,000	2,93		
KBC GROUP PLN	8,19	PLN	1,000	1,84		
KBC GROUP USD	105.834,78	USD	1,000	81.524,25		0,02
Total demand accounts				292.859,29		0,07
TOTAL CASH AT BANK AND IN HAND				292.859,29		0,07
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLES	374,79	EUR	1,000	374,79		
KBC GROUP USD RECEIVABLES	12,36	USD	1,000	9,52		
Total receivables				384,31		
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-159.535,72	EUR	1,000	-159.535,72		-0,04
Total debts				-159.535,72		-0,04
TOTAL OTHER RECEIVABLES AND PAYABLES				-159.151,41		-0,04
OTHER						
Expenses payable		EUR		-0,08		
TOTAL OTHER				-0,08		
TOTAL NET ASSETS				432.623.381,58		100,00

1.8 COMPOSITION OF THE ASSETS IN SUB-PORTFOLIOS OF AMBER PROTECTIVE BOND PORTFOLIO LIMITED, CARMINE PROTECTIVE BOND PORTFOLIO LIMITED, CORAL PROTECTIVE BOND PORTFOLIO LIMITED, EMERALD PROTECTIVE BOND PORTFOLIO LIMITED, INDIGO PROTECTIVE BOND PORTFOLIO LIMITED, IVORY PROTECTIVE BOND PORTFOLIO LIMITED, MAGENTA PROTECTIVE BOND PORTFOLIO LIMITED, SEPIA PROTECTIVE BOND PORTFOLIO LIMITED, TAUPE PROTECTIVE BOND PORTFOLIO LIMITED AND VERMILLION PROTECTIVE BOND PORTFOLIO PLC

The composition of the assets of the SPVs discussed below has not been audited. The audited prospectus and annual report can be obtained free of charge from the offices of KBC Asset Management SA, Avenue du Port 6, 1080 Brussels.

1.8.1 COMPOSITION OF THE ASSETS OF ARCADE FINANCE PLC R1

The assets underlying this note are securities acquired under the terms and conditions of a Total Return Swap (TRS) concluded with Merrill Lynch International.

Merrill Lynch International is a financial institution supervised by the Financial Services Authority (FSA), the supervisory authority for the financial sector in the UK; in other words, it is a company subject to prudential supervision established in a Member State of the European Economic Area (EEA).

Securities that are eligible for purchase by the SPV under the terms and conditions of the TRS must fulfil a number of strict conditions, including rating requirements.

Further details of the criteria that these securities must fulfil are given in the prospectuses for this issue, which are available free of charge from the offices of KBC Asset Management SA, Avenue du Port 6, 1080 Brussels.

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Bonds						
Bonds issued by credit institutions						
<u>US</u>						
MERRILL LYNCH & CO 6E+105 23/04-22/10 1.059% /TRS/	1.000.000.000,00	EUR	100,083	1.004.503.101,00	50,00	49,87
MERRILL LYNCH & CO 6E+26,5 23/04-22/10 1.219%/TRS/	1.000.000.000,00	EUR	100,067	1.004.649.952,00	50,00	49,87
Total bonds				2.009.153.053,00	100,00	99,74
TOTAL SECURITIES PORTFOLIO				2.009.153.053,00	100,00	99,74
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP EURO	5.328.567,34	EUR	1,000	5.328.567,34		0,27
Total demand accounts				5.328.567,34		0,27
TOTAL CASH AT BANK AND IN HAND				5.328.567,34		0,27

OTHER RECEIVABLES AND PAYABLES						
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-41.945,71	EUR	1,000	-41.945,71		0,00
Total debts				-41.945,71		0,00
TOTAL OTHER RECEIVABLES AND PAYABLES				-41.945,71		0,00
OTHER						
Expenses payable		EUR		-0,08		
TOTAL OTHER				-0,08		
TOTAL NET ASSETS				2.014.439.674,55		100,00

1.8.2 COMPOSITION OF THE ASSETS OF ARCADE FINANCE PLC R17

Arcade Finance Plc is a Special Purpose Vehicle (SPV) that issues notes, including Series 2008-17 € 757 500 000 Secured Notes due 2013, with the following classes:

- €127,500,000 Class A AprOct Senior Secured Floating Rate Notes due 2013
- €127,500,000 Class B JanJul Senior Secured Floating Rate Notes due 2013
- €127,500,000 Class C MarSep Senior Secured Floating Rate Notes due 2013
- €312,500,000 Class D Falcon Mezzanine Secured Floating Rate Notes due 2013
- €62,500,000 Class E Falcon Subordinated Variable Coupon Notes due 2013

These notes are not listed and are categorised into different classes: a subordinated tranche to which the first losses in the portfolio are booked (Class E above), followed by a mezzanine tranche (Class D) and finally 3 senior tranches (Class A, B & C).

This SPV invests in units in N-Vest, a Luxembourg Special Investment Fund (SIF). In turn, this fund invests in a portfolio of deposits issued by financial institutions, bonds and derivatives. Roughly 50% of the portfolio is comprised of a tier-1 loan issued by KBC Bank NV (BE0934378747 KBC 8% 29/05/2049) *The portfolio of N-Vest also includes notes for which the underlying assets are securities acquired under the terms and conditions of a Total Return Swap, more details of which are provided in section 1.7.1. The N-Vest portfolio is valued on a hold-to-maturity basis in accordance with the provisions of the prospectus.*

The ranking for payment in the event of losses implies that the first losses will be booked to the lower-ranked tranches. Assuming that the tier-1 loan issued by KBC Bank NV is the riskiest component of the underlying portfolio of the SIF, this means that the subordinated notes, and then the mezzanine tranche, will be first affected by any losses.

These various tranches are valued according to a valuation model that includes the maximum market parameters.

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Investment funds						
Closed-end funds						
Unlisted closed-end investment funds						
<u>Luxembourg</u>						
N-VEST FUND-1 N-VEST FUND-1 DIV	764.500,00	EUR	971,163	742.454.419,30	100,00	99,99
Total investment funds				742.454.419,30	100,00	99,99
TOTAL SECURITIES PORTFOLIO				742.454.419,30	100,00	99,99
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP EURO	57.104,88	EUR	1,000	57.104,88		0,01
Total demand accounts				57.104,88		0,01
TOTAL CASH AT BANK AND IN HAND				57.104,88		0,01
TOTAL NET ASSETS				742.511.524,18		100,00

1.8.3 COMPOSITION OF THE ASSETS OF D-STAR FINANCE PLC R5

D-Star Finance Plc is a Special Purpose Vehicle (SPV) that issues notes, including Series 2008-5 € 757 500 000 Secured Notes due 2013, with the following classes:

- €127,500,000 Class A AprOct Senior Secured Floating Rate Notes due 2013
- €127,500,000 Class B JanJul Senior Secured Floating Rate Notes due 2013
- €127,500,000 Class C MarSep Senior Secured Floating Rate Notes due 2013
- €312,500,000 Class D Falcon Mezzanine Secured Floating Rate Notes due 2013
- €62,500,000 Class E Falcon Subordinated Variable Coupon Notes due 2013

These notes are not listed and are categorised into different classes: a subordinated tranche to which the first losses in the portfolio are booked (Class E above), followed by a mezzanine tranche (Class D) and finally 3 senior tranches (Class A, B & C).

This SPV invests in units in N-Vest, a Luxembourg Special Investment Fund (SIF). In turn, this fund invests in a portfolio of deposits issued by financial institutions, bonds and derivatives. Roughly 50% of the portfolio is comprised of a tier-1 loan issued by KBC Bank NV (BE0934378747 KBC 8% 29/05/2049) *The portfolio of N-Vest also includes notes for which the underlying assets are securities acquired under the terms and conditions of a Total Return Swap, more details of which are provided in section 1.7.1. The N-Vest portfolio is valued on a hold-to-maturity basis in accordance with the provisions of the prospectus.*

The ranking for payment in the event of losses implies that the first losses will be booked to the lower-ranked tranches. Assuming that the tier-1 loan issued by KBC Bank NV is the riskiest component of the underlying portfolio of the SIF, this means that the subordinated notes, and then the mezzanine tranche, will be first affected by any losses.

These various tranches are valued according to a valuation model that includes the maximum market parameters.

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Portfolio	% Net assets
ASSETS						
SECURITIES PORTFOLIO						
Investment funds						
Closed-end funds						
Unlisted closed-end investment funds						
<u>Luxembourg</u>						
N-VEST FUND-1 N-VEST FUND-1 DIV	764.500,00	EUR	971,163	742.454.419,30	100,00	100,00
Total investment funds				742.454.419,30	100,00	100,00
TOTAL SECURITIES PORTFOLIO				742.454.419,30	100,00	100,00
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP EURO	12.418,01	EUR	1,000	12.418,01		0,00
Total demand accounts				12.418,01		0,00
TOTAL CASH AT BANK AND IN HAND				12.418,01		0,00
TOTAL NET ASSETS				742.466.837,31		100,00

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON THE HORIZON CSOB BONUSOVY FOND 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE AT LAUNCH

Launch date: 31 July 2008

Subscription price at launch: 10 CZK

Maturity date: 29 November 2013

Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY AS STATED IN THE PROSPECTUS

OBJECTIVE OF THE SUB-FUND

INVESTMENT POLICY

The sub-fund has two objectives(before costs and taxes):

- (1) To reimburse the initial per-share subscription price of 10 CZK at Maturity (capital protection). This capital protection is granted by the establishment of a financial mechanism that is further explained in Section *Capital protection*. This capital protection is not applicable in the event the shareholder sells his shares before the Maturity date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). The different types of swaps in which the fund may invest are explained in Section *Potential Return*.

CAPITAL PROTECTION

The financial mechanism used to achieve capital protection

The financial mechanism used to achieve the capital protection at Maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash. (including funds placed in a deposit account or current account). These investments may have different terms and coupon payment dates that are adapted to sub-fund commitment periods by means of 'swap' transactions described in Section *Permitted Swap Transactions (2)*.

Investment criteria

The investments must meet the following criteria:

- (1) An investment in deposits and/or debt securities placed with or issued by financial institutions under prudential supervision and established in a Member State of the European Economic Area.
- (2) An investment in debt securities issued or guaranteed by a Member State of the European Economic Area..
- (3) An investment included in an investment strategy with a similar structure and identical counter risk to a direct investment in deposits and/or debt securities referred to in Paragraphs (1) and (2) above.

Investments referred to in (3) may consist of:

- (A) An investment in publicly traded bonds issued by 'Special Purpose Vehicles' (SPV).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

Bonds issued by the SPV are underlying a diversified portfolio of deposits issued by financial institutions, bonds and other debt securities and derivatives (financial derivatives). The selection of these underlying investments is based on criteria related to allocation and solvency (See under *Permitted Asset Classes and Criteria of bonds and other debt obligations* to reduce counterparty risk.

Other specifications that such underlying deposits, bonds, other debt securities and derivatives (financial derivatives) must meet are listed in the SPV base prospectus.. These base prospectus are available on the site <http://www.kbc.be/prospectus/spv/>.

Investments like the SPVs sub-fund are explained to the investor in the sub-fund in the annual and interim report of the fund in which the fund is a part. The annual and interim report are also available on the site <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada, Australia and/or
- Debt securities issued by financial institutions subject to prudential supervision in the United States, Japan, Canada, Australia and/or
- Debt securities issued or guaranteed by the United States, Japan, Canada or Australia.

Prudential supervision of financial institutions in the United States, Japan, Canada and Australia may be considered equivalent to the prudential supervision of financial institutions in Member States of the European Economic Area.

Investments in debt securities issued by financial institutions subject to prudential supervision in the United States, Japan, Canada and Australia or issued or guaranteed by the United States, Japan, Canada or Australia have a minimum solvency score as stated in the Section *Characteristics of bonds and other debt securities*.

(C) The investments may also combine investments in (A) and in (B).

No formal guarantee

No formal guarantee of repayment of the initial subscription price is provided for the sub-fund or its shareholders. In other words, capital protection does not constitute a performance obligation for the sub-fund, although the achievement of this goal by the financial mechanism remains the highest priority.

If, due to the impairment of the financial mechanism, the amount payable per share at Maturity (before costs and taxes) is less than the initial subscription price, KBC Asset Management SA may decide (but is not obliged) to cover the management commission received from the sub-fund and possibly other funds during the current financial year to reduce this deficit. This is not a guarantee from KBC Asset Management SA, which may decide according to its own vision to use the management fee for this purpose or not.

This capital protection is not applicable in the event the shareholder sells his shares before the Maturity date.

POTENTIAL RETURN

To achieve a potential return, the sub-fund enters into swap agreements with one or more prime counterparties. This is the reason why the sub-fund sells part of its future investment income to preserve the capital in this/these sub-fund(s) for the duration of the sub-fund. In exchange, the counterparty(ies) agree to provide the potential returns described in the Section *Strategy Defined*.

SUB-FUND INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations.

The limits and investment restrictions laid down by the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be respected at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The mean solvency score (rating) of bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Long-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Short-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

All durations are taken into consideration in the selection of bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The 'swaps' described below are made with a prime counterparty(ies) within the limits defined by law.

(1) To achieve a potential return, the sub-fund enters into 'swaps'. Through these swaps, the sub-fund sells part of its future investment income to preserve the capital in this/these fund(s) for the duration of the sub-fund. In exchange, the counterparty(ies) agree to provide the potential returns described in the *Point Strategy defined*.

The 'swaps' in (1) are essential to achieving the investment objectives of the sub-fund, given that using this technique follows the goal of achieving a potential return.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

(2) The sub-fund concludes, if necessary, 'swaps' to match the durations of those sub-fund commitments and those of the flow of money resulting from deposits, bonds and other debt instruments described in the *Investment criteria*.

These 'swaps' are essential to achieving the investment objectives of the sub-fund, given that there are not bonds and other debt instruments sufficiently on the market whose coupons and maturities coincide perfectly with the maturities of the sub-fund commitments.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

(3) The sub-fund may also enter into 'swaps' to protect itself from the credit risk of issuers of bonds and other debt instruments. Through such a 'swap', one or more counterparty(ies) recovers, in exchange for a premium payable by the sub-fund, the risk of an issuer of a bond or other debt instrument that is found in the sub-fund's portfolio remains in default.

The 'swaps' in (3) serve to cover credit risk.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

STRATEGY DEFINED

OBJECTIVES AND INVESTMENT POLICY:

The sub-fund follows two investment objectives: firstly to maintain 100% of the initial subscription value to Maturity and secondly, to generate capital gains as much as possible depending upon any increase in the basket of 30 shares in quality companies (as defined below), which are characterised by a large market capitalisation and low price/earnings ratio. Thus 100% of any increase in the basket of 30 stocks compared to 90% of the Starting Value (calculated as $(= (Final Value less 90\%*$

of the Starting Value), divided by the Starting Value), will be distributed at Maturity above 100% of the initial subscription price. The capital gain is a maximum of 55% (IRR: 8.58% before fees and taxes).

MATURITY: Friday 29 November 2013 (Value date payment D + 1 business day)

CURRENCY: CZK, the change in the local currency exchange rate for shares in the basket compared to CZK is not relevant.

STARTING VALUE: Value of the basket based on the average Price of shares in the basket during the first ten Value Dates starting from Thursday 7 August 2008 (included).

FINAL VALUE: Value of the basket based on the average Price of shares in the basket on the last Value Date of the month for the last 18 months prior to Maturity, more precisely, from May 2012 to October 2013 (included).

PRICE:

For all shares, except those listed on the Milan Stock Exchange, the closing price, namely the price of a share in the basket as calculated and reported at the close by the trading body responsible for the exchange on which the security is listed (or its legal successor). The benchmark price is applied to shares listed on the Milan Stock Exchange.

VALUE DATE:

For each share in the basket on an exchange trading day in which the share is quoted and for the exchange the highest trading day where the share's options are noted, unless a Market Disruption Event (suspension or limitation of trading on this share) occurs on this day or there is an early closing (the responsible body announced an early market close). If a Market Disruption Event or an Early Closure occurs as regards a share in the basket, the original Value Date for this share is replaced by the first following trading day in which there was no Market Disruption Event and no early closing and that is not itself already an original Value Date and does not itself replace an original Value Date due to a Market Disruption Event or an early closing.

However, if a Market Disruption Event or an early closure occurs during each of the eight trading days following the original Value Date, (i) that eighth trading day will be considered the original Value Date, and (ii) the fund may consider in good faith, in consultation with the prime counterparties with whom a swap agreement was reached, the share price as it would have been listed at the eighth trading day and (iii) the fund will notify shareholders of (a) the Market Disruption Event or early closing that has occurred with regard to one or several shares, (b) the modified conditions to determine the Starting and/or Final Value and (c) the procedures for the distribution of amounts in accordance with the investment objectives achieved.

The explanations below are intended to describe the workings of the structure of the sub-fund. The examples provided do not indicate the expected return. The actual return of the sub-fund depends, on the one hand, upon the actual market developments during the duration of the structure and, secondly, the specific methods of the sub-fund and, in particular, the change in underlying values, the duration and participation rate, as described under "Objectives and Investment Policy."

The following examples illustrate the aforementioned investment objectives for a structure of 5 years and 3 months paid at Maturity 100% of any increase in the Basket compared to 90% of the Starting Value (calculated as *(Final Value less 90% * Starting Value) divided by Starting Value*), with a maximum of 55%, above 100% of the initial subscription price of 10 CZK. The Starting Value of the Basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	150	100% * 55% = 55%	10 + 55% * 10 = 15.5 CZK (rendement actuariel : 8.7%, avant frais et impôts)
Scénario Neutre	115	100% * 25% = 25%	10 + 25% * 10 = 12.5 CZK (rendement actuariel : 4.34%, avant frais et impôts)
Scénario Neutre	100	100% * 10% = 10%	10 + 10% * 10 = 11 CZK (rendement actuariel : 1.83%, avant frais et impôts)
Scénario Négatif	80	100% * 0% = 0%	10 + 0% * 10 = 10 CZK (rendement actuariel : 0%, avant frais et impôts)

(*) Declines in the basket below 90% of the Starting Value are not taken into account.

APPLICABLE BASKET:

The table below shows, successively, in columns from left to right, the sequence number of the share, its name, Bloomberg code, the exchange on which it is listed and its initial weight.

1	ALLIANZ SE-REG	ALV GY Equity	Frankfurt	4.00%
2	ALTRIA GROUP INC	MO UN Equity	New York	4.00%
3	ASSICURAZIONI GENERALI	G IM Equity	Milan	2.00%
4	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	4.00%
5	BANCO SANTANDER SA	SAN SM Equity	Madrid	3.00%
6	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.00%
7	CITIGROUP INC	C UN Equity	New York	3.00%
8	CREDIT SUISSE GROUP-REG	CSGN VX Equity	Virt-x	2.00%
9	DEUTSCHE POST A G-REG	DPW GY Equity	Frankfurt	4.00%
10	DIAGEO PLC	DGE LN Equity	London	2.00%
11	ENI SPA	ENI IM EQUITY	Milan	6.00%
12	FORTUM OYJ	FUM1V FH Equity	Helsinki	3.00%
13	FORTIS	FORB BB Equity	Brussels	4.00%
14	ING GROEP NV -CVA	INGA NA Equity	Amsterdam	6.00%
15	INTESA SANPAOLO	ISP IM Equity	Milan	4.00%
16	JPMORGAN CHASE & CO	JPM UN Equity	New York	2.00%
17	KBC GROEP NV	KBC BB Equity	Brussels	3.00%
18	KRAFT FOODS INC-A	KFT UN Equity	New York	4.00%
19	MERCK & CO. INC.	MRK UN Equity	New York	3.00%
20	NATIONAL GRID PLC	NG/ LN Equity	London	4.00%
21	NESTLE SA-REG	NESN VX Equity	Virt-x	3.00%
22	NOKIA OYJ	NOK1V FH Equity	Helsinki	3.00%
23	PFIZER INC	PFE UN Equity	New York	5.00%
24	RWE AG	RWE GY Equity	Frankfurt	3.00%
25	SIEMENS AG-REG	SIE GY Equity	Frankfurt	2.00%
26	SUNTRUST BANKS INC	STI UN Equity	New York	2.00%
27	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
28	TOTAL	FP FP Equity	Paris	2.00%
29	VERIZON COMMUNICATIONS INC	VZ UN Equity	New York	4.00%
30	VIVENDI	VIV FP Equity	Paris	3.00%

Selection criteria for inclusion in the basket:

A share may not be included in the basket unless (i) the share is listed on an exchange (ii) the share is part of a major stock index, (iii) the share has a large market capitalisation and a low price/earnings ratio and (iv) the Board of the Fund has approved the inclusion of the share in the basket (the 'Selection Criteria').

Changes to the basket following a merger, acquisition, split, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition during the life of the sub-fund, a weight in the basket equal to the sum of the weights of the shares of all issuers involved in the transaction will be attributed to the shares of issuers involved in the transaction and that still meet the Selection Criteria after the transaction. If, after the transaction, none of the issuers concerned by the transaction meet the Selection Criteria any longer, such will be as specified under 'Nationalisation, Bankruptcy or Disqualification'.

Split

If an issuer of a share in the basket carries out a split, the weight of the share in question will be divided evenly between the shares of all issuers by fractions and who still meet the selection criteria. If, after the transaction, none of the issuers concerned by the split meet the Selection Criteria any longer, such will be as specified under 'Nationalisation, Bankruptcy or Disqualification'.

Nationalisation, Bankruptcy or Disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer meets the Selection Criteria ('Disqualification'), the share is valued at the last known price before disqualification. The value is then invested until Maturity of the underlying swap market transaction at the market rate in effect on the money market or bond market at the time of disqualification for a period equal to the time remaining until the Maturity of the underlying swap market transaction of the sub-fund. The value increased by interest is carried to Maturity as a result of the share for the calculation of the final increase of the basket at Maturity.

Volatility of the net asset value may increase due to the composition of the basket.

The following information is general in nature and does not purport to address all aspects of investing in UCITS. In specific cases, other rules may be applicable. In addition, tax laws and their interpretation may change. Investors who would like more information about the tax consequences – both in Belgium and abroad – concerning the acquisition, retention and transfer of share rights must seek advice from their financial and tax advisor.

The European Savings Directive and taxes on investment returns obtains at the time through the redemption of shares or equity in the event of a full or partial distribution of equity.

This UCITS invests no more than 40% of its assets directly or indirectly in such instruments within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented through:
the Act of 17 May 2004; *transposing into Belgian law the 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 the Income Tax Code of 1992*
- *the Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs 1-3, of the 1992 Income Tax Code;*

A paying agent established in Belgium who pays a rent-income related to the UCITS in the form of dividend payment (coupon) or through the sale, repayment or amortisation of shares to a natural person (share owner) residing in another EU country (or an independent or associated territory) is required to send information about this payment to the Belgian authorities, who will forward such to the tax authority of the holder's country of residence.

B. Tax on investment returns obtained following the purchase of share holdings or in the event of a total or partial distribution of equity. (Art. 19bis CIR 92).

The shares of these UCITS are capitalised as giving rights to dividends falling under the scope of Article 19bis CIR 92 upon the total or partial redemption or distribution of equity. .

Article 19bis CIR 92 applies only to shareholders who are subject to personal income tax. Based on this article, tax will be charged on investment returns between the purchase or redemption price depending upon the period during which the investor was a holder of shares. The rate is 15%.

The investment return consists of an income total which, directly or indirectly, as interest, capital gains or losses from the contributions of assets, was invested in investment instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company delegates the intellectual management of portfolio, with the exception of the formation and maintenance of the sub-fund from a technical and legal perspective, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTOR

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 INVESTMENT POLICY FOLLOWED DURING THE FINANCIAL YEAR

Composition of the basket at reporting date

Name	Value
AGEAS	0.5049
ALLIANZ SE-REG	2.6541
ALTRIA GROUP INC	5.6036
ASSICURAZIONI GENERALI	0.9905
BANCO BILBAO VIZCAYA ARGENTA	2.3352
BANCO SANTANDER SA	1.5563
BRITISH AMERICAN TOBACCO PLC	4.9824
CITIGROUP INC	0.4388
CREDIT SUISSE GROUP AG-REG	0.8317
DEUTSCHE POST AG-REG	3.0194
DIAGEO PLC	2.8694
ENI SPA	4.3984
FORTUM OYJ	1.8824
ING GROEP NV-CVA	1.9302
INTESA SANPAOLO	1.4738
JPMORGAN CHASE & CO	1.7461
KBC GROEP NV	0.4303
KRAFT FOODS INC-CLASS A	4.6110
MERCK & CO. INC.	3.1737
NATIONAL GRID PLC	3.9868
NESTLE SA-REG	3.2646
NOKIA OYJ	0.6456
PFIZER INC	5.5298
RWE AG	1.1029
SIEMENS AG-REG	1.9070
SUNTRUST BANKS INC	0.8390
TELEFONICA SA (SM)	2.3837
TOTAL SA	1.6334
VERIZON COMMUNICATIONS INC	4.9581
VIVENDI	1.9180
Total	73.60

Change in the index or basket

	Index:	Basket
	31/12/2010:	78.60
	30/06/2011:	80.31
	29/12/2011:	73.60
Change since 31/12/2010 or since the launch of the sub-fund:		-6.36%
Change since 30/06/2011 or since the launch of the sub-fund:		-8.36%
Index at the start of the sub-fund:		100.00
Minimum guarantee in local currency at maturity date:		10.00
Local currency:		CZK

Changes in the basket since the launch of the sub-fund:

Date	Redemptions	Purchases	Comments
30/04/2010	FORTIS (BRUSSELS)	AGEAS	Name change

2.1.8 RISK RATING

On a scale from 0 to VI.

Current risk rating: III

Risk rating at launch: IV

This is a risk indicator for an investment in a UCI or sub-fund. Seven risk ratings have been defined.

The zero class represents the lowest risk rating and the six the highest risk.

Adaptation of the risk rating:

The risk rating is calculated according to the FSMA UCI Circular 3/2007 of 8 June 2007.

The risk rating may change over time. Thus, a change in the level of market volatility can affect the risk profile.

The risk rating should be changed when, for two consecutive six-month calculation periods, the risk rating of a UCI is different from that initially attributed.

The adapted risk rating is the risk rating at the time of the launch must be stated in the Annual (Interim) Reports.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011	31/12/2010
	(in the currency of the sub-fund)	(in the currency of the sub-fund)
Total net assets	58,373.267.74	63,210.397.86
II. Securities, money market instruments, UCI and derivative financial instruments		
A. Bonds and similar instruments		
a) Bonds	53,762.223.00	57,855.531.15
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	-206,799.46	-394,630.17
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		13,476.84
B. Debts		
a) Accounts payable (-)		-282,219.29
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	425,429.21	445,817.32
B. Current account balances at banks	4,380,093.60	5,550,435.90
VI. Accruals and deferrals		
B. Expenses to be carried forward	16,709.99	26,847.91
C. Accrued expenses (-)	-4,388.60	-4,861.80
Total shareholders' equity	58,373,267.74	63,210,397.86
A. Capital	59,275,830.81	62,889,227.72
B. Share in profit	-4.34	19,145.74
D. Result for the financial year	-902,558.73	302,024.40

OFF-BALANCE-SHEET ITEMS

IV Swap contract totals (+)	59.085.561.00	64.693.471.00
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2.3 INCOME STATEMENT

Income Statement	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs, capital gains and losses		
A. Bonds and similar instruments		
a) Bonds	-1,137.986.75	69,444.43
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	133,531.40	492,840.44
G. Receivables, deposits, cash and debts	-342.30	-444.30
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	5,489.88	-3,930.54
II. Investment income and expenses		
B. Interest		
a) Property values and money market instruments	860,120.09	972,054.91
b) Deposits and cash at bank and in hand	57,342.62	84,535.72
C. Interest on loans (-)		-77.76
D. Swap contracts (+/-)	-188,977.82	-544,979.11
III. Other income		
A. Fees to cover the costs for renewal and disposal of assets, to discourage redemption and to cover delivery costs	39,345.67	49,184.57
B. Other	-11,236.84	18,963.01
IV. Operating expenses		
B. Financial expenses (-)	-21,472.13	-20,632.85
C. Custodian's fee (-)	-6,088.25	-6,547.38
D. Manager's fee (-)		
a) Financial management	-576,940.33	-718,468.21
b) Administration and accounting management	-30,940.17	-32,108.53
F. Formation and organisation expenses (-)	-7,376.04	-8,929.45
G. Remuneration, social security charges and pensions (-)	-60.71	-96.07
H. Services and sundry goods (-)	-12,072.11	-26,726.32
J. Taxes	-647.18	-17,340.12
K. Other expenses (-)	-4,247.76	-4,718.04
Income and expenses for the period (quarter)		
Subtotal II + III + IV tax on proceeds	96,749.04	-255,885.63
V. Profit (loss) before taxes	-902,558.73	302,024.40
VII. Result for the financial year	-902,558.73	302,024.40

Profit appropriation account

	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Profit to be allocated (loss to be recognised)		
Profit (loss) brought forward from the previous financial year	-902,563.07	321,170.14
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-902,558.73	302,024.40
	-4.34	19,145.74
II. (Assignments in) Transfer from capital	902,563.07	-321,170.14

2.4 STATEMENT OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF THE ASSETS OF THE HORIZON CSOB BONUSOVY FOND 1

Name	Quantity at 31/12/2011	Currency	Price in foreign currency	Value in the sub-fund's currency	% Held by the UCI	% Portfolio	% Net assets
NET ASSETS							
SHARE PORTFOLIO							
Bonds							
Private company bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	5,500,000.00	CZK	97,387	5,393,450.12		10.07	9.24
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	5,550,000.00	CZK	96,412	5,388,394.07		10.06	9.23
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	5,500,000.00	CZK	97,679	5,409,484.76		10.10	9.27
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	5,500,000.00	CZK	97,290	5,388,137.17		10.06	9.23
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	2,750,000.00	CZK	96,433	2,670,488.63		4.99	4.58
FIN. PROD.	2,750,000.00	CZK	96,489	2,672,035.56		4.99	4.58
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	2,750,000.00	CZK	97,558	2,701,416.65		5.04	4.63
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	2,750,000.00	CZK	96,684	2,677,380.11		5.00	4.59
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	2,750,000.00	CZK	97,195	2,691,443.99		5.03	4.61
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	2,750,000.00	CZK	96,300	2,666,835.48		4.98	4.57
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	2,750,000.00	CZK	96,863	2,682,301.31		5.01	4.60
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	2,750,000.00	CZK	97,053	2,687,547.93		5.02	4.60
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	2,750,000.00	CZK	96,347	2,668,133.62		4.98	4.57
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	2,750,000.00	CZK	97,807	2,708,262.55		5.06	4.64
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	2,750,000.00	CZK	96,210	2,664,345.44		4.98	4.56
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	2,750,000.00	CZK	97,236	2,692,565.61		5.03	4.61
Bonds total				53,762,223.00		100.39	92.10
Swaps							
<u>Belgium</u>							
KBC SWAPS	59,085,561.00	CZK	-0.350	-206,799.46		-0.39	-0.35
Swaps				-206,799.46		-0.39	-0.35
Total share portfolio				53,555,423.54		100.00	91.75
CASH AT BANK AND AT HAND							
Demand balances at banks							
<u>Belgium</u>							
KBC GROUP CZK	401,879.99	CZK	1,000	401,879.99			0.69
KBC GROUP EURO	923.39	EUR	1,000	23,549.22			0.04
Total demand balances at banks				425,429.21			0.73
Current accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	3,550,000.00	CZK	100,001	3,550,035.50			6.08

France						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	830,000.00	CZK	100,007	830,058.10		1.42
Total current accounts				4,380,093.60		7.50
Total cash at bank and at hand				4,805,522.81		8.23
OTHER						
Interest paid		CZK		16,709.99		0.03
Provisional expenses		CZK		-4,388.60		-0.01
Total other				12,321.39		0.02
TOTAL NET ASSETS				58,373,267.74		100.00

2.4.2 CHANGE IN THE COMPOSITION OF ASSETS

The detailed list of transactions may be consulted at no charge at the fund's main office, avenue du Port 2, 1080 Brussels.

2.4.3 TOTAL COMMITMENTS FOR FINANCIAL DERIVATIVE POSITIONS

IN SHARES	Currency	In currency	In the sub-fund's currency	Lot size	Transaction date
EQLISWAP	CZK	59,085,561.00	59,085,561.00	N.A.	16.12.2011

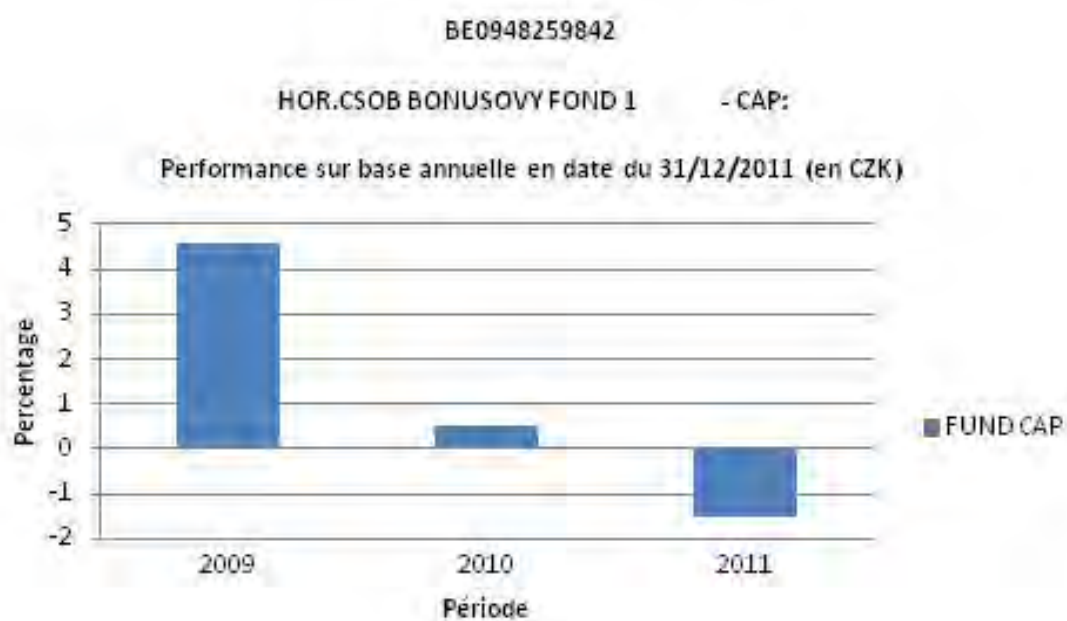
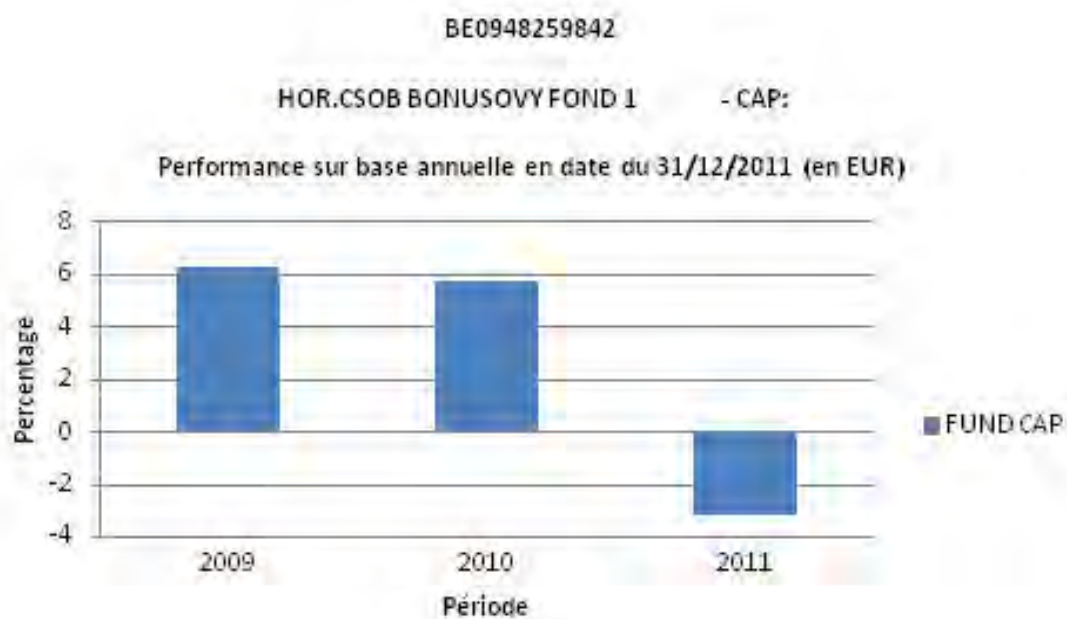
2.4.4 CHANGE IN THE NUMBER OF SUBSCRIPTIONS, REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	51,718.00		211,932.00		6,877,715.00		6,877,715.00
2010 - 12	27,660.00		473,038.00		6,432,337.00		6,432,337.00
2011 - 12	0.00		403,198.00		6,029,139.00		6,029,39.00

Period	Totals paid and received by the UCI (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	450,583.90		1,993,039.56	
2010 - 12	273,712.00		4,644,747.16	
2011 - 12	0.00		3,934,571.39	

Period	Net asset value End of period (in sub-fund's currency)		
	For sub-fund	For one share	
		Cap.	Dis.
2009 - 12	67,279,408.62	9.78	
2010 - 12	63,210,397.86	9.83	
2011 - 12	58,373,267.74	9.68	

2.4.5 RETURNS



Cap Dis	ISIN code	Curren Y	1 Year		3 Years*		5 Years*		10 Years*		From start*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948259842	EUR	-3.12%		2.91%						31/07/2008	-2.23%
CAP	BE0948259842	CZK	-1.53%		1.16%						31/07/2008	-0.95%

* Performance figures are annualised.

Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take into account possible 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.
- 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:
$$[\text{VIN}(D) / \text{VIN}(Y)]^{1/X} - 1$$
where Y = D-X
Return on date D since the start date S of the share:
$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$
where F = 1 if the share has existed for less than one year on date D
where F = (D-S) / 365.25 if the share 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 an annual return by taking the nth square root of 1 plus the total return of the share.
- The return figures shown above do not take into account fees and charges for the issue and redemption of shares.
- These are the share capitalisation performance figures.

2.4.6 EXPENSES

Total expenses ratio (TER): * 1.097%

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

- Transaction fees
- 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 35% and 60% if the distributor is a part of KBC Group NV or from 35% and 70% if the distributor is not a part 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 collective investment undertaking in shares of collective investment undertakings that are not managed by a KBC Group NV entity, and receives a fee for doing so, it will pay this fee to the collective investment undertaking.

Fee sharing does not affect the amount of the management fee paid by the fund to the management company. This management fee is subject to the conditions laid down in the statutes. The limitations may be amended only following approval by the General Meeting of shareholders.

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

It is in the interest of the sub-fund's shareholders and the Distributor that the largest possible number of shares be sold so that the sub-fund's assets are consequently maximised. In this respect, there is therefore no issue of conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENT AND OTHER DATA

The management fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

The administration agent's fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

Auditor's fee: 1,000 euros per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

The custodian's fee: is payable annually and is calculated on the basis of the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year.

Social, ethical and environmental concerns:

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 investment portfolio. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indices: Further information on potential financial indices used as underlying for financial derivatives are included in the "Objectives and investment policy of the sub-fund" section of this report

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON THE HORIZON CSOB PRIVATE BANKING EUROPE DECLINING JUMPER 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE AT LAUNCH

Launch date: 30 June 2008
Subscription price at launch: 10 CZK
Maturity date: 31 July 2013
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY AS STATED IN THE PROSPECTUS

OBJECTIVE OF THE SUB-FUND

The fund's aim is to provide shareholders with as high a return as possible. To achieve this, an investment strategy has been developed consisting of:

- (1) An investment in marketable securities (including bonds and other debt instruments), money market instruments, units in collective investment schemes, deposits and cash (including funds placed in a deposit account or current account.) (See *Permitted asset classes*).
- (2) An investment in 'swaps' (exchange contracts). This is the reason why the sub-fund sells part of its future investment income described in *Permitted asset classes* to counterparty(ies) for the duration of the sub-fund. In exchange, the counterparty(ies) agree to provide a potential return. The different types of swaps in which the sub-fund may invest are explained in *Permitted swap transactions*.

No formal guarantee is provided for the sub-fund or its shareholders. The sub-fund therefore does not provide guaranteed returns or protection of capital, neither during the period nor at Maturity.

SUB-FUND INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations. These investments may have different durations and coupon payment dates that are adapted to sub-fund commitment periods by means of 'swap' transactions described in Section *Permitted Swap Transactions (2)*.

The limits and investment restrictions laid down by the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be respected at all times.

The sub-fund may invest in publicly traded bonds issued by 'Special Purpose Vehicles' (SPV).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

Bonds issued by the SPV are underlying a diversified portfolio of deposits issued by financial institutions, bonds and other debt securities and derivatives (financial derivatives). The selection of these underlying investments is based on criteria related to allocation and solvency (See under *Permitted Asset Classes and Criteria of bonds and other debt obligations* to reduce counterparty risk.

Other specifications that such underlying deposits, bonds, other debt securities and derivatives (financial derivatives) must meet are listed in the SPV base prospectus.. These base prospectus are available on the site <http://www.kbc.be/prospectus/spv/>.

Investments like the SPVs sub-fund are explained to the investor in the sub-fund in the annual and interim report of the fund in which the fund is a part. The annual and interim report are also available on the site <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The mean solvency score (rating) of bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Long-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Short-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

All durations are taken into consideration in the selection of bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The 'swaps' described below are made with a prime counterparty(ies) within the limits defined by law.

(1) To achieve a potential return, the sub-fund enters into 'swaps'. Through these swaps, the sub-fund sells part of its future investment income as described in *Permitted asset classes* to counterparty(ies) for the duration of the sub-fund. In exchange, the counterparty(ies) agree to provide the potential returns described in *Strategy defined*.

The use of 'swaps' in this sub-fund may result in the loss (total or partial) of the initial capital invested.

The 'swaps' in (1) are essential to achieving the investment objectives of the sub-fund, given that using this technique follows the goal of achieving a potential return.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

If necessary, the sub-fund may conclude 'swaps' to match the durations of sub-fund commitments and to the flow of funds stemming from the investments described in *Permitted Asset Classes*.

These 'swaps' are essential to achieving the investment objectives of the sub-fund, given that there are not enough bonds and other debt instruments on the market whose coupons and maturities coincide perfectly with the maturities of the sub-fund commitments.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

(3) The sub-fund may also enter into 'swaps' to protect itself from the credit risk of issuers of bonds and other debt instruments. Through such a 'swap', one or more counterparty(ies) recovers, in exchange for a premium payable by the sub-fund, the risk that the issuer of a bond or other debt instrument that is found in the sub-fund's portfolio remains in default.

The 'swaps' in (3) serve to cover credit risk.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

STRATEGY DEFINED

OBJECTIVES AND INVESTMENT POLICY:

The sub-fund's objective is to achieve capital gains based on changes in the EURO STOXX 50[®] index according to a **'Declining Index Jumper' structure**.

The 'Declining Index Jumper' structure implies an early redemption when one of the Observation Values does not fall below a certain percentage of the Initial Value (predetermined at 100% for the first Observation Value, 95% for the second Observation Value, 90% for the third Observation Value and 85% for the fourth Observation Value). If such an early redemption occurs, the capital gains, paid above the initial subscription price, correspond to 11% multiplied by the order number of the Observation Value that brought about the early redemption. In total there are 4 Observation Values.

If none of the Observation Values results in early redemption, 2 other options still exist at Maturity:

Hypothesis 1

If the Final Value is not lower than 80% of the Initial Value, the net asset value at Maturity will take into account a portion of the initial net asset value plus a fixed capital gain of 55% (IRR: 9.03%, before fees and taxes).

Hypothesis 2

If the Final Value is lower than 80% of the Initial Value, in order to calculate the net asset value at Maturity, 100% of the decline in the EURO STOXX 50[®] index (= *(Final Value less Initial Value) divided by Initial Value*) will be subtracted from the initial net asset value.

If the early redemption condition is satisfied, the Board of the Fund will decide to close the fund on the Day of Early Redemption.

MATURITY: Wednesday 31 July 2013 (Value date payment D + 1 business day)

CURRENCY: CZK

INITIAL VALUE: Average Share Price of the index of the first ten Valuation Days starting from Monday 7 July 2008 (included).

FINAL VALUE: Average Share Price of the index of the first ten Valuation Days in July 2013.

EARLY REDEMPTION DAY: the last business day in Belgium of the month in which the Observation Value has resulted in the early redemption. Payment at Value Date D + 1 business day). (

OBSERVATION VALUE: each year starting from 2009 until 2012 (included) one Observation Value is calculated by taking the index Average Share Price of the first ten Valuation Days of July for the year in question. Consequently, 4 Observation Values are calculated throughout the duration of the sub-fund.

PRICE:

Closing price, namely the EURO STOXX 50[®] closing price, as calculated at the close of the exchanges and communicated by the market manager (sponsor), namely Stoxx Limited (or its legal successor).

VALUE DATE:

One trading day during which the market manager will calculate and communicate the Price of the index.

{If however **[A]** the market manager (i) substantially changes the formula and/or method of calculating the Index on the Value Date or before it and/or (ii) fails to calculate and communicate the index (so that all data are available), the fund will calculate the index in conjunction with the prime counterparty(ies) of with which the swap agreement was concluded on the basis of the latter method and known index calculation formula and/or **[B]** at the Value Day, if there is a market Disruption Event (which prevents the calculation of the index) or an early closure (the responsible authority announces an early closure), the original Value Day is replaced by the next trading day in which no market Disruption Event occurs and there is no early closure and that is not itself an original Value Day and does not itself replace itself an original Reference Day due to a Market Disruption Event or an early closure. However, if a Market Disruption Event or an early closure occurs during each of the eight trading days following the original Value Date, (i) that eighth trading day will be considered the original Value Date, and (ii) the fund may consider in good faith, in consultation with the prime counterparties with whom a swap agreement was reached based on the share price as it would have been listed at the eighth trading day and (iii) the fund will notify shareholders of (a) the Market Disruption Event or early closing that has occurred with regard to one or several shares, (b) the modified conditions to determine the Initial and/or Final Value and/or Observation Value and (c) the procedures for the distribution of amounts in accordance with the investment objectives achieved.

If the index is subject to changes (e.g.. calculation by another sponsor, changing the calculation method, etc.), the fund will decide how to determine the index in conjunction with the prime counterparty(ies) with which the swap agreement was reached. In the event of substantial changes to the index or halting its calculation, another may replace the latter provided that this new index is representative of geographic areas and/or economic sectors.

The EURO STOXX 50[®] index is a weighted index of shares without dividend protection calculated by Stoxx Ltd. The primary objective of the EURO STOXX 50[®] is to be a continuous indicator of market trends on European stock exchanges. This index has a starting value of 1000, calculated on the basis of the current underlying prices recorded 31 December 1991.

The EURO STOXX 50[®] includes only shares from European Economic and Monetary Union member countries, with the exception of Luxembourg. On 10 April 1998 the following stock exchanges came into play: Austria (Vienna), Belgium (Brussels), Finland (Helsinki), France (Paris), Germany (Frankfurt), Italy (Milan), Ireland (Dublin), Netherlands (Amsterdam), Portugal (Lisbon) and Spain (Madrid).

The index is comprised of the 50 largest European equities in terms of freely traded shares. They are thus weighted on the basis of this criterion.

Stoxx Limited holds all ownership rights to the index. Stoxx Limited in no manner will serve as guarantor, subscriber or otherwise become involved in the issuance and offering of shares of Horizon CSOB Private Banking Europe Declining Jumper 1. Stoxx Limited declines all responsibility for the issuance and offering of the shares of this mutual fund.

The EURO STOXX 50[®] index is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

STOXX and its licensors have no further link to the licensee to which the EURO STOXX 50[®] index license was granted, and to the related trademarks used in connection with the Horizon CSOB Private Banking Declining Europe Jumper 1.

STOXX and its licensors:

- make no guarantee as to the appropriateness of a transaction on the shares of Horizon CSOB Private Banking Europe Declining Jumper 1, which they also refrain from selling or promoting;
- do not provide investment advice to anyone regarding the Horizon CSOB Private Banking Europe Declining Jumper 1, for any reason whatsoever;
- neither hold any responsibility or liability for the launch date, the quantity and price of shares of the Horizon CSOB Private Banking Europe Declining Jumper 1, nor make any decisions about it;
- hold any responsibility or liability for the administration, management or marketing of the Horizon CSOB Private Banking Europe Declining Jumper 1;
- are not required to consider the needs of the Horizon CSOB Private Banking Europe Declining Jumper 1, or its share holders in determining, composing or calculating the EURO STOXX 50[®] index.

STOXX and its licensors disclaim any responsibility concerning the Horizon CSOB Private Banking Europe Declining Jumper 1. Specifically,

- STOXX and its licensors do not provide or make any express or implied guarantee, whatsoever concerning:
 - the results obtained by the Horizon CSOB Private Banking Europe Declining Jumper 1, the shares held by the Horizon CSOB Private Banking Europe Declining Jumper 1 or any person involved in the use of the EURO STOXX 50[®] index and the data included in the EURO STOXX 50[®] index.
 - the accuracy or completeness of the EURO STOXX 50[®] index and the data it maintains;
 - the negotiability of the EURO STOXX 50[®] index and its data as well as its suitability for a particular purpose;
- STOXX and its licensors may not be liable for any error, omission or interruption whatsoever concerning the EURO STOXX 50[®] index or its data
- under no circumstances will STOXX or its licensors be liable for any lost profits whatsoever. The same applies for any damages or indirect losses even if STOXX and its licensors have been advised of the existence of such risks.

The license agreement between KBC and STOXX exists solely in their interest and not that of the shareholders of Horizon CSOB Private Banking Europe Declining Jumper 1 or third parties.

The explanations below are intended to describe the workings of the structure of the sub-fund. The examples provided do not indicate the expected return. The actual return of the sub-fund depends, on the one hand, upon the actual market developments during the duration of the structure and, secondly, the specific methods of the sub-fund and, in particular, the change in underlying values, the duration and participation rate, as described under "Objectives and Investment Policy."

The following examples illustrate the investment objectives of the above for a structure with a period of 5 years, provided that the structure can be ended early if the Observation Value does not fall below a certain percentage of the Initial Value (predetermined to be 100% for the first Observation Value, 95% for the second Observation Value, 90% for the third Observation Value and 85% for the fourth Observation Value), the set percentage for calculating the intermediate capital gain is 12%, that the capital gain set at Maturity is equal to 60% (assuming that no Observation Value led to early redemption and that the Final Value is not less than 80% of the Initial Value) and the possible decline at Maturity is taken into account only if the Final Value is less than 80% of the Initial Value. In each example the Initial Value of the basket is 100 and the initial subscription price is 10 CZK.

Gain scenario:

Observation Time	Observation Value/ Final Value	Capital Gain	Value at Early Redemption Day/ Value at Maturity
End of Year 1	101	12% * 1 = 12%	11.2 CZK

IRR: 12%, before fees and taxes.

Neutral scenario:

Observation Time	Observation Value/ Final Value	Capital Gain	Value at Early Redemption Day/Value at Maturity
End of Year 1	80	Not applicable	Not applicable
End of Year 2	85	Not applicable	Not applicable
End of Year 3	87	Not applicable	Not applicable
End of Year 4	79	Not applicable	Not applicable
End of Year 5	83	12% * 5 = 60%	16.0 CZK

IRR: 9.85%, before fees and taxes.

Loss scenario:

Observation Time	Observation Value/ Final Value	Capital Gain	Value at Early Redemption Day/Value at Maturity
End of Year 1	89	Not applicable	Not applicable
End of Year 2	86	Not applicable	Not applicable
End of Year 3	82	Not applicable	Not applicable
End of Year 4	75	Not applicable	Not applicable
End of Year 5	75 (< 80)	Not applicable	7.5 CZK

IRR: -5.60%, before fees and taxes.

The following information is general in nature and does not purport to address all aspects of investing in UCITS. In specific cases, other rules may be applicable. In addition, tax laws and their interpretation may change. Investors who would like more information about the tax consequences – both in Belgium and abroad – concerning the acquisition, retention and transfer of share rights must seek advice from their financial and tax advisor.

The European Savings Directive and taxes on investment returns obtained at the time through the redemption of shares or equity in the event of a full or partial distribution of equity.

This UCITS invests no more than 40% of its assets directly or indirectly in such instruments within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented through:
the Act of 17 May 2004; *transposing into Belgian law the 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 the 1992 Income Tax Code on withholding tax*
- the Royal Decree of 27 September 2009 implementing Article 338bis § 2 of the 1992 Income Tax Code.
- the Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs 1-3, of the 1992 Income Tax Code;

A paying agent established in Belgium who pays a rent-income related to the UCITS in the form of dividend payment (coupon) or through the sale, repayment or amortisation of shares to a natural person (share owner) residing in another EU country (or an independent or associated territory) is required to send information about this payment to the Belgian authorities, who will forward such to the tax authority of the holder's country of residence.

B. Tax on investment returns obtained following the purchase of share holdings or in the event of a total or partial distribution of equity. (Art. 19bis CIR 92).

The shares of these UCITS are capitalised as giving rights to dividends falling under the scope of Article 19bis CIR 92 upon the total or partial redemption or distribution of equity. .

Article 19bis CIR 92 applies only to shareholders who are subject to personal income tax. Based on this article, tax will be charged on investment returns between the purchase or redemption price depending upon the period during which the investor was a holder of shares. The rate is 15%.

The investment return consists of an income total which, directly or indirectly, as interest, capital gains or losses from the contributions of assets, was invested in investment instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company delegates the intellectual management of portfolio, with the exception of the formation and maintenance of the sub-fund from a technical and legal perspective, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTOR

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 INVESTMENT POLICY FOLLOWED DURING THE FINANCIAL YEAR

Change in the index or basket

	Index: EURO STOXX 50 INDEX
	31/12/2010: 2.792,82
	30/06/2011: 2.848,53
	29/12/2011: 2.292,28
Change since 31/12/2010 or since the launch of the sub-fund:	-17,92%
Change since 30/06/2011 or since the launch of the sub-fund:	-19,53%
Index at the start of the sub-fund:	3.255,49

Changes in the basket since the launch of the sub-fund:

Date	Redemptions	Purchases	Comments
01/01/2011	DOW JONES EUROSTOXX 50	EURO STOXX 50 INDEX	Name change

2.1.8 RISK RATING

On a scale from 0 to VI.

Current risk rating: 5

Risk rating at launch: 3

This is a risk indicator for an investment in a UCI or sub-fund. Seven risk ratings have been defined. The zero class represents the lowest risk rating and the six the highest risk.

Updates to the risk rating:

The risk rating is calculated according to the FSMA UCI Circular 3/2007 of 8 June 2007.

The risk rating may change over time. Thus, a change in the level of market volatility can affect the risk profile.

The risk rating should be updated when, for two consecutive six-month calculation periods, the risk rating of a UCI is different from that initially attributed.

The revised risk rating and the risk rating at the time of the launch must be stated in the Annual (Interim) Reports.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011	31/12/2010
	(in the currency of the sub-fund)	(in the currency of the sub-fund)
Total net assets	92.946.045,40	141.505.840,45
II. Securities, money market instruments, UCI and derivative financial instruments		
A. Bonds and similar instruments		
a) Bonds	85.647.516,35	119.502.587,30
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	-16.588.186,80	
m) On financial indices		
Swap contracts (+/-)		17.346.186,20
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		31.769,46
c) Collateral	14.800.961,40	
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	1.046.505,36	1.117.009,73
B. Current account balances at banks	7.990.559,10	3.510.070,20
VI. Accruals and deferrals		
B. Expenses to be carried forward	60.838,65	13.650,00
C. Accrued expenses (-)	-12.148,66	-15.432,44
Total shareholders' equity	92.946.045,40	141.505.840,45
A. Capital	129.240.705,00	133.466.787,87
B. Share in profit	-129.435,75	-157.500,00
D. Result for the financial year	-36.165.223,85	8.196.552,58

OFF-BALANCE-SHEET ITEMS

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.B Deposits/cash at bank and in hand	14.800.000,00	
IV Swap contract totals (+)	111.479.750,00	123.460.400,00

2.3 INCOME STATEMENT

Income Statement	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs, capital gains and losses		
A. Bonds and similar instruments		
a) Bonds	-1.834.231,17	160.960,88
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	-34.478.036,57	
l) On financial indices		
Swap contracts (+/-)		7.642.834,52
G. Receivables, deposits, cash and debts	1.450,30	-1.277,20
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	-2.083,97	-4.327,76
II. Investment income and expenses		
B. Interest		
a) Property values and money market instruments	1.584.071,25	2.030.083,97
b) Deposits and cash at bank and in hand	161.933,74	173.513,56
C. Interest on loans (-)	-108,79	-101,04
D. Swap contracts (+/-)	164.234,51	-534.962,22
III. Other income		
A. Fees to cover the costs for renewal and disposal of assets, to discourage redemption and to cover delivery costs	224.541,51	191.717,85
B. Other	-25.493,53	154.636,99
IV. Operating expenses		
A. Transaction and investment delivery fees (-)	0,03	
B. Financial expenses (-)	-30.043,50	-30.728,08
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-1.801.549,65	-1.391.019,55
b) Administration and accounting management	-65.216,22	-72.268,23
F. Formation and organisation expenses (-)	-16.265,01	-19.993,14
G. Remuneration, social security charges and pensions (-)	-148,16	-208,37
H. Services and sundry goods (-)	-28.207,01	-44.019,35
J. Taxes	-5.287,97	-41.507,14
K. Other expenses (-)	-8.695,39	-10.235,73
Income and expenses for the period (quarter)		
Subtotal II + III + IV tax on proceeds	147.677,56	398.362,14
V. Profit (loss) before taxes	-36.165.223,85	8.196.552,58
VII. Result for the financial year	-36.165.223,85	8.196.552,58

Profit appropriation account

	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Profit to be allocated (loss to be recognised)		
Profit (loss) brought forward from the previous financial year	-36.294.659,60	8.039.052,58
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-36.165.223,85	8.196.552,58
	-129.435,75	-157.500,00
II. (Assignments in) Transfer from capital	36.294.659,60	-8.039.052,58

2.4 STATEMENT OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF THE ASSETS OF THE HORIZON CSOB PRIVATE BANKING EUROPE DECLINING JUMPER 1

Name	Quantity at 31/12/2011	Currency	Price In foreign currency	Value in the currency of the sub-fund	% Held by the UCI	% Portfolio	% Net assets
NET ASSETS							
SHARE PORTFOLIO							
Bonds							
Private company bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	8.750.000,00	CZK	97,387	8.580.488,82		12,43	9,23
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	8.850.000,00	CZK	96,412	8.592.304,05		12,44	9,24
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	8.800.000,00	CZK	97,679	8.655.175,62		12,53	9,31
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	8.800.000,00	CZK	97,290	8.621.019,48		12,48	9,28
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	4.400.000,00	CZK	96,433	4.272.781,80		6,19	4,60
FIN. PROD.	4.400.000,00	CZK	96,489	4.275.256,89		6,19	4,60
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	4.350.000,00	CZK	97,558	4.273.149,96		6,19	4,60
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	4.400.000,00	CZK	96,684	4.283.808,16		6,20	4,61
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	4.350.000,00	CZK	97,195	4.257.375,04		6,17	4,58
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	4.400.000,00	CZK	96,300	4.266.936,75		6,18	4,59
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	4.350.000,00	CZK	96,863	4.242.912,98		6,14	4,57
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	4.350.000,00	CZK	97,053	4.251.212,17		6,16	4,57
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	4.400.000,00	CZK	96,347	4.269.013,77		6,18	4,59
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	4.350.000,00	CZK	97,807	4.283.978,94		6,20	4,61
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	4.400.000,00	CZK	96,210	4.262.952,69		6,17	4,59
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	4.350.000,00	CZK	97,236	4.259.149,23		6,17	4,58
Bonds total				85.647.516,35		124,02	92,15
Swaps							
<u>Belgium</u>							
KBC SWAPS	111.479.750,00	CZK	-14,880	-16.588.186,80		-24,02	-17,85
Swaps				-16.588.186,80		-24,02	-17,85
Total share portfolio				69.059.329,55		100,00	74,30
CASH AT BANK AND AT HAND							
Demand balances at banks							
<u>Belgium</u>							
KBC GROUP CZK	990.164,64	CZK	1,000	990.164,64			1,07
KBC GROUP EURO	2.209,18	EUR	1,000	56.340,72			0,06
Total demand balances at banks				1.046.505,36			1,13
Current accounts							
<u>Belgium</u>							
KBC BANK NV 23/08-10/01/12 KBCBANK 0.850 %	10.000,00	CZK	100,004	10.000,40			0,01
KBC BANK NV 23/09-10/01/12 KBCBANK 0.980 %	10.000,00	CZK	100,008	10.000,80			0,01
KBC BANK NV 23/11-10/01/12 KBCBANK 0.930 %	10.000,00	CZK	100,007	10.000,70			0,01

<u>France</u>						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	7.960.000,00	CZK	100,007	7.960.557,20		8,57
Total current accounts				7.990.559,10		8,60
Total cash at bank and at hand				9.037.064,46		9,72
MISC. ACCOUNTS RECEIVABLE AND PAYABLE						
Receivables						
<u>Belgium</u>						
KBC BANK NV 23/08-10/01/12 KBCBAN 0.850 % C	3.220.000,00	CZK	100,004	3.220.128,80		3,47
KBC BANK NV 23/09-10/01/12 KBCBAN 0.980 % C	2.200.000,00	CZK	100,008	2.200.176,00		2,37
KBC BANK NV 23/11-10/01/12 KBCBAN 0.930 % C	9.380.000,00	CZK	100,007	9.380.656,60		10,09
Total receivables				14.800.961,40		15,92
Total misc. accounts receivable and payable				14.800.961,40		15,92
OTHER						
Interest paid		CZK		60.838,65		0,07
Provisional expenses		CZK		-12.148,66		-0,01
Total other				48.689,99		0,05
TOTAL NET ASSETS				92.946.045,40		100,00

2.4.2 CHANGE IN THE COMPOSITION OF ASSETS

The detailed list of transactions may be consulted at no charge at the fund's main office, avenue du Port 2, 1080 Brussels.

2.4.3 TOTAL COMMITMENTS FOR FINANCIAL DERIVATIVE POSITIONS

IN SHARES	Currency	In currency	In the sub-fund's currency	Lot size	Transaction date
KBCBANK 23/08-10/01/12 KBCBAN 0.850 % C	CZK	3.220.000,00	3.220.000,00	N.A.	21.11.2011
KBCBANK 23/09-10/01/12 KBCBAN 0.980 % C	CZK	2.200.000,00	2.200.000,00	N.A.	21.11.2011
KBCBANK 23/11-10/01/12 KBCBAN 0.930 % C	CZK	9.380.000,00	9.380.000,00	N.A.	21.11.2011
EQLISWAP	CZK	111.479.750,00	111.479.750,00	N.A.	16.08.2011

2.4.4 CHANGE IN THE NUMBER OF SUBSCRIPTIONS, REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares outstanding						
Years	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	1.200.000,00		314.618,00		14.168.000,00		14.168.000,00
2010 - 12	0,00		1.720.000,00		12.448.000,00		12.448.000,00
2011 - 12	415.000,00		1.657.515,00		11.205.485,00		11.205.485,00

Period	Totals paid and received by the UCI (in the currency of the sub-fund)			
Years	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	11.816.160,00		3.076.891,58	
2010 - 12		19.171.800,00		
2011 - 12	5.029.800,00		17.424.371,20	

Period	Net asset value End of period (in the currency of the sub-fund)		
Years	For sub-fund	For one share	
		Cap.	Dis.
2009 - 12	152.481.087,87	10,76	
2010 - 12	141.505.840,45	11,37	
2011 - 12	92.946.045,40	8,29	

2.4.5 RETURNS

BE0948253787

HOR.CSOB PB. EUROPE DECLI JUMPER 1 - CAP:

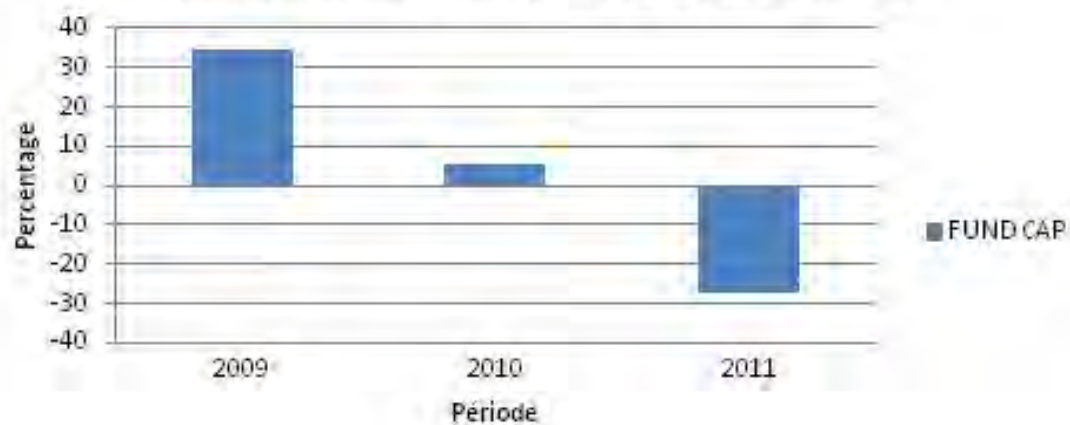
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0948253787

HOR.CSOB PB. EUROPE DECLI JUMPER 1 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en CZK)



Cap Dis	ISIN code	Curren y	1 Year		3 Years*		5 Years*		10 Years*		From start*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948253787	EUR	-28.18%		2.94%						30/06/2008	-6.38%
CAP	BE0948253787	CZK	-27.00%		1.19%						30/06/2008	-5.18%

* Performance figures are annualised.

Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take into account possible 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.
- 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:
$$[\text{VIN}(D) / \text{VIN}(Y)]^{1/X} - 1$$
where Y = D-X
Return on date D since the start date S of the share:
$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$
where F = 1 if the share has existed for less than one year on date D
where F = (D-S) / 365.25 if the share 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 an annual return by taking the nth square root of 1 plus the total return of the share.
- The return figures shown above do not take into account fees and charges for the issue and redemption of shares.
- These are the capitalisation units performance figures.

2.4.6 EXPENSES

Total expenses ratio (TER): * 1.585%

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

- Transaction fees
- 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 35% and 60% if the distributor is a part of KBC Group NV or from 35% and 70% if the distributor is not a part 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 collective investment undertaking in shares of collective investment undertakings that are not managed by a KBC Group NV entity, and receives a fee for doing so, it will pay this fee to the collective investment undertaking.

Fee sharing does not affect the amount of the management fee paid by the fund to the management company. This management fee is subject to the conditions laid down in the statutes. The limitations may be amended only after the approval of the General Meeting of shareholders.

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

It is in the interest of the sub-fund's shareholders and the Distributor that the largest possible number of shares be sold so that the sub-fund's assets are consequently maximised. In this respect, there is therefore no issue of conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENT AND OTHER DATA

The management fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

The administration agent's fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

Auditor's fee: 1,000 euros per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

The custodian's fee: is payable annually and is calculated on the basis of the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year.

Social, ethical and environmental concerns:

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 investment portfolio. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indices: Further information on potential financial indices used as underlying for financial derivatives are included in the "Objectives and investment policy of the sub-fund" section of this report.

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 - 2.1.5. Distributors
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In the event of discrepancies between the Dutch and the other language versions of the Annual or Interim Report, the Dutch shall prevail.

2 INFORMATION ON HORIZON ACCESS FUND CHINA

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Classic Shares:

Launch date: 28 November 2008

The initial subscription price: USD 500

Currency: USD

Institutional B Shares:

Launch date: 24 November 2011

Initial subscription price: USD 659.91

Currency: USD

2.1.2 STOCK EXCHANGE LISTING:

Not applicable.

2.1.3 INVESTMENT POLICY AS WRITTEN IN THE PROSPECTUS

SUB-FUND OBJECTIVE:

The main object of this sub-fund is to generate the highest possible return for its investors by investing directly or indirectly in transferable assets. This return is obtained by realising capital gains and income. To this end, the assets are invested, either directly or indirectly by 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 collective investment undertakings, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the specified object.

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

PERMITTED DERIVATIVES TRANSACTIONS

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

Changes are made to investments at regular intervals in keeping with the sub-fund's investment strategy. **In addition, listed and unlisted derivatives may be used to achieve the objectives.** These may be forward contracts, options or swaps on securities, indexes, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be entered into with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** The sub-fund always seeks to conclude the most effective transactions subject to the applicable laws and regulations and the Articles of Association.

Derivatives may be used to hedge some of the currency exposure relative to the currency in which the fund is denominated (USD). They may therefore mitigate the exchange risk, expressed in USD, and consequently also the market risk and return risk.

Derivatives are liquid instruments and readily negotiable. Hence, they have no impact on the liquidity risk.

Moreover, derivatives are used in accordance with the investment policy and strategy. Therefore they have no other impact on the market risk, return risk, concentration risk or the external risk factors or indeed on any other risk

Strategy selected

The assets are primarily invested, directly or indirectly, in Chinese A-shares of companies in various sectors.

A-shares are shares of Chinese companies listed on the Shanghai or Shenzhen stock exchange in the local currency (renminbi). The shares are only available to local Chinese investors and a limited number of foreign institutional investors.

Investing in the sub-fund entails risks relating to the uncertainty concerning the Chinese taxation of capital gains on Chinese A shares realized by a foreign institutional investor via a QFII (Qualified Foreign Institutional Investors) license. Provisions are formed in the sub-fund accounts for the payment of such tax. The formation of provisions may be adjusted in line with developments in the Chinese legislation without prior notification of the shareholders.

Risk concentration

Chinese shares

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

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In all specific cases, other measures can be applied as well. Otherwise, tax legislation and its interpretation 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.

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.

This UCITS invests no more than 15% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:

The Act 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 no more than 15% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive, the income from 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 19**bis**, Income Tax Code 1992).

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

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

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Benchmark:

MSCI China A. This benchmark is used as the reference for calculating the performance fee.

2.1.7 POLICY FOLLOWED DURING THE FINANCIAL YEAR

The Horizon Access China fund invests in Chinese shares listed on the Shanghai and Shenzhen stock exchanges, as well as in a number of securities with a Chinese link that are listed on the Hong Kong exchange. The fund's benchmark is the MSCI China A Share Index, an index of top-rate Chinese companies whose shares are listed on the Shanghai or Shenzhen stock exchange; the index is weighted by market capitalisation. Expressed in US dollars the fund fell in value in 2011 by 24.6%. In doing so it underperformed the benchmark, which fell by 22.9%.

In general 2011 was a turbulent year for the financial markets. At the political level, we witnessed numerous regime changes: in the European developed markets, incumbent governments were punished for the financial crisis, and in the Middle East, the regimes in place were upset by popular uprisings. Japan was the victim of an enormous natural catastrophe plus a nuclear disaster. The markets are worried especially over the situation in Europe and the future of the single currency. Greece began 2011 as it had ended 2010, with huge financial problems. Italy was the second black mark for the markets. The large-scale sale of Italian, Spanish and Belgian government paper which followed raised the financing costs for these countries substantially. European leaders took some time to respond, meaning that the ECB had to intervene in an effort to support the sovereign debt markets. Although the political leaders assumed control again towards the end of the year (with possible treaty amendments in 2012), this was already too late to prevent an impact on European growth. Consumer demand declined and investment growth tapered off as investors were worried about the situation. Unemployment rose for the first time in two years, while confidence indicators slipped back to recession levels. Towards the end of the year, the ECB cut its key rate in order to boost growth.

In contrast to the rather negative situation in Europe, the US displayed more resilience. US jobless claims, consumer confidence and the ISM figures continued to exceed expectations, although fears about job creation arose halfway through the year.

In early 2011, domestic inflation was the most important concern in Asia. There were also worries about the political consequences that the high level of inflation would have in China. Monetary policy was tightened to rein in price increases. These policy decisions had a widespread effect. At the beginning of the second half, inflation came under control and began falling in most countries of the region. Investors then turned their attention to worries about growth, particularly in China. Thanks in part to lower inflation, policymakers have more flexibility to relax policy and encourage growth. Towards the end of the year, many countries began to relax their policies. China did so in November.

Telecom services and financials performed the most strongly in the Chinese A share market in 2011: a distinct turnaround on the situation in 2010 when these were the two weakest sectors. In 2011 Information Technology and Materials were the weakest, posting falls of 36% and 33.7% respectively.

2.1.8 FUTURE POLICY

The prospects for the Chinese A share market remain uncertain in early 2012. We think, however, that the market will perform strongly. China continues to be heavily affected by the slow down in the euro area, a major export market. In early 2011 inflation was the most important source of concern. That is no longer a real problem in China. Most commentators consider that inflation peaked in mid-2011 and will continue to come down in the future. The focus is, however, on the growth prospects for 2012. Now that inflation is no longer a problem, we consider that the Chinese government will be in a position to relax policy once it decides to do so. The first steps in that direction have already been taken, and this will continue in 2012. At this point, it would be mistaken in policy terms to delay taking the appropriate measures. An increase in spending is also a possibility via the present five-year plan or some other form of stimulus that is deemed suitable.

The other reason for our positive attitude vis-à-vis China, is the valuation level, which is currently supportive. In comparison with the international Chinese H share market, valuations have become highly attractive. We expect the valuation differential to disappear in 2012. Generally speaking, we are positive about the prospects for 2012 for both the Chinese economy and domestic share market.

2.1.9 RISK RATING

On a scale from 0 to 6.

Current risk rating:

Classic Shares: 5

Institutional B Shares: 6

Risk rating launch:

Classic Shares: 5

Institutional B Shares: 5

This is a risk indicator tied to investment in a UCI or sub-fund. Seven risk ratings have been defined. The zero rating represents the lowest risk and the sixth the highest.

Risk rating adjustment:

The risk rating is (re)calculated in accordance with FSMA Circular ICB 3/2007 of 8 June 2007.

A risk rating can change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive six-monthly evaluation rounds put it in another rating category than the original one.

The new risk rating will be specified in the interim annual reports along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
TOTAL NET ASSETS	42.052.667,48	113.858.865,03
II. Securities, money market instruments, UCIs and derivative financial instruments		
C. Shares and similar instruments		
a) Shares	44.664.261,98	113.792.399,08
D. Other securities	0,14	240.682,64
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	1.328,38	39.209,75
B. Debts		
a) Accounts payable (-)	-4.386,59	-212.786,84
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	512.356,79	898.662,16
VI. Accruals and deferrals		
A. Expenses to be brought forward	5.153,77	-856,31
C. Accrued expenses (-)	-3.126.046,99	-898.445,45
TOTAL SHAREHOLDERS' EQUITY	42.052.667,48	113.858.865,03
A. Capital	16.346.361,97	76.547.137,09
B. Share in profit	2.306.918,85	1.397.452,51
C. Profit (Loss) brought forward	37.311.727,94	50.708.956,64
D. Result for the financial year	-13.912.341,28	-14.794.681,21

OFF-BALANCE SHEET ITEMS

2.3 PROFIT AND LOSS ACCOUNT

Profit and loss account	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Writedowns, capital gains and losses		
C. Shares and similar instruments		
a) Shares	-12.483.813,81	-15.758.769,50
D. Other securities	-269.342,77	-27.360,94
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	2.063.373,54	3.167.873,94
II. Investment income and expenses		
A. Dividends	667.988,24	1.095.154,08
B. Interest		
b) Deposits and cash at bank and in hand	14.716,26	2.376,03
C. Interest on borrowings (-)	-21.904,67	-19.253,71
III. Other income		
A. Fees to cover the costs for renewal and disposal of assets, to discourage redemption and to cover delivery costs	4.961,56	
B. Other	-4.018,26	24.181,43
IV. Operating expenses		
A. Investment transaction and delivery costs (-) is	-226.262,31	-216.655,08
B. Financial expenses (-)	-3.353,28	-30.101,12
C. Custodian's fee (-)	-115.858,73	-161.986,18
D. Manager's fee (-)		
a) Financial management		
Classic Shares:	-1.045.694,55	-1.799.045,24
Institutional B Shares:	-21.741,44	
b) Administration and accounting management	-62.722,14	-115.445,06
F. Formation and organisation expenses (-)	-9.355,34	-15.361,97
G. Remuneration, social security charges and pensions (-)	-59,62	-24,07
H. Services and sundry goods (-)	-41.066,15	-41.784,60
J. Taxes		
Classic Shares:	-2.441.683,39	-872.130,76
Institutional B Shares:	108.220,12	
K. Other expenses (-)	-24.724,54	-26.348,46
Income and expenditure for the period (half-year)		
Subtotal II + III + IV before tax on the profit	-3.222.558,24	-2.176.424,71
V. Profit (loss) on ordinary activities before taxes	-13.912.341,28	-14.794.681,21
VII. Result for the financial year	-13.912.341,28	-14.794.681,21

Profit appropriation account

	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Profit (Loss) to be allocated is	25.706.305,51	37.311.727,94
Profit (loss) brought forward from previous financial year	37.311.727,94	50.708.956,64
Profit (loss) for the period available for appropriation	-13.912.341,28	-14.794.681,21
Income equalization on the creation of shares (income equalization on the cancellation of shares)	2.306.918,85	1.397.452,51
III. Profit to be brought forward (Loss to be brought forward) to Retained earnings	25.706.305,51	37.311.727,94

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF ASSETS OF HORIZON ACCESS FUND CHINA

Name	Quantity as at 31.12.11	Currency	Price in currency	Appraisal (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>China</u>							
AGRICULTURAL BANK OF CHINA -	612.300,00	CNY	2,620	254.890,24		0,57	0,61
AISINO CO LTD -A-	58.500,00	CNY	19,860	184.596,20		0,41	0,44
ALUMINUM CORP OF CHINA LTD -	127.400,00	CNY	6,420	129.954,74		0,29	0,31
ANGEL YEAST CO LTD -	36.500,00	CNY	29,410	170.559,35		0,38	0,41
ANHUI CONCH CEMENT CO LTD -A-	137.700,00	CNY	15,650	342.401,72		0,77	0,81
ANHUI JIANGHUAI AUTOMOBILE CO -A-	172.500,00	CNY	5,960	163.351,46		0,37	0,39
BANK OF BEIJING CO LTD -	198.600,00	CNY	9,280	292.829,53		0,65	0,70
BANK OF CHINA LTD -A-	180,00	CNY	2,920	83,51			
BANK OF COMMUNICATIONS CO LTD -A-	817.481,00	CNY	4,480	581.893,27		1,30	1,38
BAODING TIANWEI BAOBIAN ELECTR -A-	81.688,00	CNY	11,180	145.106,79		0,32	0,35
BAONENGYUAN -	222.350,00	CNY	3,050	107.751,82		0,24	0,26
BAOSHAN IRON & STEEL CO LTD -A-	175.400,00	CNY	4,850	135.163,36		0,30	0,32
BEIJING CAPITAL CO LTD -A-	187.300,00	CNY	5,200	154.749,33		0,35	0,37
BEIJING GEHUA CATV NETWORK CO -A-	147.200,00	CNY	7,990	186.871,14		0,42	0,44
BEIJING NEW BUILDING MATERIAL -	59.500,00	CNY	10,920	103.235,07		0,23	0,25
BEIJING NORTH STAR CO -A-	363.200,00	CNY	2,730	157.541,92		0,35	0,38
BEIJING SHOUGANG CO LTD -A-	237.100,00	CNY	2,680	100.961,08		0,23	0,24
BEIJING TONGRENTANG CO -	133.200,00	CNY	14,030	296.926,90		0,66	0,71
BEIJING VANTONE REAL ESTATE CO LTD -	62.280,00	CNY	3,200	31.665,49		0,07	0,08
BEIJING YANJING BREWERY-A -A-	85.400,00	CNY	13,490	183.044,83		0,41	0,44
CHANGSHA ZOOMLION HEAVY INDUST -	251.245,00	CNY	7,690	306.980,95		0,69	0,73
CHINA COAL ENERGY CO -	145.200,00	CNY	9,010	207.863,90		0,46	0,49
CHINA CONSTRUCTION BANK CORP -A-	669.931,00	CNY	4,540	483.251,91		1,08	1,15
CHINA COSCO HOLDINGS CO LTD -A-	103.300,00	CNY	4,680	76.812,84		0,17	0,18
CHINA DONGFANGHONG SPACESAT CO LTD -	119.700,00	CNY	20,400	387.982,35		0,87	0,92
CHINA FIBERGLASS CO LTD -	82.500,00	CNY	12,980	170.143,87		0,38	0,41
CHINA GREATWALL COMPUTER SHENZ -	241.200,00	CNY	4,970	190.467,70		0,43	0,45
CHINA INTERNATIONAL MARINE CON -	139.100,00	CNY	12,850	283.999,72		0,64	0,68
CHINA LIFE INSURANCE CO LTD -	85.300,00	CNY	17,640	239.075,61		0,53	0,57
CHINA MERCHANTS BANK CO LTD -	623.770,00	CNY	11,870	1.176.421,24		2,63	2,80
CHINA MERCHANTS ENERGY SHIPPIN -	278.400,00	CNY	2,890	127.836,46		0,29	0,30
CHINA MERCHANTS PROPERTY DEVEL -	44.400,00	CNY	18,000	126.982,28		0,28	0,30
CHINA MINSHENG BANKING CORP LT -	975.420,00	CNY	5,890	912.839,88		2,04	2,17
CHINA NONFERROUS METAL INDUSTR -	74.960,00	CNY	17,230	205.211,89		0,46	0,49
CHINA PACIFIC INSURANCE GROUP -	177.700,00	CNY	19,210	542.378,48		1,21	1,29
CHINA PETROLEUM & CHEMICAL COR -	116.100,00	CNY	7,180	132.447,67		0,30	0,32
CHINA RAILWAY CONSTRUCTION COR -	26.500,00	CNY	3,790	15.957,79		0,04	0,04
CHINA RAILWAY ERJU CO LTD -	202.600,00	CNY	4,930	158.698,94		0,36	0,38
CHINA RAILWAY GROUP LTD -	133.500,00	CNY	2,520	53.452,68		0,12	0,13
CHINA RAILWAY TIELONG CONTAINER LOG -	226.990,00	CNY	9,280	334.689,71		0,75	0,80
CHINA RESOURCES SANJIU MED PHARM -	69.800,00	CNY	17,300	191.862,09		0,43	0,46

CHINA SHENHUA ENERGY CO LTD -	115.000,00	CNY	25,330	462.829,13		1,03	1,10
CHINA SHIPPING DEVELOPMENT CO -	99.200,00	CNY	5,920	93.308,46		0,21	0,22
CHINA SOUTH LOCOMOTIVE AND ROL -	413.900,00	CNY	4,330	284.754,75		0,64	0,68
CHINA SPORTS INDUSTRY GROUP CO -	126.860,00	CNY	5,600	112.875,68		0,25	0,27
CHINA STATE CONSTRUCTION ENGIN -	438.566,00	CNY	2,910	202.775,56		0,45	0,48
CHINA UNITED TELECOMMUNICATION -	569.600,00	CNY	5,240	474.229,89		1,06	1,13
CHINA VANKE CO LTD -	389.500,00	CNY	7,470	462.291,30		1,03	1,10
CHINA YANGTZE POWER CO LTD -	247.100,00	CNY	6,360	249.699,41		0,56	0,59
CHINA-KINWA HIGH TECHNOLOGY CO -	294.900,00	CNY	3,830	179.457,33		0,40	0,43
CITIC GUOAN INFORMATION INDUST -	136.800,00	CNY	6,690	145.411,87		0,33	0,35
CITIC SECURITIES CO LTD/CHINA -	543.950,00	CNY	9,710	839.200,76		1,88	2,00
COFCO BIOCHEMICAL -	197.700,00	CNY	6,040	189.727,93		0,42	0,45
COFCO PROPERTY GROUP CO LTD -	136.400,00	CNY	3,800	82.354,18		0,18	0,20
COSCO SHIPPING CO LTD -	252.120,00	CNY	4,120	165.041,12		0,37	0,39
CSG HOLDING CO LTD -	34,00	CNY	9,060	48,94			
DAQIN RAILWAY CO LTD -	121.800,00	CNY	7,460	144.368,94		0,32	0,34
FAW CAR CO LTD -	103.000,00	CNY	8,850	144.833,21		0,32	0,34
FINANCIAL STREET HOLDING CO LT -	139.550,00	CNY	6,050	134.144,50		0,30	0,32
FOUNDER TECHNOLOGY GROUP CORP -	580.530,00	CNY	2,690	248.121,62		0,55	0,59
FUYAO GROUP GLASS INDUSTRIES C -	165.100,00	CNY	8,020	210.382,25		0,47	0,50
GANSU YASHENG INDUSTRIAL GROUP -	259.600,00	CNY	4,900	202.110,29		0,45	0,48
GD MIDEA ELECTRIC APPLIANCES C -	17.850,00	CNY	12,240	34.714,21		0,08	0,08
GD POWER DEVELOPMENT CO LTD -	275.100,00	CNY	2,790	121.950,18		0,27	0,29
GEMDALE CORP -	266.936,00	CNY	4,950	209.942,32		0,47	0,50
GEZHOUBA CO LTD -	289.200,00	CNY	7,700	353.815,35		0,79	0,84
GREE ELECTRIC APPLIANCES INC -	151.975,00	CNY	17,290	417.498,39		0,93	0,99
GUANGDONG KANGMEI PHARMACEUTIC -	172.657,00	CNY	11,220	307.797,23		0,69	0,73
HANS LASER TECHNOLOGY CO LTD -	208.300,00	CNY	6,560	217.110,47		0,49	0,52
HARBIN PHARMACEUTICAL GROUP CO -	99.140,00	CNY	7,330	115.462,39		0,26	0,28
HEBEI IRON & STEEL COMPANY LI -	177.680,00	CNY	2,860	80.740,65		0,18	0,19
HENAN SHUANGHUI INVESTMENT & D -	28.700,00	CNY	69,950	318.975,46		0,71	0,76
HENAN ZHONGFU INDUSTRY CO LTD -	145.362,00	CNY	5,780	133.495,43		0,30	0,32
HENAN ZHONGYUAN EXPRESSWAY CO -	228.200,00	CNY	2,580	93.545,52		0,21	0,22
HISENSE ELECTRIC CO LTD -	117.278,00	CNY	11,880	221.370,96		0,50	0,53
HUAWEN MEDIA INVESTMENT CORP -	116.300,00	CNY	5,590	103.294,97		0,23	0,25
HUAXIA BANK CO LTD -	164.300,00	CNY	11,230	293.160,18		0,66	0,70
ICBC -	1.035.531,00	CNY	4,240	697.616,29		1,56	1,66
INDUSTRIAL BANK CO LTD -	464.280,00	CNY	12,520	923.574,56		2,06	2,20
INNER MONGOLIA MENGDIAN HUANEN -	110.700,00	CNY	8,300	145.986,73		0,33	0,35
INNER MONGOLIA YILI INDUSTRIAL -	92.000,00	CNY	20,430	298.637,16		0,67	0,71
INNER MONGOLIAN BAOTOU STEEL U -	252.100,00	CNY	4,120	165.028,03		0,37	0,39
JIANGSU HENGRUI MEDICINE CO LT -	67.160,00	CNY	29,440	314.149,34		0,70	0,75
JIANGSU WUJIANG CHINA EASTERN -	249.200,00	CNY	2,850	112.844,54		0,25	0,27
JILIN AODONG MEDICINE INDUSTRY -	54.000,00	CNY	20,390	174.943,83		0,39	0,42
JILIN JI EN NICKEL INDUSTRY CO -	82.200,00	CNY	12,330	161.035,84		0,36	0,38
JILIN YATAI GROUP CO LTD -	251.300,00	CNY	4,740	189.259,85		0,42	0,45
JINDUICHENG MOLYBDENUM CO LTD -	47.320,00	CNY	11,380	85.560,76		0,19	0,20
JIZHONG ENERGY RESOURCES CO LTD -	91.200,00	CNY	16,860	244.309,34		0,55	0,58
KAILUAN CLEAN COAL CO LTD -	99.900,00	CNY	11,140	176.822,83		0,40	0,42
KWEICHOW MOUTAI CO LTD -	25.670,00	CNY	193,300	788.397,75		1,76	1,88
LIAONING CHENG DA CO LTD -	112.550,00	CNY	12,290	219.778,42		0,49	0,52
LIAONING HUAJIN TONGDA CHEMICA -	94.600,00	CNY	7,600	114.233,21		0,26	0,27
LONG MARCH LAUNCH VEHICLE TECH -	126.600,00	CNY	8,210	165.144,65		0,37	0,39
LUZHOU LAOJIAO CO LTD -	69.300,00	CNY	37,300	410.704,75		0,92	0,98
MAANSHAN IRON & STEEL -	168.300,00	CNY	2,480	66.316,78		0,15	0,16
MESNAC CO LTD -	126.000,00	CNY	15,130	302.898,50		0,68	0,72
MILORD REAL ESTATE DEVELOPMENT -	224.390,00	CNY	2,180	77.722,66		0,17	0,19
NANJING XINGANG HIGH-TECH CO L -	75.900,00	CNY	9,030	108.897,32		0,24	0,26

NEUSOFT CORP -	116.020,00	CNY	8,140	150.053,08		0,34	0,36
NORTHEAST PHARMACEUTICAL -	52.800,00	CNY	7,330	61.492,98		0,14	0,15
OCEANWIDE CONSTRUCTION GROUP C -	213.641,00	CNY	4,320	146.641,20		0,33	0,35
OFFSHORE OIL ENGINEERING CO LT -	261.700,00	CNY	5,500	228.693,63		0,51	0,54
ORIENT GROUP INC -	299.900,00	CNY	5,490	261.599,23		0,58	0,62
PANGANG GROUP STEEL VANADIUM -	100.737,00	CNY	6,280	100.516,26		0,23	0,24
PETROCHINA CO LTD -	168.500,00	CNY	9,740	260.763,33		0,58	0,62
PING AN INSURANCE GROUP CO OF -	159.200,00	CNY	34,440	871.151,85		1,95	2,07
PINGDINGSHAN TIANAN COAL MININ -	127.763,00	CNY	10,570	214.569,38		0,48	0,51
POLY REAL ESTATE GROUP CO LTD -	147.422,00	CNY	10,000	234.234,01		0,52	0,56
QINGDAO HAIER CO LTD -	207.800,00	CNY	8,930	294.838,82		0,66	0,70
SAIC MOTOR CORP LTD -	124.950,00	CNY	14,140	280.719,98		0,63	0,67
SANY HEAVY INDUSTRY CO LTD -	275.332,00	CNY	12,540	548.582,41		1,23	1,31
SDIC XINJI ENERGY CO LTD -	84.500,00	CNY	11,130	149.430,60		0,33	0,36
SHANDONG DONG-E E-JIAO-A -	59.600,00	CNY	42,950	406.721,46		0,91	0,97
SHANDONG GOLD MINING CO LTD -	79.800,00	CNY	28,390	359.961,41		0,80	0,86
SHANDONG HUATAI PAPER CO LTD -	294.960,00	CNY	3,550	166.371,58		0,37	0,40
SHANGHAI CHENGTOU HOLDING CO L -	107.700,00	CNY	6,020	103.014,85		0,23	0,25
SHANGHAI FOSUN PHARMACEUTICAL -	164.200,00	CNY	8,540	222.801,79		0,50	0,53
SHANGHAI FRIENDSHIP GROUP INC -	108.744,00	CNY	11,370	196.450,63		0,44	0,47
SHANGHAI INTERNATIONAL AIRPORT -	126.000,00	CNY	12,240	245.041,49		0,55	0,58
SHANGHAI JINFENG WINE CO LTD -	85.340,00	CNY	9,370	127.051,53		0,28	0,30
SHANGHAI KEHUA BIO-ENGINEERING -	82.095,00	CNY	10,250	133.699,02		0,30	0,32
SHANGHAI NEW HUANGPU REAL ESTA -	89.500,00	CNY	7,130	101.391,19		0,23	0,24
SHANGHAI NEW WORLD CO LTD -	147.400,00	CNY	7,300	170.965,31		0,38	0,41
SHANGHAI ORIENTAL PEARL GROUP -	201.200,00	CNY	5,280	168.791,10		0,38	0,40
SHANGHAI PUDONG DEVELOPMENT BA -	556.115,00	CNY	8,490	750.170,45		1,68	1,78
SHANGHAI QIANGSHENG HOLDING CO -	108.400,00	CNY	4,340	74.749,22		0,17	0,18
SHANGHAI TUNNEL ENGINEERING CO -	141.600,00	CNY	7,870	177.062,11		0,40	0,42
SHANGHAI YUYUAN TOURIST MART C -	157.720,00	CNY	8,380	209.999,59		0,47	0,50
SHANGHAI ZHANGJIANG HIGH-TECH -	108.200,00	CNY	6,790	116.730,59		0,26	0,28
SHANGHAI ZHENHUA PORT MACHINER -	273.570,00	CNY	4,700	204.293,23		0,46	0,49
SHANGHAI ZHIXIN ELECTRIC CO LT -	102.400,00	CNY	14,710	239.331,73		0,54	0,57
SHANGHAI ZI JIANG ENTERPRISE G -	335.700,00	CNY	4,010	213.886,50		0,48	0,51
SHANXI TAIGANG STAINLESS STEEL -	130.300,00	CNY	3,730	77.221,97		0,17	0,18
SHANXI XINGHUACUN FEN WINE FAC -	27.000,00	CNY	63,140	270.866,94		0,61	0,64
SHANXI XISHAN COAL AND ELECTRI -	114.990,00	CNY	14,600	266.747,64		0,60	0,63
SHENERGY CO LTD -	242.100,00	CNY	4,590	176.561,14		0,39	0,42
SHENZHEN DEVELOPMENT BANK CO -	159.400,00	CNY	15,590	394.840,86		0,88	0,94
SHENZHEN ENERGY -	103.320,00	CNY	6,100	100.138,69		0,22	0,24
SHENZHEN OVERSEAS CHINESE TOWN -	254.760,00	CNY	7,140	289.012,82		0,65	0,69
SHENZHEN YANTIAN PORT HOLDING -	192.240,00	CNY	5,030	153.638,27		0,34	0,37
SHENZHEN ZHONGJIN LINGNAN NONF -	159.526,00	CNY	8,230	208.602,24		0,47	0,50
SHUANGLIANG ECO-ENERGY SYSTEMS -	129.540,00	CNY	7,380	151.896,55		0,34	0,36
SICHUAN CHANGHONG ELECTRIC CO -	499.925,00	CNY	2,140	169.983,31		0,38	0,40
SICHUAN NEW HOPE AGRIBUSINESS -	45.020,00	CNY	16,750	119.814,11		0,27	0,29
SINOLINK SECURITIES CO LTD -	210.100,00	CNY	9,920	331.150,47		0,74	0,79
SINOTRANS AIR TRANSPORTATION D -	233.200,00	CNY	5,890	218.238,56		0,49	0,52
SUNING APPLIANCE CO LTD -	256.000,00	CNY	8,440	343.297,05		0,77	0,82
SUNING UNIVERSAL CO LTD -	120.580,00	CNY	5,240	100.390,87		0,22	0,24
TBEA CO LTD -	188.740,00	CNY	7,680	230.310,02		0,52	0,55
TCL CORP -	718.302,00	CNY	1,840	209.996,74		0,47	0,50
TIAN DI SCIENCE & TECHNOLOGY CO LTD -	22.899,00	CNY	18,500	67.309,43		0,15	0,16
TIANJIN FAW XIALI AUTOMOBILE CO LTD -	97.700,00	CNY	6,110	94.846,96		0,21	0,23
TIANJIN TASLY PHARMACEUTICAL C -	55.200,00	CNY	41,940	367.836,79		0,82	0,88
TONGLING NONFERROUS METALS GRO -	86.300,00	CNY	16,810	230.497,47		0,52	0,55
TSINGHUA TONGFANG CO LTD -	215.100,00	CNY	8,800	300.753,53		0,67	0,72
TSINGTAO BREWERY CO LTD -	63,00	CNY	33,480	335,13		0,00	0,00

UFIDA SOFTWARE CO LTD -	107.235,00	CNY	18,000	306.687,95		0,69	0,73
WEICHAI POWER CO LTD -	59.600,00	CNY	31,500	298.293,97		0,67	0,71
WESTERN MINING CO LTD -	153.500,00	CNY	9,370	228.526,00		0,51	0,54
WUHAN IRON & STEEL CO LTD -	163.410,00	CNY	2,890	75.035,04		0,17	0,18
WULIANGYE YIBIN CO LTD -	130.400,00	CNY	32,800	679.577,65		1,52	1,62
XI'AN AIRCRAFT INTERNATIONAL C -	40,00	CNY	7,260	46,14			
XIAMEN C & D INC -	177.820,00	CNY	6,380	180.255,67		0,40	0,43
XIAMEN INTERNATIONAL TRADE GRO -	300.390,00	CNY	3,910	186.616,43		0,42	0,44
XINHU ZHONGBAO CO LTD -	257.940,00	CNY	3,420	140.162,70		0,31	0,33
XINING SPECIAL STEEL CO -	164.900,00	CNY	6,510	170.564,76		0,38	0,41
XINJIANG GUANGHUI INDUSTRY CO -	133.735,00	CNY	20,580	437.298,62		0,98	1,04
YANGQUAN COAL INDUSTRY GROUP CO LTD -	100.150,00	CNY	15,180	241.551,86		0,54	0,57
YANTAI CHANGYU PIONEER WINE CO -	19.000,00	CNY	107,900	325.733,71		0,73	0,78
YINGKOU PORT LIABILITY CO LTD -	269.000,00	CNY	3,820	163.268,84		0,37	0,39
YOUNGOR GROUP CO -	88.200,00	CNY	9,380	131.449,54		0,29	0,31
YUNNAN ALUMINIUM CO -	100.880,00	CNY	4,920	78.860,19		0,18	0,19
YUNNAN CHIHONG ZINC & GERMANIU -	100.010,00	CNY	13,070	207.685,74		0,46	0,49
YUNNAN TIN CO LTD -	79.230,00	CNY	17,810	224.202,90		0,50	0,53
ZHEJIANG CHINA COMMODITIES CIT -	181.800,00	CNY	7,840	226.463,18		0,51	0,54
ZHEJIANG LONGSHENG GROUP CO LT -	183.300,00	CNY	5,720	166.588,93		0,37	0,40
ZHENGZHOU YUTONG BUS CO LTD -	125.200,00	CNY	23,660	470.659,39		1,05	1,12
ZHONGJIN GOLD CORP -	61.412,00	CNY	17,510	170.854,74		0,38	0,41
ZIJIN MINING GROUP CO LTD -	229.200,00	CNY	3,820	139.112,33		0,31	0,33
ZTE CORPORATION -A-	131.106,00	CNY	16,900	352.043,98		0,79	0,84
<u>US</u>							
ISHARES TRUST -	1.466.900,00	HKD	10,340	1.953.022,94		4,37	4,65
Total shares				44.664.261,98		99,79	106,21
Rights							
<u>China</u>							
HEBEI IRON & STEEL COMPANY LI CP 24/11/11	90.616,00	CNY	0,000	0,14			
Total rights				0,14			
Other securities							
<u>Belgium</u>							
KREDIETBANK BANKWAARBORG	93.380,00	USD	1,000	93.380,00		0,21	0,22
Total other securities				93.380,00		0,21	0,22
TOTAL SECURITIES PORTFOLIO				44.757.642,12		100,00	106,43
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	91.230,58	EUR	1,000	118.435,54			0,28
KBC GROUP HKD	375.767,93	HKD	1,000	48.384,47			0,12
KBC GROUP USD	252.156,78	USD	1,000	252.156,78			0,60
Total demand accounts				418.976,79			1,00
TOTAL CASH AT BANK AND IN HAND				418.976,79			1,00

OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP USD A RECEVOIR	1.328,38	USD	1,000	1.328,38		0,00
Total receivables				1.328,38		0,00
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-4.386,59	USD	1,000	-4.386,59		-0,01
Total payables				-4.386,59		-0,01
TOTAL RECEIVABLES AND PAYABLES				-3.058,21		-0,01
OTHER						
Expenses payable		USD		-3.126.046,99		-7,43
Expenses to be brought forward		USD		5.153,77		0,01
TOTAL OTHER				-3.120.893,22		-7,42
TOTAL NET ASSETS				42.052.667,48		100,00

Geographical location (as percent of securities portfolio)

	30/06/2010	31/12/2010	30/06/2011	31/12/2011
China	88,21	94,87	96,11	95,63
Hong Kong	5,87	5,13	0,00	0,00
US	5,92	0,00	3,89	4,37
Total	100,00	100,00	100,00	100,00

Breakdown by sector (as % of securities portfolio)

	30/06/2010	31/12/2010	30/06/2011	31/12/2011
Cyclical sectors	27,97	34,24	35,64	31,98
Consumer Discretionary	12,74	13,07	12,88	12,18
Consumer Staples	9,45	11,10	10,73	11,49
Pharmaceuticals	5,14	6,18	4,62	4,88
Financials	30,36	21,06	23,23	26,18
Technology	3,46	3,71	3,96	4,03
Telecommunications	1,18	1,03	0,82	1,06
Utilities	3,19	2,83	2,19	2,25
Property	6,51	6,78	5,93	5,95
Total	100,00	100,00	100,00	100,00

Currency allocation (as % of net assets)

	30/06/2010	31/12/2010	30/06/2011	31/12/2011
CNY	83,79	94,27	94,71	94,55
EUR	0,33	0,02	-0,11	0,26
HKD	15,77	5,15	3,84	4,43
USD	0,11	0,56	1,56	0,76
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF HORIZON ACCESS FUND CHINA (IN THE CURRENCY OF THE SUB-FUND)

	1st half	2nd half	Year
Buy	16.422.356,20	4.836.345,15	21.258.701,34
Sell	69.868.254,20	10.145.276,30	80.013.530,50
Total 1	86.290.610,40	14.981.621,44	101.272.231,85
Subscriptions	37.971.302,12	16.090.780,05	54.062.082,17
Redemptions	92.156.689,44	22.101.565,47	114.258.254,91
Total 2	130.127.991,56	38.192.345,52	168.320.337,08
Monthly average of the total assets	85.360.121,70	49.030.502,80	66.729.547,91
Turnover	-51,36 %	-47,34 %	-100,48 %

	1st half	2nd half	Year
Buy	16.422.356,20	4.836.345,15	21.258.701,34
Sell	69.868.254,20	10.145.276,30	80.013.530,50
Total 1	86.290.610,40	14.981.621,44	101.272.231,85
Subscriptions	37.971.302,12	16.090.780,05	54.062.082,17
Redemptions	92.156.689,44	22.101.565,47	114.258.254,91
Total 2	130.127.991,56	38.192.345,52	168.320.337,08
Monthly average of the total assets	77.787.917,94	47.248.293,29	61.314.578,96
Adjusted turnover rate	-56,36 %	-49,12 %	-109,35 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take into account the 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 greater than 50%).

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

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS
Nil.

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

Classic Shares:

Period	Changes in number of shares outstanding						
Years	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	240.162,01	16.411,54	88.967,63	3.917,87	151.465,38	12.493,67	163.959,04
2010 - 12	83.433,01	4.448,11	105.587,17	4.654,05	129.311,22	12.287,73	141.598,96
2011 - 12	53.570,77	4.626,19	139.618,61	2.070,02	43.263,38	14.843,90	58.107,28

Period	Amounts paid and received by the UCI (in the currency of the class)			
Years	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	149.948.695,65	12.270.684,06	64.949.129,47	3.408.896,70
2010 - 12	64.010.536,74	3.494.390,48	80.106.785,46	3.654.560,57
2011 - 12	41.468.378,83	3.642.406,88	108.848.696,53	1.528.448,06

Period	Net inventory value End of period (in the currency of the class)		
Years	Of the class	of one share	
		Cap.	Dis.
2009 - 12	144.909.965,05	883,82	883,82
2010 - 12	113.858.865,03	804,11	803,88
2011 - 12	35.239.499,29	606,62	605,97

Institutional B Shares:

Period	Changes in number of shares outstanding						
Years	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2011 - 12	12.436,00		1.193,00		11.243,00		11.243,00

Period	Amounts paid and received by the UCI (in the currency of the class)			
Years	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2011 - 12	8.159.720,06		787.217,45	

Period	Net inventory value End of period (in the currency of the class)		
Years	Of the class	of one share	
		Cap.	Dis.
2011 - 12	6.813.168,20	605,99	

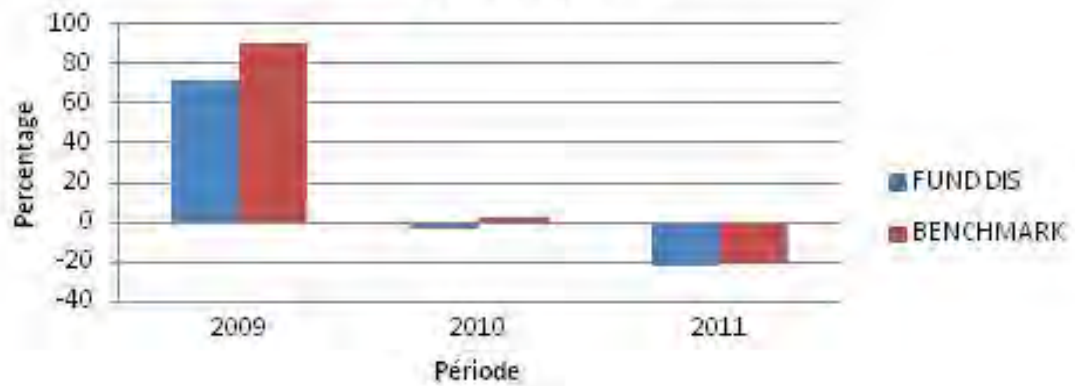
2.4.5 PERFORMANCE FIGURES

Classic Shares:

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Horizon - Access Fund China - DIS:

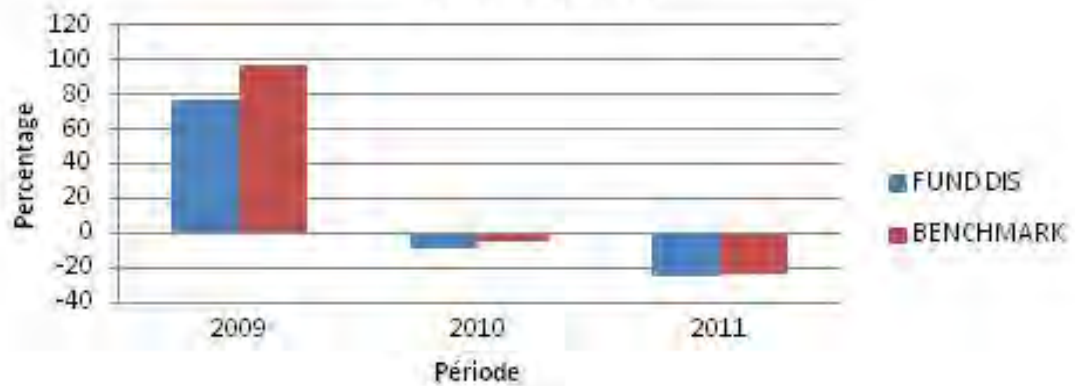
Performance sur base annuelle par rapport au benchmark en date du 31/12/2011 (en EUR)



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Horizon - Access Fund China - DIS:

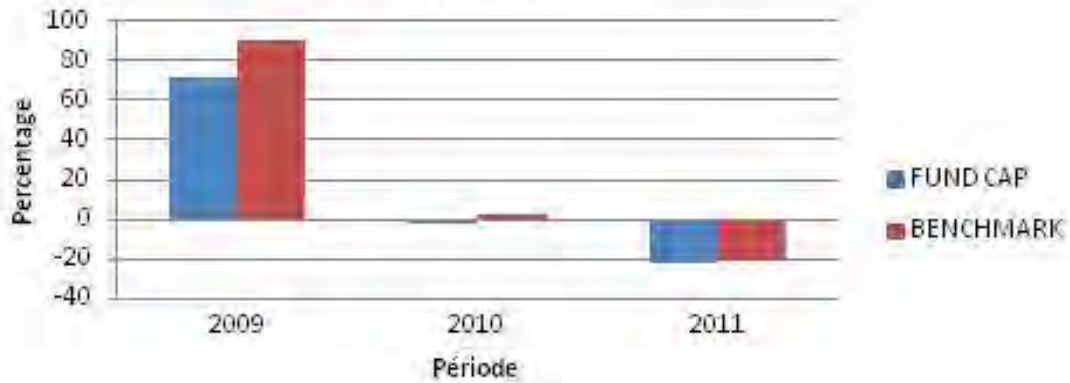
Performance sur base annuelle par rapport au benchmark en date du 31/12/2011 (en USD)



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Horizon - Access Fund China - CAP:

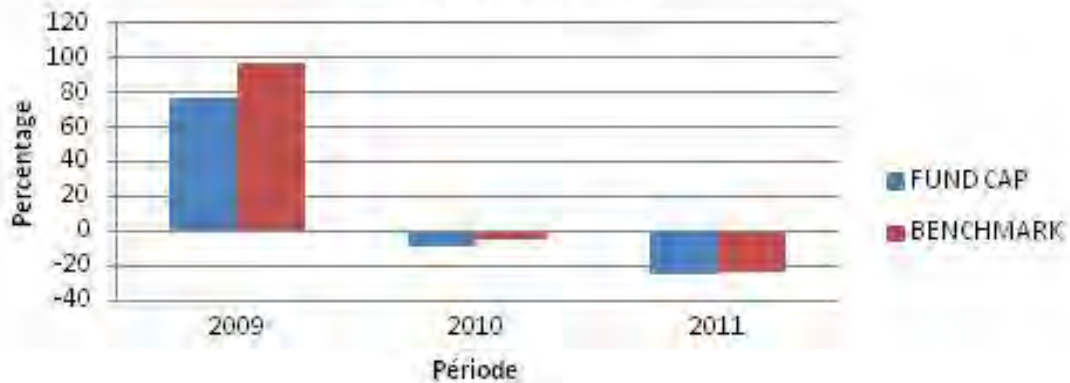
Performance sur base annuelle par rapport au benchmark en date du 31/12/2011 (en EUR)



BE0948467015

Horizon - Access Fund China - CAP:

Performance sur base annuelle par rapport au benchmark en date du 31/12/2011 (en USD)



Cap Dis	ISIN code	Cur Currenc y	1 Yr		3 Yrs*		5 Yrs*		10 Yrs*		Since launch*	
			Share ratings	Bench mark	Share ratings	Bench mark	Share ratings	Bench mark	Share ratings	Bench mark	Launch date	Share ratings
CAP	BE0948467015	EUR	-22.04%	-20.33%	9.21%	15.80%					28/11/2008	6.18%
CAP	BE0948467015	USD	-24.56%	-22.91%	6.75%	13.19%					28/11/2008	6.46%
DIS	BE0948466975	EUR	-22.10%	-20.33%	9.17%	15.80%					28/11/2008	6.14%
DIS	BE0948466975	USD	-24.62%	-22.91%	6.71%	13.19%					28/11/2008	6.42%

* Performance figures are annualised.
Past returns are no guarantee of future performance.

Institutional B Shares:

The cumulative returns are given if they are available for a period of at least one year.

Classic Shares:

- The bar chart shows the performances for full financial years.
- The figures do not take account of possible 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 paid 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 (DIS)

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:

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

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

with C a factor that is determined by all of the dividends and from the date of calculating D and the reference date.

For dividend i to date DI with value Wi we apply:

$$Ci = [Wi / NIW(Di)] + 1$$

$i = 1 \dots N$

where $C = C0 * \dots * CN$.

- 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 returns for capitalisation and distribution shares.

2.4.6 COSTS

Total expenses ratio (TER): *

Classic Shares: **5.672%**

Institutional B Shares: Not applicable.

* 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

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 collective investment undertaking in units of collective investment undertakings 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 collective investment undertaking.

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 shareholders of 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 consequently to be maximised. 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 a maximum 1.5% calculated on that part of the portfolio that manages, without the total management fee received by the management company being exceeded.

In addition: 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: EUR 1,700 a 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 sub-fund. 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 mutual fund 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:

- The security may not be influenced negatively for the shareholders.
- The rules covering corporate governance must be respected except for those relating to minority shareholders' rights.
- 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 Bevek's registered office.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB SVETOVY JUMPER 3

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE AT LAUNCH

Launch date: 29 August 2008
Subscription price at launch: 10 CZK
Maturity date: 30 September 2008
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY AS STATED IN THE PROSPECTUS

OBJECTIVE OF THE SUB-FUND

INVESTMENT POLICY

The sub-fund has two objectives (before costs and taxes):

- (1) To reimburse the initial per-share subscription price of 10 CZK at Maturity, or if necessary, at the Early Redemption Date (capital protection). This capital protection is granted by the establishment of a financial mechanism that is further explained in Section *Capital protection*. This capital protection is not applicable in the event the shareholder sells his shares before Maturity or before the Early Redemption Date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts).
The different types of swaps in which the fund may invest are explained in Section *Potential Return*.

CAPITAL PROTECTION

The financial mechanism used to achieve capital protection

The financial mechanism used to achieve the capital protection at Maturity, or at the Early Redemption Date, entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash. (including funds placed in a deposit account or current account). These investments may have different terms and coupon payment dates that are adapted to fund commitment periods by means of 'swap' transactions described in Section *Permitted Swap Transactions (2)*.

Investment criteria

The investments must meet the following criteria:

- (1) An investment in deposits and/or debt securities placed with or issued by financial institutions under prudential supervision and established in a Member State of the European Economic Area.
- (2) An investment in debt securities issued or guaranteed by a Member State of the European Economic Area..
- (3) An investment included in an investment strategy with a similar structure and identical counter risk to a direct investment in deposits and/or debt securities referred to in Paragraphs (1) and (2) above.

Investments referred to in (3) may consist of:

- (A) An investment in publicly traded bonds issued by 'Special Purpose Vehicles' (SPV).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

Bonds issued by the SPV are underlying a diversified portfolio of deposits issued by financial institutions, bonds and other debt securities and derivatives (financial derivatives). The selection of these underlying investments is based on criteria related to allocation and solvency (See under *Permitted Asset Classes and Criteria of bonds and other debt obligations* to reduce counterparty risk.

Other specifications that such underlying deposits, bonds, other debt securities and derivatives (financial derivatives) must meet are listed in the SPV base prospectus.. These base prospectus are available on the site <http://www.kbc.be/prospectus/spv/>.

Investments like the SPVs fund are explained to the investor in the fund in the annual and interim report of the fund in which the fund is a part. The annual and interim report are also available on the site <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada, Australia and/or
- Debt securities issued by financial institutions subject to prudential supervision in the United States, Japan, Canada, Australia and/or
- Debt securities issued or guaranteed by the United States, Japan, Canada or Australia.

Prudential supervision of financial institutions in the United States, Japan, Canada and Australia may be considered equivalent to the prudential supervision of financial institutions in Member States of the European Economic Area.

Investments in debt securities issued by financial institutions subject to prudential supervision in the United States, Japan, Canada and Australia or issued or guaranteed by the United States, Japan, Canada or Australia have a minimum solvency score as stated in the Section *Characteristics of bonds and other debt securities*.

(C) The investments may also combine investments in (A) and in (B).

No formal guarantee

No formal guarantee of repayment of the initial subscription price is provided for the sub-fund or its shareholders. In other words, capital protection does not constitute a performance obligation for the fund, although the achievement of this goal by the financial mechanism remains the highest priority.

If, due to the impairment of the financial mechanism, the amount payable per share at Maturity, or at the Early Redemption Date (before costs and taxes) is less than the initial subscription price, KBC Asset Management SA may decide (but is not obliged) to cover the management commission received from the sub-fund and possibly other funds during the current financial year to reduce this deficit. This is not a guarantee from KBC Asset Management SA, which may decide according to its own vision to use the management fee for this purpose or not.

This capital protection is not applicable in the event the shareholder sells his shares before Maturity or before the Early Redemption Date.

POTENTIAL RETURN

To achieve a potential return, the sub-fund enters into swap agreements with one or more prime counterparties. This is the reason why the fund sells part of its future investment income to preserve the capital in this/these fund(s) for the duration of the fund. In exchange, the counterparty(ies) agree to provide the potential returns described in the Section *Strategy Defined*.

SUB-FUND INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations.

The limits and investment restrictions laid down by the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be respected at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The mean solvency score (rating) of bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Long-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Short-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

All durations are taken into consideration in the selection of bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The 'swaps' described below are made with a prime counterparty(ies) within the limits defined by law.

(1) To achieve a potential return, the sub-fund enters into 'swaps'. Through these swaps, the sub-fund sells part of its future investment income to preserve the capital in this/these fund(s) for the duration of the fund. In exchange, the counterparty(ies) agree to provide the potential returns described in the *Point Strategy defined*.

The 'swaps' in (1) are essential to achieving the investment objectives of the sub-fund, given that using this technique follows the goal of achieving a potential return.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

(2) The sub-fund concludes, if necessary, 'swaps' to match the durations of those sub-fund commitments and those of the flow of money resulting from deposits, bonds and other debt instruments described in the *Investment criteria*.

These 'swaps' are essential to achieving the investment objectives of the sub-fund, given that there are not bonds and other debt instruments sufficiently on the market whose coupons and maturities coincide perfectly with the maturities of the sub-fund commitments.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

(3) The sub-fund may also enter into 'swaps' to protect itself from the credit risk of issuers of bonds and other debt instruments. Through such a 'swap', one or more counterparty(ies) recovers, in exchange for a premium payable by the sub-fund, the risk of an issuer of a bond or other debt instrument that is found in the sub-fund's portfolio remains in default.

The 'swaps' in (3) serve to cover credit risk.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

STRATEGY DEFINED

OBJECTIVES AND INVESTMENT POLICY:

The sub-fund follows two investment objectives: firstly, to maintain 100% of the initial subscription value to Maturity and the Early Redemption Date if the Board of the Fund decides to close the sub-fund at the Early Redemption Date and second, to generate capital gains as much as possible depending upon any increase in the basket of 30 shares in quality companies (as defined below)

characterised by a large market capitalisation and a low price/earnings ratio, and in accordance with the **Basket Jumper structure**.

The Basket Jumper structure implies early redemption as soon as one of the Observation Values meets the condition, as defined below. If such an early redemption occurs, the capital gains, as defined below, are paid above the initial subscription price. In total there are 3 Observation Times

Observation Time	Observation Value	Early Redemption Condition	Capital Gain
1)	Average Share Price in the basket the five first Valuation Days in September 2010	Observation Value is greater than or equal to 110% of the Starting Value THUS: $(\text{Observation Value} - \text{Starting Value}) / \text{Starting Value} \geq 10\%$	15.00%
2)	Average Share Price in the basket the five first Valuation Days in September 2011	Observation Value is greater than or equal to 115% of the Starting Value THUS: $(\text{Observation Value} - \text{Starting Value}) / \text{Starting Value} \geq 15\%$	22.50%
3)	Average Share Price in the basket the five first Valuation Days in September 2012	Observation Value is greater than or equal to 120% of the Starting Value THUS: $(\text{Observation Value} - \text{Starting Value}) / \text{Starting Value} \geq 20\%$	30.00%

These conditions are consistent with an IRR of 7.08% in the event of early redemption after Observation Time 1, 6.89% in the event of early redemption after Observation Time 2 and 6.70% in the event of early redemption after Observation Time 3 (always before deducting fees and taxes).

If the early redemption condition is satisfied, the Board of the Fund will decide to close the fund on the Day of Early Redemption.

If none of the Observation Values results in early redemption, 2 other possibilities exist at Maturity:

Hypothesis 1

If the Final Value is greater than or equal to 125% of the Starting Value, a fixed capital gain of 37.5% will be distributed at Maturity above 100% of the initial subscription price (IRR: 6.47%, before fees and taxes): 6.47%, before fees and taxes).

Hypothesis 2

If the Final Value is lower than 125% of the Starting Value, 100% of any increase in this basket of shares (= $(\text{Final Value} - \text{Starting Value}) / \text{Starting Value}$), will be distributed at Maturity above 100% of the initial subscription price. Negative performance of the Basket is not taken into account.

MATURITY: Monday 30 September 2013 (Value date payment D + 1 business day)

CURRENCY: CZK, the change in the local currency exchange rate for shares in the basket compared to CZK is not relevant.

STARTING VALUE: Value of the basket based on 1 the average Price of shares in the basket during the first five Value Dates starting from Friday 5 September October 2008 (included).

FINAL VALUE: Value of the basket is based on the average share price of shares the first five Valuation Days in September 2013

EARLY REDEMPTION DAY : the last business day in Belgium of the month in which the Observation Value has resulted in the early redemption.. (Payment at Value Date D + 1 business day).

PRICE:

For all shares, except those listed on the Milan Stock Exchange, the closing price, namely the price of a share in the basket as calculated and reported at the close by the trading body responsible for the exchange on which the security is listed (or its legal successor). The benchmark price is applied to shares listed on the Milan Stock Exchange.

VALUE DATE:

For each share in the basket on an exchange trading day in which the share is quoted and for the exchange the highest trading day where the share's options are noted, unless a Market Disruption Event (suspension or limitation of trading on this share) occurs on this day or there is an early closing (the responsible body announced an early market close). If a Market Disruption Event or an Early Closure occurs as regards a share in the basket, the original Value Date for this share is replaced by the first following trading day in which there was no Market Disruption Event and no early closing and that is not itself already an original Value Date and does not itself replace an original Value Date due to a Market Disruption Event or an early closing.

However, if a Market Disruption Event or an early closure occurs during each of the eight trading days following the original Value Date, (i) that eighth trading day will be considered the original Value Date, and (ii) the fund may consider in good faith, in consultation with the prime counterparties with whom a swap agreement was reached, the share price as it would have been listed at the eighth trading day and (iii) the fund will notify shareholders of (a) the Market Disruption Event or early closing that has occurred with regard to one or several shares, (b) the modified conditions to determine the Starting and/or Final Value and (c) the procedures for the distribution of amounts in accordance with the investment objectives achieved.

The explanations below are intended to describe the workings of the structure of the sub-fund. The examples provided do not indicate the expected return. The actual return of the sub-fund depends, on the one hand, upon the actual market developments during the duration of the fund and, secondly, the specific methods of the sub-fund and, in particular, the change in underlying values, the duration and participation rate, as described under "Objectives and Investment Policy."

The following examples illustrate the aforementioned investment objectives for the structure for a duration of 5 years and including 3 Observation Times (End of Year 2, End of Year 3, End of Year 4). The structure implies early redemption as soon as one of the Observation Values meets the condition, as defined below. If such an early redemption occurs, the capital gains, as defined below, are paid above the initial subscription price.

Observation Time	Early Redemption Condition	Capital Gain
End of Year 2	Observation Value is greater than or equal to 110% of the Starting Value	16%
End of Year 3	Observation Value is greater than or equal to 115% of the Starting Value	24%
End of Year 4	Observation Value is greater than or equal to 120% of the Starting Value	32%

If none of the Observation Values results in early redemption, 2 other possibilities exist at Maturity:
Hypothesis 1: If the Final Value is greater than or equal to 125% of the Starting Value, a fixed capital gain of 40% will be distributed at Maturity above 100% of the initial subscription price.
Hypothesis 2: If the Final Value is lower than 125% of the Starting Value, 100% of any increase in this basket of shares will be distributed at Maturity above 100% of the initial subscription price.
 In each example the Starting Value of the basket is 100 and the initial subscription price is 10 CZK.

Gain scenario :

Observation Time	Observation Value	Condition met?	Payment
End of Year 2	112	Yes	$10 + 16\% * 10 = 11.60$ CZK
End of Year 3	Not applicable	Not applicable	Not applicable
End of Year 4	Not applicable	Not applicable	Not applicable
Maturity	Not applicable	Not applicable	Not applicable

IRR: 7.70%, before fees and taxes.

Neutral scenario:

Observation Time	Observation Value	Condition met?	Payment
End of Year 2	108	No	/
End of Year 3	114	No	/
End of Year 4	119	No	/
Maturity	123	No	$10 + 23\% * 10 = 12.3$ CZK

IRR: 4.22%, before fees and taxes.

Loss scenario:

Observation Time	Observation Value	Condition met?	Payment (*)
End of Year 2	105	No	/
End of Year 3	110	No	/
End of Year 4	100	No	/
Maturity	90	No	$10 + 0\% * 10 = 10$ CZK

IRR: 0%, before fees and taxes.

(*) Negative performance of the Basket is not taken into account.

APPLICABLE BASKET:

The table below shows, successively, in columns from left to right, the sequence number of the share, its name, Bloomberg code, the exchange on which it is listed and its initial weight.

1	ALLIANZ SE-REG	ALV GY Equity	Frankfurt	4.00%
2	ALTRIA GROUP INC	MO UN Equity	New York	4.00%
3	A SSICURAZIONI GENERALI	G IM Equity	Milan	2.00%
4	AT&T INC	T UN Equity	New York	4.00%
5	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	4.00%
6	BANCO SANTANDER SA	SAN SM Equity	Madrid	3.00%
7	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.00%
8	CITIGROUP INC	C UN Equity	New York	3.00%
9	CREDIT SUISSE GROUP-REG	CSGN VX Equity	Virt-x	2.00%
10	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	4.00%
11	DIAGEO PLC	DGE LN Equity	London	2.00%
12	ENI SPA	ENI IM EQUITY	Milan	6.00%
13	FORTIS	FORB BB Equity	Brussels	5.00%
14	FORTUM OYJ	FUM1V FH Equity	Helsinki	3.00%
15	ING GROEP NV-CVA	INGA NA Equity	Amsterdam	6.00%
16	INTESA SANPAOLO	ISP IM Equity	Milan	4.00%
17	JPMORGAN CHASE & CO	JPM UN Equity	New York	2.00%
18	KBC GROEP NV	KBC BB Equity	Brussels	3.00%
19	KRAFT FOODS INC-A	KFT UN Equity	New York	4.00%
20	MERCK & CO. INC.	MRK UN Equity	New York	3.00%
21	NATIONAL GRID PLC	NG/ LN Equity	London	4.00%
22	NESTLE SA-REG	NESN VX Equity	Virt-x	3.00%
23	NOKIA OYJ	NOK1V FH Equity	Helsinki	3.00%
24	PFIZER INC	PFE UN Equity	New York	4.00%
25	RWE AG	RWE GY Equity	Frankfurt	3.00%
26	SIEMENS AG-REG	SIE GY Equity	Frankfurt	2.00%
27	SUNTRUST BANKS INC	STI UN Equity	New York	2.00%
28	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
29	TOTAL	FP FP Equity	Paris	2.00%
30	VIVENDI	VIV FP Equity	Paris	3.00%

Selection criteria for inclusion in the basket:

A share may not be included in the basket unless (i) the share is listed on an exchange (ii) the share is part of a major stock index, (iii) the share has a large market capitalisation and a low

price/earnings ratio and (iv) the Board of the Fund has approved the inclusion of the share in the basket (the 'Selection Criteria').

Changes to the basket following a merger, acquisition, split, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition during the life of the sub-fund, a weight in the basket equal to the sum of the weights of the shares of all issuers involved in the transaction will be attributed to the shares of issuers involved in the transaction and that still meet the Selection Criteria after the transaction. If, after the transaction, none of the issuers concerned by the transaction meet the Selection Criteria any longer, such will be as specified under 'Nationalisation, Bankruptcy or Disqualification'.

Split

If an issuer of a share in the basket carries out a split, the weight of the share in question will be divided evenly between the shares of all issuers by fractions and who still meet the selection criteria. If, after the transaction, none of the issuers concerned by the split meet the Selection Criteria any longer, such will be as specified under 'Nationalisation, Bankruptcy or Disqualification'.

Nationalisation, Bankruptcy or Disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer meets the Selection Criteria ('Disqualification'), the share is valued at the last known price before disqualification. The value is then invested until Maturity of the underlying swap market transaction at the market rate in effect on the money market or bond market at the time of disqualification for a period equal to the time remaining until the Maturity of the underlying swap market transaction of the sub-fund. The value increased by interest is carried to Maturity as a result of the share for the calculation of the final increase of the basket at Maturity.

The following information is general in nature and does not purport to address all aspects of investing in UCITS. In specific cases, other rules may be applicable. In addition, tax laws and their interpretation may change. Investors who would like more information about the tax consequences – both in Belgium and abroad – regarding the acquisition, retention and transfer of share rights must seek advice from their financial and tax advisor.

The European Savings Directive and taxes on investment returns obtains at the time through the redemption of shares or equity in the event of a full or partial distribution of equity.

This UCI invests no more than 40% of its assets directly or indirectly in such instruments within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented through:
the Act of 17 May 2004; *transposing into Belgian law the 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 the 1992 Income Tax Code on withholding tax*
- the Royal Decree of 27 September 2009 *implementing Article 338bis § 2 of the 1992 Income Tax Code.*
- *the Royal Decree of 27 September 2009 regarding the entry into effect of Article 338bis § 2, paragraphs 1-3, of the 1992 Income Tax Code;*

A paying agent established in Belgium who pays a rent-income related to the UCITS in the form of dividend payment (coupon) or through the sale, repayment or amortisation of shares to a natural person (share owner) residing in another EU country (or an independent or associated territory) is required to send information about this payment to the Belgian authorities, who will forward such to the tax authority of the holder's country of residence.

B. Tax on investment returns obtained following the purchase of share holdings or in the event of a total or partial distribution of equity. (Art. 19bis CIR 92).

The shares of these UCITS are capitalised as giving rights to dividends falling under the scope of Article 19bis CIR 92 upon the total or partial redemption or distribution of equity. .

Article 19bis CIR 92 applies only to shareholders who are subject to personal income tax. Based on this article, tax will be charged on investment returns between the purchase or redemption price depending upon the period during which the investor was a holder of shares. The rate is 15%.

The investment return consists of an income total which, directly or indirectly, as interest, capital gains or losses from the contributions of assets, was invested in investment instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company delegates the intellectual management of portfolio, with the exception of the formation and maintenance of the sub-fund from a technical and legal perspective, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTOR

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 INVESTMENT POLICY FOLLOWED DURING THE FINANCIAL YEAR

Composition of the basket at reporting date

Name	Value
AGEAS	0,6457
ALLIANZ SE-REG	2,6370
ALTRIA GROUP INC	5,7151
ASSICURAZIONI GENERALI	1,0004
AT&T INC	3,7781
BANCO BILBAO VIZCAYA ARGENTA	2,3677
BANCO SANTANDER SA	1,6431
BRITISH AMERICAN TOBACCO PLC	4,9256
CITIGROUP INC	0,4201
CREDIT SUISSE GROUP AG-REG	0,8441
DEUTSCHE POST AG-REG	2,9802
DIAGEO PLC	2,7108
ENI SPA	4,6673
FORTUM OYJ	2,0768
ING GROEP NV-CVA	1,9980
INTESA SANPAOLO	1,4308
JPMORGAN CHASE & CO	1,6572
KBC GROEP NV	0,4410
KRAFT FOODS INC-CLASS A	4,5653
MERCK & CO. INC.	3,2975
NATIONAL GRID PLC	4,0048
NESTLE SA-REG	3,2747
NOKIA OYJ	0,7967
PFIZER INC	4,6951
RWE AG	1,2101
SIEMENS AG-REG	2,1265
SUNTRUST BANKS INC	0,7536
TELEFONICA SA (SM)	2,3505
TOTAL SA	1,7616
VIVENDI	1,9941
Total	72,77

Change in the index or basket

	Index:	Basket
	31/12/2010:	78,80
	30/06/2011:	80,31
	29/12/2011:	72,77
Change since 31/12/2010 or since the launch of the sub-fund:		-7.65%
Change since 30/06/2011 or since the launch of the sub-fund:		-9.39%
Index at the start of the sub-fund:		100,00
Minimum guarantee in local currency at maturity date:		10,00
Local currency:		CZK

Changes in the basket since the launch of the sub-fund:

Date	Redemptions	Purchases	Comments
30/04/2010	FORTIS (BRUSSELS)	AGEAS	Name change

2.1.8 RISK RATING

On a scale from 0 to VI.

Current risk rating: II.

Risk rating at launch: II.

This is a risk indicator for an investment in a UCI or sub-fund. Seven risk ratings have been defined.

The zero class represents the lowest risk rating and the six the highest risk.

Adaptation of the risk rating:

The risk rating is calculated according to the FSMA UCI Circular 3/2007 of 8 June 2007.

The risk rating may change over time. Thus, a change in the level of market volatility can affect the risk profile.

The risk rating should be changed when, for two consecutive six-month calculation periods, the risk rating of a UCI is different from that initially attributed.

The adapted risk rating is the risk rating at the time of the launch must be stated in the Annual (Interim) Reports.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
Total net assets	78.076.717,46	87.241.644,26
II. Securities, money market instruments, UCI and derivative financial instruments		
A. Bonds and similar instruments		
a) Bonds	72.122.085,11	80.000.776,38
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	-472.157,56	-472.574,06
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		18.610,51
c) Collateral	2.000.020,00	2.000.220,00
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	389.073,55	497.328,81
B. Current account balances at banks	4.020.168,40	5.170.275,30
VII. Accruals and deferrals		
B. Expenses to be carried forward	23.414,96	33.585,40
C. Accrued expenses (-)	-5.887,00	-6.578,08
Total shareholders' equity	78.076.717,46	87.241.644,26
A. Capital	80.411.742,78	87.033.916,80
B. Share in profit	45.202,92	9.212,91
D. Result for the financial year	-2.380.228,24	198.514,55

OFF-BALANCE SHEET ITEMS

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.B Deposits and cash at bank and in hand	2.000.000,00	2.000.000,00
IV Swap contract totals (+)	78.692.927,00	85.922.557,00

2.3 INCOME STATEMENT

Income statement	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs, capital gains and losses		
A. Bonds and similar instruments		
a) Bonds	-1.521.930,37	96.148,30
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	-86.042,58	395.654,46
G. Receivables, deposits, cash and debts	-306,90	-272,90
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	-3.031,34	-8.304,53
II. Investment income and expenses		
B. Interest		
a) Property values and money market instruments	1.161.939,75	1.315.136,87
b) Deposits and cash at bank and in hand	70.574,36	105.093,90
c) Collateral (+/-)	23.238,89	29.827,78
C. Interest on loans (-)	-19,68	
D. Swap contracts (+/-)	-293.343,43	-773.260,54
F. Other investment income		-8.155,56
III. Other income		
A. Fees to cover the costs for renewal and disposal of assets, to discourage redemption and to cover delivery costs	67.846,95	46.413,77
B. Other	-15.605,42	25.810,25
IV. Operating expenses		
B. Financial expenses (-)	-27.315,82	-22.420,49
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-1.631.282,18	-855.138,80
b) Administration and accounting management	-84.789,60	-66.484,31
F. Formation and organisation expenses (-)	-10.334,59	-12.414,40
G. Remuneration, social security charges and pensions (-)	-84,80	-134,19
H. Services and sundry goods (-)	-16.982,15	-32.087,31
J. Taxes	-992,34	-23.983,36
K. Other expenses (-)	-5.678,74	-6.367,01
Income and expenses for the period (quarter)		
Subtotal II + III + IV tax on proceeds	-768.917,05	-284.710,78
V. Profit (loss) before taxes	-2.380.228,24	198.514,55
VII. Result for the financial year	-2.380.228,24	198.514,55

Profit appropriation account

	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Profit to be allocated (loss to be recognised)		
Profit (loss) brought forward from the previous financial year	-2.335.025,32	207.727,46
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-2.380.228,24	198.514,55
	45.202,92	9.212,91
II. (Assignments in) Transfer from capital	2.335.025,32	-207.727,46

2.4 STATEMENT OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF THE ASSETS OF THE HORIZON CSOB SVETOVY JUMPER 3

Name	Quantity at 31/12/2011	Currency	Price In currency	Value in the fund's currency	% Held by the UCI	% Portfolio	% Net assets
NET ASSETS							
SHARE PORTFOLIO							
Bonds							
Private company bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	7.350.000,00	CZK	97,387	7.207.610,61		10,06	9,23
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	7.400.000,00	CZK	96,412	7.184.525,43		10,03	9,20
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	7.400.000,00	CZK	97,679	7.278.215,87		10,16	9,32
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	7.400.000,00	CZK	97,290	7.249.493,65		10,12	9,29
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	3.700.000,00	CZK	96,433	3.593.021,06		5,02	4,60
FIN. PROD.	3.700.000,00	CZK	96,489	3.595.102,39		5,02	4,61
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	3.700.000,00	CZK	97,558	3.634.633,30		5,07	4,66
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	3.700.000,00	CZK	96,684	3.602.293,22		5,03	4,61
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	3.700.000,00	CZK	97,195	3.621.215,54		5,05	4,64
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	3.700.000,00	CZK	96,300	3.588.105,91		5,01	4,60
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	3.700.000,00	CZK	96,863	3.608.914,49		5,04	4,62
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	3.700.000,00	CZK	97,053	3.615.973,57		5,05	4,63
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	3.700.000,00	CZK	96,347	3.589.852,49		5,01	4,60
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	3.650.000,00	CZK	97,807	3.594.603,02		5,02	4,60
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	3.700.000,00	CZK	96,210	3.584.755,67		5,00	4,59
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	3.650.000,00	CZK	97,236	3.573.768,89		4,99	4,58
Bonds total				72.122.085,11		100,66	92,37
Swaps							
<u>Belgium</u>							
KBC SWAPS	78.692.927,00	CZK	-0,600	-472.157,56		-0,66	-0,61
Swaps				-472.157,56		-0,66	-0,61
Total share portfolio				71.649.927,55		100,00	91,77
CASH AT BANK AND AT HAND							
Demand balances at banks							
<u>Belgium</u>							
KBC GROUP CZK	343.069,96	CZK	1,000	343.069,96			0,44
KBC GROUP EURO	1.803,85	EUR	1,000	46.003,59			0,06
Total demand balances at banks				389.073,55			0,50
Current accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	1.030.000,00	CZK	100,001	1.030.010,30			1,32
KBC BANK NV 25/07-10/01/12 KBCBANK 0.820 %	1.280.000,00	CZK	100,003	1.280.038,40			1,64

<u>France</u>						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	1.710.000,00	CZK	100,007	1.710.119,70		2,19
Total current accounts				4.020.168,40		5,15
Total cash at bank and at hand				4.409.241,95		5,65
MISC. ACCOUNTS RECEIVABLE AND PAYABLE						
Receivables						
<u>Belgium</u>						
KBC BANK NV 08/07-10/01/12 KBCBAN 0.750 % C	2.000.000,00	CZK	100,001	2.000.020,00		2,56
Total receivables				2.000.020,00		2,56
Total misc. accounts receivable and payable				2.000.020,00		2,56
OTHER						
Interest paid		CZK		23.414,96		0,03
Provisional expenses		CZK		-5.887,00		-0,01
Total other				17.527,96		0,02
TOTAL NET ASSETS				78.076.717,46		100,00

2.4.2 CHANGE IN THE COMPOSITION OF ASSETS

The detailed list of transactions may be consulted at no charge at the fund's main office, avenue du Port 2, 1080 Brussels.

2.4.3 TOTAL COMMITMENTS FOR FINANCIAL DERIVATIVE POSITIONS

IN SHARES	Currency	In currency	In the fund's currency	Lot size	Transaction date
KBCBANK 08/07-10/01/12 KBCBAN 0.750 % C	CZK	2.000.000,00	2.000.000,00	n.a.	06.07.2011
EQLISWAP	CZK	78.692.927,00	78.692.927,00	n.a.	16.11.2011

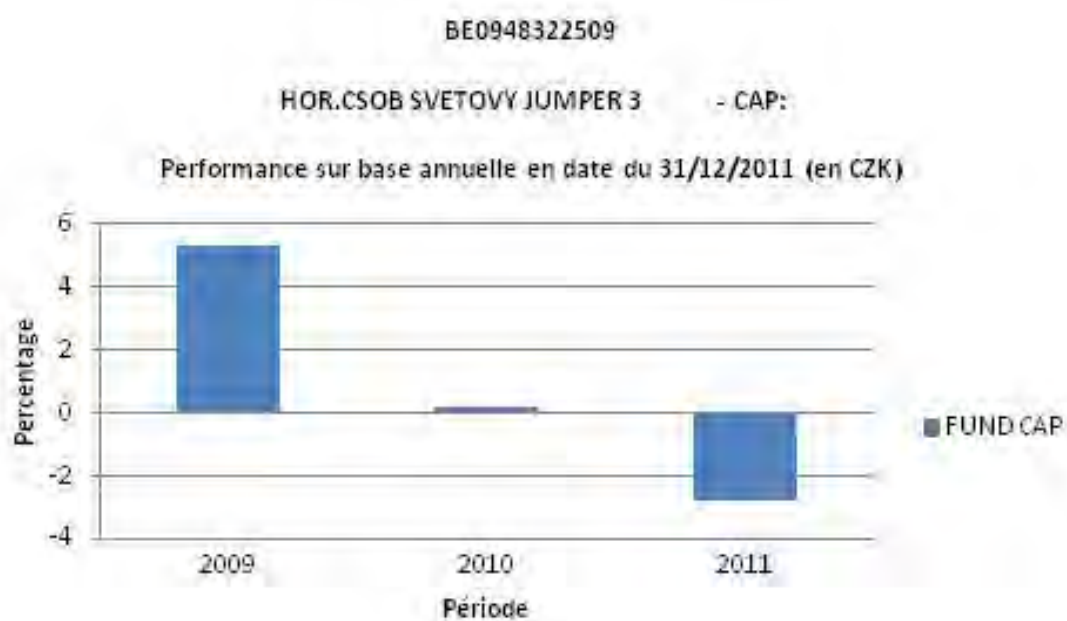
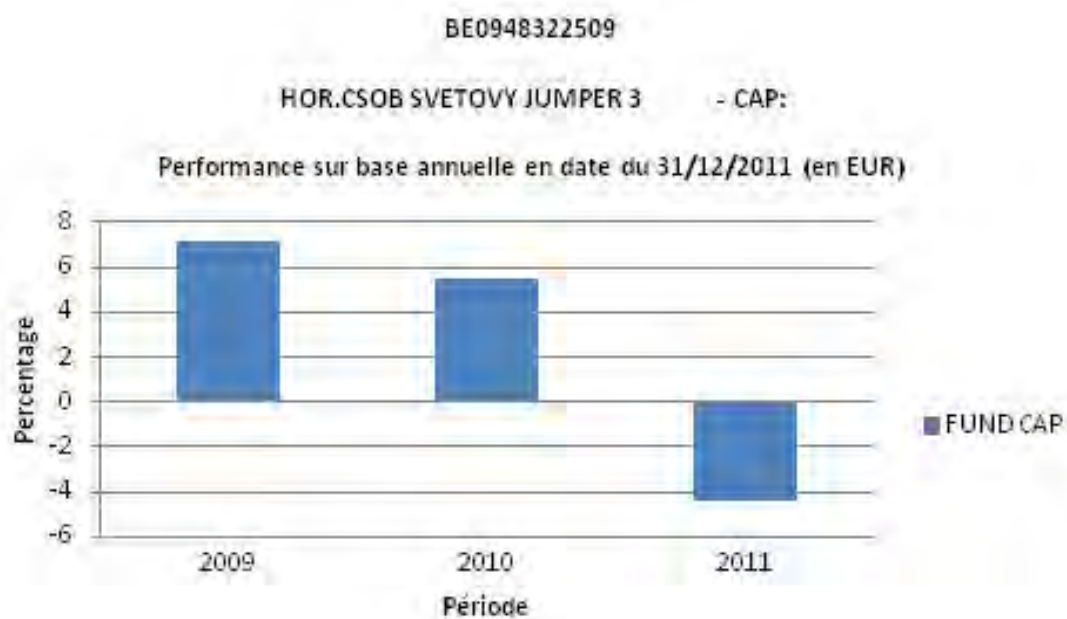
2.4.4 CHANGE IN THE NUMBER OF SUBSCRIPTIONS, REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares outstanding						
Years	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		115.597,00		9.145.614,00		9.145.614,00
2010 - 12	0,00		460.233,00		8.685.381,00		8.685.381,00
2011 - 12	0,00		682.490,00		8.002.891,00		8.002.891,00

Period	Totals paid and received by the UCI (in the currency of the sub-fund)			
Years	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		1.082.731,48	
2010 - 12	0,00		4.641.379,70	
2011 - 12	0,00		6.784.698,56	

Period	Net asset value End of period (in the currency of the sub-fund)		
Years	For sub-fund	For one share	
		Cap.	Dis.
2009 - 12	91.684.509,41	10,02	
2010 - 12	87.241.644,26	10,04	
2011 - 12	78.076.717,46	9,76	

2.4.5 RETURNS



Cap. Dis.	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		From start*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
Cap.	BE0948322509	EUR	-4.36%		2.61%						29/08/2008	-1.32%
Cap.	BE0948322509	CZK	-2.79%		0.87%						29/08/2008	-0.73%

* Performance figures are annualised.

Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take into account possible 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.
- Calculation method for date D, where NAV stands for net asset value:
Capitalisation shares (CAP)
Return on date D over a period of X years:
$$[\text{VIN}(D) / \text{VIN}(Y)]^{1/X} - 1$$
where Y = D-X
Return on date D since the start date S of the share:
$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$
where F = 1 if the share has existed for less than one year on date D
where F = (D-S) / 365.25 if the share 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 an annual return by taking the nth square root of 1 plus the total return of the share.
- The return figures shown above do not take into account fees and charges for the issue and redemption of shares.
- These are the share capitalisation performance figures.

2.4.6 EXPENSES

Total expenses ratio (TER): * 2.148%

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

- Transaction fees
- 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 35% and 60% if the distributor is a part of KBC Group NV or from 35% and 70% if the distributor is not a part 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 collective investment undertaking in shares of collective investment undertakings that are not managed by a KBC Group NV entity, and receives a fee for doing so, it will pay this fee to the collective investment undertaking.

Fee sharing does not affect the amount of the management fee paid by the fund to the management company. This management fee is subject to the conditions laid down in the statutes. The limitations may be amended only following approval by the General Meeting of shareholders.

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

It is in the interest of the sub-fund's shareholders and the Distributor that the largest possible number of shares be sold so that the sub-fund's assets are consequently maximised. In this respect, there is therefore no issue of conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENT AND OTHER DATA

The management fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

The administration agent's fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

Auditor's fee: 1,000 euros per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

The custodian's fee: is payable annually and is calculated on the basis of the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year.

Social, ethical and environmental concerns:

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 investment portfolio. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indices: Further information on potential financial indices used as underlying for financial derivatives are included in the "Objectives and investment policy of the sub-fund" section of this report..

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON THE HORIZON CSOB BEVERAGES SKK 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE AT LAUNCH

Launch date: 28 August 2008
Subscription price at launch: 10 SKK
Maturity date: 30 March 2012
Currency: SKK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY AS STATED IN THE PROSPECTUS

OBJECTIVE OF THE SUB-FUND

INVESTMENT POLICY

The sub-fund has two objectives(before costs and taxes):

- (1) To reimburse the initial per-share subscription price of 10 SKK at Maturity (capital protection). This capital protection is granted by the establishment of a financial mechanism that is further explained in Section *Capital protection*. This capital protection is not applicable in the event the shareholder sells his shares before the Maturity date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). The different types of swaps in which the fund may invest are explained in Section *Potential Return*.

CAPITAL PROTECTION

The financial mechanism used to achieve capital protection

The financial mechanism used to achieve the capital protection at Maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash. (including funds placed in a deposit account or current account). These investments may have different terms and coupon payment dates that are adapted to fund commitment periods by means of 'swap' transactions described in Section *Permitted Swap Transactions (2)*.

Investment criteria

The investments must meet the following criteria:

- (1) An investment in deposits and/or debt securities placed with or issued by financial institutions under prudential supervision and established in a Member State of the European Economic Area.
- (2) An investment in debt securities issued or guaranteed by a Member State of the European Economic Area..
- (3) An investment included in an investment strategy with a similar structure and identical counter risk to a direct investment in deposits and/or debt securities referred to in paragraphs (1) and (2) above.

Investments referred to in (3) may consist of:

- (A) An investment in publicly traded bonds issued by 'Special Purpose Vehicles' (SPV).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

Bonds issued by the SPV are underlying a diversified portfolio of deposits issued by financial institutions, bonds and other debt securities and derivatives (financial derivatives). The selection of these underlying investments is based on criteria related to allocation and solvency (See under *Permitted Asset Classes and Criteria of bonds and other debt obligations* to reduce counterparty risk.

Other specifications that such underlying deposits, bonds, other debt securities and derivatives (financial derivatives) must meet are listed in the SPV base prospectus.. These base prospectus are available on the site <http://www.kbc.be/prospectus/spv/>.

Investments like the SPVs fund are explained to the investor in the fund in the annual and interim report of the fund in which the fund is a part. The annual and interim report are also available on the site <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada, Australia and/or
- Debt securities issued by financial institutions subject to prudential supervision in the United States, Japan, Canada, Australia and/or
- Debt securities issued or guaranteed by the United States, Japan, Canada or Australia.

Prudential supervision of financial institutions in the United States, Japan, Canada and Australia may be considered equivalent to the prudential supervision of financial institutions in Member States of the European Economic Area.

Investments in debt securities issued by financial institutions subject to prudential supervision in the United States, Japan, Canada and Australia or issued or guaranteed by the United States, Japan, Canada or Australia have a minimum solvency score as stated in the Section *Characteristics of bonds and other debt securities*.

(C) The investments may also combine investments in (A) and in (B).

No formal guarantee

No formal guarantee of repayment of the initial subscription price is provided for the sub-fund or its shareholders. In other words, capital protection does not constitute a performance obligation for the fund, although the achievement of this goal by the financial mechanism remains the highest priority.

If, due to the impairment of the financial mechanism, the amount payable per share at Maturity (before costs and taxes) is less than the initial subscription price, KBC Asset Management SA may decide (but is not obliged) to cover the management commission received from the fund and possibly other funds during the current financial year to reduce this deficit. This is not a guarantee from KBC Asset Management SA, which may decide according to its own vision to use the management fee for this purpose or not.

This capital protection is not applicable in the event the shareholder sells his shares before the Maturity date.

POTENTIAL RETURN

To achieve a potential return, the sub-fund enters into swap agreements with one or more prime counterparties. This is the reason why the fund sells part of its future investment income to preserve the capital in this/these fund(s) for the duration of the fund. In exchange, the counterparty(ies) agree to provide the potential returns described in the Section *Strategy Defined*.

SUB-FUND INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations.

The limits and investment restrictions laid down by the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be respected at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The mean solvency score (rating) of bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Long-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Short-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

All durations are taken into consideration in the selection of bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The 'swaps' described below are made with a prime counterparty(ies) within the limits defined by law.

(1) To achieve a potential return, the sub-fund enters into 'swaps'. Through these swaps, the sub-fund sells part of its future investment income to preserve the capital in this/these fund(s) for the duration of the fund. In exchange, the counterparty(ies) agree to provide the potential returns described in the *Point Strategy defined*.

The 'swaps' in (1) are essential to achieving the investment objectives of the sub-fund, given that using this technique follows the goal of achieving a potential return.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

(2) The sub-fund concludes, if necessary, 'swaps' to match the durations of those sub-fund commitments and those of the flow of money resulting from deposits, bonds and other debt instruments described in the *Investment criteria*.

These 'swaps' are essential to achieving the investment objectives of the sub-fund, given that there are not bonds and other debt instruments sufficiently on the market whose coupons and maturities coincide perfectly with the maturities of the sub-fund commitments.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

(3) The sub-fund may also enter into 'swaps' to protect itself from the credit risk of issuers of bonds and other debt instruments. Through such a 'swap', one or more counterparty(ies) recovers, in exchange for a premium payable by the sub-fund, the risk of an issuer of a bond or other debt instrument that is found in the sub-fund's portfolio remains in default.

The 'swaps' in (3) serve to cover credit risk.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

STRATEGY DEFINED

OBJECTIVES AND INVESTMENT POLICY:

The sub-fund follows two investment objectives: firstly to maintain 100% of the initial subscription value to Maturity and secondly, to generate capital gains as much as possible depending upon any increase in the basket of 30 shares in companies in the beverage sector. Thus 90% of any increase in the basket of 30 stocks (= *(Final Value less Starting Value), divided by the Starting Value*) will be

distributed at Maturity above 100% of the initial subscription price. The capital gain is a maximum of 40% (IRR: 9.86% before fees and taxes).

MATURITY: Friday 30 March 2012 (Value date payment D + 1 business day)

CURRENCY: SKK, the change in the local currency exchange rate for shares in the basket compared to SKK is not relevant.

STARTING VALUE: Value of the basket based on the average Price of shares in the basket during the first ten Value Dates starting from Thursday 4 September 2008 (included).

FINAL VALUE: Value of the basket based on the average Price of shares in the basket on the last Value Date of the month of February for the last 4 years prior to Maturity, more precisely, from February 2009 to February 2012 (included).

PRICE:

For all shares, except those listed on the Milan Stock Exchange, the closing price, namely the price of a share in the basket as calculated and reported at the close by the trading body responsible for the exchange on which the security is listed (or its legal successor). The benchmark price is applied to shares listed on the Milan Stock Exchange.

VALUE DATE:

For each share in the basket on an exchange trading day in which the share is quoted and for the exchange the highest trading day where the share's options are noted, unless a Market Disruption Event (suspension or limitation of trading on this share) occurs on this day or there is an early closing (the responsible body announced an early market close). If a Market Disruption Event or an Early Closure occurs as regards a share in the basket, the original Value Date for this share is replaced by the first following trading day in which there was no Market Disruption Event and no early closing and that is not itself already an original Value Date and does not itself replace an original Value Date due to a Market Disruption Event or an early closing.

However, if a Market Disruption Event or an early closure occurs during each of the eight trading days following the original Value Date, (i) that eighth trading day will be considered the original Value Date, and (ii) the fund may consider in good faith, in consultation with the prime counterparties with whom a swap agreement was reached, the share price as it would have been listed at the eighth trading day and (iii) the fund will notify shareholders of (a) the Market Disruption Event or early closing that has occurred with regard to one or several shares, (b) the modified conditions to determine the Starting and/or Final Value and (c) the procedures for the distribution of amounts in accordance with the investment objectives achieved.

The explanations below are intended to describe the workings of the structure of the sub-fund. The examples provided do not indicate the expected return. The actual return of the sub-fund depends, on the one hand, upon the actual market developments during the duration of the fund and, secondly, the specific methods of the sub-fund and, in particular, the change in underlying values, the duration and participation rate, as described under "Objectives and Investment Policy."

The following examples illustrate the aforementioned investment objectives for a structure of 3 years and 7 months that pays at Maturity 80% of any increase in the basket of shares above 100% of the initial subscription price of 10 SKK. The maximum capital gain is 40%. The Initial Value of the basket is 100.

	Final Value of Basket	Calculation	Relevant Performance (*)	Value at Maturity
Gain scenario	180	$80\% * 80\% = 64\%$	40%	$10 + 40\% * 10 = 14$ SKK (IRR: 9.84%, before fees, taxes)
Neutral scenario	120	$80\% * 20\% = 16\%$	16%	$10 + 16\% * 10 = 11.6$ SKK (IRR: 4.22%, before fees, taxes)
Loss scenario	85	$80\% * 0\% = -0\%$	0%	$10 + 0\% * 10 = 10$ SKK (IRR: 0%, before fees, taxes)

(*) Negative performance of the Basket is not taken into account.

APPLICABLE BASKET:

The table below shows, successively, in columns from left to right, the sequence number of the share, its name, Bloomberg code, the exchange on which it is listed and its initial weight.

1	ASAHI BREWERIES LTD	2502 JT Equity	Tokyo	3.33%
2	ALTRIA GROUP INC	MO UN Equity	New York	3.33%
3	BROWN-FORMAN CORP-CLASS B	BF/B UN Equity	New York	3.33%
4	CADBURY PLC	CBRY LN Equity	London	3.33%
5	CAMPBELL SOUP CO	CPB UN Equity	New York	3.33%
6	CARLSBERG AS-B	CARLB DC Equity	Copenhagen	3.33%
7	COCA-COLA AMATIL	CCL AU Equity	ASX	3.33%
8	COCA-COLA ENTERPRISES	CCE UN Equity	New York	3.33%
9	CONSTELLATION BRANDS A	STZ UN equity	New York	3.33%
10	DAVIDE CAMPARI	CPR IM Equity	Milan	3.33%
11	DIAGEO PLC	DGE LN Equity	London	3.33%
12	DR PEPPER SNAPPLE GROUP	DPS UN Equity	New York	3.33%
13	FORTUNE BRANDS INC	FO UN Equity	New York	3.33%
14	FOSTER'S GROUP LTD	FGL AU Equity	ASX	3.33%
15	GROUPE DANONE	BN FP Equity	Paris	3.33%
16	HEINEKEN NV	HEIA NA Equity	Amsterdam	3.33%
17	HJ HEINZ CO	HNZ UN Equity	New York	3.33%
18	INBEV NV	INB BB Equity	Brussels	3.33%
19	KIRIN HOLDINGS CO LTD	2503 JT Equity	Tokyo	3.33%
20	KRAFT FOODS INC-CLASS A	KFT UN Equity	New York	3.33%
21	LION NATHAN LIMITED	LNN AU Equity	ASX	3.33%
22	LV/MH	MC FP Equity	Paris	3.33%
23	MOLSON COORS BREWING CO -B	TAP UN Equity	New York	3.33%
24	NESTLE SA	NESN VX Equity	Virt-X	3.33%
25	PEPSI BOTTLING GROUP	PBG UN Equity	New York	3.33%
26	PEPSICO	PEP UN Equity	New York	3.33%
27	PERNOD-RICARD SA	RI FP Equity	Paris	3.33%
28	PROCTER & GAMBLE	PG UN Equity	New York	3.33%
29	SABMILLER PLC	SAB LN Equity	London	3.33%
30	UNILEVER NV	UNA NA Equity	Amsterdam	3.33%

Selection criteria for inclusion in the basket:

A share may not be included in the basket unless (i) the share is listed on an exchange (ii) the share is part of a major stock index, (iii) the company issuing the shares is active in the beverage sector and (iv) the Board of the Fund has approved the inclusion of the share in the basket (the 'Selection Criteria').

Changes to the basket following a merger, acquisition, split, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition during the life of the sub-fund, a weight in the basket equal to the sum of the weights of the shares of all issuers involved in the transaction will be attributed to the shares of issuers involved in the transaction and that still meet the Selection Criteria after the transaction. If, after the transaction, none of the issuers concerned by the transaction meet the Selection Criteria any longer, such will be as specified under 'Nationalisation, Bankruptcy or Disqualification'.

Split

If an issuer of a share in the basket carries out a split, the weight of the share in question will be divided evenly between the shares of all issuers by fractions and who still meet the selection criteria. If, after the transaction, none of the issuers concerned by the split meet the Selection Criteria any longer, such will be as specified under 'Nationalisation, Bankruptcy or Disqualification'.

Nationalisation, Bankruptcy or Disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer meets the Selection Criteria ('Disqualification'), the share is valued at the last known price before disqualification. The value is then invested until Maturity of the underlying swap market transaction at the market rate in effect on the money market or bond market at the time of disqualification for a period equal to the time remaining until the Maturity of the underlying swap market transaction of the sub-fund. The value increased by interest is carried to Maturity as a result of the share for the calculation of the final increase of the basket at Maturity.

Volatility of the net asset value may increase due to the composition of the basket.

The following information is general in nature and does not purport to address all aspects of investing in UCITS. In specific cases, other rules may be applicable. In addition, tax laws and their interpretation may change. Investors who would like more information about the tax consequences – both in Belgium and abroad – regarding the acquisition, retention and transfer of share rights must seek advice from their financial and tax advisor.

The European Savings Directive and taxes on investment returns obtains at the time through the redemption of shares or equity in the event of a full or partial distribution of equity.

This UCITS invests no more than 40% of its assets directly or indirectly in such instruments within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented through:
the Act of 17 May 2004; *transposing into Belgian law the 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 the 1992 Income Tax Code on withholding tax*
- the Royal Decree of 27 September 2009 *implementing Article 338bis § 2 of the 1992 Income Tax Code.*
- *the Royal Decree of 27 September 2009 regarding the entry into effect of Article 338bis § 2, paragraphs 1-3, of the 1992 Income Tax Code;*

A paying agent established in Belgium who pays a rent-income related to the UCITS in the form of dividend payment (coupon) or through the sale, repayment or amortisation of shares to a natural person (share owner) residing in another EU country (or an independent or associated territory) is required to send information about this payment to the Belgian authorities, who will forward such to the tax authority of the holder's country of residence.

B. Tax on investment returns obtained following the purchase of share holdings or in the event of a total or partial distribution of equity. (Art. 19bis CIR 92).

The shares of these UCITS are capitalised as giving rights to dividends falling under the scope of Article 19bis CIR 92 upon the total or partial redemption or distribution of equity. .

Article 19bis CIR 92 applies only to shareholders who are subject to personal income tax. Based on this article, tax will be charged on investment returns between the purchase or redemption price depending upon the period during which the investor was a holder of shares.
The rate is 15%.

The investment return consists of an income total which, directly or indirectly, as interest, capital gains or losses from the contributions of assets, was invested in investment instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company delegates the intellectual management of portfolio, with the exception of the formation and maintenance of the sub-fund from a technical and legal perspective, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTOR

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 INVESTMENT POLICY FOLLOWED DURING THE FINANCIAL YEAR**Composition of the basket at reporting date**

Name	Value
ALTRIA GROUP INC	4,7810
ANHEUSER-BUSCH INBEV NV	5,2634
ASAHI GROUP HOLDINGS LTD	2,8588
BEAM INC	3,6907
BROWN-FORMAN CORP-CLASS B	4,6782
CAMPBELL SOUP CO	2,9395
CARLSBERG AS-B	2,9909
COCA-COLA AMATIL LIMITED	4,3068
COCA-COLA ENTERPRISES	4,9427
CONSTELLATION BRANDS INC-A	3,1055
DANONE	3,5443
DAVIDE CAMPARI-MILANO SPA	5,7572
DIAGEO PLC	4,5531
DR PEPPER SNAPPLE GROUP INC	5,2338
HEINEKEN NV	3,7357
HJ HEINZ CO	3,4794
KIRIN HOLDINGS CO LTD	4,6481
KRAFT FOODS INC-CLASS A	9,6149
LVMH MOET HENNESSY LOUIS VUI	5,2512
MOLSON COORS BREWING CO -B	3,0035
NESTLE SA-REG	3,6386
PEPSICO INC	7,4154
PERNOD-RICARD SA	3,8078
PROCTER & GAMBLE CO/THE	3,1040
SABMILLER PLC	6,3457
SPEC CASH FOSTERS GOUP LTD (HOCBE1K)	3,2063
TREASURY WINE ESTATES	2,1471
UNILEVER NV-CVA	4,3455
Total	122,39

Change in the index or basket

Index:	Basket
31/12/2010:	116,76
30/06/2011:	123,58
29/12/2011:	122,39
Change since 31/12/2010 or since the launch of the sub-fund:	4.82%
Change since 30/06/2011 or since the launch of the sub-fund:	-0.96%
Index at the start of the sub-fund:	100,00
Minimum guarantee in local currency at maturity date:	10,00
Local currency:	SKK

Changes in the basket since the launch of the sub-fund:

Date	Redemptions	Purchases	Comments
20/11/2008	Inbev NV	Anheuser Busch Inbev	Name change
30/04/2009	GROUPE DANONE	DANONE	Name change
29/10/2009	LION NATHAN LIMITED	KIRIN HOLDINGS CO LTD	Purchase
01/03/2010	PEPSI BOTTLING GROUP INC	PEPSICO INC	Purchase
08/03/2010	CADBURY PLC	KRAFT FOODS INC-CLASS A	Purchase
10/05/2011		TREASURY WINE ESTATES	Spin-Off Treasury Wine Estates from Fosters
01/07/2011	ASAHI BREWERIES LTD	ASAHI GROUP HOLDINGS LTD	Name change
04/10/2011	FORTUNE BRANDS INC	BEAM INC	Name change
05/12/2011	FOSTER'S GROUP LTD	SPEC CASH FOSTERS GOUP LTD (HOCBE1K)	Capitalisation

2.1.8 RISK RATING

On a scale from 0 to VI.

Current risk rating: II.

Risk rating at launch: IV

This is a risk indicator for an investment in UCI or sub-fund. Seven risk ratings have been defined.

The zero class represents the lowest risk rating and the six the highest risk.

Adaptation of the risk rating:

The risk rating is calculated according to the FSMA UCI Circular 3/2007 of 8 June 2007.

The risk rating may change over time. Thus, a change in the level of market volatility can affect the risk profile.

The risk rating should be changed when, for two consecutive six-month calculation periods, the risk rating of a UCI is different from that initially attributed.

The adapted risk rating is the risk rating at the time of the launch must be stated in the Annual (Interim) Reports.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
Total net assets	1.706.391,75	1.852.157,22
II. Securities, money market instruments, UCI and derivative financial instruments		
A. Bonds and similar instruments		
a) Bonds	1.436.269,35	1.629.267,82
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	36.913,60	65.782,79
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		381,07
B. Debts		
a) Accounts payable (-)		-1.009,81
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	21.776,86	37.279,64
B. Current account balances at banks	210.073,60	120.015,79
VI. Accruals and deferrals		
B. Expenses to be carried forward	1.486,34	578,96
C. Accrued expenses (-)	-128,00	-139,04
Total shareholders' equity	1.706.391,75	1.852.157,22
A. Capital	1.757.453,46	1.816.807,32
D. Result for the financial year	-51.061,71	35.349,90

OFF-BALANCE SHEET ITEMS

IV Swap contract totals (+)	1.685.552,51	1.787.575,68
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2.3 INCOME STATEMENT

Income statement	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs, capital gains and losses		
A. Bonds and similar instruments		
a) Bonds	-30.453,29	1.541,50
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	-26.900,14	35.359,12
G. Receivables, deposits, cash and debts	57,81	9,50
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	-0,10	-0,15
II. Investment income and expenses		
B. Interest		
a) Property values and money market instruments	24.229,57	17.878,90
b) Deposits and cash at bank and in hand	2.784,90	1.205,15
D. Swap contracts (+/-)	8.074,21	9.123,84
III. Other income		
A. Fees to cover the costs for renewal and disposal of assets, to discourage redemption and to cover delivery costs	947,03	922,14
B. Other	-330,77	1.224,68
IV. Operating expenses		
A. Transaction and investment delivery fees (-)		-0,04
B. Financial expenses (-)	-585,83	-258,39
C. Custodian's fee (-)	-250,00	-250,00
D. Manager's fee (-)		
a) Financial management	-26.187,41	-28.316,66
b) Administration and accounting management	-1.737,72	-1.404,73
F. Formation and organisation expenses (-)	-205,08	-268,01
G. Remuneration, social security charges and pensions (-)		-2,82
H. Services and sundry goods (-)	-345,78	-899,93
J. Taxes	-31,13	-501,28
K. Other expenses (-)	-127,98	-12,92
Income and expenses for the period (quarter)		
Subtotal II + III + IV tax on proceeds	6.234,01	-1.560,07
V. Profit (loss) before taxes	-51.061,71	35.349,90
VII. Result for the financial year	-51.061,71	35.349,90

Profit appropriation account

	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Profit to be allocated (loss to be recognised)		
Profit (loss) brought forward from the previous financial year	-51.061,71	35.349,90
II. (Assignments in) Transfer from capital	51.061,71	-35.349,90

2.4 STATEMENT OF THE ASSETS AND KEY FIGURES

STATEMENT OF THE ASSETS OF THE HORIZON CSOB BEVERAGES SKK

Name	Quantity at 31/12/2011	Currency	Price in foreign currency	Value in foreign currency	% Held by the UCI	% Portfolio	% Net assets
NET ASSETS							
SHARE PORTFOLIO							
Bonds							
Private company bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6E-7 10/07-10/01_4.277%	146.000,00	EUR	97,393	143.432,10		9,74	8,41
BEECHWOOD STRUCTURED FIN PLC 6E-7 10/07-10/01_4.277%	148.000,00	EUR	96,419	143.954,59		9,77	8,44
BROOKFIELDS CAPITAL PLC 6E-7 10/07-10/01_4.277%	147.000,00	EUR	97,685	144.843,07		9,83	8,49
EPERON FINANCE PLC 6E-7 10/07-10/01_4.277%	147.000,00	EUR	97,297	144.272,51		9,79	8,46
ESPACCIO SECURITIES PLC 6E-7 10/07-10/01_4.277%	73.000,00	EUR	96,439	71.019,59		4,82	4,16
FIN. PROD.	73.000,00	EUR	96,496	71.060,66		4,82	4,16
NIMROD CAPITAL PLC 6E-7 10/07-10/01_4.277%	73.000,00	EUR	97,564	71.840,59		4,88	4,21
OPAL FINANCIAL PRODUCTS PLC 6E-7 10/07-10/01_4.277%	74.000,00	EUR	96,690	72.177,91		4,90	4,23
PROFILE FINANCE PLC 6E-7 10/07-10/01_4.277%	74.000,00	EUR	97,201	72.556,36		4,93	4,25
RECOLTE SECURITIES PLC 6E-7 10/07-10/01_4.277%	74.000,00	EUR	96,306	71.894,16		4,88	4,21
SILVERSTATE FIN INV PLC 6E-7 10/07-10/01_4.277%	73.000,00	EUR	96,869	71.333,17		4,84	4,18
VESPUCCI STRUCTURED FIN PROD 6E-7 10/07-10/01_4.277%	73.000,00	EUR	97,060	71.472,44		4,85	4,19
VIGADO CAPITAL PLC 6E-7 10/07-10/01_4.277%	73.000,00	EUR	96,354	70.957,08		4,82	4,16
VOYCE INVESTMENTS PLC 6E-7 10/07-10/01_4.277%	73.000,00	EUR	97,813	72.022,32		4,89	4,22
WATERFORD CAPITAL INC PLC 6E-7 10/07-10/01_4.277%	74.000,00	EUR	96,216	71.827,16		4,88	4,21
WAVES FINANCIAL INV PLC 6E-7 10/07-10/01_4.277%	73.000,00	EUR	97,242	71.605,64		4,86	4,20
Bonds total				1.436.269,35		97,49	84,17
Swaps							
<u>Belgium</u>							
KBC SWAPS	50.778.955,00	SKK	2,190	36.913,60		2,51	2,16
Swaps				36.913,60		2,51	2,16
Total share portfolio				1.473.182,95		100,00	86,33
CASH AT BANK AND AT HAND							
Demand balances at banks							
<u>Belgium</u>							
KBC GROUP EURO	21.776,86	EUR	1,000	21.776,86			1,28
Total demand balances at banks				21.776,86			1,28
Current accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 1.740 %	80.000,00	EUR	100,037	80.029,60			4,69
KBC BANK NV 25/07-10/01/12 KBCBANK 1.750 %	40.000,00	EUR	100,037	40.014,80			2,35
<u>United Kingdom</u>							
STANDARD CHARTERED 08/07-10/01/12 STANDCHA 1.770 %	40.000,00	EUR	100,038	40.015,20			2,35

<u>Slovakia</u>						
CALYON BANK 14/10-10/01/12 CALYON 1.480 %	50.000,00	EUR	100,028	50.014,00		2,93
Total current accounts				210.073,60		12,31
Total cash at bank and at hand				231.850,46		13,59
OTHER						
Interest paid		EUR		1.486,34		0,09
Provisional expenses		EUR		-128,00		-0,01
Total other				1.358,34		0,08
TOTAL NET ASSETS				1.706.391,75		100,00

2.4.2 CHANGE IN THE COMPOSITION OF ASSETS

The detailed list of transactions may be consulted at no charge at the fund's main office, avenue du Port 2, 1080 Brussels.

2.4.3 TOTAL COMMITMENTS FOR FINANCIAL DERIVATIVE POSITIONS

IN SHARES	Currency	In currency	In the fund's currency	Lot size	Transaction date
EQLISWAP	SKK	50.778.955,00	1.685.552,51	n.a.	08.07.2011

2.4.4 CHANGE IN THE NUMBER OF SUBSCRIPTIONS, REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	11.680.997,11		6.141.653,00		5.667.683,00		5.667.683,00
2010 - 12	800,00		270.425,00		5.398.058,00		5.398.058,00
2011 - 12	0,00		280.059,00		5.117.999,00		5.117.999,00

Period	Totals paid and received by the UCI (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	1.466,30		76.802,87	
2010 - 12	272,00		91.944,50	
2011 - 12	0,00		94.703,76	

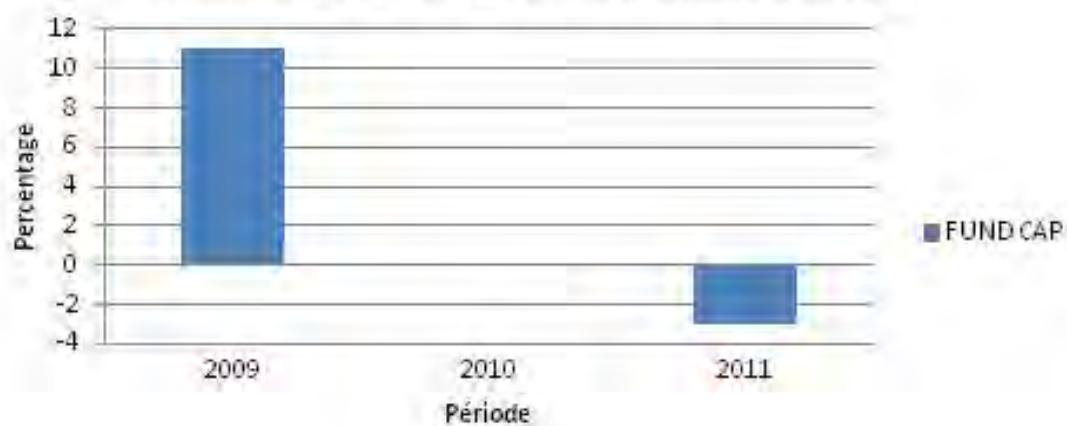
Period	Net asset value End of period (in the currency of the sub-fund)		
	For sub-fund	For one share	
		Cap.	Dis.
2009 - 12	1.908.479,82	0,34	
2010 - 12	1.852.157,22	0,34	
2011 - 12	1.706.391,75	0,33	

2.4.5 RETURNS

BE0948323515

HOR. CSOB BEVERAGES SKK 1 - CAP:

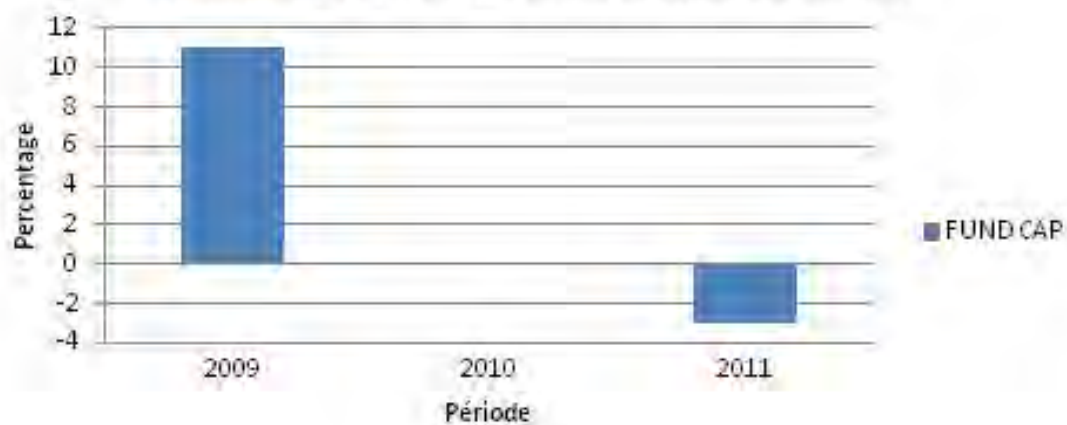
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0948323515

HOR. CSOB BEVERAGES SKK 1 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en SKK)



Cap Dis	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		From start*	
			Share class	Benchmark	Share class	Benchmark	Share class	Benchmark	Share class	Benchmark	Launch date	Share class
CAP	BE0948323515	EUR	-2.94%		2.54%						28/08/2008	0.01%
CAP	BE0948323515	SKK	-2.94%		2.54%						28/08/2008	-0.18%

* Performance figures are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take into account possible restructuring.
- Calculated in SKK and 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:
$$[\text{VIN}(D) / \text{VIN}(Y)]^{1/X} - 1$$
where Y = D-X
Return on date D since the start date S of the share:
$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$
where F = 1 if the share has existed for less than one year on date D
where F = (D-S) / 365.25 if the share 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 an annual return by taking the nth square root of 1 plus the total return of the share.
- The return figures shown above do not take into account fees and charges for the issue and redemption of shares.
- These are the share capitalisation performance figures.

2.4.6 EXPENSES

Total expenses ratio (TER): * 1.694%

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

- Transaction fees
- 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 35% and 60% if the distributor is a part of KBC Group NV or from 35% and 70% if the distributor is not a part 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 collective investment undertaking in shares of collective investment undertakings that are not managed by a KBC Group NV entity, and receives a fee for doing so, it will pay this fee to the collective investment undertaking.

Fee sharing does not affect the amount of the management fee paid by the fund to the management company. This management fee is subject to the conditions laid down in the statutes. The limitations may be amended only following approval by the General Meeting of shareholders.

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

It is in the interest of the sub-fund's shareholders and the Distributor that the largest possible number of shares be sold so that the sub-fund's assets are consequently maximised. In this respect, there is therefore no issue of conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENT AND OTHER DATA

The management fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

The administration agent's fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

Auditor's fee: 1,000 euros per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

The custodian's fee: is payable annually and is calculated on the basis of the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year.

Social, ethical and environmental concerns:

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 investment portfolio. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indices: Further information on potential financial indices used as underlying for financial derivatives are included in the "Objectives and investment policy of the sub-fund" section of this report..

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 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
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 - 2.1.7. Investment policy followed during the financial year
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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON KREDYT BANK FIX UPSIDE COUPON 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE AT LAUNCH

Launch date: 27 March 2009
Subscription price at launch: 100 PLN
Maturity date: 31 October 2013
Currency: PLN

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY AS STATED IN THE PROSPECTUS

OBJECTIVE OF THE SUB-FUND

The sub-fund has two objectives(before costs and taxes):

- (1) To reimburse the initial per-share subscription price of 10 PLN at Maturity (capital protection). This goal is achieved through a formal guarantee issued to shareholders in the sub-fund by KBC Bank SA, avenue du Port 2, 1080 Brussels. Additional information concerning the guarantee is provided in the Additional Information about the sub-fund. This capital protection is not applicable in the event the shareholder sells his shares before the Maturity date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts).Through these swaps, the sub-fund sells a portion of its future investment income as explained in *Permitted asset classes* to counterparty(ies) for the duration of the sub-fund. In exchange, the counterparty(ies) agree to provide a potential return. This objective is not part of the guarantee.
The different types of 'swaps' in which the sub-fund may invest are explained in Permitted swap transactions.

SUB-FUND INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations. These investments may have different durations and coupon payment dates that are adapted to sub-fund commitment periods by means of 'swap' transactions described in Section *Permitted Swap Transactions (2)*.

The limits and investment restrictions laid down by the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be respected at all times.

The sub-fund may invest in publicly traded bonds issued by '*Special Purpose Vehicles*' (SPV).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

Bonds issued by the SPV are underlying a diversified portfolio of deposits issued by financial institutions, bonds and other debt securities and derivatives (financial derivatives). The selection of these underlying investments is based on criteria related to allocation and solvency (See under *Permitted Asset Classes and Criteria of bonds and other debt obligations* to reduce counterparty risk.

Other specifications that such underlying deposits, bonds, other debt securities and derivatives (financial derivatives) must meet are listed in the SPV base prospectus.. These base prospectus are available on the site <http://www.kbc.be/prospectus/spv/>.

Investments like the SPVs fund are explained to the investor in the fund in the annual and interim report of the fund in which the fund is a part. The annual and interim report are also available on the site <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The mean solvency score (rating) of bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Long-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Short-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

All durations are taken into consideration in the selection of bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The 'swaps' described below are made with a prime counterparty(ies) within the limits defined by law.

(1) To achieve a potential return, the sub-fund enters into 'swaps'. Through these swaps, the sub-fund sells part of its future investment income as described in *Permitted asset classes* to counterparty(ies) for the duration of the sub-fund. In exchange, the counterparty(ies) agree to provide the potential returns described in the *Point Strategy defined*.

The 'swaps' in (1) are essential to achieving the investment objectives of the sub-fund, given that using this technique follows the goal of achieving a potential return.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

If necessary, the sub-fund may conclude 'swaps' to match the durations of sub-fund commitments and to the flow of funds stemming from the investments described in *Permitted Asset Classes*.

These 'swaps' are essential to achieving the investment objectives of the sub-fund, given that there are not bonds and other debt instruments sufficiently on the market whose coupons and maturities coincide perfectly with the maturities of the sub-fund commitments.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

(3) The sub-fund may also enter into 'swaps' to protect itself from the credit risk of issuers of bonds and other debt instruments. Through such a 'swap', one or more counterparty(ies) recovers, in exchange for a premium payable by the sub-fund, the risk of an issuer of a bond or other debt instrument that is found in the sub-fund's portfolio remains in default.

The 'swaps' in (3) serve to cover credit risk.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

STRATEGY DEFINED

OBJECTIVES AND INVESTMENT POLICY:

The sub-fund pursues two investment objectives: firstly, to maintain the value of the initial subscription at Maturity and secondly, distribute a dividend per Period, with the approval of the General Assembly.

The dividend for the first period is set at 9.3% (before taxes).

For the following Periods, beginning with Period 2, a variable dividend is determined per Period, depending on the changes in a basket of 30 shares of quality companies (as defined below), which are characterised by a large market capitalisation and a low price/earnings ratio, calculated on the basis of a **'Fix Upside Coupon structure'**.

The possible increase of the basket of shares per Period compared to the initial value of the basket} (*Final Value of the basket for the Period less Initial Value of the basket*) divided by *Initial Value of the basket*) will be determined and paid at 100% as a dividend per Period, except that in determining the shares' Final Value of the Period, the calculation method as described in "Final Value per Period of a share" must be taken into account.

Negative performance of the basket is not taken into account. The dividend per Period is 0% minimum.

Dividends paid are subject to a 15% withholding tax, subject to changes in the current legislation. Dividends for each Period, except the last Period, are payable on the last business day of the month that follows the end of the Period. The dividend for the last Period is payable at Maturity.

MATURITY: Thursday 31 October 2013 (Value date payment D + 1 business day)

CURRENCY: PLN, the change in the local currency exchange rate for shares in the basket compared to PLN is not relevant.

PERIODS:

Period	Length of the Period	Dividend per Period (before taxes)
1) 04/2009 - 03/2010	12 months	9.3%

Period	Length of the Period	Final Period Price
2) 04/2010 - 03/2011	12 months	For each share in the basket, the average Price for the first five Value Dates in April 2011
3) 04/2011 - 03/2012	12 months	For each share in the basket, the average Price for the first five Value Dates in April 2012
4) 04/2012 - 09/2013	18 months	For each share in the basket, the average Price for the first five Value Dates in October 2013

INITIAL VALUE OF A SHARE:

For each share in the basket, the average Price for the first five Value Dates starting from Friday 3 April 2009 (included).

FINAL VALUE PER PERIOD FOR A SHARE *:

- Scenario 1: If the Final Price for a share in the Period is greater than the Initial Value of this share, regardless of this difference, we will post an increase of 6.5% as the Final Value per Period for this share compared to its Initial Value for the current Period.
- Scenario 2: If the Final Price for a share in the Period is lower or equal to the Initial Value of this share, we will post the Final Price as the Final Value per Period for the current Period.

(*) The increase or decrease of a share at the end of each Period will always be calculated relative to the Initial Value of the individual share as described above, which is determined only once and cannot be changed, as illustrated in the example below.

INITIAL VALUE OF THE BASKET: the weighted average of the Initial Value of shares in the basket.

FINAL VALUE OF THE PERIOD OF THE BASKET:

The weighted average of the Final Value per Period for shares in the basket.

PRICE:

For all shares, except those listed on the Milan Stock Exchange, the closing price, namely the price of a share in the basket as calculated and reported at the close by the trading body responsible for the exchange on which the security is listed (or its legal successor). The benchmark price is applied to shares listed on the Milan Stock Exchange.

VALUE DATE:

For each share in the basket on an exchange trading day in which the share is quoted and for the exchange the highest trading day where the share's options are noted, unless a Market Disruption Event (suspension or limitation of trading on this share) occurs on this day or there is an early closing (the responsible body announced an early market close). If a Market Disruption Event or an Early Closure occurs as regards a share in the basket, the original Value Date for this share is replaced by the first following trading day in which there was no Market Disruption Event and no early closing and that is not itself already an original Value Date and does not itself replace an original Value Date due to a Market Disruption Event or an early closing.

However, if a Market Disruption Event or an early closure occurs during each of the eight trading days following the original Value Date, (i) that eighth trading day will be considered the original Value Date, and (ii) the fund may consider in good faith, in consultation with the prime counterparties with whom a swap agreement was reached, the share price as it would have been listed at the eighth trading day and (iii) the fund will notify shareholders of (a) the Market Disruption Event or early closing that has occurred with regard to one or several shares, (b) the modified conditions to determine the Starting and/or Final Value and (c) the procedures for the distribution of amounts in accordance with the investment objectives achieved.

The explanations below are intended to describe the workings of the structure of the sub-fund. The examples provided do not indicate the expected return. The actual return of the sub-fund depends, on the one hand, upon the actual market developments during the duration of the structure and, secondly, the specific methods of the sub-fund and, in particular, the change in underlying values, the duration and participation rate, as described under "Objectives and Investment Policy."

The following example illustrates the investment objectives described below. The example is based on a duration of 4.5 years and a basket of 3 shares of equal weighting, each with a Price of 100 in determining the Initial Value.

The dividend for the first Period is set at 9.3% (before taxes). For successive Periods, starting from Period 2, a variable dividend is determined based on the potential increase of the basket of shares. In the event of an increase, however small ($> 0\%$) per Period for an individual share compared with its Initial Value, this share's contribution to the capital gains of the basket will be set at 6.5% for current Period.

However, in the event of an individual share's decline ($\leq 0\%$) per Period compared with its Initial Value the decrease of this share is considered to determine the share's contribution to the value of the basket value for the current Period.

The dividend per Period is 0% minimum.

Example

Gain scenario

Numéro Période	Valeur Finale Par Période de l'Action A (*)	Valeur Finale Par Période de l'Action B (*)	Valeur Finale Par Période de l'Action C (*)	Calculation	Dividende (**) (***)
1	pas applicable	pas applicable	pas applicable	pas applicable	9.3% (fixe)
2	101 (6.5%)	106 (6.5%)	103 (6.5%)	$(6.5\%+6.5\%+6.5\%)/3= 6.5\%$	6.50%
3	104 (6.5%)	110 (6.5%)	101 (6.5%)	$(6.5\%+6.5\%+6.5\%)/3= 6.5\%$	6.50%
4	105 (6.5%)	106 (6.5%)	110 (6.5%)	$(6.5\%+6.5\%+6.5\%)/3= 6.5\%$	6.50%

(*) Le Cours Final et entre parenthèses, la contribution de chaque action (Valeur Finale par Période d'une action) au dividende de la période considérée.

(**) Fiscalité : précompte mobilier de 15% sur les dividendes, sous réserve de modification de la législation en vigueur.

(***) La première, deuxième et troisième Période est d'une durée de 12 mois. La quatrième Période est d'une durée de 18 mois.

Scénario Neutre

Numéro Période	Valeur Finale Par Période de l'Action A (*)	Valeur Finale Par Période de l'Action B (*)	Valeur Finale Par Période de l'Action C (*)	Calculation	Dividende (**) (***)
1	pas applicable	pas applicable	pas applicable	pas applicable	9.3% (fixe)
2	93 (-7%)	101 (6.5%)	103 (6.5%)	$(-7\%+6.5\%+6.5\%)/3= 2\%$	2.00%
3	96 (-4%)	104 (6.5%)	103 (6.5%)	$(-4\%+6.5\%+6.5\%)/3= 3\%$	3.00%
4	101 (6.5%)	102 (6.5%)	95 (-5%)	$(6.5\%+6.5\%-5\%)/3= 2.67\%$	2.67%

(*) Le Cours Final et entre parenthèses, la contribution de chaque action (Valeur Finale par Période d'une action) au dividende de la période considérée.

(**) Fiscalité : précompte mobilier de 15% sur les dividendes, sous réserve de modification de la législation en vigueur.

(***) La première, deuxième et troisième Période est d'une durée de 12 mois. La quatrième Période est d'une durée de 18 mois.

Scénario Négatif

Numéro Période	Valeur Finale Par Période de l'Action A (*)	Valeur Finale Par Période de l'Action B (*)	Valeur Finale Par Période de l'Action C (*)	Calculation	Dividende (**) (***)
1	pas applicable	pas applicable	pas applicable	pas applicable	9.3% (fixe)
2	97 (-3%)	98 (-2%)	95 (-5%)	$(-3\%-2\%-5\%)/3= -3.33\%$	0.00%
3	98 (-2%)	92 (-8%)	92 (-8%)	$(-2\%-8\%-8\%)/3= -6\%$	0.00%
4	99 (-1%)	97 (-3%)	95 (-5%)	$(-1\%-3\%-5\%)/3= -3\%$	0.00%

(*) Le Cours Final et entre parenthèses, la contribution de chaque action (Valeur Finale par Période d'une action) au dividende de la période considérée.

(**) Fiscalité : précompte mobilier de 15% sur les dividendes, sous réserve de modification de la législation en vigueur.

(***) La première, deuxième et troisième Période est d'une durée de 12 mois. La quatrième Période est d'une durée de 18 mois.

APPLICABLE BASKET:

The table below shows in columns from left to right, successively, the order number of the share, its name, Bloomberg code, the exchange on which it is listed and its initial weight.

1	ALLIANZ SE-REG	ALV GY Equity	FRANKFURT	3.3333%
2	ALTRIA GROUP INC	MO UN Equity	NEW YORK	3.3333%
3	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	MADRID	3.3333%
4	BASF SE	BAS GY Equity	FRANKFURT	3.3333%
5	BAYER AG	BAY GY Equity	FRANKFURT	3.3333%
6	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	LONDON	3.3333%
7	CARNIVAL PLC	CCL LN Equity	LONDON	3.3333%
8	DEUTSCHE POST AG-REG	DPW GY Equity	FRANKFURT	3.3333%
9	DIAGEO PLC	DGE LN Equity	LONDON	3.3333%
10	ENEL SPA	ENEL IM Equity	MILAN	3.3333%
11	HENNES & MAURITZ AB-B SHS	HMB SS Equity	STOCKHOLM	3.3333%
12	HSBC HOLDINGS PLC	HSBA LN Equity	LONDON	3.3333%
13	INTESA SANPAOLO	ISP IM Equity	MILAN	3.3333%
14	KRAFT FOODS INC-CLASS A	KFT UN Equity	NEW YORK	3.3333%
15	MERCK & CO. INC.	MRK UN Equity	NEW YORK	3.3333%
16	MUENCHENER RUECKVER AG-REG	MUV2 GY Equity	FRANKFURT	3.3333%
17	NATIONAL GRID PLC	NG/ LN Equity	LONDON	3.3333%
18	NESTLE SA-REG	NESN VX Equity	VIRT-X	3.3333%
19	NOVARTIS AG-REG	NOVN VX Equity	VIRT-X	3.3333%
20	PFIZER INC	PFE UN Equity	NEW YORK	3.3333%
21	ROCHE HOLDING AG-GENUSSCHEIN	ROG VX Equity	VIRT-X	3.3333%
22	ROYAL BANK OF CANADA	RY CN Equity	TORONTO	3.3333%
23	ROYAL DUTCH SHELL PLC-A SHS	RDSA NA Equity	AMSTERDAM	3.3333%
24	RWE AG	RWE GY Equity	FRANKFURT	3.3333%
25	STATOILHYDRO ASA	STL NO Equity	OSLO	3.3333%
26	TELEFONICA SA	TEF SM Equity	MADRID	3.3333%
27	TOTAL SA	FP FP Equity	PARIS	3.3333%
28	UNILEVER NV-CVA	UNA NA Equity	AMSTERDAM	3.3333%
29	VIVENDI	VIV FP Equity	PARIS	3.3333%
30	ZURICH FINANCIAL SERVICE-REG	ZURN VX Equity	VIRT-X	3.3333%

Selection criteria for inclusion in the basket:

A share may not be included in the basket unless (i) the share is listed on an exchange (ii) the share is part of a major stock index, (iii) the share has a large market capitalization and a low price/earnings ratio and (iv) the Board of the Fund has approved the inclusion of the share in the basket (the 'Selection Criteria').

Changes to the basket following a merger, acquisition, split, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition during the life of the sub-fund, a weight in the basket equal to the sum of the weights of the shares of all issuers involved in the transaction will be attributed to the shares of issuers involved in the transaction and that still meet the Selection Criteria after the transaction. If, after the transaction, none of the issuers concerned by the transaction meet the Selection Criteria any longer, such will be as specified under 'Nationalisation, Bankruptcy or Disqualification'.

Split

If an issuer of a share in the basket carries out a split, the weight of the share in question will be divided evenly between the shares of all issuers by fractions and who still meet the selection criteria. If, after the transaction, none of the issuers concerned by the split meet the Selection Criteria any longer, such will be as specified under 'Nationalisation, Bankruptcy or Disqualification'.

Nationalisation, Bankruptcy or Disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer meets the Selection Criteria ('Disqualification'), the share is valued at the last known price before disqualification. The value is then invested until Maturity of the underlying swap market transaction at the market rate in effect on the money market or bond market at the time of disqualification for a period equal to the time remaining until the Maturity of the underlying swap market transaction of the sub-fund. The value increased by interest is carried to Maturity as a result of the share for the calculation of the final increase of the basket at Maturity.

The following information is general in nature and does not purport to address all aspects of investing in UCITS. In specific cases, other rules may be applicable. In addition, tax laws and their interpretation may change. Investors who would like more information about the tax consequences – both in Belgium and abroad – regarding the acquisition, retention and transfer of share rights must seek advice from their financial and tax advisor.

The European Savings Directive and taxes on investment returns obtained at the time through the redemption of shares or equity in the event of a full or partial distribution of equity.

This UCITS invests no more than 40% of its assets directly or indirectly in such instruments within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented through:
the Act of 17 May 2004; *transposing into Belgian law the 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 the 1992 Income Tax Code on withholding tax*
- the Royal Decree of 27 September 2009 *implementing Article 338bis § 2 of the 1992 Income Tax Code*
- the Royal Decree of 27 September 2009 *regarding the entry into effect of Article 338bis § 2, paragraphs 1-3, of the 1992 Income Tax Code;*

A paying agent established in Belgium who pays a rent-income related to the UCITS in the form of dividend payment (coupon) or through the sale, repayment or amortisation of shares to a natural person (share owner) residing in another EU country (or an independent or associated territory) is required to send information about this payment to the Belgian authorities, who will forward such to the tax authority of the holder's country of residence.

B. Tax on investment returns obtained following the purchase of share holdings or in the event of a total or partial distribution of equity. (Art. 19bis CIR 92).

The shares of these UCITS are capitalised as giving rights to dividends falling under the scope of Article 19bis CIR 92 upon the total or partial redemption or distribution of equity. .

Article 19bis CIR 92 applies only to shareholders who are subject to personal income tax. Based on this article, tax will be charged on investment returns between the purchase or redemption price depending upon the period during which the investor was a holder of shares.
The rate is 15%.

The investment return consists of an income total which, directly or indirectly, as interest, capital gains or losses from the contributions of assets, was invested in investment instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company delegates the intellectual management of portfolio, with the exception of the formation and maintenance of the sub-fund from a technical and legal perspective, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTOR

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 INVESTMENT POLICY FOLLOWED DURING THE FINANCIAL YEAR

Composition of the basket at reporting date

Name	Value
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ALLIANZ SE-REG	3,5267
ALTRIA GROUP INC	6,1062
BANCO BILBAO VIZCAYA ARGENTA	3,1620
BASF SE	6,8700
BAYER AG	4,3915
BRITISH AMERICAN TOBACCO PLC	6,4922
CARNIVAL PLC	4,1955
DEUTSCHE POST AG-REG	4,4662
DIAGEO PLC	5,9673
ENEL SPA	3,1398
HENNES & MAURITZ AB-B SHS	4,3419
HSBC HOLDINGS PLC (LONDON)	3,6635
INTESA SANPAOLO	2,1603
KRAFT FOODS INC-CLASS A	5,5842
MERCK & CO. INC.	4,7473
MUENCHENER RUECKVER AG-REG	3,1535
NATIONAL GRID PLC	4,3947
NESTLE SA-REG	4,5425
NOVARTIS AG-REG	4,1615
PFIZER INC	5,3367
ROCHE HOLDING AG-GENUSSCHEIN	3,4913
ROYAL BANK OF CANADA (CN)	4,4772
ROYAL DUTCH SHELL PLC-A SHS (AMSTRDAM)	5,6892
RWE AG	1,6523
STATOILHYDRO ASA	4,3195
TELEFONICA SA (SM)	2,9015
TOTAL SA	3,5416
UNILEVER NV-CVA	5,8965
VIVENDI	2,7557
ZURICH FINANCIAL SERVICE-REG	3,6982
Total	128,83

Change in the index or basket

Index:	Basket
31/12/2010:	132,56
30/06/2011:	134,43
29/12/2011:	128,83
Change since 31/12/2010 or since the launch of the sub-fund:	-2,81%
Change since 30/06/2011 or since the launch of the sub-fund:	-4,17%
Index at the start of the sub-fund:	100,00
Minimum guarantee in local currency at maturity date:	100,00
Local currency:	PLN

Fixings

Period	Final Date	Final Value	Cap
1	07/04/2010	n.a.	9,30%
2	07/04/2011	n.a.	5,15%

2.1.8 RISK RATING

On a scale from 0 to VI.

Current risk rating: III

Risk rating at launch: II

This is a risk indicator for an investment in a UCI or sub-fund. Seven risk ratings have been defined. The zero class represents the lowest risk rating and the six the highest risk.

Adaptation of the risk rating:

The risk rating is calculated according to the FSMA UCI Circular 3/2007 of 8 June 2007.

The risk rating may change over time. Thus, a change in the level of market volatility can affect the risk profile.

The risk rating should be changed when, for two consecutive six-month calculation periods, the risk rating of a UCI is different from that initially attributed.

The adapted risk rating is the risk rating at the time of the launch must be stated in the Annual (Interim) Reports.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011	31/12/2010
	(in the currency of the sub-fund)	(in the currency of the sub-fund)
Total net assets	16.111.608,90	18.976.001,68
II. Securities, money market instruments, UCI and derivative financial instruments		
A. Bonds and similar instruments		
a) Bonds	15.544.812,15	17.927.676,55
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	-1.024.652,13	-560.566,45
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		3.922,42
c) Collateral	459.926,40	989.940,60
B. Debts		
a) Accounts payable (-)	-73.486,12	-70.070,82
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	100.378,52	118.920,54
B. Current account balances at banks	1.089.798,70	559.889,40
VI. Accruals and deferrals		
B. Expenses to be carried forward	28.941,39	22.907,99
C. Accrued expenses (-)	-14.110,01	-16.618,55
Total shareholders' equity	16.111.608,90	18.976.001,68
A. Capital	16.198.189,21	17.851.236,20
B. Share in profit	-57.993,66	-137.424,94
D. Result for the financial year	-28.586,65	1.262.190,42

OFF-BALANCE SHEET ITEMS

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.B Deposits and cash at bank and in hand	460.000,00	990.000,00
IV Swap contract totals (+)	17.678.057,00	19.666.657,00

2.3 INCOME STATEMENT

Profit and loss account	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs, capital gains and losses		
A. Bonds and similar instruments		
a) Bonds	-320.338,81	37.577,81
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	-505.810,10	-508.826,95
G. Receivables, deposits, cash and debts	-104,90	1.364,40
H. Foreign exchange positions and transactions		
Derivative financial instruments		
Swap contracts (+/-)		303.739,93
b) Other foreign exchange positions and transactions	523,15	-476.779,54
II. Investment income and expenses		
B. Interest		
a) Property values and money market instruments	726.096,20	713.746,78
b) Deposits and cash at bank and in hand	48.867,69	270.819,37
c) Collateral (+/-)	24.403,78	
C. Interest on loans (-)	-31,11	-67.005,17
D. Swap contracts (+/-)	398.669,18	1.218.473,07
F. Other investment income		15.400,00
III. Other income		
A. Fees to cover the costs for renewal and disposal of assets, to discourage redemption and to cover delivery costs	18.683,85	16.166,81
B. Other	-1.049,03	3.920,44
IV. Operating expenses		
A. Transaction and investment delivery fees (-)	0,17	-0,10
B. Financial expenses (-)	-3.032,96	-5.982,81
C. Custodian's fee (-)	-959,50	-1.016,05
D. Manager's fee (-)		
a) Financial management	-361.299,12	-199.131,63
b) Administration and accounting management	-17.862,95	-14.352,40
E. Administration fees (-)	-4.111,54	-8.282,87
F. Formation and organisation expenses (-)	-13.095,77	-12.686,90
G. Remuneration, social security charges and pensions (-)	-17,74	-28,28
H. Services and sundry goods (-)	-3.624,38	-4.253,26
J. Taxes	-13.271,47	-19.409,31
K. Other expenses (-)	-1.221,29	-1.262,92
Income and expenses for the period (quarter)		
Subtotal II + III + IV tax on proceeds	797.144,01	1.905.114,77
V. Profit (loss) before taxes	-28.586,65	1.262.190,42
VII. Result for the financial year	-28.586,65	1.262.190,42

Profit appropriation account

	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Profit to be allocated (loss to be recognised)		
Profit (loss) brought forward from the previous financial year	-86.580,31	1.124.765,48
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-28.586,65	1.262.190,42
	-57.993,66	-137.424,94
II. (Assignments in) Transfer from capital	1.054.002,66	825.379,42
IV. (Distribution of dividends)	-967.422,35	-1.950.144,90

2.4 STATEMENT OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF THE ASSETS OF HORIZON KREDYT BANK FIX UPSIDE COUPON 1

Name	Quantity at 31/12/2011	Currency	Price in foreign currency	Value in the fund's currency	% Held by the UCI	% Portfolio	% Net assets
NET ASSETS							
SHARE PORTFOLIO							
Bonds							
Private company bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6W-15 10/01-10/07 6.66%	1.560.000,00	PLN	97,363	1.553.817,37		10,70	9,64
BEECHWOOD STRUCTURED FIN PLC 6W-15 10/01-10/07 5.84%	1.575.000,00	PLN	96,388	1.553.408,78		10,70	9,64
BROOKFIELDS CAPITAL PLC 6W-15 10/01-10/07 6.66%	1.565.000,00	PLN	97,654	1.563.360,13		10,77	9,70
EPERON FINANCE PLC 6W-15 10/01-10/07 6.66%	1.570.000,00	PLN	97,266	1.562.261,12		10,76	9,70
ESPACCIO SECURITIES PLC 6W-15 10/01-10/07 5.84%	785.000,00	PLN	96,409	774.399,56		5,33	4,81
FIN. PROD.	780.000,00	PLN	96,465	769.905,84		5,30	4,78
NIMROD CAPITAL PLC 6W-15 10/01-10/07 5.84%	780.000,00	PLN	97,533	778.239,38		5,36	4,83
OPAL FINANCIAL PRODUCTS PLC 6W-15 10/01-10/07 5.84	790.000,00	PLN	96,659	781.311,77		5,38	4,85
PROFILE FINANCE PLC 6W-15 10/01-10/07 5.84%	785.000,00	PLN	97,171	780.381,36		5,37	4,84
RECOLTE SECURITIES PLC 6W-15 10/01-10/07 6.66%	785.000,00	PLN	96,276	773.356,75		5,33	4,80
SILVERSTATE FIN INV PLC 6W-15 10/01-10/07 6.66%	780.000,00	PLN	96,838	772.817,58		5,32	4,80
VESPUCCI STRUCTURED FIN PROD 6W-15 10/01-10/07 6.66%	785.000,00	PLN	97,029	779.269,21		5,37	4,84
VIGADO CAPITAL PLC 6W-15 10/01-10/07 6.66%	785.000,00	PLN	96,323	773.727,31		5,33	4,80
VOYCE INVESTMENTS PLC 6W-15 10/01-10/07 6.66%	780.000,00	PLN	97,782	780.181,13		5,37	4,84
WATERFORD CAPITAL INC PLC 6W-15 10/01-10/07 5.84%	785.000,00	PLN	96,185	772.645,95		5,32	4,80
WAVES FINANCIAL INV PLC 6W-15 10/01-10/07 5.84%	780.000,00	PLN	97,211	775.728,91		5,34	4,82
Bonds total				15.544.812,15		107,06	96,48
Swaps							
<u>Belgium</u>							
KBC SWAPS	17.678.057,00	PLN	-5,140	-1.024.652,13		-7,06	-6,36
Swaps				-1.024.652,13		-7,06	-6,36
Total share portfolio				14.520.160,02		100,00	90,12
CASH AT BANK AND AT HAND							
Demand balances at banks							
<u>Belgium</u>							
KBC GROUP EURO	1.533,62	EUR	1,000	6.836,57			0,04
KBC GROUP PLN	93.541,95	PLN	1,000	93.541,95			0,58
Total demand balances at banks				100.378,52			0,62
Current accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	600.000,00	PLN	99,984	599.904,00			3,72
KBC BANK NV 25/07-10/01/12 KBCBANK 3.980 %	400.000,00	PLN	99,982	399.928,00			2,48

<u>United Kingdom</u>						
STANDARD CHARTERED 08/07-10/01/12 STANDCHA 3.400 %	90.000,00	PLN	99,963	89.966,70		0,56
Total current accounts				1.089.798,70		6,76
Total cash at bank and at hand				1.190.177,22		7,39
MISC. ACCOUNTS RECEIVABLE AND PAYABLE						
Receivables						
<u>Belgium</u>						
KBC BANK NV 08/07-10/01/12 KBCBAN 4.050 % C	460.000,00	PLN	99,984	459.926,40		2,86
Total receivables				459.926,40		2,86
Debts						
<u>Belgium</u>						
KBC GROUP PLN A PAYER	-73.486,12	PLN	1,000	-73.486,12		-0,46
Total debts				-73.486,12		-0,46
Total misc. accounts receivable and payable				386.440,28		2,40
OTHER						
Interest paid		PLN		28.941,39		0,18
Provisional expenses		PLN		-14.110,01		-0,09
Total other				14.831,38		0,09
TOTAL NET ASSETS				16.111.608,90		100,00

2.4.2 CHANGE IN THE COMPOSITION OF ASSETS

The detailed list of transactions may be consulted at no charge at the fund's main office, avenue du Port 2, 1080 Brussels.

2.4.3 TOTAL COMMITMENTS FOR FINANCIAL DERIVATIVE POSITIONS

IN SHARES	Currency	In currency	In the fund's currency	Lot size	Transaction date
KBCBANK 08/07-10/01/12 KBCBAN 4.050 % C	PLN	460.000,00	460.000,00	n.a.	06.07.2011
EQLISWAP	PLN	17.678.057,00	17.678.057,00	n.a.	29.07.2011

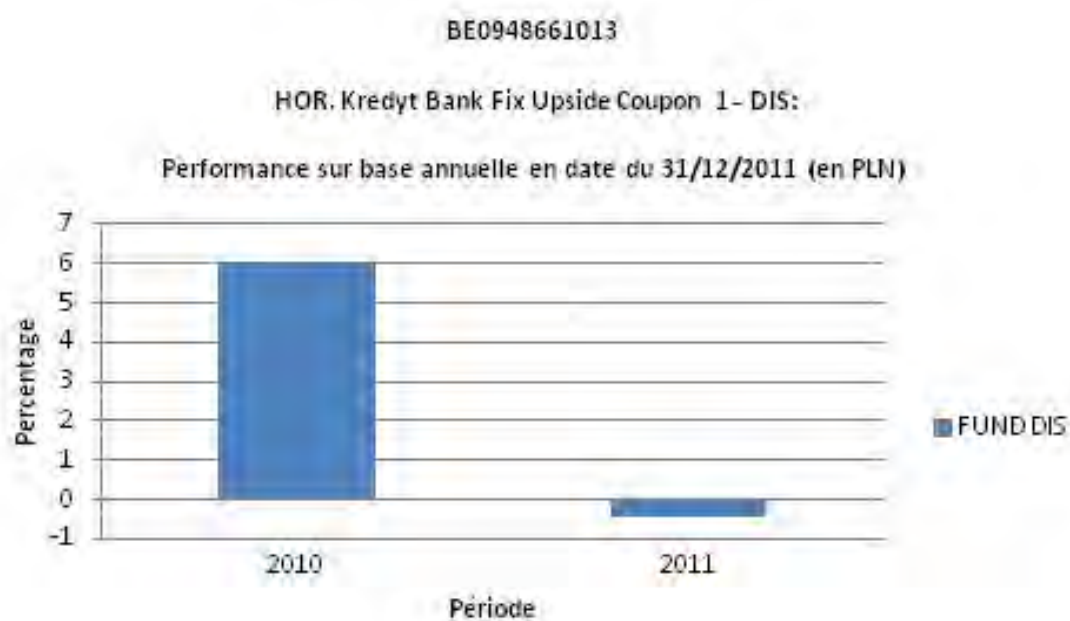
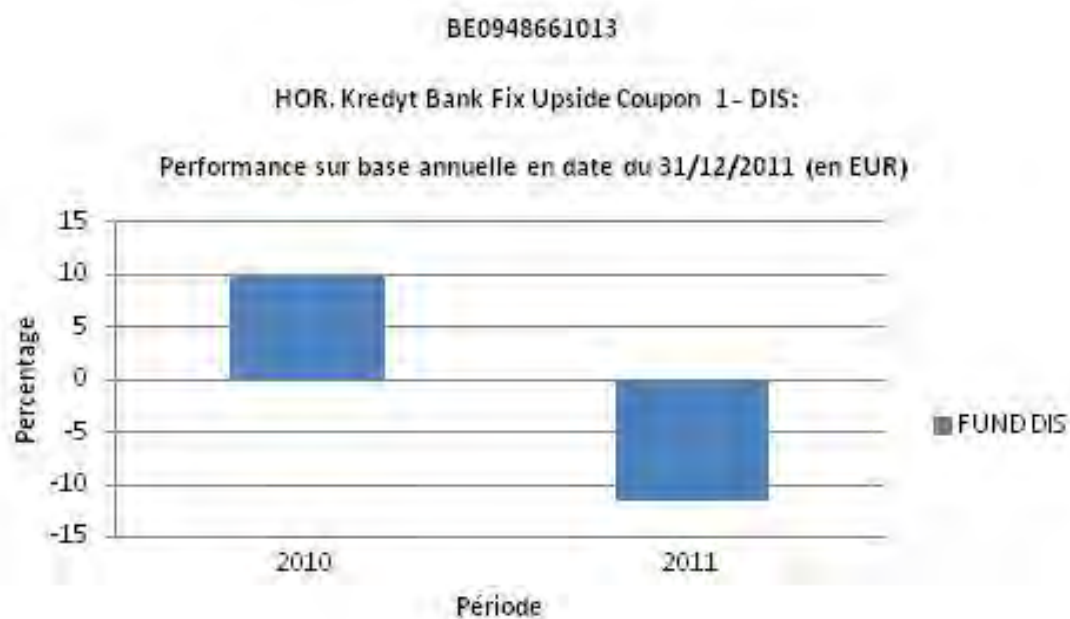
2.4.4 CHANGE IN THE NUMBER OF SUBSCRIPTIONS, REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares outstanding						
Years	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12		215.418,00		3.173,00		212.245,00	212.245,00
2010 - 12		0,00		16.837,00		195.408,00	195.408,00
2011 - 12		0,00		19.613,00		175.795,00	175.795,00

Period	Totals paid and received by the UCI (in the currency of the sub-fund)			
Years	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12		21.541.800,00		313.049,33
2010 - 12		0,00		1.616.680,45
2011 - 12		0,00		1.868.383,78

Period	Net asset value End of period (in the currency of the sub-fund)		
Years	For sub-fund	For one share	
		Cap.	Dis.
2009 - 12	21.280.636,61		100,26
2010 - 12	18.976.001,68		97,11
2011 - 12	16.111.608,90		91,65

2.4.5 RETURNS



Cap Dis	ISIN code	Curren y	1 Year		3 Years*		5 Years*		10 Years*		From start*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
DIS	BE0948661013	EUR	-11.50%								27/03/2009	2.84%
DIS	BE0948661013	PLN	-0.46%								27/03/2009	2.18%

* Performance figures are annualised.

Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take into account possible restructuring.
- Calculated in PLN and in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. For those shares that pay a dividend, the dividend is geometrically offset in the performance.
- Calculation method for date D, where NAV stands for net asset value:
Distribution shares (DIS)
Return on date D over a period of X years:
 $[C * NIW(D) / NIW(Y)]^{1/X} - 1$
where $Y = D - X$
Return on date D since the start date S of the share:
 $[C * NIW(D) / NIW(S)]^{1/F} - 1$
where $F = 1$ if the share has existed for less than one year on date D
where $F = (D - S) / 365.25$ if the share has existed for longer than one year on date D
with C a factor that is determined by all dividends N between the calculation date D and the reference date.
We use for the dividend i at the date Di with value Wi:
 $C_i = [W_i / NIW(D_i)] + 1$
 $i = 1 \dots N$
where $C = C_0 * \dots * C_N$.
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into an annual return by taking the nth square root of 1 plus the total return of the share.
- The return figures shown above do not take into account fees and charges for the issue and redemption of shares.
- These are yields for distribution shares.

{Dividend at the ex-dividend date 18/04/2011: 4,38 PLN net (5.15 PLN gross).

In accordance with the Royal Decree of 10 November 2006 concerning the accounting and annual accounts of certain public mutual investment funds, the investor should be informed that the collective investment body paid a dividend, although a negative "income" was received for the fiscal year in which the dividend was paid.

The investor should also know that the dividend paid was set in accordance with the investment objective, as described in the prospectus and the simplified prospectus.

2.4.6 EXPENSES

Total expenses ratio (TER): * 2.419%

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

- Transaction fees
- 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 35% and 60% if the distributor is a part of KBC Group NV or from 35% and 70% if the distributor is not a part 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 collective investment undertaking in shares of collective investment undertakings that are not managed by a KBC Group NV entity, and receives a fee for doing so, it will pay this fee to the collective investment undertaking.

Fee sharing does not affect the amount of the management fee paid by the fund to the management company. This management fee is subject to the conditions laid down in the statutes. The limitations may be amended only following approval by the General Meeting of shareholders.

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

It is in the interest of the sub-fund's shareholders and the Distributor that the largest possible number of shares be sold so that the sub-fund's assets are consequently maximised. In this respect, there is therefore no issue of conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENT AND OTHER DATA

The management fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

The administration agent's fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

Auditor's fee: 1,000 euros per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

The custodian's fee: is payable annually and is calculated on the basis of the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year.

Social, ethical and environmental concerns:

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 investment portfolio. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indices: Further information on potential financial indices used as underlying for financial derivatives are included in the "Objectives and investment policy of the sub-fund" section of this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB SVETOVY LOOKBACK 3

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE AT LAUNCH

Launch date: 3 October 2008
Subscription price at launch: 10 CZK
Maturity date: 9 May 2014
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY AS STATED IN THE PROSPECTUS

OBJECTIVE OF THE SUB-FUND

INVESTMENT POLICY

The sub-fund has two objectives (before costs and taxes):

- (1) To reimburse the initial per-share subscription price of 10 CZK at Maturity (capital protection). This capital protection is granted by the establishment of a financial mechanism that is further explained in Section *Capital protection*. This capital protection is not applicable in the event the shareholder sells his shares before the Maturity date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). The different types of swaps in which the fund may invest are explained in Section *Potential Return*.

CAPITAL PROTECTION

The financial mechanism used to achieve capital protection

The financial mechanism used to achieve the capital protection at Maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash. (including funds placed in a deposit account or current account). These investments may have different terms and coupon payment dates that are adapted to fund commitment periods by means of 'swap' transactions described in Section *Permitted Swap Transactions (2)*.

Investment criteria

The investments must meet the following criteria:

- (1) An investment in deposits and/or debt securities placed with or issued by financial institutions under prudential supervision and established in a Member State of the European Economic Area.
- (2) An investment in debt securities issued or guaranteed by a Member State of the European Economic Area..
- (3) An investment included in an investment strategy with a similar structure and identical counter risk to a direct investment in deposits and/or debt securities referred to in Paragraphs (1) and (2) above.

Investments referred to in (3) may consist of:

- (A) An investment in publicly traded bonds issued by 'Special Purpose Vehicles' (SPV).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

Bonds issued by the SPV are underlying a diversified portfolio of deposits issued by financial institutions, bonds and other debt securities and derivatives (financial derivatives). The selection of these underlying investments is based on criteria related to allocation and solvency (See under *Permitted Asset Classes and Criteria of bonds and other debt obligations* to reduce counterparty risk.

Other specifications that such underlying deposits, bonds, other debt securities and derivatives (financial derivatives) must meet are listed in the SPV base prospectus.. These base prospectus are available on the site <http://www.kbc.be/prospectus/spv/>.

Investments like the SPVs fund are explained to the investor in the fund in the annual and interim report of the fund in which the fund is a part. The annual and interim report are also available on the site <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada, Australia and/or
- Debt securities issued by financial institutions subject to prudential supervision in the United States, Japan, Canada, Australia and/or
- Debt securities issued or guaranteed by the United States, Japan, Canada or Australia.

Prudential supervision of financial institutions in the United States, Japan, Canada and Australia may be considered equivalent to the prudential supervision of financial institutions in Member States of the European Economic Area.

Investments in debt securities issued by financial institutions subject to prudential supervision in the United States, Japan, Canada and Australia or issued or guaranteed by the United States, Japan, Canada or Australia have a minimum solvency score as stated in the Section *Characteristics of bonds and other debt securities*.

(C) The investments may also combine investments in (A) and in (B).

No formal guarantee

No formal guarantee of repayment of the initial subscription price is provided for the sub-fund or its shareholders. In other words, capital protection does not constitute a performance obligation for the fund, although the achievement of this goal by the financial mechanism remains the highest priority.

If, due to the impairment of the financial mechanism, the amount payable per share at Maturity (before costs and taxes) is less than the initial subscription price, KBC Asset Management SA may decide (but is not obliged) to cover the management commission received from the fund and possibly other funds during the current financial year to reduce this deficit. This is not a guarantee from KBC Asset Management SA, which may decide according to its own vision to use the management fee for this purpose or not.

This capital protection is not applicable in the event the shareholder sells his shares before the Maturity date.

POTENTIAL RETURN

To achieve a potential return, the sub-fund enters into swap agreements with one or more prime counterparties. This is the reason why the fund sells part of its future investment income to preserve the capital in this/these fund(s) for the duration of the fund. In exchange, the counterparty(ies) agree to provide the potential returns described in the Section *Strategy Defined*.

SUB-FUND INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations.

The limits and investment restrictions laid down by the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be respected at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The mean solvency score (rating) of bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Long-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Short-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

All durations are taken into consideration in the selection of bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The 'swaps' described below are made with a prime counterparty(ies) within the limits defined by law.

(1) To achieve a potential return, the sub-fund enters into 'swaps'. Through these swaps, the sub-fund sells part of its future investment income to preserve the capital in this/these fund(s) for the duration of the fund. In exchange, the counterparty(ies) agree to provide the potential returns described in the *Point Strategy defined*.

The 'swaps' in (1) are essential to achieving the investment objectives of the sub-fund, given that using this technique follows the goal of achieving a potential return.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

(2) The sub-fund concludes, if necessary, 'swaps' to match the durations of those sub-fund commitments and those of the flow of money resulting from deposits, bonds and other debt instruments described in the *Investment criteria*.

These 'swaps' are essential to achieving the investment objectives of the sub-fund, given that there are not bonds and other debt instruments sufficiently on the market whose coupons and maturities coincide perfectly with the maturities of the sub-fund commitments.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

(3) The sub-fund may also enter into 'swaps' to protect itself from the credit risk of issuers of bonds and other debt instruments. Through such a 'swap', one or more counterparty(ies) recovers, in exchange for a premium payable by the sub-fund, the risk of an issuer of a bond or other debt instrument that is found in the sub-fund's portfolio remains in default.

The 'swaps' in (3) serve to cover credit risk.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

STRATEGY DEFINED

OBJECTIVES AND INVESTMENT POLICY:

The sub-fund follows two investment objectives: firstly to maintain 100% of the initial subscription value to Maturity and secondly, to generate capital gains as much as possible depending upon any increase in the basket of 30 shares in European companies (as defined below), through a "Best Timing" structure.

This Best Timing structure implies that in calculating the net asset value at Maturity the initial subscription price is taken into account on the one hand and the change in the basket on the other and this in taking into account the Minimum Initial Value. Thus 80% of any increase (= **(Final Value less Minimum Initial Value) divided by Initial Value**) is taken into account with a maximum of 55% (IRR 8.15% before fees and taxes).

The Minimum Initial Value is the lowest on one hand for the Initial Value and on the other hand, the lowest basket value during the Initial Observation Days. It is always less than or equal to the Initial Value. Therefore the investor has an interest that the basket decreases during the initial duration period of the sub-fund (especially at the Initial Observation Days), as the lowest price seen during the Initial Observation Days and Initial Value is taken into account when calculating any increase in the basket.

MATURITY: Friday 9 May 2014 (Value date payment D + 1 business day)

CURRENCY: CZK, the change in the local currency exchange rate for shares in the basket compared to CZK is not relevant.

INITIAL VALUE: The value of the basket is based on the average Price of shares in the basket during the first ten Value Dates starting from Friday 10 October 2008 (included).

FINAL VALUE: The value of the basket is based on the average Price of shares in the basket at the last Value Day of the month for the 18 months prior to Maturity, more precisely, from November 2012 to April 2014 (included).

MINIMUM INITIAL VALUE: For one part, the lowest Initial Value and on the other hand, the lowest value in the basket for all of the Initial Observation Days.

INITIAL OBSERVATION DAYS: the first Value Date of each month from November 2008 (included) until April 2009 (included).

PRICE:

For all shares, except those listed on the Milan Stock Exchange, the closing price, namely the price of a share in the basket as calculated and reported at the close by the trading body responsible for the exchange on which the security is listed (or its legal successor). The benchmark price is applied to shares listed on the Milan Stock Exchange.

VALUE DATE:

For each share in the basket on an exchange trading day in which the share is quoted and for the exchange the highest trading day where the share's options are noted, unless a Market Disruption Event (suspension or limitation of trading on this share) occurs on this day or there is an early closing (the responsible body announced an early market close). If a Market Disruption Event or an Early Closure occurs as regards a share in the basket, the original Value Date for this share is replaced by the first following trading day in which there was no Market Disruption Event and no early closing and that is not itself already an original Value Date and does not itself replace an original Value Date due to a Market Disruption Event or an early closing.

However, if a Market Disruption Event or an early closure occurs during each of the eight trading days following the original Value Date, (i) that eighth trading day will be considered the original Value Date, and (ii) the fund may consider in good faith, in consultation with the prime counterparties with whom a swap agreement was reached, the share price as it would have been listed at the eighth trading day and (iii) the fund will notify shareholders of (a) the Market Disruption Event or early closing that has occurred with regard to one or several shares, (b) the modified conditions to determine the Starting and/or Final Value and (c) the procedures for the distribution of amounts in accordance with the investment objectives achieved.

The explanations below are intended to describe the workings of the structure of the sub-fund. The examples provided do not indicate the expected return. The actual return of the sub-fund depends, on the one hand, upon the actual market developments during the duration of the structure and, secondly, the specific methods of the sub-fund and, in particular, the change in underlying values, the duration and participation rate, as described under "Objectives and Investment Policy."

The following examples illustrate the aforementioned investment objectives for a structure of 5 years and 6 months that pays 80% of any increase at Maturity (= (Final Value less Minimum Initial Value) divided by the Initial Value), above 100% of the initial subscription price of 10 CZK. The maximum capital gains is 60%. The Starting Value of the basket is 100.

	Initial Value: of Basket	Final Basket Value	Initial Value: Min.	Applicable Capital Gains	Value at Maturity
Scenario Gain	100	150	60	$80\% * (150-60)/100 = 60\%$	$10 + 60\% * 10 = 16$ CZK (IRR: 8.92% before fees, taxes)
Scenario Neutral	100	120	90	$80\% * (120-90)/100 = 24\%$	$10 + 24\% * 10 = 12.4$ CZK (IRR: 3.98% before fees, taxes)
Scenario Loss	100	60	80	$80\% * (60-80)/100 = 0\%$ (*)	$10 + 0\% * 10 = 10$ CZK (IRR: 0% before fees, taxes)

(*) Negative performance is not taken into account.

APPLICABLE BASKET:

The table below shows, successively, in columns from left to right, the sequence number of the share, its name, Bloomberg code, the exchange on which it is listed and its initial weight.

1	AKZO NOBEL	AKZA NA Equity	Amsterdam	3.00%
2	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	3.00%
3	BAYER	BAY GY Equity	Frankfurt	3.00%
4	BRITISH SKY BROADCASTING GRO	BSY LN Equity	London	3.00%
5	COMPASS GROUP PLC	CPG LN Equity	London	3.00%
6	DAIMLER AG-REGISTERED SHARES	DAI GY Equity	Frankfurt	4.00%
7	DANONE	BN FP Equity	Paris	4.00%
8	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	5.00%
9	DIAGEO PLC	DGE LN Equity	London	3.00%
10	ENI SPA	ENI IM Equity	Milan	4.00%
11	FORTIS	FORB BB Equity	Brussels	3.00%
12	INTESA SANPAOLO	ISP IM Equity	Milan	5.00%
13	KBC GROEP NV	KBC BB Equity	Brussels	3.00%
14	KONINKLIJKE KPN NV	KPN NA Equity	Amsterdam	3.00%
15	LAFARGE SA	LG FP Equity	Paris	3.00%
16	MEDIOBANCA SPA	MB IM Equity	Milan	3.00%
17	MUENCHENER RUECKVER AG-REG	MUV2 GY Equity	Frankfurt	3.00%
18	NESTLE SA-REG	NESN VX Equity	Zurich	3.00%
19	NOVARTIS AG-REG	NOVN VX Equity	Zurich	4.00%
20	PPR	PP FP Equity	Paris	2.00%
21	REED ELSEVIER NV	REN NA Equity	Amsterdam	3.00%
22	RWE AG	RWE GY Equity	Frankfurt	3.00%
23	SWISS RE-REG	RUKN VX Equity	Zurich	4.00%
24	SWISSCOM AG-REG	SCMN VX Equity	Zurich	5.00%
25	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
26	TOTAL SA	FP FP Equity	Paris	3.00%
27	UNILEVER NV-CVA	UNA NA Equity	Amsterdam	2.00%
28	VIVENDI	VIV FP Equity	Paris	4.00%
29	VOLVO AB-B SHS	VOLVB SS Equity	Stockholm	3.00%
30	WOLTERS KLUWER	WKL NA Equity	Amsterdam	3.00%

Selection criteria for inclusion in the basket:

A share may not be included in the basket unless (i) the share is listed on an exchange (ii) the share is part of a major stock index, (iii) the company issuing the shares is European and (iv) the Board of the Fund has approved the inclusion of the share in the basket (the 'Selection Criteria').

Changes to the basket following a merger, acquisition, split, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition during the life of the sub-fund, a weight in the basket equal to the sum of the weights of the shares of all issuers involved in the transaction will be attributed to the shares of issuers involved in the transaction and that still meet the Selection Criteria after the transaction. If, after the transaction, none of the issuers concerned by the transaction meet the Selection Criteria any longer, such will be as specified under 'Nationalisation, Bankruptcy or Disqualification'.

Split

If an issuer of a share in the basket carries out a split, the weight of the share in question will be divided evenly between the shares of all issuers by fractions and who still meet the selection criteria. If, after the transaction, none of the issuers concerned by the split meet the Selection Criteria any longer, such will be as specified under 'Nationalisation, Bankruptcy or Disqualification'.

Nationalisation, Bankruptcy or Disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer meets the Selection Criteria ('Disqualification'), the share is valued at the last known price before disqualification. The value is then invested until Maturity of the underlying swap market transaction at the market rate in effect on the money market or bond market at the time of disqualification for a period equal to the time remaining until the Maturity of the underlying swap market transaction of the sub-fund. The value increased by interest is carried to Maturity as a result of the share for the calculation of the final increase of the basket at Maturity.

Volatility of the net asset value may increase due to the composition of the basket.

The following information is general in nature and does not purport to address all aspects of investing in UCITS. In specific cases, other rules may be applicable. In addition, tax laws and their interpretation may change. Investors who would like more information about the tax consequences – both in Belgium and abroad – regarding the acquisition, retention and transfer of share rights must seek advice from their financial and tax advisor.

The European Savings Directive and taxes on investment returns obtains at the time through the redemption of shares or equity in the event of a full or partial distribution of equity.

This UCITS invests no more than 40% of its assets directly or indirectly in such instruments within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented through:
the Act of 17 May 2004; *transposing into Belgian law the 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 the 1992 Income Tax Code on withholding tax*
- the Royal Decree of 27 September 2009 *implementing Article 338bis § 2 of the 1992 Income Tax Code.*
- *the Royal Decree of 27 September 2009 regarding the entry into effect of Article 338bis § 2, paragraphs 1-3, of the 1992 Income Tax Code;*

A paying agent established in Belgium who pays a rent-income related to the UCITS in the form of dividend payment (coupon) or through the sale, repayment or amortisation of shares to a natural person (share owner) residing in another EU country (or an independent or associated territory) is required to send information about this payment to the Belgian authorities, who will forward such to the tax authority of the holder's country of residence.

B. Tax on investment returns obtained following the purchase of share holdings or in the event of a total or partial distribution of equity. (Art. 19bis CIR 92).

The shares of these UCITS are capitalised as giving rights to dividends falling under the scope of Article 19bis CIR 92 upon the total or partial redemption or distribution of equity. .

Article 19bis CIR 92 applies only to shareholders who are subject to personal income tax. Based on this article, tax will be charged on investment returns between the purchase or redemption price depending upon the period during which the investor was a holder of shares.
The rate is 15%.

The investment return consists of an income total which, directly or indirectly, as interest, capital gains or losses from the contributions of assets, was invested in investment instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company delegates the intellectual management of portfolio, with the exception of the formation and maintenance of the sub-fund from a technical and legal perspective, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTOR

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 INVESTMENT POLICY FOLLOWED DURING THE FINANCIAL YEAR

Composition of the basket at reporting date

Name	Value
AGEAS	3,5916
AKZO NOBEL	3,8513
BANCO BILBAO VIZCAYA ARGENTA	2,0708
BAYER AG	3,4843
BRITISH SKY BROADCASTING GRO	5,7638
COMPASS GROUP PLC	6,4682
DAIMLER CHRYSLER	5,3161
DANONE	4,7745
DEUTSCHE POST AG-REG	5,3557
DIAGEO PLC	4,8931
ENI SPA	4,0575
INTESA SANPAOLO	2,2222
KBC GROEP NV	0,7925
KONINKLIJKE KPN NV	2,8862
LAFARGE SA	1,6394
MEDIOBANCA SPA	1,6018
MUENCHENER RUECKVER AG-REG	3,0357
NESTLE SA-REG	3,7269
NOVARTIS AG-REG	3,8278
PPR	4,9404
REED ELSEVIER NV	2,9075
RWE AG	1,3747
SWISS RE LTD	4,2850
SWISSCOM AG-REG	5,1962
TELEFONICA SA (SM)	2,6504
TOTAL SA	3,2019
UNILEVER NV-CVA	2,8867
VIVENDI	3,2748
VOLVO AB-B SHS	4,8585
WOLTERS KLUWER	2,9788
Total	107,91

Change in the index or basket

	Index:	Basket
	31/12/2010:	126,85
	30/06/2011:	126,28
	29/12/2011:	107,91
Change since 31/12/2010 or since the launch of the sub-fund:		-14,93%
Change since 30/06/2011 or since the launch of the sub-fund:		-14,55%
Index at the start of the sub-fund:		82,08
Minimum guarantee in local currency at maturity date:		10,00
Local currency:		CZK

Changes in the basket since the launch of the sub-fund:

Date	Redemptions	Purchases	Comments
30/04/2009	GROUPE DANONE	DANONE	Name change
30/04/2010	FORTIS (BRUSSELS)	AGEAS	Name change
23/05/2011	SWISS RE-REG	SWISS RE LTD	Code change

2.1.8 RISK RATING

On a scale from 0 to VI.

Current risk rating: III

Risk rating at launch: IV

This is a risk indicator for an investment in a mutual fund or sub-fund. Seven risk ratings have been defined. The zero class represents the lowest risk rating and the six the highest risk.

Adaptation of the risk rating:

The risk rating is calculated according to the FSMA Circular OPC 3/2007 of 8 June 2007.

The risk rating may change over time. Thus, a change in the level of market volatility can affect the risk profile.

The risk rating should be changed when, for two consecutive six-month calculation periods, the risk rating of a mutual fund is different from that initially attributed.

The adapted risk rating is the risk rating at the time of the launch must be stated in the Annual (Interim) Reports.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011	31/12/2010
	(in the currency of the sub-fund)	(in the currency of the sub-fund)
Total net assets	242.032.969,18	295.678.404,87
II. Securities, money market instruments, UCI and derivative financial instruments		
A. Bonds and similar instruments		
a) Bonds	194.343.970,14	231.921.271,44
a) Collateral received as bonds	24.732.443,56	
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	32.534.106,84	53.647.933,53
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		64.904,32
B. Debts		
d) Collateral (-)	-24.732.443,56	
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	1.320.347,21	1.874.576,59
B. Current account balances at banks	13.790.911,30	8.160.163,20
VI. Accruals and deferrals		
B. Expenses to be carried forward	61.787,52	31.733,33
C. Accrued expenses (-)	-18.153,83	-22.177,54
Total shareholders' equity	242.032.969,18	295.678.404,87
A. Capital	265.372.189,62	289.144.388,92
B. Share in profit	111.701,87	249.036,48
D. Result for the financial year	-23.450.922,31	6.284.979,47

OFF-BALANCE SHEET ITEMS

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.A Securities/money market instruments	24.732.443,56	
IV Swap contract totals (+)	214.990.141,00	235.187.881,00

2.3 PROFIT AND LOSS ACCOUNT

Profit and loss account	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs, capital gains and losses		
A. Bonds and similar instruments		
a) Bonds	-4.059.512,21	281.244,77
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	-17.433.342,36	7.875.110,53
G. Receivables, deposits, cash and debts	748,10	-1.276,60
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	-8.399,65	-10.273,48
II. Investment income and expenses		
B. Interest		
a) Property values and money market instruments	3.196.499,16	4.100.427,90
b) Deposits and cash at bank and in hand	180.951,88	280.969,76
C. Interest on loans (-)	-15,49	
D. Swap contracts (+/-)	-775.297,85	-2.411.103,98
III. Other income		
A. Fees to cover the costs for renewal and disposal of assets, to discourage redemption and to cover delivery costs	301.944,89	596.225,98
B. Other	-53.861,17	367.249,38
IV. Operating expenses		
A. Transaction and investment delivery fees (-)		0,12
B. Financial expenses (-)	-32.610,81	-50.253,49
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-4.401.953,15	-4.271.891,33
b) Administration and accounting management	-247.937,66	-232.559,28
F. Formation and organisation expenses (-)	-34.250,07	-44.891,11
G. Remuneration, social security charges and pensions (-)	-280,18	-480,37
H. Services and sundry goods (-)	-56.652,35	-81.987,72
J. Taxes	-3.312,82	-83.501,50
K. Other expenses (-)	-17.552,32	-21.482,73
Income and expenses for the period (quarter)		
Subtotal II + III + IV tax on proceeds	-1.950.416,19	-1.859.825,75
V. Profit (loss) before taxes	-23.450.922,31	6.284.979,47
VII. Result for the financial year	-23.450.922,31	6.284.979,47

Profit appropriation account

	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Profit to be allocated (loss to be recognised)		
Profit (loss) brought forward from the previous financial year	-23.339.220,44	6.534.015,95
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-23.450.922,31	6.284.979,47
	111.701,87	249.036,48
II. (Assignments in) Transfer from capital	23.339.220,44	-6.534.015,95

2.4 STATEMENT OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF THE ASSETS OF THE HORIZON CSOB EUROPE LOOKBACK 1

Name	Quantity at 31/12/2011	Currency	Price In foreign currency	Value in the currency of the sub-fund	% Held by the UCI	% Portfolio	% Net assets
NET ASSETS							
SHARE PORTFOLIO							
Bonds							
Private company bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	19.800.000,00	CZK	97,387	19.416.420,42		8,56	8,02
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	19.950.000,00	CZK	96,412	19.369.092,19		8,54	8,00
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	19.900.000,00	CZK	97,679	19.572.499,42		8,63	8,09
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	19.950.000,00	CZK	97,290	19.544.243,01		8,61	8,08
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	9.950.000,00	CZK	96,433	9.662.313,40		4,26	3,99
FIN. PROD.	9.900.000,00	CZK	96,489	9.619.328,02		4,24	3,97
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	9.900.000,00	CZK	97,558	9.725.099,91		4,29	4,02
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	10.000.000,00	CZK	96,684	9.735.927,64		4,29	4,02
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	10.000.000,00	CZK	97,195	9.787.069,04		4,31	4,04
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	10.000.000,00	CZK	96,300	9.697.583,54		4,27	4,01
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	9.950.000,00	CZK	96,863	9.705.053,82		4,28	4,01
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	9.950.000,00	CZK	97,053	9.724.037,03		4,29	4,02
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	9.950.000,00	CZK	96,347	9.653.792,52		4,26	3,99
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	9.900.000,00	CZK	97,807	9.749.745,17		4,30	4,03
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	10.000.000,00	CZK	96,210	9.688.528,84		4,27	4,00
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	9.900.000,00	CZK	97,236	9.693.236,17		4,27	4,01
Bonds total				194.343.970,14		85,66	80,30
Swaps							
<u>Belgium</u>							
KBC SWAPS	214.990.141,00	CZK	13,610	32.534.106,84		14,34	13,44
Swaps				32.534.106,84		14,34	13,44
Total share portfolio				226.878.076,98		100,00	93,74
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	969.785,65	EUR	1,000	24.732.443,56			10,22
Total collateral received				24.732.443,56			10,22
CASH AT BANK AND AT HAND							
Demand balances at banks							
<u>Belgium</u>							
KBC GROUP CZK	1.180.616,78	CZK	1,000	1.180.616,78			0,49
KBC GROUP EURO	5.478,98	EUR	1,000	139.730,43			0,06
Total demand balances at banks				1.320.347,21			0,55

Current accounts						
<u>Belgium</u>						
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	900.000,00	CZK	100,001	900.009,00		0,37
<u>France</u>						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	12.890.000,00	CZK	100,007	12.890.902,30		5,33
Total current accounts				13.790.911,30		5,70
Total cash at bank and at hand				15.111.258,51		6,24
MISC. ACCOUNTS RECEIVABLE AND PAYABLE						
Debts						
<u>Belgium</u>						
KBC GROUP TEGENPOST COLLATERAL EUR	-969.785,65	EUR	1,000	-24.732.443,56		-10,22
Total debts				-24.732.443,56		-10,22
Total misc. accounts receivable and payable				-24.732.443,56		-10,22
OTHER						
Interest paid		CZK		61.787,52		0,03
Provisional expenses		CZK		-18.153,83		-0,01
Total other				43.633,69		0,02
TOTAL NET ASSETS				242.032.969,18		100,00

2.4.2 CHANGE IN THE COMPOSITION OF ASSETS

The detailed list of transactions may be consulted at no charge at the fund's main office, avenue du Port 2, 1080 Brussels.

2.4.3 TOTAL COMMITMENTS FOR FINANCIAL DERIVATIVE POSITIONS

IN SHARES	Currency	In currency	In the fund's currency	Lot size	Transaction date
KBC COLLATERAL EUR	EUR	969.785,65	24.732.443,56	n.a.	29.12.2011
EQLISWAP	CZK	214.990.141,00	214.990.141,00	n.a.	16.09.2011

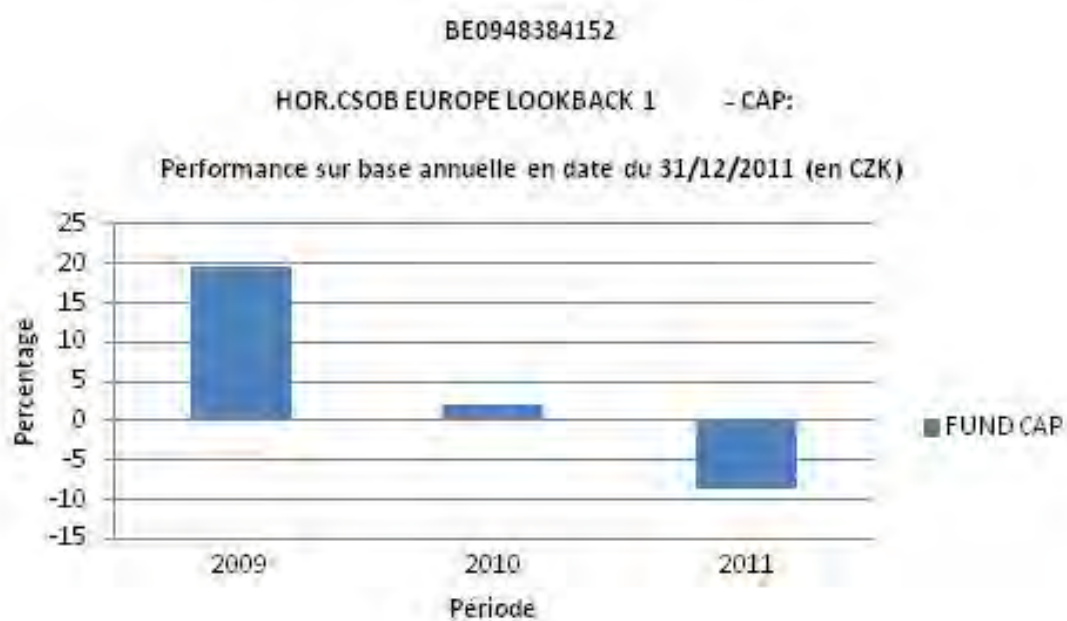
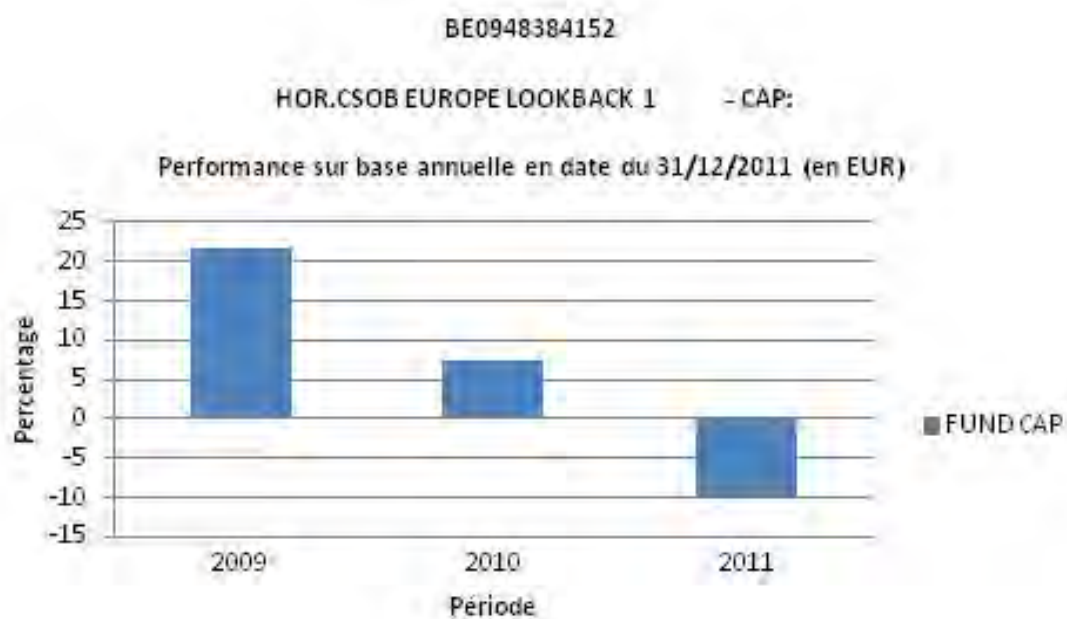
2.4.4 CHANGE IN THE NUMBER OF SUBSCRIPTIONS, REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares outstanding						
Years	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		468.111,00		28.884.190,00		28.884.190,00
2010 - 12	0,00		4.885.427,00		23.998.763,00		23.998.763,00
2011 - 12	0,00		2.505.116,00		21.493.647,00		21.493.647,00

Period	Totals paid and received by the UCI (in the currency of the sub-fund)			
Years	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		5.195.049,87	
2010 - 12	0,00		59.622.632,54	
2011 - 12	0,00		30.194.513,38	

Period	Net asset value End of period (in the currency of the sub-fund)		
Years	For sub-fund	For one share	
		Cap.	Dis.
2009 - 12	349.016.057,94	12,08	
2010 - 12	295.678.404,87	12,32	
2011 - 12	242.032.969,18	11,26	

2.4.5 RETURNS



CAP Dis.	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		From start*	
			Share class	Benchmark	Share class	Benchmark	Share class	Benchmark	Share class	Benchmark	Launch date	Share class
CAP	BE0948384152	EUR	-10.08%		5.51%						03/10/2008	3.09%
CAP	BE0948384152	CZK	-8.60%		3.72%						03/10/2008	3.73%

* Performance figures are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take into account possible 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.
- 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:
 $[VIN(D) / VIN(Y)]^{1/X} - 1$
where Y = D-X
Return on date D since the start date S of the share:
 $[NIW(D) / NIW(S)]^{1/F} - 1$
where F = 1 if the share has existed for less than one year on date D
where F = (D-S) / 365.25 if the share 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 an annual return by taking the nth square root of 1 plus the total return of the share.
- The return figures shown above do not take into account fees and charges for the issue and redemption of shares.
- These are the capitalisation units performance figures.

2.4.6 EXPENSES

Total expenses ratio (TER): * 1.809%

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

- Transaction fees
- 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 35% and 60% if the distributor is a part of KBC Group NV or from 35% and 70% if the distributor is not a part 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 collective investment undertaking in shares of collective investment undertakings that are not managed by a KBC Group NV entity, and receives a fee for doing so, it will pay this fee to the collective investment undertaking.

Fee sharing does not affect the amount of the management fee paid by the fund to the management company. This management fee is subject to the conditions laid down in the statutes. The limitations may be amended only following approval by the General Meeting of shareholders.

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

It is in the interest of the sub-fund's shareholders and the Distributor that the largest possible number of shares be sold so that the sub-fund's assets are consequently maximised. In this respect, there is therefore no issue of conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENT AND OTHER DATA

The management fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

The administration agent's fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

Auditor's fee: 1,000 euros per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

The custodian's fee: is payable annually and is calculated on the basis of the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year.

Social, ethical and environmental concerns:

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 investment portfolio. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indices: Further information on potential financial indices used as underlying for financial derivatives are included in the "Objectives and investment policy of the sub-fund" section of this report.

Description of collateral received for financial derivatives

Name	Currency	Nominal	Currency	Value in Currency
FLEMISH COMMUNITY 09/12 2.75% 30/03	EUR	950.000	CZK	24.732.443,56
			Total	24.732.443,56

The value of collateral received in this detailed list was calculated based on price codes from the Collateral Management Division of KBC Bank.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB FIX UPSIDE CLICK 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 10 October 2008

Initial subscription price: 10 SKK

Renewal date: 30 March 2012

Currency: SKK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has two objects, before costs and taxes:

- (1) To reimburse the initial subscription price per share of 10 SKK on the renewal date (capital protection). This capital protection is provided through implementation of a financial mechanism explained in greater detail in the section *Capital protection*. This capital protection, however, is not applicable to shareholders selling their shares before the renewal date.
- (2) To offer a potential return through a swap agreement.
Different types of swaps in which the sub-fund can invest are explained in *Potential return*.

CAPITAL PROTECTION

Financial instrument for capital projection

The financial instrument intended to ensure capital protection on the renewal date consists of investing all subscriptions in bonds or other debt instruments, deposits and/or liquidities, especially funds deposited in term or demand accounts). These investments can have different durations and coupon payment dates which are adjusted to sub-fund commitment renewal dates through swaps described in *Authorised swap transactions (2)*.

Investment characteristics

Investments must have the following characteristics:

- (1) Deposits and/or debt instruments, made with, or issued by, prudently monitored financial institutions within a European Economic Area Member State.
- (2) A debt instrument investment issued, or guaranteed by, a European Economic Area Member State.
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

Investments under (3) include the following:

- (A) Bonds listed on stock exchanges issued by 'Special Purpose Vehicles' (SPV).

The SPVs are managed by KBC Asset Management SA or its subsidiaries.

Bonds issued by SPVs have a diversified portfolio of deposits issued by financial entities, bonds, and other debt instruments and financial derivatives as underlying assets. Selection of underlying assets rests on criteria regarding the allocation and credit rating (see *Authorised asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Other items relative to criteria which these underlying deposits, bonds, other debt instruments, and derivatives must have are noted in the SPV base prospectuses. The base prospectuses may be viewed at <http://www.kbc.be/prospectus/spv/>.

Sub-fund SPV investments are explained for sub-fund investors in the SICAV annual report and the half-year report, which includes the sub-fund. The annual report and the half-year report may be viewed at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions prudently monitored in the United States, Japan, Canada, or Australia; and/or
- Debt instruments issued by financial institutions prudently monitored in the United States, Japan, Canada, or Australia; and/or
- Debt instruments issued or guaranteed by the United States, Japan, Canada, or Australia.

Prudent monitoring of financial institutions in the United States, Japan, Canada, and Australia can be considered equivalent to prudent monitoring of financial entities in European Economic Area Member States.

Debt instruments issued by financial entities prudently monitored in the United States, Japan, Canada, and Australia, or issued or guaranteed in the United States, Japan, Canada, and Australia have a minimum credit rating score as discussed in *Characteristics of bonds and other debt instruments*.

(C) Investments can also combine those in (A) and (B).

No formal guarantee

No formal reimbursement guarantee of the initial subscription price is granted to the sub-fund or its investors. In other terms, capital protection does not constitute an obligation from sub-fund income, even as realising its object through the functioning of the financial instrument remains the absolute priority.

If, due to the defectiveness of the financial instrument, the amount to be paid per share on the renewal date before costs and taxes is less than the initial subscription price, KBC Asset Management can decide, with no obligation to do so, to allocate the management fee made from SICAV sub-fund and potentially other sub-funds during the current financial year to hedge against this shortfall. This does not constitute a guarantee on behalf of KBC Asset Management SA. At its own discretion, it can decide whether or not to use the management fee to this end.

This capital protection, however, is not applicable to shareholders selling their shares before the renewal date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund makes swaps with one or several prime counterparts. This is why the sub-fund transfers part of its future revenue from these investments set for capital protection to these counterparts for the duration of the sub-fund. In exchange, the counterparts commit to offer a potential return described in *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with provisions of the Royal Decree of 4 March 2005 regarding certain public investment entities, sub-fund investments can consist of tradable securities, particularly bonds and other debt instruments, financial market instruments, in shares of mutual funds, deposits, derivatives, liquidities and all other instruments, insofar as permitted in the regulations applicable.

Investment limits and restrictions set by the Royal Decree of 4 March 2005 regarding certain mutual funds will be observed at all times.

CHARACTERISTICS OF BONDS AND OTHER DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All durations are taken into consideration during selection of bonds and other debt instruments.

AUTHORISED SWAP TRANSACTIONS

The swaps described below were made with prime counterparts within legally defined limits.

(1) To achieve a potential return, the sub-fund makes swaps. In context of these swaps, the sub-fund transfers part of its future revenue from these investments set for capital protection to these counterparts for the duration of the sub-fund. In exchange, the counterparts commit to offer a potential return described in the section *Strategy selected*.

The swaps under (1) are essential to completion of the investment objects of the sub-fund, given that via this method, the goal of reaching a potential return can occur.

The sub-fund risk profile is not influenced by use of these swaps.

(2) The sub-fund makes swaps to coordinate sub-fund commitment durations and those of cash flows from deposits, bonds, and other debt instruments described in *Required investment characteristics*.

The swaps are essential to realisation of the investment objects of the sub-fund, given that there are insufficient bonds and other debt instruments on the market whose coupons and renewal dates perfectly coincide with renewal dates of sub-fund commitments.

The sub-fund risk profile is not influenced by the use of these swaps.

(3) The sub-fund can also conclude these swaps to protect credit risk from bond and other debt instrument issuers. Through such a swap, one or several counterparts resume the risk of non-performing bond or other debt instrument issuers within the sub-fund portfolio in exchange for a premium payable by the sub-fund.

Swaps under (3) hedge against credit risk.

The sub-fund risk profile is not influenced by the use of these swaps.

STRATEGY SELECTED

GOALS AND KEY PRINCIPLES OF INVESTMENT POLICY:

The sub-fund has two investment goals. On the one hand, to maintain the initial subscription value on the renewal date, and on the other a potential increase in value through fluctuations on a basket of 30 blue chip shares, as defined below, characterised by significant market capitalisation and a high market/income relationship through a **'Fix Upside' structure**.

On the first period a gain of 5% is finally acquired at the renewal date. For the following periods, any increase in the share basket by periods with respect to the initial value of the basket (*Final basket value minus Initial basket value divided by Initial basket value*) will be distributed at the renewal date,

albeit on the understanding that, in order to determine the final value of the equity period, consideration must be taken of the calculation method described in "Final value".

Negative basket performances are not taken into account. The result per period is at least 2.5%.

Thus the final gain at the renewal date is at least 10% (addition of 5% and the minimum gains for the other periods) (minimum redemption return 2.79%, before costs and taxes).

RENEWAL DATE: Friday 30 March 2012 (payment with value date D + 1 bank working day)

CURRENCY: SKK, changes to the local currency exchange rates for shares in the basket with respect to the SKK are not relevant.

PERIODS:

Period	Changes during the Period (before tax)
1) 10/2008 - 10/2009	5%

Period	Final price for period
2) 11/2009 - 10/2010	For each share in the basket, the average rate of the first five Appraisal Days of November 2010
3) 11/2010 - 02/2012	For each share in the basket, the average rate of the first five Appraisal Days of March 2012

INITIAL VALUE OF A SHARE: for each share in the basket the average price of the first five Appraisal Days beginning Friday 17 October 2008, inclusive.

FINAL VALUE PER PERIOD OF A SHARE*:

- Scenario 1: if the final price in the period for a share is greater than its initial value, whatever the size of this difference, an 8% increase with respect to the share's initial value will be booked for the current period.
- Scenario 2: if the final price of the share for the period is less than or equal to the initial value of the share, the share's final price will be booked as its final value for the current period.

(*) The increase or decrease in a share's price at the end of each period is always calculated with respect to the initial value of this individual share as described above, which is only determined once and which may not be changed, as shown in the example below.

INITIAL VALUE OF THE BASKET: the average weighted Initial value of shares in the basket.

FINAL VALUE OF BASKET FOR THE PERIOD: the average weighted final value of shares in the basket for the period.

PRICE:

For all shares excepting those listed on the Milan Stock Exchange, the closing price, particularly the price of a basket share as calculated and communicated at market closing by the exchange management where the security is listed, or their legal successor. For shares listed on the Milan exchange, the reference price.

APPRAISAL DAY:

For each share in the basket in the stock exchange on which it is listed, this refers to the most significant trading day, at least in regard to this share, the options for it show a volatile market event (trading suspension or limit for this share) or anticipated closing (the exchange management announces that trading day it has closed the market earlier than other trading days). If a volatile market event or anticipated closing occur regarding a share in the basket, the original appraisal day for this share is replaced by the first trading day following, during which there is no volatile market event and no anticipated closing which is not itself already an original appraisal day, and which does not itself replace already an original appraisal day due to a volatile market event or anticipated closing.

However, if during each of the eight trading days following the original trading day, a volatile market event or anticipated closing occurs, (i) that eighth trading day will be considered as the original appraisal day, (ii) SICAV will in good faith evaluate the share price as recorded on this eighth trading day, together with the prime counterpart(s) with which a swap agreement has been made, and (iii) SICAV will inform shareholders of (a) the volatile market event or the anticipated closing which occurred regarding one or many shares, (b) modified condition to determine the initial value and/or final value, and (c) the methods concerning distribution of amounts according to investment goals realised.

The above clarifications are designed to describe the mode of operation of the sub-fund's structure. The examples provided do not given any indication of the remitted return. The effective return of the sub-fund depends, on the one hand, on the real development of the market for the duration of the structure and, on the other, the specific mechanisms of the sub-fund and, in particular, the change in the underlying values, the duration and level of participation, as described in the section "Objectives and placement policy".

The following example illustrates the investment objects described above. The example is based on a duration of 3.5 years and a basket of 3 shares with equal weightings, each priced 100 in determination of the Initial value.

The gain for the first period is fixed and equals 5% (before tax). For successive periods, as of period 2, a variable gain is determined depending on a possible increase in the basket of shares.

In case of any rise, even minimal, possibly (>0%), in a period of a share compared with its Initial value, the contribution of this share to any capital gains of the basket will be set at 8% for the current period.

However, in the event of a decrease ($\leq 0\%$) per period of an individual share compared with its initial value, the decline of this share will be taken into account in determining the contribution of this share to the value of the basket for the current period.

The minimum capital gain per period is 3%. The total gain at renewal date is the sum of gains during the respective periods.

Example

Positive scenario

Number Period	Final value per period per share	Share A	Share B	Share C	Calculation	Gain
1	Final value per period 1 (*)	Not applicable	Not applicable	Not applicable	5% (fixed)	5.00%
2	Final value per period 2 (*)	101 (8%)	106 (8%)	103 (8%)	$(8\%+8\%+8\%)/3= 8\%$	8.00%
3	Final value per period 3 (*)	104 (8%)	110 (8%)	101 (8%)	$(8\%+8\%+8\%)/3= 8\%$	8.00%
	Total value at renewal date					21%**

(*) The final price and, in brackets, the contribution of each share (final value of a share for each period) to the gain for the period considered

(**) Redemption return: 5.59% before costs and taxes

Neutral scenario

Number Period	Final value per period per share	Share A	Share B	Share C	Calculation	Gain
1	Final value per period 1 (*)	Not applicable	Not applicable	Not applicable	5% (fixed)	5.00%
2	Final value per period 2 (*)	93 (-7%)	101 (8%)	103 (8%)	$(-7\%+8\%+8\%)/3= 3\%$	3.00%
3	Final value per period 3 (*)	96 (-4%)	101 (8%)	103 (8%)	$(-4\%+8\%+8\%)/3= 4\%$	4.00%
	Total value at renewal date					12%**

(*) The final price and, in brackets, the contribution of each share (final value of a share for each period) to the gain for the period considered

(**) Redemption return: 3.29% before costs and taxes

Negative scenario

Number Period	Final value per period per share	Share A	Share B	Share C	Calculation	Gain
1	Final value per period 1 (*)	Not applicable	Not applicable	Not applicable	5% (fixed)	5.00%
2	Final value per period 2 (*)	97 (-3%)	98 (-2%)	101 (8%)	$(-3\%-2\%+8\%)/3= 1\%$	3.00%
3	Final value per period 3 (*)	98 (-2%)	101 (8%)	90 (-10%)	$(-2\%+8\%-10\%)/3= -1.3\%$	3.00%
	Total value at renewal date					11%**

(*) The final price and, in brackets, the contribution of each share (final value of a share for each period) to the gain for the period considered

(**) Redemption return: 3.02% before costs and taxes

APPLICABLE BASKET:

The table below shows, in the columns from left to right, the successive numerical order of the share, name, Bloomberg code, exchange where listed, and its initial weight.

1	ALTRIA GROUP INC	MO UN Equity	New York	3.3333%
2	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	3.3333%
3	BANK OF AMERICA CORP	BAC UN Equity	New York	3.3333%
4	BASF AG	BAS GY Equity	Frankfurt	3.3333%
5	BNP PARIBAS	BNP FP Equity	Paris	3.3333%
6	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.3333%
7	BULGARI SPA	BUL IM Equity	Milan	3.3333%
8	CITIGROUP INC	C UN Equity	New York	3.3333%
9	COMPAGNIE DE SAINT-GOBAIN	SGO FP Equity	Paris	3.3333%
10	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	3.3333%
11	FORTIS	FORB BB Equity	Brussels	3.3333%
12	HENNES & MAURITZ AB-B SHS	HMB SS Equity	Stockholm	3.3333%
13	HSBC HOLDINGS PLC	HSBA LN Equity	London	3.3333%
14	ING GROEP NV-CVA	INGA NA Equity	Amsterdam	3.3333%
15	INTESA SANPAOLO	ISP IM Equity	Milan	3.3333%
16	KBC GROEP NV	KBC BB Equity	Brussels	3.3333%
17	KINGFISHER PLC	KGF LN Equity	London	3.3333%
18	KONINKLIJKE KPN NV	KPN NA Equity	Amsterdam	3.3333%
19	NATIONAL GRID PLC	NG/ LN Equity	London	3.3333%
20	PFIZER INC	PFE UN Equity	New York	3.3333%
21	REED ELSEVIER NV	REN NA Equity	Amsterdam	3.3333%
22	ROYAL DUTCH SHELL PLC-A SHS	RDSA LN Equity	London	3.3333%
23	RWE AG	RWE GY Equity	Frankfurt	3.3333%
24	SCHNEIDER ELECTRIC SA	SU FP Equity	Paris	3.3333%
25	SOCIETE GENERALE	GLE FP Equity	Paris	3.3333%
26	TELEFONICA SA	TEF SM Equity	Madrid	3.3333%
27	TELENET GROUP HOLDING NV	TNET BB Equity	Brussels	3.3333%
28	TNT NV	TNT NA Equity	Amsterdam	3.3333%
29	TOTAL SA	FP FP Equity	Paris	3.3333%
30	VIVENDI	VIV FP Equity	Paris	3.3333%

Selection criteria for basket inclusion:

A share can only be part of the basket if (i) the share is listed on an exchange, (ii) the security is part of a large index of shares, (iii) the share presents significant market capitalisation and a high market/income relationship, and (iv) the SICAV board of directors has approved inclusion of the share in the basket ("Selection criteria").

Basket adjustments following a merger, acquisition, spin-off, nationalisation, bankruptcy, or disqualification.

Merger or acquisition

If one or several basket share issuers take part in a merger or acquisition during the sub-fund duration, it will be allocated to the concerned share issuers through the transaction, and who subsequently satisfy the selection criteria, an equal basket weight to the sum of the share weight of all the issuers concerned by the transaction. If after the transaction no issuer concerned with this transaction no longer satisfy the selection criteria, steps outlined in "Nationalisation, bankruptcy, or disqualification" will be followed.

'Spin-offs'

If the issuer of a basket share proceeds with a spin-off, the weight of the share in question will be shared equally between the shares of all the issuers resulting from smurfing, and which satisfies the selection criteria.

If after the transaction no issuer resulting from the spin-off satisfies the selection criteria, steps outlined in "Nationalisation, bankruptcy, or disqualification" will be followed.

Nationalisation, bankruptcy, or disqualification

If the issuer of a basket share is nationalised, declared bankrupt, or no longer satisfies the selection criteria ("Disqualification"), the share is liquidated at the last price before consolidation. The liquidation amount is then invested through the renewal date of the underlying transaction swap at the current market rate on the currency or bond market at the moment of consolidation for a duration equal to the remaining duration through the renewal date of the underlying swap transaction of the sub-fund. The amount of the increased consolidation of stakes is deposited on the renewal date as income from the shares for calculating final rise of the basket at the renewal date.

The following information is general and is not intended to cover all aspects of public mutual fund investments in detail. In all specific cases, other measures can be applied as well. Otherwise, tax legislation and its interpretation can change. Investors seeking further information on tax consequences--as much in Belgium as well as in foreign countries--regarding the acquisition, maintenance, and transmission of participation rights, must contact their financial advisor regarding tax and financial matters.

The European Directive regarding savings and taxes on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This public mutual fund invests more than 40% of its assets directly or indirectly in debt as defined in the savings directive.

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

The European Savings Directive was implemented by:

The Act of 17 May 2004 *transposing into Belgian law the Directive 2003/48/CE of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending the 1992 Income Tax Code on withholding tax;*

- the Royal Decree of 27 September 2009 *implementing Article 338bis § 2 of the 1992 Income Tax Code*

- *the Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paymaster established in Belgium which pays income in relation to the public mutual fund through dividend (coupon) payments, either through sale, reimbursement, or depreciation of shares of a natural person (incumbent in fact) residing in another European Union country, or one of the independent or associated territories, is required to transmit information on the subject of this payment to the Belgian authority which will transmit the latter subsequently to the tax authority of the resident country of the incumbent in fact.

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 CIR 92).

These public mutual fund shares are capitalised as much as those entitling one to a dividend will be subject to application of Article 19bis CIR 92 in the event of full or partial distribution of equity capital.

Article 19bis CIR 92 is valid only for shareholders who are subject to taxes on natural persons. On the basis of this Article, it will be imposed on debt claim returns which are included between the redemption or reimbursement price in function of the period during which the investor held shares. The rate is set at 15%.

Debt claim returns consist in a total of income which directly or indirectly in the form of interest, and capital gains and losses coming from equity contributions, were invested into receivables.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, with the exception of technical and legal setup and updating of the sub-fund, to KBC Fund Management Ltd., Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 FUTURE INVESTMENT POLICY DURING THE FINANCIAL YEAR

Basket composition on the date of the report

Name	Value
TNT EXPRESS NV	1,1445
TOTAL SA	3,4616
VIVENDI	2,6886
AGEAS	4,0370
ALTRIA GROUP INC	5,0699
BANCO BILBAO VIZCAYA ARGENTA	2,3621
BANK OF AMERICA CORP	0,7760
BASF SE	7,2905
BNP PARIBAS	1,8103
BRITISH AMERICAN TOBACCO PLC	6,3964
CITIGROUP INC	0,6319
COMPAGNIE DE SAINT-GOBAIN	3,9040
DEUTSCHE POST AG-REG	3,7841
HENNES & MAURITZ AB-B SHS	5,3260
HSBC HOLDINGS PLC (LONDON)	2,3247
ING GROEP NV-CVA	2,7781
INTESA SANPAOLO	1,5153
KBC GROEP NV	0,9464
KINGFISHER PLC	7,5876
KONINKLIJKE KPN NV	3,0551
NATIONAL GRID PLC	3,4625
PFIZER INC	4,2354
POSTNL	0,4782
REED ELSEVIER NV	3,0691
ROYAL DUTCH SHELL PLC-A (LONDON)	5,2723
RWE AG	1,4840
SCHNEIDER ELECTRIC SA	5,7733
SOCIETE GENERALE	1,2511
SPEC CASH BULGARI (HOCFU1K)	7,3002
TELEFONICA SA (SM)	2,9289
TELENET GROUP HOLDING NV	10,6884
TOTAL	112,83

Movement in the index or basket

Index:	BASKET
31/12/2010:	126,70
30/06/2011:	133,19
29/12/2011:	112,83
Change since 31.12.10 or since the sub-fund launch:	-10,95%
Change since 30.06.11 or since the sub-fund launch:	-15,29%
Index at sub-fund launch:	100,00
Minimum guarantee in local currency on the renewal date:	11,00
Currency:	SKK

Call Markets

Period	Final Date	Final Value	Cap
1	31/10/2009	n.a.	5,00%
2	05/11/2010	n.a.	2,50%

Basket modifications since sub-fund launch

Date	EXIT	ENTRY	Comments
30/04/2010	FORTIS (BRUSSELS)	AGEAS	Currency change
26/05/2011		TNT EXPRESS NV	Spin-off TNT NV
26/05/2011	TNT NV	PostNL	Currency change
30/09/2011	SPEC CASH BULGARI (HOCFU1K)	BULGARI SPA	Capitalisation

2.1.8 RISK RATING

At the level of Ø to VI.

Current risk rating: I

Risk rating at launch: II

This is a risk indicator tied to investment in a UCI or sub-fund. Seven risk classes have been defined. The zero class represents the lowest risk, and the sixth the highest.

Risk class adjustment:

Risk class calculation is made according to prospectus OPC 3/2007 of the Financial Services and Markets Authority (FSMA) of 8 June 2007.

A risk class can change over time. Thus, a level change from market volatility can influence the risk profile.

The risk class must be adapted when, for two half-year periods from consecutive calculations, a sub-fund risk class from a UCI sub-fund is different from the one assigned initially.

The adjusted risk class and the one upon launch must be mentioned in (half-year) annual reports.

2.2 BALANCE SHEET

Balance Sheet Summary		31/12/2011 <small>(in the sub-fund's currency)</small>	31/12/2010 <small>(in the sub-fund's currency)</small>
TOTAL NET ASSETS		3.240.871,28	3.592.216,03
II.	II. Securities, money market instruments, UCIs and derivative financial instruments		
A.	A. Bonds and other debt instruments		
	a) Bonds	2.793.813,93	2.969.450,17
	a) Collateral received in the form of bonds	153.124,05	
F.	Financial derivatives		
	e) Equities		
	Swaps (+/-)	278.326,22	324.332,11
IV.	Receivables and payables within one year		
A.	Receivables		
	a) Accounts receivable		747,53
B.	Debts		
	a) Accounts payable (-)		-712,80
	d) Collateral (-)	-153.124,05	
V.	Deposits and cash		
A.	A. Demand balances at banks	27.772,44	37.371,42
B.	B. Demand balances at banks	140.052,60	260.034,60
VI.	Accruals and deferrals		
B.	Accrued income	1.149,16	1.262,43
C.	Accrued expenses (-)	-243,07	-269,43
TOTAL CAPITAL AND RESERVES		3.240.871,28	3.592.216,03
A.	Capital	3.245.786,59	3.556.166,01
D.	Result for the financial year	-4.915,31	36.050,02

OFF-BALANCE-SHEET HEADINGS

I	Liens on property (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/money market instruments	153.124,05	
IV	Notional amounts of swap contracts (+)	2.995.976,50	3.340.186,50

2.3 INCOME STATEMENT

Income Statement	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Write-downs, capital gains and losses		
A. A. Bonds and other debt instruments		
a) Bonds	-12.751,60	6.872,52
F. Financial derivatives		
e) Equities		
Swaps (+/-)	-16.088,38	23.484,41
G. Receivables, deposits, cash at bank and in hand and payables	18,00	-432,00
H. Foreign Exchange positions and transactions		
b) Other foreign exchange positions and transactions	-0,38	0,16
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	43.112,56	14.660,99
b) Deposits and cash at bank and in hand	4.201,35	12.971,44
D. Swaps (+/-)	3.277,88	3.982,22
III. Other income		
A. Fees to cover renewal costs and disposal of assets, to discourage redemption and to cover delivery costs	3.464,22	2.104,70
B. Other	-648,71	5.292,17
IV. Operating expenses		
A. Transaction and delivery costs (-)	0,08	0,04
B. Financial expenses (-)	-601,40	-517,58
C. Custodian fees (-)	-250,00	-250,00
D. Asset Manager fees (-)		
a) Financial management	-25.579,23	-27.463,18
b) Accounting and administrative expenses	-1.648,80	-1.830,53
F. Registration and organisation expenses (-)	-420,27	-526,63
G. Remuneration, social security charges and pensions (-)	-3,45	-5,48
H. Services and sundry expenses (-)	-687,85	-1.289,47
J. Taxes	-66,27	-984,24
K. Other charges (-)	-243,06	-19,52
Income and expenditure for the financial period		
Subtotal II + III + IV before tax on the profit	23.907,05	6.124,93
V. Profit (loss) on ordinary activities	-4.915,31	36.050,02
VII. Result for the financial year	-4.915,31	36.050,02

Profit appropriation account

	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Profit (Loss) to be allocated is	-4.915,31	36.050,02
Profit (loss) for the period available for appropriation	-4.915,31	36.050,02
II. (Allocations to) Deductions from capital	4.915,31	-36.050,02

2.4 STATEMENT OF ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF ASSETS OF HORIZON CSOB Fix UPSIDE CLICK 1

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private sector bonds							
<u>Ireland</u>							
AMBER PRO BOND PTF 6E-0.07 10/01-10/07	316.000,00	EUR	97,944	312.182,41		10,16	9,63
AMETHYST STRUCTURED FIN PLC 6E-7 10/07-10/01_4.277%	39.000,00	EUR	97,393	38.314,05		1,25	1,18
BEECHWOOD STRUCTURED FIN PLC 6E-7 10/07-10/01_4.277%	39.000,00	EUR	96,419	37.933,98		1,24	1,17
BROOKFIELDS CAPITAL PLC 6E-7 10/07-10/01_4.277%	39.000,00	EUR	97,685	38.427,75		1,25	1,19
CARMINI PRO BAND PFT 6E-0.07 10/01-10/07	316.000,00	EUR	97,818	311.784,93		10,15	9,62
CORAL PRO BOND PTF 6E-0.07 10/01-10/07	316.000,00	EUR	97,875	311.962,45		10,16	9,63
EMERALD PRO BOND PTF 6E-0.07 10/01-10/07	316.000,00	EUR	97,976	312.283,24		10,17	9,64
EPERON FINANCE PLC 6E-7 10/07-10/01_4.277%	39.000,00	EUR	97,297	38.276,38		1,25	1,18
ESPACCIO SECURITIES PLC 6E-7 10/07-10/01_4.277%	39.000,00	EUR	96,439	37.941,97		1,24	1,17
GREENSTREET STRUCT. FIN. PROD. PLC 6E-7 10/07-10/01_4.277%	39.000,00	EUR	96,496	37.963,91		1,24	1,17
INDIGO PRO BOND PTF 6E-0.07 10/01-10/07	158.000,00	EUR	98,025	156.219,21		5,09	4,82
IVORY PRO BOND PTF 6E-0.07 10/01-10/07	158.000,00	EUR	97,833	155.915,71		5,08	4,81
MAGENTA PRO BOND PTF 6E-0.07 10/01-10/07	158.000,00	EUR	97,842	155.929,73		5,08	4,81
NIMROD CAPITAL PLC 6E-7 10/07-10/01_4.277%	39.000,00	EUR	97,564	38.380,59		1,25	1,18
OPAL FINANCIAL PRODUCTS PLC 6E-7 10/07-10/01_4.277%	39.000,00	EUR	96,690	38.039,70		1,24	1,17
PROFILE FINANCE PLC 6E-7 10/07-10/01_4.277%	39.000,00	EUR	97,201	38.239,15		1,25	1,18
RECOLTE SECURITIES PLC 6E-7 10/07-10/01_4.277%	39.000,00	EUR	96,306	37.890,16		1,23	1,17
SEPIA PRO BOND PTF 6E-0.07 10/01-10/07	158.000,00	EUR	97,708	155.718,40		5,07	4,81
SILVERSTATE FIN INV PLC 6E-7 10/07-10/01_4.277%	39.000,00	EUR	96,869	38.109,50		1,24	1,18
TAUPE PRO BOND PTF 6E-0.07 10/01-10/07	158.000,00	EUR	97,825	155.903,36		5,08	4,81
VERMILION PRO BOND PTF 6E-0.07 10/01-10/07	158.000,00	EUR	97,707	155.717,30		5,07	4,81
VESPUCCI STRUCTURED FIN PROD 6E-7 10/07-10/01_4.277%	39.000,00	EUR	97,060	38.183,90		1,24	1,18
VIGADO CAPITAL PLC 6E-7 10/07-10/01_4.277%	39.000,00	EUR	96,354	37.908,57		1,23	1,17
VOYCE INVESTMENTS PLC 6E-7 10/07-10/01_4.277%	39.000,00	EUR	97,813	38.477,67		1,25	1,19
WATERFORD CAPITAL INC PLC 6E-7 10/07-10/01_4.277%	39.000,00	EUR	96,216	37.854,85		1,23	1,17
WAVES FINANCIAL INV PLC 6E-7 10/07-10/01_4.277%	39.000,00	EUR	97,242	38.255,06		1,25	1,18
Total bonds				2.793.813,93		90,94	86,21
Swaps							
<u>Belgium</u>							
KBC SWAPS	90.256.788,04	SKK	9,290	278.326,22		9,06	8,59
Total swaps				278.326,22		9,06	8,59
TOTAL SECURITIES PORTFOLIO				3.072.140,15		100,00	94,79

COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	153.124,05	EUR	1,000	153.124,05			4,73
TOTAL COLLATERAL RECEIVED				153.124,05			4,73
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	27.772,44	EUR	1,000	27.772,44			0,86
Total demand accounts				27.772,44			0,86
Time deposit accounts							
<u>Belgium</u>							
KBC BANK NV 25/07-10/01/12 KBCBANK 1.750 %	60.000,00	EUR	100,037	60.022,20			1,85
<u>United Kingdom</u>							
STANDARD CHARTERED 08/07-10/01/12 STANDCHA 1.770 %	80.000,00	EUR	100,038	80.030,40			2,47
Total deposit accounts				140.052,60			4,32
TOTAL CASH AT BANK AND IN HAND				167.825,04			5,18
OTHER RECEIVABLES AND PAYABLES							
Debts							
<u>Belgium</u>							
KBC GROUP TEGENPOST COLLATERAL EUR	-153.124,05	EUR	1,000	-153.124,05			-4,73
Total debt				-153.124,05			-4,73
TOTAL RECEIVABLES AND PAYABLES				-153.124,05			-4,73
OTHER							
Accrued interest		EUR		1.149,16			0,04
Expenses payable		EUR		-243,07			-0,01
TOTAL OTHER				906,09			0,03
TOTAL NET ASSETS				3.240.871,28			100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transaction can be freely consulted at the registered office of SICAV, avenue du Port 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In currency	In the sub-fund's currency	Lot size	Date of transaction
KBC COLLATERAL EUR	EUR	153.124,05	153.124,05	n.a.	29.12.2011
EQLISWAP	SKK	90.256.788,04	2.995.976,50	n.a.	31.08.2011

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

Period	Change in number of shares in circulation						
Years	Subscriptions		Reimbursements		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	21.355.322,22		11.249.070,86		10.465.123,00		10.465.123,00
2010 - 12	0,00		582.899,00		9.882.224,00		9.882.224,00
2011 - 12	0,00		962.304,00		8.919.920,00		8.919.920,00

Period	Amounts paid and received by the UCI (in the sub-fund's currency)			
Years	Subscriptions		Reimbursements	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		123.970,04	
2010 - 12	0,00		210.473,64	
2011 - 12	0,00		346.429,44	

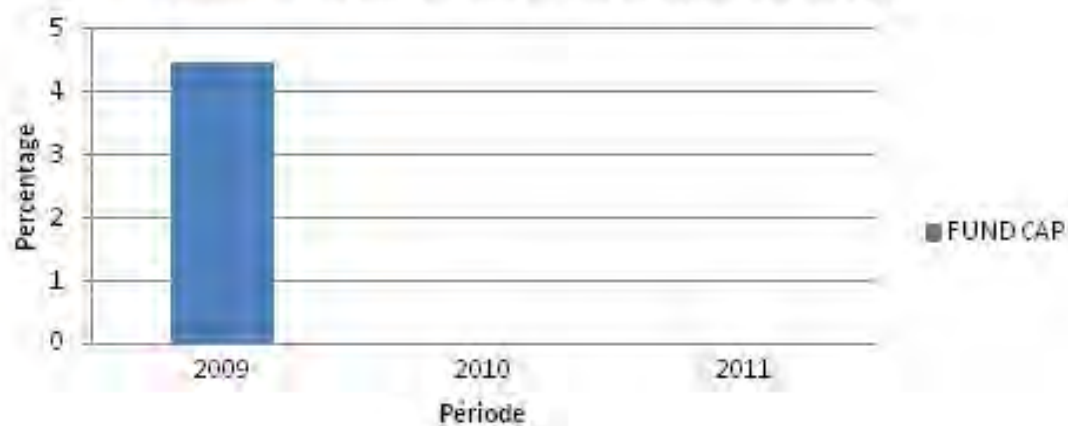
Period	Net asset value End of period (in the sub-fund's currency)		
Years	of the sub-fund	of one unit	
		Cap.	Dis.
2009 - 12	3.766.639,65	0,36	
2010 - 12	3.592.216,03	0,36	
2011 - 12	3.240.871,28	0,36	

2.4.5 RETURNS

BE0948398293

HOR.CSOB FIX UPSIDE CLICK 1 - CAP:

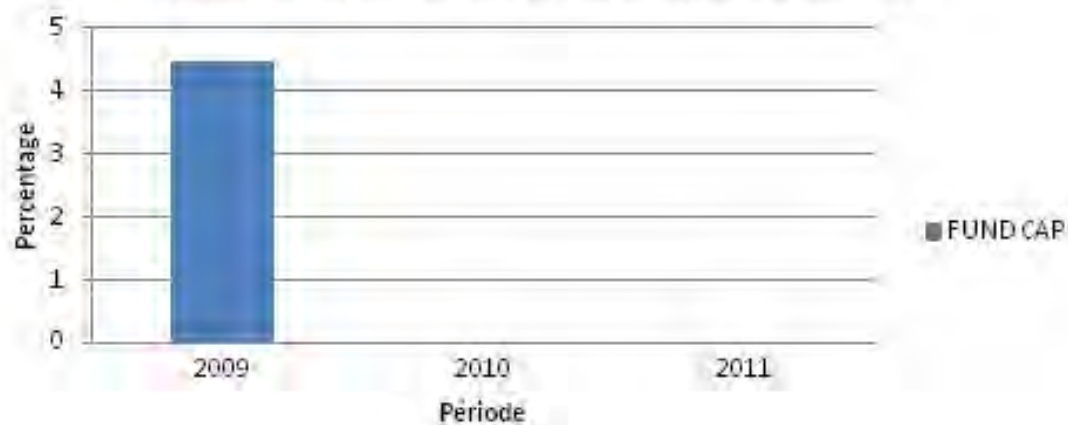
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0948398293

HOR.CSOB FIX UPSIDE CLICK 1 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en SKK)



Cap Dis	ISIN code	Cur rency	1 Yr		3 Yrs*		5 Yrs*		10 Yrs*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch date	Share classes
CAP	BE0948398293	EUR	0.00%		1.47%						10/10/2008	3.72%
CAP	BE0948398293	SKK	0.00%		1.47%						10/10/2008	2.55%

* The rates shown are on an annual basis.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible restructuring.
- Calculated in SKK and 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
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
- 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 nth 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.

2.4.6 COSTS

Total expenses ratio (TER): * 0.88%

* 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 collective investment undertaking in units of collective investment undertakings 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 collective investment undertaking.

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 shareholders of 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 consequently to be maximised. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

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.

The custody fee is paid at the end of each month based on the number of shares issued at the start of each half-year.

Auditor's fee: 1,000 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

Custodian's fee: this fee is payable annually at the start of each calendar year, and is calculated on the assets' value at the end of the preceding 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 sub-fund. This includes manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivative products on financial indexes: More information on potential financial indexes underlying financial derivative products are covered in the section "Goals and key principles of investment policy" of this report.

Detail of collateral received for financial derivatives

Name	Currency	Nominal value	Carrying currency	Assessment in carrying currency
FLEMISH COMMUNITY 09/12 2.75% 30/03	EUR	150.000	EUR	153.124,05
			Total	153.124,05

Indicative prices by KBC Bank's Collateral Management division were used to measure the collateral received in this detailed list.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION REGARDING HORIZON CSOB FIXOVANEHO RUSTU 6

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 28.11.08

Initial subscription price: 10 CZK

Renewal date: 28.06.13

Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has two objects, before costs and taxes:

- (1) To reimburse the initial subscription price per share of 10 CZK on the renewal date (capital protection). This capital protection is provided through implementation of a financial mechanism explained in greater detail in the section *Capital Protection*. This capital protection, however, is not applicable to shareholders selling their shares before the renewal date.
- (2) To offer a potential return through a swap agreement
Different types of swaps in which the sub-fund can invest are explained in *Potential return*.

CAPITAL PROTECTION

Financial instrument for capital projection

The financial instrument intended to ensure capital protection on the renewal date consists of investing all subscriptions in bonds or other debt instruments, deposits and/or liquidities, especially funds deposited in term or demand accounts). These investments can have different durations and coupon payment dates which are adjusted to sub-fund commitment renewal dates through swaps described in *Authorised swap transactions (2)*.

Investment characteristics

Investments must have the following characteristics:

- (1) Deposits and/or debt instruments, made with, or issued by, prudently monitored financial institutions within a European Economic Area Member State.
- (2) A debt instrument investment issued, or guaranteed by, a European Economic Area Member State.
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

Investments under (3) include the following:

- (A) Bonds listed on stock exchanges issued by 'Special Purpose Vehicles' (SPV).

The SPVs are managed by KBC Asset Management SA or its subsidiaries.

Bonds issued by SPVs have a diversified portfolio of deposits issued by financial entities, bonds, and other debt instruments and financial derivatives as underlying assets. Selection of underlying assets rests on criteria regarding the allocation and credit rating (see *Authorised asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Other items relative to criteria which these underlying deposits, bonds, other debt instruments, and derivatives must have are noted in the SPV base prospectuses. The base prospectuses may be viewed at <http://www.kbc.be/prospectus/spv/>.

Sub-fund SPV investments are explained for sub-fund investors in the SICAV annual report and the half-year report, which includes the sub-fund. The annual report and the half-year report may be viewed at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions prudently monitored in the United States, Japan, Canada, or Australia; and/or
- Debt instruments issued by financial institutions prudently monitored in the United States, Japan, Canada, or Australia; and/or
- Debt instruments issued or guaranteed by the United States, Japan, Canada, or Australia.

Prudent monitoring of financial institutions in the United States, Japan, Canada, and Australia can be considered equivalent to prudent monitoring of financial entities in European Economic Area Member States.

Debt instruments issued by financial entities prudently monitored in the United States, Japan, Canada, and Australia, or issued or guaranteed in the United States, Japan, Canada, and Australia have a minimum credit rating score as discussed in *Characteristics of bonds and other debt instruments*.

(C) Investments can also combine those in (A) and (B).

No formal guarantee

No formal reimbursement guarantee of the initial subscription price is granted to the sub-fund or its investors. In other terms, capital protection does not constitute an obligation from sub-fund income, even as realising its object through the functioning of the financial instrument remains the absolute priority.

If, due to the defectiveness of the financial instrument, the amount to be paid per share on the renewal date before costs and taxes is less than the initial subscription price, KBC Asset Management can decide, with no obligation to do so, to allocate the management fee made from SICAV sub-fund and potentially other sub-funds during the current financial year to hedge against this shortfall. This does not constitute a guarantee on behalf of KBC Asset Management SA. At its own discretion, it can decide whether or not to use the management fee to this end.

This capital protection, however, is not applicable to shareholders selling their shares before the renewal date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund makes swaps with one or several prime counterparts. This is why the sub-fund transfers part of its future revenue from these investments set for capital protection to these counterparts for the duration of the sub-fund. In exchange, the counterparts commit to offer a potential return described in *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with provisions of the Royal Decree of 4 March 2005 regarding certain public investment entities, sub-fund investments can consist of tradable securities, particularly bonds and other debt instruments, financial market instruments, in shares of mutual funds, deposits, derivatives, liquidities and all other instruments, insofar as permitted in the regulations applicable.

Investment limits and restrictions set by the Royal Decree of 4 March 2005 regarding certain mutual funds will be observed at all times.

CHARACTERISTICS OF BONDS AND OTHER DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All durations are taken into consideration during selection of bonds and other debt instruments.

AUTHORISED SWAP TRANSACTIONS

The swaps described below were made with prime counterparts within legally defined limits.

(1) To achieve a potential return, the sub-fund makes swaps. In context of these swaps, the sub-fund transfers part of its future revenue from these investments set for capital protection to these counterparts for the duration of the sub-fund. In exchange, the counterparts commit to offer a potential return described in the section *Strategy selected*.

The swaps under (1) are essential to completion of the investment objects of the sub-fund, given that via this method, the goal of reaching a potential return can occur.

The sub-fund risk profile is not influenced by use of these swaps.

(2) The sub-fund makes swaps to coordinate sub-fund commitment durations and those of cash flows from deposits, bonds, and other debt instruments described in *Required investment characteristics*.

The swaps are essential to realisation of the investment objects of the sub-fund, given that there are insufficient bonds and other debt instruments on the market whose coupons and renewal dates perfectly coincide with renewal dates of sub-fund commitments.

The sub-fund risk profile is not influenced by the use of these swaps.

(3) The sub-fund can also conclude these swaps to protect credit risk from bond and other debt instrument issuers. Through such a swap, one or several counterparts resume the risk of non-performing bond or other debt instrument issuers within the sub-fund portfolio in exchange for a premium payable by the sub-fund.

Swaps under (3) hedge against credit risk.

The sub-fund risk profile is not influenced by the use of these swaps.

STRATEGY SELECTED

GOALS AND KEY PRINCIPLES OF INVESTMENT POLICY:

The sub-fund has two investment goals. on the one hand, to maintain the initial subscription value on the renewal date, and on the other, a potential increase in value through a potential rise by basket period of the 30 blue chip shares, as defined below, characterised by significant market capitalisation and a high market/income relationship through a 'Fix Upside' structure. 100% of the potential rise in the share basket $(= (Final\ value\ minus\ Initial\ value\ of\ the\ basket) / divided\ by\ the\ Initial\ Value\ of\ the\ basket)$ will be distributed on the renewal date, it being understood, however, that to determine the final value of the shares, the calculation method described under "Final value" must be included.

RENEWAL DATE: Friday 28.06.13 (payment with value date D + 1 bank working day)

CURRENCY: CZK, the change in the local currency exchange market of shares of the basket in relation to the CZK, is not relevant.

INITIAL VALUE OF A SHARE: for each share in the basket the average price of the 10 first Appraisal days beginning Friday 05.12.08, all inclusive.

INITIAL VALUE OF A SHARE:

- Scenario 1: if the Final share price is greater than the Initial value of this share and whatever the difference, a 45% rise in the Final value of this share will be included.
- Scenario 2: if the Final price of the share is less than or equal to the Initial value of this share, the share's final price will be booked as its final value.

INITIAL VALUE OF THE BASKET: the average weighted Initial value of shares in the basket.

FINAL PRICE: for each share in the basket, the average price of the 10 first appraisal days in June 2013.

FINAL VALUE OF THE BASKET: the average weighted Final value of shares in the basket.

PRICE:

For all shares excepting those listed on the Milan Stock Exchange, the closing price, particularly the price of a basket share as calculated and communicated at market closing by the exchange management where the security is listed, or their legal successor. For shares listed on the Milan exchange, the reference price.

APPRAISAL DAY:

For each share in the basket in the stock exchange on which it is listed, this refers to the most significant trading day, at least in regard to this share, the options for it show a volatile market event (trading suspension or limit for this share) or anticipated closing (the exchange management announces that trading day it has closed the market earlier than other trading days). If a volatile market event or anticipated closing occur regarding a share in the basket, the original appraisal day for this share is replaced by the first trading day following, during which there is no volatile market event and no anticipated closing which is not itself already an original appraisal day, and which does not itself replace already an original appraisal day due to a volatile market event or anticipated closing.

However, if during each of the eight trading days following the original trading day, a volatile market event or anticipated closing occurs, (i) that eighth trading day will be considered as the original appraisal day, (ii) SICAV will in good faith evaluate the share price as recorded on this eighth trading day, together with the prime counterpart(s) with which a swap agreement has been made, and (iii) SICAV will inform shareholders of (a) the volatile market event or the anticipated closing which occurred regarding one or many shares, (b) modified condition to determine the initial value and/or final value, and (c) the methods concerning distribution of amounts according to investment goals realised.

The above clarifications are designed to describe the mode of operation of the sub-fund's structure. The examples provided do not given any indication of the remitted return. The effective return of the sub-fund depends, on the one hand, on the real development of the market for the duration of the structure and, on the other, the specific mechanisms of the sub-fund and, in particular, the change in the underlying values, the duration and level of participation, as described in the section "Objectives and placement policy".

The following example illustrates the investment objects described above. The example is based on a duration of 4 years and 6 months, and a basket of 3 shares with equal weightings, each priced 100 in the determination of the Initial value.

In case of a potential rise of an individual share, even minimal (>0%), compared with its Initial value, the contribution of this share to basket capital gains will be set at 40%.

Nevertheless, in case of potential decline ($\leq 0\%$) of an individual share compared with its Initial value, the decline of this share will be included to determine the contribution of this share to the basket capital gain.

Example

Positive scenario

Share A	Share B	Share C	Calculation of potential capital gain
115 (40%)(*)	135 (40%)(*)	105 (40%)(*)	$(40\%+40\%+40\%)/3= 40\%$ Redemption return: 7.76% before costs and taxes

(*) The final price is between parentheses, the contribution of each share.

Neutral scenario

Share A	Share B	Share C	Calculation of potential capital gain
110 (40%)(*)	105 (40%)(*)	80 (-20%)(*)	$(40\%+40\%-20\%)/3= 20\%$ Redemption return: 4.13% before costs and taxes

(*) The final price is between parentheses, the contribution of each share.

Negative scenario

Share A	Share B	Share C	Calculation of potential capital gain (**)
95 (-5%)(*)	90(-10%)(*)	99 (-1%)(*)	$(-5\%-10\%-1\%)/3= 0\%$ Redemption return: 0% before costs and taxes

(*) The final is between parentheses, the contribution of each share.

(**) Negative basket performances are not taken into account.

APPLICABLE BASKET:

The table below shows, in the columns from left to right, the successive numerical order of the share, name, Bloomberg code, exchange where listed, and its initial weight.

1	ALLIANZ SE-REG	ALV GY Equity	Frankfurt	3.3333%
2	AT&T INC	T UN Equity	New York	3.3333%
3	ATLAS COPCO AB-A SHS	ATCOA SS Equity	Stockholm	3.3333%
4	AVIVA PLC	AV/ LN Equity	London	3.3333%
5	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	3.3333%
6	BAYERISCHE MOTOREN WERKE AG	BMW GY Equity	Frankfurt	3.3333%
7	BNP PARIBAS	BNP FP Equity	Paris	3.3333%
8	CITIGROUP INC	C UN Equity	New York	3.3333%
9	CREDIT SUISSE GROUP AG-REG	CSGN VX Equity	Virt-X	3.3333%
10	DAIMLER AG-REGISTERED SHARES	DAI GY Equity	Frankfurt	3.3333%
11	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	3.3333%
12	ENI SPA	ENI IM Equity	Milan	3.3333%
13	FIAT SPA	F IM Equity	Milan	3.3333%
14	FOSTER'S GROUP LTD	FGL AU Equity	Sydney	3.3333%
15	HENNES & MAURITZ AB	HMB SS Equity	Stockholm	3.3333%
16	IBERDROLA SA	IBE SM Equity	Madrid	3.3333%
17	ING GROEP NV-CVA	INGANA Equity	Amsterdam	3.3333%
18	INTESA SANPAOLO	ISP IM Equity	Milan	3.3333%
19	KBC GROEP NV	KBC BB Equity	Brussels	3.3333%
20	MERCK & CO. INC.	MRK UN Equity	New York	3.3333%
21	NESTLE SA-REG	NESN VX Equity	Virt-X	3.3333%
22	NISSAN MOTOR CO LTD	7201 JT Equity	Tokyo	3.3333%
23	PEUGEOT SA	UG FP Equity	Paris	3.3333%
24	PPR	PP FP Equity	Paris	3.3333%
25	REYNOLDS AMERICAN INC	RAI UN Equity	New York	3.3333%
26	ROLLS-ROYCE GROUP PLC	RR/ LN Equity	London	3.3333%
27	STANDARD CHARTERED PLC	STAN LN Equity	London	3.3333%
28	TAIWAN SEMICONDUCTOR MANUFAC	2330 TT Equity	Taiwan	3.3333%
29	VIVENDI	VIV FP Equity	Paris	3.3333%
30	WESFARMERS LIMITED	WES AU Equity	Sydney	3.3333%

Selection criteria for basket inclusion:

A share can only be part of the basket if (i) the share is listed on an exchange, (ii) the security is part of a large index of shares, (iii) the share presents significant market capitalisation and a high market/income relationship, and (iv) the SICAV board of directors has approved inclusion of the share in the basket ("Selection criteria").

Basket adjustments following a merger, acquisition, spin-off, nationalisation, bankruptcy, or disqualification.

Merger or acquisition

If one or several basket share issuers take part in a merger or acquisition during the sub-fund duration, it will be allocated to the concerned share issuers through the transaction, and who subsequently satisfy the selection criteria, an equal basket weight to the sum of the share weight of all the issuers concerned by the transaction. If after the transaction no issuer concerned with this transaction no longer satisfy the selection criteria, steps outlined in "Nationalisation, bankruptcy, or disqualification" will be followed.

'Spin-offs'

If the issuer of a basket share proceeds with a spin-off, the weight of the share in question will be shared equally between the shares of all the issuers resulting from smurfing, and which satisfies the selection criteria.

If after the transaction no issuer resulting from the spin-off satisfies the selection criteria, steps outlined in "Nationalisation, bankruptcy, or disqualification" will be followed.

Nationalisation, bankruptcy, or disqualification

If the issuer of a basket share is nationalised, declared bankrupt, or no longer satisfies the selection criteria ("Disqualification"), the share is liquidated at the last price before consolidation. The liquidation amount is then invested through the renewal date of the underlying transaction swap at the current market rate on the currency or bond market at the moment of consolidation for a duration equal to the remaining duration through the renewal date of the underlying swap transaction of the sub-fund. The amount of the increased consolidation of stakes is deposited on the renewal date as income from the shares for calculating final rise of the basket at the renewal date.

The volatility of the net asset value may be increased depending on the composition of the portfolio.

The following information is general and is not intended to cover all aspects of public mutual fund investments in detail. In all specific cases, other measures can be applied as well. Otherwise, tax legislation and its interpretation can change. Investors seeking further information on tax consequences--as much in Belgium as well as in foreign countries--regarding the acquisition, maintenance, and transmission of participation rights, must contact their financial advisor regarding tax and financial matters.

The European Directive regarding savings and taxes on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This public mutual fund invests more than 40% of its assets directly or indirectly in debt as defined in the savings directive.

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

The European Savings Directive was implemented by:

The Act of 17 May 2004 *transposing into Belgian law the Directive 2003/48/CE of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending the 1992 Income Tax Code on withholding tax;*

- the Royal Decree of 27 September 2009 *implementing Article 338bis § 2 of the 1992 Income Tax Code*

- *the Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paymaster established in Belgium which pays income in relation to the public mutual fund through dividend (coupon) payments, either through sale, reimbursement, or depreciation of shares of a natural person (incumbent in fact) residing in another European Union country, or one of the independent or associated territories, is required to transmit information on the subject of this payment to the Belgian authority which will transmit the latter subsequently to the tax authority of the resident country of the incumbent in fact.

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 CIR 92).

These public mutual fund shares are capitalised as much as those entitling one to a dividend will be subject to application of Article 19bis CIR 92 in the event of full or partial distribution of equity capital.

Article 19bis CIR 92 is valid only for shareholders who are subject to taxes on natural persons. On the basis of this Article, it will be imposed on debt claim returns which are included between the redemption or reimbursement price in function of the period during which the investor held shares.

The rate is set at 15%.

Debt claim returns consist in a total of income which directly or indirectly in the form of interest, and capital gains and losses coming from equity contributions, were invested into receivables.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, with the exception of technical and legal setup and updating of the sub-fund, to KBC Fund Management Ltd., Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 FUTURE INVESTMENT POLICY DURING THE FINANCIAL YEAR**Basket composition on the date of the report**

Name	Value
ALLIANZ SE-REG	3,3436
AT&T INC	3,5575
ATLAS COPCO AB-A SHS	7,8923
AVIVA PLC	2,5611
BANCO BILBAO VIZCAYA ARGENTA	2,6939
BAYERISCHE MOTOREN WERKE AG	7,8402
BNP PARIBAS	2,5182
CITIGROUP INC	1,1265
CREDIT SUISSE GROUP AG-REG	2,3716
DAIMLER CHRYSLER	4,5293
DEUTSCHE POST AG-REG	3,5981
ENI SPA	2,9736
FIAT SPA	5,0317
HENNES & MAURITZ AB-B SHS	4,7933
IBERDROLA SA (SM)	2,7643
ING GROEP NV-CVA	3,3543
INTESA SANPAOLO	1,9827
KBC GROEP NV	1,2052
MERCK & CO. INC.	4,6644
NESTLE SA-REG	4,3048
NISSAN MOTOR CO LTD	7,2513
PEUGEOT SA	3,1212
PPR	9,0061
REYNOLDS AMERICAN INC	6,8623
ROLLS-ROYCE HOLDINGS PLC	8,0451
SABMILLER PLC	4,1474
STANDARD CHARTERED PLC	6,4019
TAIWAN SEMICONDUCTOR MANUFAC	5,9430
VIVENDI	2,4936
WESFARMERS LIMITED	6,3647
TOTAL	132,74

Movement in the index or basket

Index:	BASKET
31/12/2010:	157,26
30/06/2011:	164,44
29/12/2011:	132,74
Change since 31.12.10 or since the sub-fund launch:	-15,59%
Change since 30.06.11 or since the sub-fund launch:	-19,28%
Index at sub-fund launch:	100,00
Minimum guarantee in local currency on the renewal date:	10,00
Currency:	CZK

Basket modifications since sub-fund launch

Date	EXIT	ENTRY	Comments
23/05/2011	ROLLS ROYCE GROUP PLC	ROLLS ROYCE HOLDINGS PLC	Currency change
05/12/2011	FOSTER'S GROUP LTD	SABMILLER PLC	Acquisition

2.1.8 RISK RATING

At the level of Ø to VI.

Current risk rating: III

Risk rating at launch: IV

This is a risk indicator tied to investment in a UCI or sub-fund. Seven risk classes have been defined. The zero class represents the lowest risk, and the sixth the highest.

Risk class adjustment:

Risk class calculation is made according to prospectus OPC 3/2007 of the Financial Services and Markets Authority (FSMA) of 8 June 2007.

A risk class can change over time. Thus, a level change from market volatility can influence the risk profile.

The risk class must be adapted when, for two half-year periods from consecutive calculations, a sub-fund risk class from a UCI sub-fund is different from the one assigned initially.

The adjusted risk class and the one upon launch must be mentioned in (half-year) annual reports.

2.2 BALANCE SHEET

Balance Sheet Summary		31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
TOTAL NET ASSETS		30.648.566,67	44.841.597,24
II.	II. Securities, money market instruments, UCIs and derivative financial instruments		
A.	A. Bonds and other debt instruments		
	a) Bonds	27.084.008,01	36.022.411,76
F.	Financial derivatives		
	e) Equities		
	Swaps (+/-)	1.717.140,03	5.950.550,12
IV.	Receivables and payables within one year		
A.	Receivables		
	a) Accounts receivable		9.840,30
B.	Debts		
	a) Accounts payable (-)	-71.379,00	
V.	Deposits and cash		
A.	A. Demand balances at banks	160.742,09	384.647,28
B.	Demand balances at banks	1.757.800,00	2.469.955,30
VI.	Accruals and deferrals		
B.	Accrued income	2.635,11	7.595,50
C.	Accrued expenses (-)	-2.379,57	-3.403,02
TOTAL CAPITAL AND RESERVES		30.648.566,67	44.841.597,24
A.	Capital	34.525.848,16	42.360.882,86
B.	Profit share	-1.536,00	12.965,64
D.	Result for the financial year	-3.875.745,49	2.467.748,74

OFF-BALANCE-SHEET HEADINGS

IV	Notional amounts of swap contracts (+)	29.708.305,00	38.316.485,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Write-downs, capital gains and losses		
A. A. Bonds and other debt instruments		
a) Bonds	-617.443,33	-123.793,87
F. Financial derivatives		
e) Equities		
Swaps (+/-)	-3.423.988,40	2.675.649,37
G. Receivables, deposits, cash at bank and in hand and payables	-2.155,30	3.095,90
H. Foreign Exchange positions and transactions		
b) Other foreign exchange positions and transactions	4.442,34	-1.575,41
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	502.446,10	456.781,01
b) Deposits and cash at bank and in hand	23.315,85	158.955,63
C. Interest on borrowings (-)		-750,69
D. Swaps (+/-)	-402.430,79	-652.347,63
III. Other income		
A. Fees to cover renewal costs and disposal of assets, to discourage redemption and to cover delivery costs	107.210,27	47.745,73
B. Other	-8.229,10	50.791,71
IV. Operating expenses		
A. Transaction and delivery costs (-)	0,16	0,07
B. Financial expenses (-)	-17.624,54	-50.449,80
C. Custodian fees (-)	-6.088,25	-6.547,38
D. Asset Manager fees (-)		
a) Financial management		-21.874,65
b) Accounting and administrative expenses	-18.877,57	-22.822,05
F. Registration and organisation expenses (-)	-4.638,34	-6.315,52
G. Remuneration, social security charges and pensions (-)		-66,97
H. Services and sundry expenses (-)	-8.965,46	-22.760,34
J. Taxes	-431,61	-12.659,82
K. Other charges (-)	-2.287,52	-3.306,55
Income and expenditure for the financial period		
Subtotal II + III + IV before tax on the profit	163.399,20	-85.627,25
V. Profit (loss) on ordinary activities	-3.875.745,49	2.467.748,74
VII. Result for the financial year	-3.875.745,49	2.467.748,74

Profit appropriation account

	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Profit (Loss) to be allocated is	-3.877.281,49	2.480.714,38
Profit (loss) for the period available for appropriation	-3.875.745,49	2.467.748,74
Income equalisation on the creation of shares	-1.536,00	12.965,64
II. (Allocations to) Deductions from capital	3.877.281,49	-2.480.714,38

2.4 STATEMENT OF ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB FIXOVANEHO RUSTU 6

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 23/09-21/03 3.63%	2.750.000,00	CZK	97,445	2.690.303,23		9,34	8,78
BEECHWOOD STRUCTURED FIN PLC 6P-10 23/09-23/03 3.63%	2.800.000,00	CZK	96,471	2.711.930,49		9,42	8,85
BROOKFIELDS CAPITAL PLC 6P-10 23/09-23/03 3.63%	2.750.000,00	CZK	97,737	2.698.320,56		9,37	8,80
EPERON FINANCE PLC 6P-10 23/09-23/03 3.63%	2.800.000,00	CZK	97,349	2.736.513,06		9,50	8,93
ESPACCIO SECURITIES PLC 6P-10 23/09-23/03 3.63%	1.400.000,00	CZK	96,491	1.356.252,19		4,71	4,43
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 23/09-23/03 3.63%	1.400.000,00	CZK	96,548	1.357.039,72		4,71	4,43
NIMROD CAPITAL PLC 6P-10 23/09-23/03 3.63%	1.400.000,00	CZK	97,616	1.371.997,36		4,76	4,48
OPAL FINANCIAL PRODUCTS PLC 6P-10 23/09-23/03 3.63%	1.400.000,00	CZK	96,742	1.359.760,58		4,72	4,44
PROFILE FINANCE PLC 6P-10 23/09-23/03 3.63%	1.400.000,00	CZK	97,253	1.366.920,37		4,75	4,46
RECOLTE SECURITIES PLC 6P-10 23/09-23/03 3.63%	1.400.000,00	CZK	96,358	1.354.392,40		4,70	4,42
SILVERSTATE FIN INV PLC 6P-10 23/09-23/03 3.63%	1.350.000,00	CZK	96,921	1.313.613,56		4,56	4,29
VESPUCCI STRUCTURED FIN PROD 6P-10 23/09-23/03 3.63%	1.400.000,00	CZK	97,112	1.364.936,92		4,74	4,45
VIGADO CAPITAL PLC 6P-10 23/09-23/03 3.63%	1.400.000,00	CZK	96,406	1.355.053,27		4,71	4,42
VOYCE INVESTMENTS PLC 6P-10 23/09-23/03 3.63%	1.350.000,00	CZK	97,865	1.326.358,17		4,61	4,33
WATERFORD CAPITAL INC PLC 6P-10 23/09-23/03 3.63%	1.400.000,00	CZK	96,268	1.353.124,75		4,70	4,42
WAVES FINANCIAL INV PLC 6P-10 23/09-23/03 3.63%	1.400.000,00	CZK	97,294	1.367.491,38		4,75	4,46
Total bonds				27.084.008,01		94,04	88,37
Swaps							
<u>Belgium</u>							
KBC SWAPS	29.708.305,00	CZK	5,780	1.717.140,03		5,96	5,60
Total swaps				1.717.140,03		5,96	5,60
TOTAL SECURITIES PORTFOLIO				28.801.148,04		100,00	93,97
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	5.365,83	CZK	1,000	5.365,83			0,02
KBC GROUP EURO	6.092,47	EUR	1,000	155.376,26			0,51
Total demand accounts				160.742,09			0,52
Time deposit accounts							
<u>Germany</u>							
DZ BANK AG 23/09-23/03/12 DZBANK 0.550 %	1.760.000,00	CZK	99,875	1.757.800,00			5,74
Total deposit accounts				1.757.800,00			5,74
TOTAL CASH AT BANK AND IN HAND				1.918.542,09			6,26

OTHER RECEIVABLES AND PAYABLES							
Debts							
Belgium							
KBC GROUP CZK PAYABLE	-71.379,00	CZK	1,000	-71.379,00			-0,23
Total debt				-71.379,00			-0,23
TOTAL RECEIVABLES AND PAYABLES				-71.379,00			-0,23
OTHER							
Accrued interest		CZK		2.635,11			0,01
Expenses payable		CZK		-2.379,57			-0,01
TOTAL OTHER				255,54			0,00
TOTAL NET ASSETS				30.648.566,67			100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transaction can be freely consulted at the registered office of SICAV, avenue du Port 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

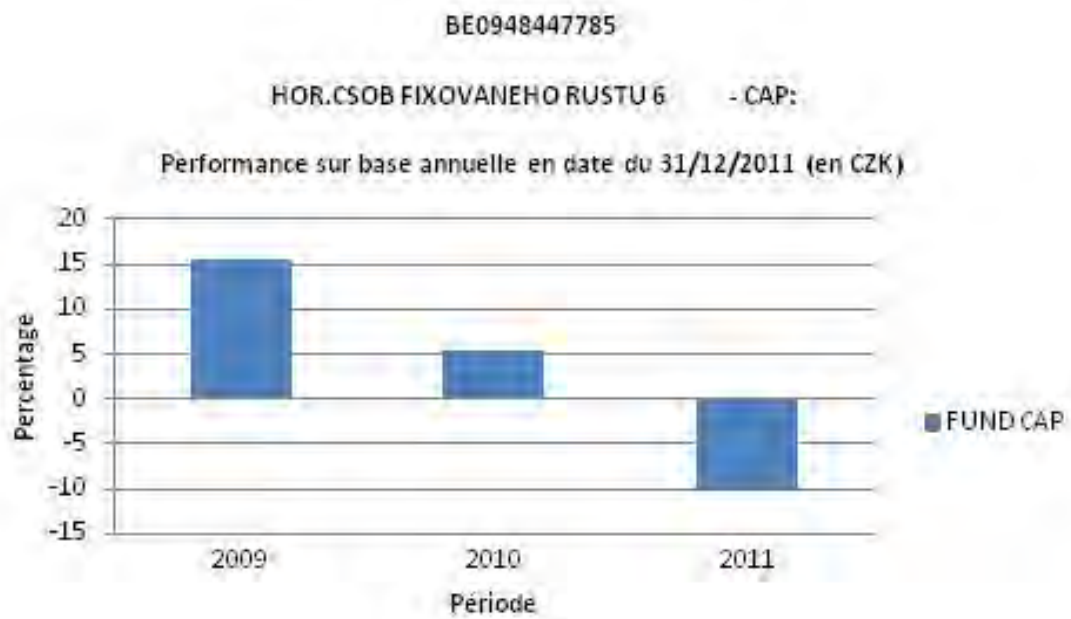
IN SECURITIES	Currency	In currency	In the sub-fund's currency	Lot size	Date of transaction
EQLISWAP	CZK	29.708.305,00	29.708.305,00	n.a.	30.11.2011

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

Period	Change in number of shares in circulation						
	Subscriptions		Reimbursements		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	48.295,00		94.923,00		4.317.546,00		4.317.546,00
2010 - 12	9.100,00		416.801,00		3.909.845,00		3.909.845,00
2011 - 12	16.950,00		952.335,00		2.974.460,00		2.974.460,00

Period	Amounts paid and received by the UCI (in the sub-fund's currency)			
	Subscriptions		Reimbursements	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	499.129,05		993.953,85	
2010 - 12	99.099,00		4.675.475,83	
2011 - 12	201.874,50		10.519.159,58	

Period	Net asset value End of period (in the sub-fund's currency)		
	of the sub-fund	of one unit	
		Cap.	Dis.
2009 - 12	46.950.225,33	10,87	
2010 - 12	44.841.597,24	11,47	
2011 - 12	30.648.566,67	10,30	



Cap Dis	ISIN code	Cur rency	1 Yr		3 Yrs*		5 Yrs*		10 Yrs*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch date	Share classes
CAP	BE0948447785	EUR	-11.65%		4.84%						28/11/2008	1.14%
CAP	BE0948447785	CZK	-10.20%		3.06%						28/11/2008	0.96%

* The rates shown are on an annual basis.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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.
- 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
- 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 nth 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.

2.4.6 COSTS

Total expenses ratio (TER): * 0.173%

* 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 collective investment undertaking in units of collective investment undertakings 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 collective investment undertaking.

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 shareholders of 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 consequently to be maximised. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

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.

The custody fee is paid at the end of each month based on the number of shares issued at the start of each half-year.

Auditor's fee: 1,000 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

Custodian's fee: this fee is payable annually at the start of each calendar year, and is calculated on the assets' value at the end of the preceding 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 sub-fund. This includes manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivative products on financial indexes: More information on potential financial indexes underlying financial derivative products are covered in the section "Goals and key principles of investment policy" of this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION REGARDING HORIZON CSOB BONUSOVY FOND 3

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 04.11.09

Initial subscription price: 10 CZK

Renewal date: 10.04.15

Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has two objects, before costs and taxes:

- (1) To reimburse the initial subscription price per share of 10 CZK on the renewal date (capital protection). This capital protection is provided through implementation of a financial mechanism explained in greater detail in the section *Capital Protection*. This capital protection, however, is not applicable to shareholders selling their shares before the renewal date.
- (2) To offer a potential return through a swap agreement
Different types of swaps in which the sub-fund can invest are explained in *Potential return*.

CAPITAL PROTECTION

Financial instrument for capital projection

The financial instrument intended to ensure capital protection on the renewal date consists of investing all subscriptions in bonds or other debt instruments, deposits and/or liquidities, especially funds deposited in term or demand accounts). These investments can have different durations and coupon payment dates which are adjusted to sub-fund commitment renewal dates through swaps described in *Authorised swap transactions (2)*.

Investment characteristics

Investments must have the following characteristics:

- (1) Deposits and/or debt instruments, made with, or issued by, prudently monitored financial institutions within a European Economic Area Member State.
- (2) A debt instrument investment issued, or guaranteed by, a European Economic Area Member State.
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

Investments under (3) include the following:

- (A) Bonds listed on stock exchanges issued by 'Special Purpose Vehicles' (SPV).

The SPVs are managed by KBC Asset Management SA or its subsidiaries.

Bonds issued by SPVs have a diversified portfolio of deposits issued by financial entities, bonds, and other debt instruments and financial derivatives as underlying assets. Selection of underlying assets rests on criteria regarding the allocation and credit rating (see *Authorised asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Other items relative to criteria which these underlying deposits, bonds, other debt instruments, and derivatives must have are noted in the SPV base prospectuses. The base prospectuses may be viewed at <http://www.kbc.be/prospectus/spv/>.

Sub-fund SPV investments are explained for sub-fund investors in the SICAV annual report and the half-year report, which includes the sub-fund. The annual report and the half-year report may be viewed at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions prudently monitored in the United States, Japan, Canada, or Australia; and/or
- Debt instruments issued by financial institutions prudently monitored in the United States, Japan, Canada, or Australia; and/or
- Debt instruments issued or guaranteed by the United States, Japan, Canada, or Australia.

Prudent monitoring of financial institutions in the United States, Japan, Canada, and Australia can be considered equivalent to prudent monitoring of financial entities in European Economic Area Member States.

Debt instruments issued by financial entities prudently monitored in the United States, Japan, Canada, and Australia, or issued or guaranteed in the United States, Japan, Canada, and Australia have a minimum credit rating score as discussed in *Characteristics of bonds and other debt instruments*.

(C) Investments can also combine those in (A) and (B).

No formal guarantee

No formal reimbursement guarantee of the initial subscription price is granted to the sub-fund or its investors. In other terms, capital protection does not constitute an obligation from sub-fund income, even as realising its object through the functioning of the financial instrument remains the absolute priority.

If, due to the defectiveness of the financial instrument, the amount to be paid per share on the renewal date before costs and taxes is less than the initial subscription price, KBC Asset Management can decide, with no obligation to do so, to allocate the management fee made from SICAV sub-fund and potentially other sub-funds during the current financial year to hedge against this shortfall. This does not constitute a guarantee on behalf of KBC Asset Management SA. At its own discretion, it can decide whether or not to use the management fee to this end.

This capital protection, however, is not applicable to shareholders selling their shares before the renewal date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund makes swaps with one or several prime counterparts. This is why the sub-fund transfers part of its future revenue from these investments set for capital protection to these counterparts for the duration of the sub-fund. In exchange, the counterparts commit to offer a potential return described in *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with provisions of the Royal Decree of 4 March 2005 regarding certain public investment entities, sub-fund investments can consist of tradable securities, particularly bonds and other debt instruments, financial market instruments, in shares of mutual funds, deposits, derivatives, liquidities and all other instruments, insofar as permitted in the regulations applicable.

Investment limits and restrictions set by the Royal Decree of 4 March 2005 regarding certain mutual funds will be observed at all times.

CHARACTERISTICS OF BONDS AND OTHER DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All durations are taken into consideration during selection of bonds and other debt instruments.

AUTHORISED SWAP TRANSACTIONS

The swaps described below were made with prime counterparts within legally defined limits.

(1) To achieve a potential return, the sub-fund makes swaps. In context of these swaps, the sub-fund transfers part of its future revenue from these investments set for capital protection to these counterparts for the duration of the sub-fund. In exchange, the counterparts commit to offer a potential return described in the section *Strategy selected*.

The swaps under (1) are essential to completion of the investment objects of the sub-fund, given that via this method, the goal of reaching a potential return can occur.

The sub-fund risk profile is not influenced by use of these swaps.

(2) The sub-fund makes swaps to coordinate sub-fund commitment durations and those of cash flows from deposits, bonds, and other debt instruments described in *Required investment characteristics*.

The swaps are essential to realisation of the investment objects of the sub-fund, given that there are insufficient bonds and other debt instruments on the market whose coupons and renewal dates perfectly coincide with renewal dates of sub-fund commitments

The sub-fund risk profile is not influenced by the use of these swaps.

(3) The sub-fund can also conclude these swaps to protect credit risk from bond and other debt instrument issuers. Through such a swap, one or several counterparts resume the risk of non-performing bond or other debt instrument issuers within the sub-fund portfolio in exchange for a premium payable by the sub-fund.

Swaps under (3) hedge against credit risk.

The sub-fund risk profile is not influenced by the use of these swaps.

STRATEGY SELECTED

GOALS AND KEY PRINCIPLES OF INVESTMENT POLICY:

The sub-fund has two investment goals. on the one hand, to maintain the initial subscription value on the renewal date, and on the other a potential increase in value through fluctuations on a basket of 30 blue chip shares, as defined below, characterised by significant market capitalisation and a low price/earnings ratio. 60% of any increase in the basket of 30 shares with respect to 95% of the initial value (calculated as $(= (\text{final value less } 95\% \cdot \text{initial value}), \text{divided by initial value})$) will be distributed on the renewal date above 100% of the value of the initial subscription. The gain is a maximum of 50% (minimum redemption return: 7.77%, before costs and taxes).

RENEWAL DATE: Friday 10.04.15 (payment with value date D + 1 bank working day)

CURRENCY: CZK, the change in the local currency exchange market of shares of the basket in relation to the CZK, is not relevant. The investor subscribes in CZK and is refunded on the renewal date (or possibly in advance) in CZK. Currency risk is not hedged during this period.

INITIAL VALUE: Value of the basket on the basis of the average of the share prices in the basket in the first 10 appraisal days starting from Thursday 12 November 2009, inclusive.

FINAL VALUE: Value of the basket on the basis of the average price of the shares in the basket on the last appraisal day of the month for the last 18 months before the renewal date, specifically October to March 2015 (including the latter).

PRICE:

For all shares excepting those listed on the Milan Stock Exchange, the closing price, particularly the price of a basket share as calculated and communicated at market closing by the exchange management where the security is listed, or their legal successor. For shares listed on the Milan exchange, the reference price.

APPRAISAL DAY:

For each share in the basket in the stock exchange on which it is listed, this refers to the most significant trading day, at least in regard to this share, the options for it show a volatile market event (trading suspension or limit for this share) or anticipated closing (the exchange management announces that trading day it has closed the market earlier than other trading days). If a volatile market event or anticipated closing occur regarding a share in the basket, the original appraisal day for this share is replaced by the first trading day following, during which there is no volatile market event and no anticipated closing which is not itself already an original appraisal day, and which does not itself replace already an original appraisal day due to a volatile market event or anticipated closing.

However, if during each of the eight trading days following the original trading day, a volatile market event or anticipated closing occurs, (i) that eighth trading day will be considered as the original appraisal day, (ii) SICAV will in good faith evaluate the share price as recorded on this eighth trading day, together with the prime counterpart(s) with which a swap agreement has been made, and (iii) SICAV will inform shareholders of (a) the volatile market event or the anticipated closing which occurred regarding one or many shares, (b) modified condition to determine the initial value and/or final value, and (c) the methods concerning distribution of amounts according to investment goals realised.

The above clarifications are designed to describe the mode of operation of the sub-fund's structure. The examples provided do not given any indication of the remitted return. The effective return of the sub-fund depends, on the one hand, on the real development of the market for the duration of the structure and, on the other, the specific mechanisms of the sub-fund and, in particular, the change in the underlying values, the duration and level of participation, as described in the section "Objectives and placement policy".

The examples below show the investment targets for a structure at 5 years, 4 months and 30 days which at the renewal date pays out 60% of any increase in the basket with respect to 95% of the initial value (calculated as *final value less 95%*initial value*), divided by *Initial Value*), with a maximum of 50% above 100% of the value of the initial subscription of 10 CZK. The initial basket value is equal to 100.

	Final Value of the basket	Relevant performance (*)	Value at renewal date
Positive scenario	180	$60\% * \frac{(180-95\%*100)}{100} = 51\%$	10 + 50% * 10 = 15 CZK (**) (redemption return: 7.77%, before costs and taxes)
Neutral scenario	120	$60\% * \frac{(120-95\%*100)}{100} = 15\%$	10 + 15% * 10 = 11.5 CZK (redemption return: 2.61%, before costs and taxes)
Neutral scenario	100	$60\% * \frac{(100-95\%*100)}{100} = 3\%$	10 + 3% * 10 = 10.3 CZK (redemption return: 0.54%, before costs and taxes)
Negative scenario	80	60% * 0% = 0%	10 + 0% * 10 = 10 CZK (redemption return: 0%, before costs and taxes)

(*) No account is taken of basket decreases below 95% of the Initial Value

(**) Gain limited to 50%

APPLICABLE BASKET:

The table below shows, in the columns from left to right, the successive numerical order of the share, name, Bloomberg code, exchange where listed, and its initial weight.

1	ABBOTT LABORATORIES	ABT UN Equity	NYSE	3.50%
2	ANHEUSER-BUSCH INBEV NV	ABI BB Equity	Brussels	3.00%
3	BANCO SANTANDER SA	SAN SM Equity	Madrid	2.50%
4	BP PLC	BP/ LN Equity	London	3.00%
5	BRISTOL-MYERS SQUIBB CO	BMV UN Equity	NYSE	2.50%
6	CENTRICA PLC	CNA LN Equity	London	4.00%
7	COLGATE-PALMOLIVE CO	CL UN Equity	NYSE	3.00%
8	DANONE	BN FP Equity	Paris	2.50%
9	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	3.50%
10	DIAGEO PLC	DGE LN Equity	London	3.00%
11	FRANCE TELECOM SA	FTE FP Equity	Paris	4.00%
12	HJ HEINZ CO	HNZ UN Equity	NYSE	3.00%
13	INDITEX	ITX SM Equity	Madrid	3.00%
14	KIMBERLY-CLARK CORP	KMB UN Equity	NYSE	4.00%
15	KONINKLIJKE AHOLD NV	AH NA Equity	Amsterdam	4.00%
16	KONINKLIJKE KPN NV	KPN NA Equity	Amsterdam	3.50%
17	KRAFT FOODS INC-CLASS A	KFT UN Equity	NYSE	2.50%
18	MCDONALD'S CORP	MCD UN Equity	NYSE	4.00%
19	NATIONAL GRID PLC	NG/ LN Equity	London	3.00%
20	NESTLE SA-REG	NESN VX Equity	Virt-X	3.00%
21	NIPPON TELEGRAPH & TELEPHONE	9432 JT Equity	Tokyo	4.50%
22	NOVARTIS AG-REG	NOVN VX Equity	Virt-X	4.00%
23	PFIZER INC	PFE UN Equity	NYSE	3.00%
24	ROCHE HOLDING AG-GENUSSSCHEIN	ROG VX Equity	Virt-X	3.50%
25	ROYAL BANK OF CANADA	RY CT Equity	Toronto	3.00%
26	SWISSCOM AG-REG	SCMN VX Equity	Virt-X	4.50%
27	TAKEDA PHARMACEUTICAL CO LTD	4502 JT Equity	Tokyo	3.50%
28	TELEFONICA SA	TEF SM Equity	Madrid	3.50%
29	TESCO PLC	TSCO LN Equity	London	3.50%
30	UNILEVER NV-CVA	UNA NA Equity	Amsterdam	2.50%

Selection criteria for basket inclusion:

A share can only be part of the basket if (i) the share is listed on an exchange, (ii) the security is part of a large index of shares, (iii) the share presents significant market capitalisation and a high market/income relationship, and (iv) the SICAV board of directors has approved inclusion of the share in the basket ("Selection criteria").

Basket adjustments following a merger, acquisition, spin-off, nationalisation, bankruptcy, or disqualification.

Merger or acquisition

If one or several basket share issuers take part in a merger or acquisition during the sub-fund duration, it will be allocated to the concerned share issuers through the transaction, and who subsequently satisfy the selection criteria, an equal basket weight to the sum of the share weight of all the issuers concerned by the transaction. If after the transaction no issuer concerned with this transaction no longer satisfy the selection criteria, steps outlined in "Nationalisation, bankruptcy, or disqualification" will be followed.

'Spin-offs'

If the issuer of a basket share proceeds with a spin-off, the weight of the share in question will be shared equally between the shares of all the issuers resulting from smurfing, and which satisfies the selection criteria.

If after the transaction no issuer resulting from the spin-off satisfies the selection criteria, steps outlined in "Nationalisation, bankruptcy, or disqualification" will be followed.

Nationalisation, bankruptcy, or disqualification

If the issuer of a basket share is nationalised, declared bankrupt, or no longer satisfies the selection criteria ("Disqualification"), the share is liquidated at the last price before consolidation. The liquidation amount is then invested through the renewal date of the underlying transaction swap at the current market rate on the currency or bond market at the moment of consolidation for a duration equal to the remaining duration through the renewal date of the underlying swap transaction of the sub-fund. The amount of the increased consolidation of stakes is deposited on the renewal date as income from the shares for calculating final rise of the basket at the renewal date.

The following information is general and is not intended to cover all aspects of public mutual fund investments in detail. In all specific cases, other measures can be applied as well. Otherwise, tax legislation and its interpretation can change. Investors seeking further information on tax consequences--as much in Belgium as well as in foreign countries--regarding the acquisition, maintenance, and transmission of participation rights, must contact their financial advisor regarding tax and financial matters.

The European Directive regarding savings and taxes on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This public mutual fund invests more than 40% of its assets directly or indirectly in debt as defined in the savings directive.

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

The European Savings Directive was implemented by:

The Act of 17 May 2004 *transposing into Belgian law the Directive 2003/48/CE of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending the 1992 Income Tax Code on withholding tax;*

- the Royal Decree of 27 September 2009 *implementing Article 338bis § 2 of the 1992 Income Tax Code*

- *the Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paymaster established in Belgium which pays income in relation to the public mutual fund through dividend (coupon) payments, either through sale, reimbursement, or depreciation of shares of a natural person (incumbent in fact) residing in another European Union country, or one of the independent or associated territories, is required to transmit information on the subject of this payment to the Belgian authority which will transmit the latter subsequently to the tax authority of the resident country of the incumbent in fact.

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 CIR 92).

These public mutual fund shares are capitalised as much as those entitling one to a dividend will be subject to application of Article 19bis CIR 92 in the event of full or partial distribution of equity capital.

Article 19bis CIR 92 is valid only for shareholders who are subject to taxes on natural persons. On the basis of this Article, it will be imposed on debt claim returns which are included between the redemption or reimbursement price in function of the period during which the investor held shares. The rate is set at 15%.

Debt claim returns consist in a total of income which directly or indirectly in the form of interest, and capital gains and losses coming from equity contributions, were invested into receivables.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, with the exception of technical and legal setup and updating of the sub-fund, to KBC Fund Management Ltd., Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 FUTURE INVESTMENT POLICY DURING THE FINANCIAL YEAR

Basket composition on the date of the report

Name	Value
ABBOTT LABORATORIES	3,6873
ANHEUSER-BUSCH INBEV NV	4,1728
BANCO SANTANDER SA	1,2410
BP PLC	2,3633
BRISTOL-MYERS SQUIBB CO	3,6182
CENTRICA	4,5565
COLGATE-PALMOLIVE CO	3,3469
DANONE	2,8850
DEUTSCHE POST AG-REG	3,2285
DIAGEO PLC	4,1093
FRANCE TELECOM SA	2,7811
HJ HEINZ CO	3,8368
INDITEX (SM)	4,4910
KIMBERLY-CLARK CORP	4,5552
KONINKLIJKE AHOLD NV	4,5159
KONINKLIJKE KPN NV	2,6986
KRAFT FOODS INC-CLASS A	3,4660
MCDONALD'S CORP	6,3217
NATIONAL GRID PLC	3,2491
NESTLE SA-REG	3,3488
NIPPON TELEGRAPH & TELEPHONE	4,7298
NOVARTIS AG-REG	3,9036
PFIZER INC	3,5948
ROCHE HOLDING AG-GENUSSCHEIN	3,4054
ROYAL BANK OF CANADA (CN)	2,6785
SWISSCOM AG-REG	4,0606
TAKEDA PHARMACEUTICAL CO LTD	3,3150
TELEFONICA SA (SM)	2,3859
TESCO PLC	3,3015
UNILEVER NV-CVA	3,1563
TOTAL	107,00

Movement in the index or basket

Index: **BASKET**

31/12/2010: **103,18**

30/06/2011: **105,29**

29/12/2011: **107,00**

Change since 31.12.10 or since the sub-fund launch: **3,70%**

Change since 30.06.11 or since the sub-fund launch: **1,62%**

Index at sub-fund launch: **100,00**

Minimum guarantee in local currency on the renewal date: **10,00**

Currency: **CZK**

2.1.8 RISK RATING

At the level of Ø to VI.

Current risk rating: II

Risk rating at launch: IV

This is a risk indicator tied to investment in a UCI or sub-fund. Seven risk classes have been defined. The zero class represents the lowest risk, and the sixth the highest.

Risk class adjustment:

Risk class calculation is made according to prospectus OPC 3/2007 of the Financial Services and Markets Authority (FSMA) of 8 June 2007.

A risk class can change over time. Thus, a level change from market volatility can influence the risk profile.

The risk class must be adapted when, for two half-year periods from consecutive calculations, a sub-fund risk class from a UCI sub-fund is different from the one assigned initially.

The adjusted risk class and the one upon launch must be mentioned in (half-year) annual reports.

2.2 BALANCE SHEET

Balance Sheet Summary		31/12/2011 <small>(in the sub-fund's currency)</small>	31/12/2010 <small>(in the sub-fund's currency)</small>
TOTAL NET ASSETS		161.181.309,79	165.661.840,44
II.	II. Securities, money market instruments, UCIs and derivative financial instruments		
A.	A. Bonds and other debt instruments		
	a) Bonds	142.632.112,13	145.836.253,90
F.	Financial derivatives		
	e) Equities		
	Swaps (+/-)	9.644.633,07	1.650.190,00
IV.	Receivables and payables within one year		
A.	Receivables		
	a) Accounts receivable		35.014,60
V.	Deposits and cash		
A.	A. Demand balances at banks	1.055.401,73	1.429.286,43
B.	Demand balances at banks	7.830.307,70	16.641.432,90
VI.	Accruals and deferrals		
B.	Accrued income	30.944,66	82.088,18
C.	Accrued expenses (-)	-12.089,50	-12.425,57
TOTAL CAPITAL AND RESERVES		161.181.309,79	165.661.840,44
A.	Capital	156.162.697,57	162.797.705,50
B.	Profit share	16.898,06	2.884,58
D.	Result for the financial year	5.001.714,16	2.861.250,36

OFF-BALANCE-SHEET HEADINGS

IV	Notional amounts of swap contracts (+)	154.496.160,00	168.100.000,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Write-downs, capital gains and losses		
A. A. Bonds and other debt instruments		
a) Bonds	-3.029.518,49	230.794,29
F. Financial derivatives		
e) Equities		
Swaps (+/-)	8.193.942,96	4.070.830,00
j) Interest Rates		
Swaps (+/-)		-233.462,35
G. Receivables, deposits, cash at bank and in hand and payables	-1.125,20	-884,10
H. Foreign Exchange positions and transactions		
a) Financial derivatives		
Swaps (+/-)		1.256.387,80
b) Other foreign exchange positions and transactions	-1.936,88	-1.972.974,48
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	2.248.092,95	2.123.790,76
b) Deposits and cash at bank and in hand	143.354,11	561.591,29
C. Interest on borrowings (-)	-131,83	-1.990,30
D. Swaps (+/-)	-561.179,39	-1.036.232,11
III. Other income		
A. Fees to cover renewal costs and disposal of assets, to discourage redemption and to cover delivery costs	94.822,37	16.245,79
B. Other	-12.289,11	83.561,72
IV. Operating expenses		
A. Transaction and delivery costs (-)	-0,01	-0,75
B. Financial expenses (-)	-30.282,72	-38.859,21
C. Custodian fees (-)	-6.088,25	-6.547,38
D. Asset Manager fees (-)		
a) Financial management	-1.886.937,74	-1.994.649,26
b) Accounting and administrative expenses	-82.124,27	-82.955,65
F. Registration and organisation expenses (-)	-20.440,36	-22.783,25
G. Remuneration, social security charges and pensions (-)	-163,10	-243,66
H. Services and sundry expenses (-)	-32.581,84	-34.943,26
J. Taxes	-1.946,51	-45.047,42
K. Other charges (-)	-11.752,53	-10.378,11
Income and expenditure for the financial period		
Subtotal II + III + IV before tax on the profit	-159.648,23	-489.440,80
V. Profit (loss) on ordinary activities	5.001.714,16	2.861.250,36
VII. Result for the financial year	5.001.714,16	2.861.250,36

Profit appropriation account

	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Profit (Loss) to be allocated is	5.018.612,22	2.864.134,94
Profit (loss) for the period available for appropriation	5.001.714,16	2.861.250,36
Income equalisation on the creation of shares	16.898,06	2.884,58
II. (Allocations to) Deductions from capital	-5.018.612,22	-2.864.134,94

2.4 STATEMENT OF ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB BONUSOVY FOND 3

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	14.450.000,00	CZK	97,387	14.170.064,40		9,31	8,79
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	14.600.000,00	CZK	96,412	14.174.874,48		9,31	8,79
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	14.550.000,00	CZK	97,679	14.310.546,06		9,40	8,88
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	14.550.000,00	CZK	97,290	14.254.071,98		9,36	8,84
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	7.350.000,00	CZK	96,433	7.137.487,79		4,69	4,43
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 10/07-10/01 3.10 %	7.300.000,00	CZK	96,489	7.093.039,85		4,66	4,40
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	7.300.000,00	CZK	97,558	7.171.033,26		4,71	4,45
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	7.350.000,00	CZK	96,684	7.155.906,82		4,70	4,44
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	7.350.000,00	CZK	97,195	7.193.495,75		4,72	4,46
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	7.350.000,00	CZK	96,300	7.127.723,90		4,68	4,42
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	7.300.000,00	CZK	96,863	7.120.290,75		4,68	4,42
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	7.350.000,00	CZK	97,053	7.183.082,63		4,72	4,46
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	7.300.000,00	CZK	96,347	7.082.681,95		4,65	4,39
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	7.300.000,00	CZK	97,807	7.189.206,03		4,72	4,46
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	7.350.000,00	CZK	96,210	7.121.068,70		4,68	4,42
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	7.300.000,00	CZK	97,236	7.147.537,78		4,69	4,43
Total bonds				142.632.112,13		93,67	88,49
Swaps							
<u>Belgium</u>							
KBC SWAPS	154.496.160,00	CZK	6,170	9.644.633,07		6,33	5,98
Total swaps				9.644.633,07		6,33	5,98
TOTAL SECURITIES PORTFOLIO				152.276.745,20		100,00	94,48
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	1.000.680,96	CZK	1,000	1.000.680,96			0,62
KBC GROUP EURO	2.145,66	EUR	1,000	54.720,77			0,03
Total demand accounts				1.055.401,73			0,66
Time deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	2.040.000,00	CZK	100,001	2.040.020,40			1,27
KBC BANK NV 25/07-10/01/12 KBCBANK 0.820 %	2.950.000,00	CZK	100,003	2.950.088,50			1,83

France						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	2.840.000,00	CZK	100,007	2.840.198,80		1,76
Total deposit accounts				7.830.307,70		4,86
TOTAL CASH AT BANK AND IN HAND				8.885.709,43		5,51
OTHER						
Accrued interest		CZK		30.944,66		0,02
Expenses payable		CZK		-12.089,50		-0,01
TOTAL OTHER				18.855,16		0,01
TOTAL NET ASSETS				161.181.309,79		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transaction can be freely consulted at the registered office of SICAV, avenue du Port 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In currency	In the sub-fund's currency	Lot size	Date of transaction
EQLISWAP	CZK	154.496.160,00	154.496.160,00	n.a.	16.09.2011

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

Period	Change in number of shares in circulation						
	Subscriptions		Reimbursements		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	16.810.000,00		0,00		16.810.000,00		16.810.000,00
2010 - 12	0,00		163.288,00		16.646.712,00		16.646.712,00
2011 - 12	0,00		939.520,00		15.707.192,00		15.707.192,00

Period	Amounts paid and received by the UCI (in the sub-fund's currency)			
	Subscriptions		Reimbursements	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	168.100.000,00		0,00	
2010 - 12	0,00		1.624.579,09	
2011 - 12	0,00		9.482.244,81	

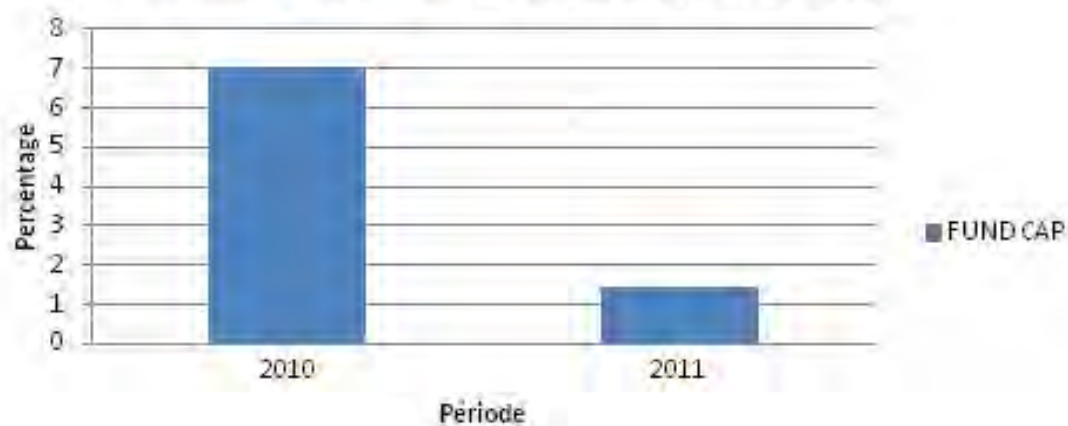
Period	Net asset value End of period (in the sub-fund's currency)			
	of the sub-fund		of one unit	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	164.425.169,17		9,78	
2010 - 12	165.661.840,44		9,95	
2011 - 12	161.181.309,79		10,26	

2.4.5 RETURNS

BE0948882288

Horizon - CSOB Bonusovy Fond 3 - CAP:

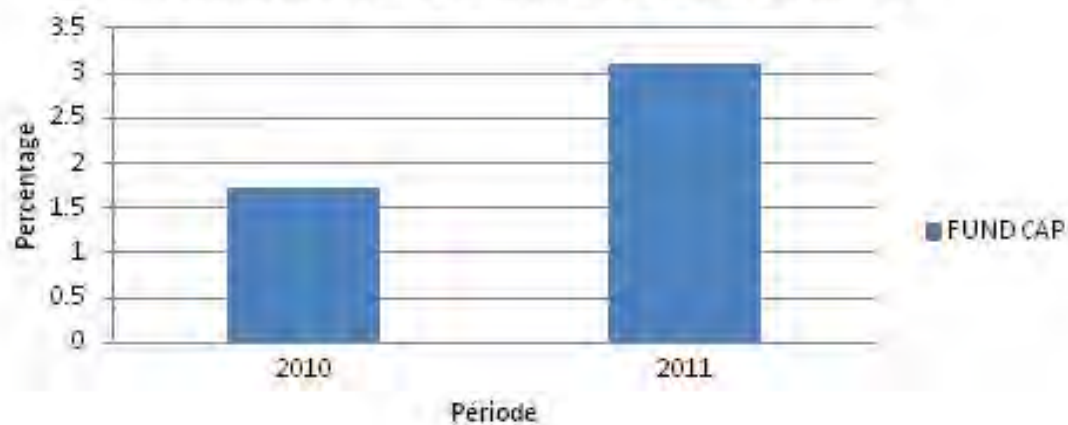
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0948882288

Horizon - CSOB Bonusovy Fond 3 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en CZK)



Cap Dis	ISIN code	Cur rency	1 Yr		3 Yrs*		5 Yrs*		10 Yrs*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch date	Share classes
CAP	BE0948882288	EUR	1.45%								04/11/2009	1.05%
CAP	BE0948882288	CZK	3.12%								04/11/2009	1.20%

* The rates shown are on an annual basis.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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.
- 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
- 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 nth 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.

2.4.6 COSTS

Total expenses ratio (TER): * 1.273%

* 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 collective investment undertaking in units of collective investment undertakings 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 collective investment undertaking.

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 shareholders of 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 consequently to be maximised. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

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.

The custody fee is paid at the end of each month based on the number of shares issued at the start of each half-year.

Auditor's fee: 1,000 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

Custodian's fee: this fee is payable annually at the start of each calendar year, and is calculated on the assets' value at the end of the preceding 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 sub-fund. This includes manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivative products on financial indexes: More information on potential financial indexes underlying financial derivative products are covered in the section "Goals and key principles of investment policy" of this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION REGARDING HORIZON KREDYT BANK REVERSE CLICK 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 28.01.10
Initial subscription price: 100 PLN
Renewal date: 31.07.13
Currency: PLN

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND

The sub-fund has two objects, before costs and taxes:

- (1) To refund the initial per-share subscription price of 100 PLN on the renewal date. The target is secured by an official guarantee issued by KBC Bank SA, avenue du Port 2, 1080 Brussels in favour of the sub-fund shareholders. Further information concerning guarantee procedures is available in the additional information on the sub-fund.
This capital guarantee, however, is not applicable to shareholders selling their shares before the renewal date.
- (2) To offer a potential return through swap agreements, which is why the sub-fund transfers a portion of the future earnings on investments described in *Asset authorised categories* to the counterpart/s for the duration of the sub-fund. In exchange, the counterpart/s undertake/s to offer a potential return.
This target does not form part of the guarantee.
The different types of swaps in which the sub-fund can invest are explained in *Authorised swap transactions*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with provisions of the Royal Decree of 4 March 2005 regarding certain public investment entities, sub-fund investments can consist of tradable securities, particularly bonds and other debt instruments, financial market instruments, shares of mutual funds, deposits, derivatives, liquidities and all other instruments, insofar as this is permitted by the regulations applicable. These investments can have different durations and coupon payment dates which are adjusted to sub-fund commitment renewal dates through swaps described in *Authorised swap transactions (2)*. Investment limits and restrictions set by the Royal Decree of 4 March 2005 regarding certain mutual funds will be observed at all times.

Specifically, the sub-fund may invest in bonds listed on stock exchanges issued by 'Special Purpose Vehicles' (SPV).

The SPVs are managed by KBC Asset Management SA or its subsidiaries.

Bonds issued by SPVs have a diversified portfolio of deposits issued by financial entities, bonds, and other debt instruments and financial derivatives as underlying assets. Selection of underlying assets rests on criteria regarding the allocation and credit rating (see *Authorised asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Other items relative to criteria which these underlying deposits, bonds, other debt instruments, and derivatives must have are noted in the SPV base prospectuses. The base prospectuses may be viewed at <http://www.kbc.be/prospectus/spv/>.

Sub-fund SPV investments are explained for sub-fund investors in the SICAV annual report and the half-year report, which includes the sub-fund. The annual report and the half-year report may be viewed at <http://www.kbc.be/>.

CHARACTERISTICS OF BONDS AND OTHER DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All durations are taken into consideration during selection of bonds and other debt instruments.

AUTHORISED SWAP TRANSACTIONS

The swaps described below were made with prime counterparts within legally defined limits.

(1) To achieve a potential return, the sub-fund makes swaps. In connection with these swaps, the sub-fund transfers part of its future revenue described in *Asset authorised categories* to the counterpart/s for the duration of the sub-fund. In exchange, the counterpart/s undertake/s to offer a potential return described in the section *Strategy selected*.

The swaps under (1) are essential to completion of the investment objects of the sub-fund, given that via this method, the goal of reaching a potential return can occur.

The sub-fund risk profile is not influenced by use of these swaps.

(2) If necessary, the sub-fund carries out swaps to coordinate sub-fund commitment durations and those of cash flows from investments described in *Asset authorised categories*.

The swaps are essential to realisation of the investment objects of the sub-fund, given that there are insufficient bonds and other debt instruments on the market whose coupons and renewal dates perfectly coincide with renewal dates of sub-fund commitments.

The sub-fund risk profile is not influenced by the use of these swaps.

(3) The sub-fund can also conclude these swaps to protect credit risk from bond and other debt instrument issuers. Through this swap, one or several counterparts undertake/s the risk of default on a bond or another debt instrument in the sub-fund portfolio, in exchange for a premium payable by the sub-fund.

Swaps under (3) hedge against credit risk.

The sub-fund risk profile is not influenced by the use of these swaps.

STRATEGY SELECTED

GOALS AND KEY PRINCIPLES OF INVESTMENT POLICY:

The sub-fund has two investment goals. on the one hand, to maintain the initial subscription value on the renewal date, and on the other a potential increase in value through fluctuations in the WIG20 index through a **"Reverse Cliquet" structure**. The gain is 75% less any decreases on the index by periods ($\text{decrease in the index by periods} = \frac{\text{Final Value of the period} - \text{Initial Value of the Period}}{\text{Initial Value of the Period}}$). Thus the maximum gain is 75% (maximum redemption return 17.39% before taxes and costs).

RENEWAL DATE: Tuesday 31.07.13 (payment with value date D + 1 bank working day)

CURRENCY: PLN, the change in the exchange rate of the WIG20 index in relation to the PLN is not relevant. The investor subscribes in PLN and is refunded on the renewal date (or possibly in

advance) in PLN. The investor is not protected against any fall in the value of the sub-fund currency against the euro.

CLIQUET PERIOD:

Period	Initial Value	Final Value
1) 02/2010	Average Price over the first 10 Appraisal Days starting on 5 February 2010 inclusive	Price on the tenth Appraisal Day in March 2010
2) to 40) each month from 03/2010 (inclusive) to the preceding month 06/2013	Price on the tenth Appraisal Day of the month concerned	Price on the tenth Appraisal Day of the month following the month concerned
41) 06/2013	Price on the tenth Appraisal Day in June 2013	Average price over the first 10 Appraisal Days in July 2013

PRICE:

Closing price, i.e. the price of the WIG20 index as calculated at closure of the stock exchanges and notified by the authority responsible (index sponsor), namely the Warsaw Stock Exchange (or its legal successor).

APPRAISAL DAY:

An appraisal day is a trading day that is at the same time designated

- i) For the stock exchange concerning to stocks forming at least 20% of the index and
- ii) for the exchange whose activity has a significant influence on the negotiation of options and futures on the stocks included in the index

hereinafter referred to as the 'exchanges concerned' and where the index sponsor calculates and communicates the index.

If on the appraisal day

- a) one of the exchanges concerned remains unexpectedly closed or
- b) if an event occurs that disrupts the market for one of the exchanges concerned or
- c) if one of the exchanges concerned has a scheduled closure

the original appraisal day will be replaced by the next exchange working day in the course of which no even occurs as described in a), b) or c) above. A closure other than an ordinary closure which is announced in due time is not considered as a scheduled closure.

If an appraisal is performed on the basis of successive appraisal days, the trading day replacing an original appraisal day (i) may not coincide with another original appraisal day and (ii) may not be a trading day which replaces another original appraisal day.

If however an event described in a), b) or c) above occurs in the course of the eight trading days that follow the original appraisal day,

- (i) The eighth trading day shall be considered as the original trading day and
- (ii) The sicav shall evaluate in good faith in consultation with the prime counterparts with which a swap agreement has been entered, the index value as it would have been calculated on the eighth trading day and
- (iii) The sicav shall inform the shareholders about changes relating to fixing the initial value and/or final value as well as to payment arrangements.

If the index is subject to changes (e.g. calculation by another sponsor, change in calculation method etc.) or if the index sponsor do not manage to calculate or notify the index (when all data are available), the sicav and the prime counterpart/s with which the swap agreement has been entered into will agree as to the future determination of the index. In the event of substantial changes or the discontinuation of calculation of the index, the index may be replaced by another index on the conditions that this new index is representative of the same geographical and/or economic sectors.

The above clarifications are designed to describe the mode of operation of the sub-fund's structure. The examples provided do not given any indication of the remitted return. The effective return of the sub-fund depends, on the one hand, on the real development of the market for the duration of the structure and, on the other, the specific mechanisms of the sub-fund and, in particular, the change in the underlying values, the duration and level of participation, as described in the section "Objectives and placement policy".

The following examples illustrate the aforementioned placement objectives for a structure at 3 years, 5 months and 27 days which at the renewal date pays out 80% less decreases on the index over each period. The gain will be paid above 100% of the initial subscription value of 100 PLN. The Initial Value of the index is 1,000.

Scénario Positif

Période	Evolution du panier			Pourcentage retenu pour la plus-value finale
	Valeur de Départ	Valeur Finale	Evolution	
1	1000	1100	10.00%	0.00%
2	1100	1050	-4.55%	-4.55%
3	1050	1000	-4.76%	-4.76%
4	1000	1400	40.00%	0.00%
5	1400	1400	0.00%	0.00%
6	1400	1500	7.14%	0.00%
7	1500	1450	-3.33%	-3.33%
8	1450	1520	4.83%	0.00%
9	1520	1530	0.66%	0.00%
10	1530	1545	0.98%	0.00%
11	1545	1560	0.97%	0.00%
12	1560	1550	-0.64%	-0.64%
13	1550	1520	-1.94%	-1.94%
14	1520	1510	-0.66%	-0.66%
15	1510	1520	0.66%	0.00%
16	1520	1580	3.95%	0.00%
17	1580	1560	-1.27%	-1.27%
18	1560	1410	-9.62%	-9.62%
19	1410	1420	0.71%	0.00%
20	1420	1430	0.70%	0.00%
21	1430	1425	-0.35%	-0.35%
22	1425	1450	1.75%	0.00%
23	1450	1400	-3.45%	-3.45%
24	1400	1350	-3.57%	-3.57%
25	1350	1290	-4.44%	-4.44%
26	1290	1310	1.55%	0.00%
27	1310	1325	1.15%	0.00%
28	1325	1350	1.89%	0.00%
29	1350	1389	2.89%	0.00%
30	1389	1398	0.65%	0.00%
31	1398	1430	2.29%	0.00%
32	1430	1435	0.35%	0.00%
33	1435	1480	3.14%	0.00%
34	1480	1510	2.03%	0.00%
35	1510	1523	0.86%	0.00%
36	1523	1579	3.68%	0.00%
37	1579	1580	0.06%	0.00%
38	1580	1580	0.00%	0.00%
39	1580	1593	0.82%	0.00%
40	1593	1610	1.07%	0.00%
41	1610	1550	-3.73%	-3.73%

Sommation des pourcentages à l'Echéance : -42.31%
Plus-value finale à l'Echéance: 80% -42.31% = 37.69%
Rendement actuariel : 9.6%, avant frais et impôts

Scénario Neutre

Période	Evolution du panier			Pourcentage retenu pour la plus-value finale
	Valeur de Départ	Valeur Finale	Evolution	
1	1000	1100	10.00%	0.00%
2	1100	1050	-4.55%	-4.55%
3	1050	1000	-4.76%	-4.76%
4	1000	1400	40.00%	0.00%
5	1400	1400	0.00%	0.00%
6	1400	1500	7.14%	0.00%
7	1500	1450	-3.33%	-3.33%
8	1450	1520	4.83%	0.00%
9	1520	1530	0.66%	0.00%
10	1530	1545	0.98%	0.00%
11	1545	1560	0.97%	0.00%
12	1560	1550	-0.64%	-0.64%
13	1550	1520	-1.94%	-1.94%
14	1520	1510	-0.66%	-0.66%
15	1510	1520	0.66%	0.00%
16	1520	1580	3.95%	0.00%
17	1580	1560	-1.27%	-1.27%
18	1560	1410	-9.62%	-9.62%
19	1410	1420	0.71%	0.00%
20	1420	1430	0.70%	0.00%
21	1430	1425	-0.35%	-0.35%
22	1425	1450	1.75%	0.00%
23	1450	1400	-3.45%	-3.45%
24	1400	1350	-3.57%	-3.57%
25	1350	1290	-4.44%	-4.44%
26	1290	1220	-5.43%	-5.43%
27	1220	1230	0.82%	0.00%
28	1230	1210	-1.63%	-1.63%
29	1210	1230	1.65%	0.00%
30	1230	1220	-0.81%	-0.81%
31	1220	1200	-1.64%	-1.64%
32	1200	1190	-0.83%	-0.83%
33	1190	1195	0.42%	0.00%
34	1195	1193	-0.17%	-0.17%
35	1193	1150	-3.60%	-3.60%
36	1150	1100	-4.35%	-4.35%
37	1100	1120	1.82%	0.00%
38	1120	1150	2.68%	0.00%
39	1150	1200	4.35%	0.00%
40	1200	1190	-0.83%	-0.83%
41	1190	1100	-7.56%	-7.56%

Somation des pourcentages à l'Echéance : -65.43%
Plus-value finale à l'Echéance: 80% -65.43% = 14.57%
Rendement actuariel : 3.97%, avant frais et impôts

Scénario Négatif

Période	Evolution du panier			Pourcentage retenu pour la plus-value finale
	Valeur de Départ	Valeur Finale	Evolution	
1	1000	1100	10.00%	0.00%
2	1100	1050	-4.55%	-4.55%
3	1050	1000	-4.76%	-4.76%
4	1000	1400	40.00%	0.00%
5	1400	1400	0.00%	0.00%
6	1400	1500	7.14%	0.00%
7	1500	1450	-3.33%	-3.33%
8	1450	1520	4.83%	0.00%
9	1520	1530	0.66%	0.00%
10	1530	1545	0.98%	0.00%
11	1545	1560	0.97%	0.00%
12	1560	1550	-0.64%	-0.64%
13	1550	1520	-1.94%	-1.94%
14	1520	1510	-0.66%	-0.66%
15	1510	1520	0.66%	0.00%
16	1520	1580	3.95%	0.00%
17	1580	1560	-1.27%	-1.27%
18	1560	1410	-9.62%	-9.62%
19	1410	1420	0.71%	0.00%
20	1420	1430	0.70%	0.00%
21	1430	1425	-0.35%	-0.35%
22	1425	1450	1.75%	0.00%
23	1450	1400	-3.45%	-3.45%
24	1400	1350	-3.57%	-3.57%
25	1350	1290	-4.44%	-4.44%
26	1290	1200	-6.98%	-6.98%
27	1200	1190	-0.83%	-0.83%
28	1190	1120	-5.88%	-5.88%
29	1120	1300	16.07%	0.00%
30	1300	1200	-7.69%	-7.69%
31	1200	1150	-4.17%	-4.17%
32	1150	1100	-4.35%	-4.35%
33	1100	1200	9.09%	0.00%
34	1200	1300	8.33%	0.00%
35	1300	1320	1.54%	0.00%
36	1320	1310	-0.76%	-0.76%
37	1310	1305	-0.38%	-0.38%
38	1305	1290	-1.15%	-1.15%
39	1290	1250	-3.10%	-3.10%
40	1250	1100	-12.00%	-12.00%
41	1100	1057	-3.91%	-3.91%

Sommation des pourcentages à l'Echéance : -89.77%
Plus-value finale à l'Echéance*: 80% -89.77% = 0%
Rendement actuariel : 0%, avant frais et impôts

The WIG20 index is weighted in accordance with market capitalisation, and comprises shares in Polish companies calculated by the Warsaw Stock Exchange, and is also used for trading on the derivatives market. The WIG20 index is composed of the 20 major Polish shares in terms of capitalisation. This index has a baseline value of 1,000, calculated on the basis of the underlying prices recorded on 16 April 1994.

The Warsaw Stock Exchange retains all ownership rights to the index. The Warsaw Stock Exchange does not provide any guarantee in any form, does not subscribe or is involved in any other way in the issue of shares by Horizon Kredyt Bank Reverse Click 1. The Warsaw Stock Exchange does not accept any liability for the issue and offer of shares by this mutual fund.

The index price is available for consultation on a daily basis at all KBC branches.

The following information is general and is not intended to cover all aspects of public mutual fund investments in detail. In all specific cases, other measures can be applied as well. Otherwise, tax legislation and its interpretation can change. Investors seeking further information on tax consequences--as much in Belgium as well as in foreign countries--regarding the acquisition, maintenance, and transmission of participation rights, must contact their financial advisor regarding tax and financial matters.

The European Directive regarding savings and taxes on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This public mutual fund invests more than 40% of its assets directly or indirectly in debt as defined in the savings directive.

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

The European Savings Directive was implemented by:

The Act of 17 May 2004 *transposing into Belgian law the Directive 2003/48/CE of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending the 1992 Income Tax Code on withholding tax*;

- the Royal Decree of 27 September 2009 *implementing Article 338bis § 2 of the 1992 Income Tax Code*

- *the Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paymaster established in Belgium which pays income in relation to the public mutual fund through dividend (coupon) payments, either through sale, reimbursement, or depreciation of shares of a natural person (incumbent in fact) residing in another European Union country, or one of the independent or associated territories, is required to transmit information on the subject of this payment to the Belgian authority which will transmit the latter subsequently to the tax authority of the resident country of the incumbent in fact.

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 CIR 92).

These public mutual fund shares are capitalised as much as those entitling one to a dividend will be subject to application of Article 19bis CIR 92 in the event of full or partial distribution of equity capital.

Article 19bis CIR 92 is valid only for shareholders who are subject to taxes on natural persons. On the basis of this Article, it will be imposed on debt claim returns which are included between the redemption or reimbursement price in function of the period during which the investor held shares.

The rate is set at 15%.

Debt claim returns consist in a total of income which directly or indirectly in the form of interest, and capital gains and losses coming from equity contributions, were invested into receivables.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, with the exception of technical and legal setup and updating of the sub-fund, to KBC Fund Management Ltd., Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 FUTURE INVESTMENT POLICY DURING THE FINANCIAL YEAR

Movement in the index or basket

	Index: WIG 20 INDEX
31/12/2010:	2.744,17
30/06/2011:	2.802,01
29/12/2011:	2.162,62
Change since 31.12.10 or since the sub-fund launch:	-21,19%
Change since 30.06.11 or since the sub-fund launch:	-22,82%
Index at sub-fund launch:	2.222,68
Minimum guarantee in local currency on the renewal date:	100,00
Currency:	PLN

Call Markets

Period	Final Date	Final Value	Cap
1	12/03/2010	2.415,820	0,00%
2	16/04/2010	2.594,830	0,00%
3	14/05/2010	2.413,230	-7,00%
4	14/06/2010	2.384,340	-1,20%
5	14/07/2010	2.388,460	0,00%
6	13/08/2010	2.452,050	0,00%
7	14/09/2010	2.552,880	0,00%
8	14/10/2010	2.676,900	0,00%
9	12/11/2010	2.682,820	0,00%
10	14/12/2010	2.774,610	0,00%
11	14/01/2011	2.720,490	-1,95%
12	14/02/2011	2.716,360	-0,15%
13	14/03/2011	2.757,760	0,00%
14	14/04/2011	2.906,850	0,00%
15	13/05/2011	2.845,940	-2,10%
16	14/06/2011	2.879,070	0,00%
17	14/07/2011	2.742,320	-4,75%
18	12/08/2011	2.331,530	-14,98%
19	14/09/2011	2.210,180	-5,20%
20	14/10/2011	2.300,650	0,00%
21	14/11/2011	2.331,490	0,00%
22	14/12/2011	2.173,940	-6,76%

2.1.8 RISK RATING

At the level of Ø to VI.

Current risk rating: III

Risk rating at launch: II

This is a risk indicator tied to investment in a UCI or sub-fund. Seven risk classes have been defined. The zero class represents the lowest risk, and the sixth the highest.

Risk class adjustment:

Risk class calculation is made according to prospectus OPC 3/2007 of the Financial Services and Markets Authority (FSMA) of 8 June 2007.

A risk class can change over time. Thus, a level change from market volatility can influence the risk profile.

The risk class must be adapted when, for two half-year periods from consecutive calculations, a sub-fund risk class from a UCI sub-fund is different from the one assigned initially.

The adjusted risk class and the one upon launch must be mentioned in (half-year) annual reports.

2.2 BALANCE SHEET

Balance Sheet Summary		31/12/2011 <small>(in the sub-fund's currency)</small>	31/12/2010 <small>(in the sub-fund's currency)</small>
TOTAL NET ASSETS		12.039.031,72	17.590.715,52
II.	II. Securities, money market instruments, UCIs and derivative financial instruments		
A.	A. Bonds and other debt instruments		
	a) Bonds	11.467.702,65	15.964.818,51
F.	Financial derivatives		
	e) Equities		
	Swaps (+/-)	-58.296,48	1.238.161,60
IV.	Receivables and payables within one year		
A.	Receivables		
	a) Accounts receivable		3.850,04
B.	Debts		
	a) Accounts payable (-)	-190.482,43	-351.260,00
V.	Deposits and cash		
A.	A. Demand balances at banks	149.977,34	149.740,88
B.	Demand balances at banks	669.752,10	599.896,30
VI.	Accruals and deferrals		
B.	Accrued income	10.921,92	8.067,29
C.	Accrued expenses (-)	-10.543,38	-22.559,10
TOTAL CAPITAL AND RESERVES		12.039.031,72	17.590.715,52
A.	Capital	13.098.791,60	16.233.844,31
B.	Profit share	-32.601,52	-26.621,11
D.	Result for the financial year	-1.027.158,36	1.383.492,32

OFF-BALANCE-SHEET HEADINGS

IV	Notional amounts of swap contracts (+)	12.145.100,00	16.291.600,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Write-downs, capital gains and losses		
A. A. Bonds and other debt instruments		
a) Bonds	-233.614,32	30.975,75
F. Financial derivatives		
e) Equities		
Swaps (+/-)	-890.744,58	1.284.647,80
G. Receivables, deposits, cash at bank and in hand and payables	-144,20	-103,70
H. Foreign Exchange positions and transactions		
b) Other foreign exchange positions and transactions	10.339,71	-398,81
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	582.886,24	294.254,96
b) Deposits and cash at bank and in hand	35.140,77	258.637,63
D. Swaps (+/-)	-241.126,24	-134.724,12
III. Other income		
A. Fees to cover renewal costs and disposal of assets, to discourage redemption and to cover delivery costs	35.608,26	16.614,76
B. Other	-3.923,39	3.848,10
IV. Operating expenses		
A. Transaction and delivery costs (-)	-0,06	-0,08
B. Financial expenses (-)	-1.526,25	-6.034,19
C. Custodian fees (-)	-959,50	
D. Asset Manager fees (-)		
a) Financial management	-288.022,72	-318.606,09
b) Accounting and administrative expenses	-14.948,82	-13.438,12
F. Registration and organisation expenses (-)	-1.899,80	-1.907,42
G. Remuneration, social security charges and pensions (-)	-15,87	-26,21
H. Services and sundry expenses (-)	-3.248,02	-2.622,96
J. Taxes	-9.979,56	-19.157,23
K. Other charges (-)	-980,01	-8.467,75
Income and expenditure for the financial period		
Subtotal II + III + IV before tax on the profit	87.005,03	68.371,28
V. Profit (loss) on ordinary activities	-1.027.158,36	1.383.492,32
VII. Result for the financial year	-1.027.158,36	1.383.492,32

Profit appropriation account

	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Profit (Loss) to be allocated is	-1.059.759,88	1.356.871,21
Profit (loss) for the period available for appropriation	-1.027.158,36	1.383.492,32
Income equalisation on the creation of shares	-32.601,52	-26.621,11
II. (Allocations to) Deductions from capital	1.059.759,88	-1.356.871,21

2.4 STATEMENT OF ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF ASSETS OF HORIZON KREDYT BANK REVERSE CLICK 1

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6W-15 10/01-10/07 6.66%	1.155.000,00	PLN	97,363	1.150.422,47		10,08	9,56
BEECHWOOD STRUCTURED FIN PLC 6W-15 10/01-10/07 5.84%	1.165.000,00	PLN	96,388	1.149.029,36		10,07	9,54
BROOKFIELDS CAPITAL PLC 6W-15 10/01-10/07 6.66%	1.160.000,00	PLN	97,654	1.158.784,51		10,16	9,63
EPERON FINANCE PLC 6W-15 10/01-10/07 6.66%	1.165.000,00	PLN	97,266	1.159.257,46		10,16	9,63
ESPACCIO SECURITIES PLC 6W-15 10/01-10/07 5.84%	575.000,00	PLN	96,409	567.235,34		4,97	4,71
GREENSTREET STRUCT. FIN. PROD. PLC 6W-15 10/01-10/07 5.84%	575.000,00	PLN	96,465	567.558,79		4,97	4,71
NIMROD CAPITAL PLC 6W-15 10/01-10/07 5.84%	575.000,00	PLN	97,533	573.702,11		5,03	4,77
OPAL FINANCIAL PRODUCTS PLC 6W-15 10/01-10/07 5.84	580.000,00	PLN	96,659	573.621,30		5,03	4,77
PROFILE FINANCE PLC 6W-15 10/01-10/07 5.84%	580.000,00	PLN	97,171	576.587,50		5,05	4,79
RECOLTE SECURITIES PLC 6W-15 10/01-10/07 6.66%	580.000,00	PLN	96,276	571.397,34		5,01	4,75
SILVERSTATE FIN INV PLC 6W-15 10/01-10/07 6.66%	575.000,00	PLN	96,838	569.705,27		4,99	4,73
VESPUCCI STRUCTURED FIN PROD 6W-15 10/01-10/07 6.66%	575.000,00	PLN	97,029	570.802,29		5,00	4,74
VIGADO CAPITAL PLC 6W-15 10/01-10/07 6.66%	575.000,00	PLN	96,323	566.742,93		4,97	4,71
VOYCE INVESTMENTS PLC 6W-15 10/01-10/07 6.66%	570.000,00	PLN	97,782	570.132,37		5,00	4,74
WATERFORD CAPITAL INC PLC 6W-15 10/01-10/07 5.84%	580.000,00	PLN	96,185	570.872,17		5,00	4,74
WAVES FINANCIAL INV PLC 6W-15 10/01-10/07 5.84%	575.000,00	PLN	97,211	571.851,44		5,01	4,75
Total bonds				11.467.702,65		100,51	95,25
Swaps							
<u>Belgium</u>							
KBC SWAPS	12.145.100,00	PLN	-0,480	-58.296,48		-0,51	-0,48
Total swaps				-58.296,48		-0,51	-0,48
TOTAL SECURITIES PORTFOLIO				11.409.406,17		100,00	94,77
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	1.113,13	EUR	1,000	4.962,11			0,04
KBC GROUP PLN	145.015,23	PLN	1,000	145.015,23			1,21
Total demand account				149.977,34			1,25

Time deposit accounts							
<u>United Kingdom</u>							
STANDARD CHARTERED 08/07-10/01/12 STANDCHA 3.400 %	670.000,00	PLN	99,963	669.752,10			5,56
Total deposit accounts				669.752,10			5,56
TOTAL CASH AT BANK AND IN HAND				819.729,44			6,81
OTHER RECEIVABLES AND PAYABLES							
Debts							
<u>Belgium</u>							
KBC GROUP PLN PAYABLES	-190.482,43	PLN	1,000	-190.482,43			-1,58
Total debt				-190.482,43			-1,58
TOTAL RECEIVABLES AND PAYABLES				-190.482,43			-1,58
OTHER							
Accrued interest		PLN		10.921,92			0,09
Expenses payable		PLN		-10.543,38			-0,09
TOTAL OTHER				378,54			0,00
TOTAL NET ASSETS				12.039.031,72			100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transaction can be freely consulted at the registered office of SICAV, avenue du Port 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In currency	In the sub-fund's currency	Lot size	Date of transaction
EQLISWAP	PLN	12.145.100,00	12.145.100,00	n.a.	30.11.2011

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

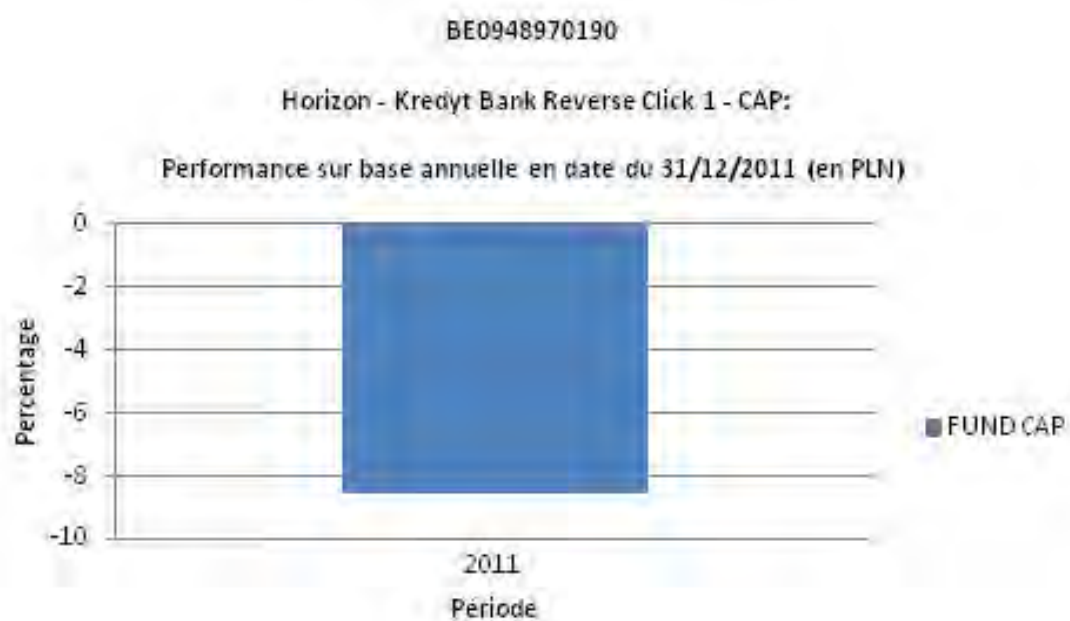
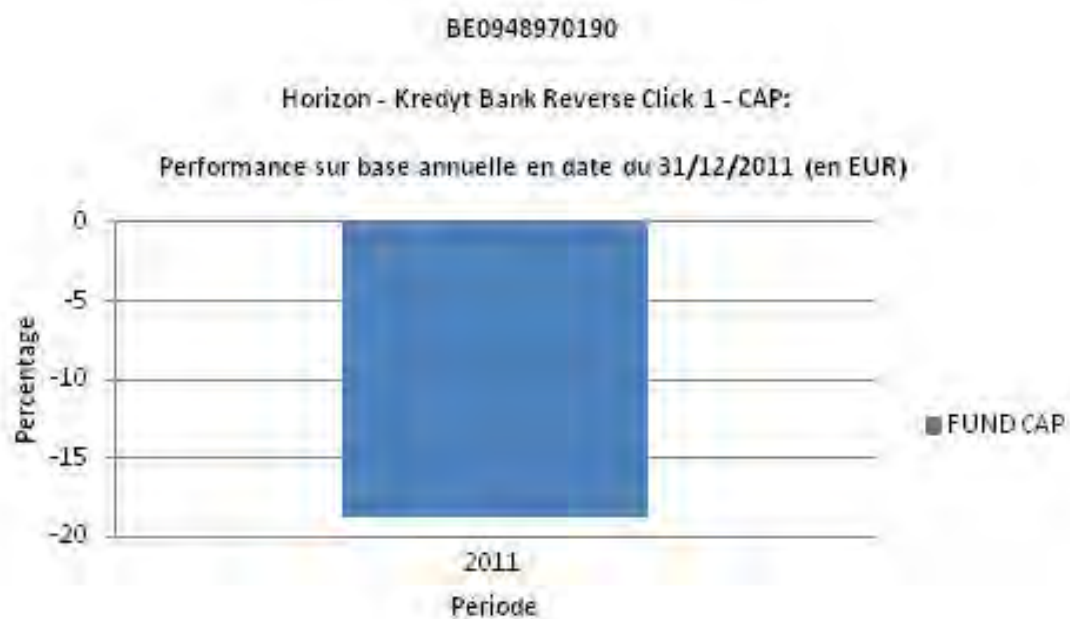
Period	Change in number of shares in circulation						
	Subscriptions		Reimbursements		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 12	178.687,00		15.734,00		162.953,00		162.953,00
2011 - 12	0,00		40.973,00		121.980,00		121.980,00

Period	Amounts paid and received by the UCI (in the sub-fund's currency)			
	Subscriptions		Reimbursements	
	Cap.	Dis.	Cap.	Dis.
2010 - 12	17.868.700,00		1.661.476,80	
2011 - 12	0,00		4.524.525,44	

Period	Net asset value		
	End of period (in the sub-fund's currency)		
	of the sub-fund	of one unit	
Cap.		Dis.	
Years			

2010 - 12	17.590.715,52	107,95	
2011 - 12	12.039.031,72	98,70	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 Yr		3 Yrs*		5 Yrs*		10 Yrs*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch date	Share classes
CAP	BE0948970190	EUR	-18.70%								28/01/2010	-4.99%
CAP	BE0948970190	PLN	-8.56%								28/01/2010	-0.69%

* The rates shown are on an annual basis.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible restructuring.
- Calculated in PLN and 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
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
- 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 nth 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.

2.4.6 COSTS

Total expenses ratio (TER): * 2.16%

* 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 collective investment undertaking in units of collective investment undertakings 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 collective investment undertaking.

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 shareholders of 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 consequently to be maximised. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

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.

The custody fee is paid at the end of each month based on the number of shares issued at the start of each half-year.

Auditor's fee: 1,000 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

Custodian's fee: this fee is payable annually at the start of each calendar year, and is calculated on the assets' value at the end of the preceding 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 sub-fund. This includes manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivative products on financial indexes: More information on potential financial indexes underlying financial derivative products are covered in the section "Goals and key principles of investment policy" of this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION REGARDING HORIZON KREDYT BANK FIX UPSIDE COUPON 2

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 24.07.09
Initial subscription price: 100 PLN
Renewal date: 28.02.13
Currency: PLN

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND

The sub-fund has two objects, before costs and taxes:

- (1) To refund the initial per-share subscription price of 100 PLN on the renewal date. The target is secured by an official guarantee issued by KBC Bank SA, avenue du Port 2, 1080 Brussels in favour of the sub-fund shareholders. Further information concerning guarantee procedures is available in the additional information on the sub-fund.
This capital guarantee, however, is not applicable to shareholders selling their shares before the renewal date.
- (2) To offer a potential return through swap agreements, which is why the sub-fund transfers a portion of the future earnings on investments described in *Asset authorised categories* to the counterpart/s for the duration of the sub-fund. In exchange, the counterparts undertake/s to offer a potential return.
This target does not form part of the guarantee.
The different types of swaps in which the sub-fund can invest are explained in *Authorised swap transactions*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with provisions of the Royal Decree of 4 March 2005 regarding certain public investment entities, sub-fund investments can consist of tradable securities, particularly bonds and other debt instruments, financial market instruments, shares of mutual funds, deposits, derivatives, liquidities and all other instruments, insofar as this is permitted by the regulations applicable. These investments can have different durations and coupon payment dates which are adjusted to sub-fund commitment renewal dates through swaps described in *Authorised swap transactions (2)*. Investment limits and restrictions set by the Royal Decree of 4 March 2005 regarding certain mutual funds will be observed at all times.

Specifically, the sub-fund may invest in bonds listed on stock exchanges issued by 'Special Purpose Vehicles' (SPV).

The SPVs are managed by KBC Asset Management SA or its subsidiaries.

Bonds issued by SPVs have a diversified portfolio of deposits issued by financial entities, bonds, and other debt instruments and financial derivatives as underlying assets. Selection of underlying assets rests on criteria regarding the allocation and credit rating (see *Authorised asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Other items relative to criteria which these underlying deposits, bonds, other debt instruments, and derivatives must have are noted in the SPV base prospectuses. The base prospectuses may be viewed at <http://www.kbc.be/prospectus/spv/>.

Sub-fund SPV investments are explained for sub-fund investors in the SICAV annual report and the half-year report, which includes the sub-fund. The annual report and the half-year report may be viewed at <http://www.kbc.be/>.

CHARACTERISTICS OF BONDS AND OTHER DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All durations are taken into consideration during selection of bonds and other debt instruments.

AUTHORISED SWAP TRANSACTIONS

The swaps described below were made with prime counterparts within legally defined limits.

(1) To achieve a potential return, the sub-fund makes swaps. In connection with these swaps, the sub-fund transfers part of its future revenue described in *Asset authorised categories* to the counterpart/s for the duration of the sub-fund. In exchange, the counterpart/s undertake/s to offer a potential return described in the section *Strategy selected*.

The swaps under (1) are essential to completion of the investment objects of the sub-fund, given that via this method, the goal of reaching a potential return can occur.

The sub-fund risk profile is not influenced by use of these swaps.

(2) If necessary, the sub-fund carries out swaps to coordinate sub-fund commitment durations and those of cash flows from investments described in *Asset authorised categories*.

The swaps are essential to realisation of the investment objects of the sub-fund, given that there are insufficient bonds and other debt instruments on the market whose coupons and renewal dates perfectly coincide with renewal dates of sub-fund commitments.

The sub-fund risk profile is not influenced by the use of these swaps.

(3) The sub-fund can also conclude these swaps to protect credit risk from bond and other debt instrument issuers. Through this swap, one or several counterparts undertake/s the risk of default on a bond or another debt instrument in the sub-fund portfolio, in exchange for a premium payable by the sub-fund.

Swaps under (3) hedge against credit risk.

The sub-fund risk profile is not influenced by the use of these swaps.

STRATEGY SELECTED

GOALS AND KEY PRINCIPLES OF INVESTMENT POLICY:

The sub-fund has two investment goals – on the one hand, to maintain the initial subscription value on the renewal date, and on the other distribution of a dividend by periods following approval by the General Meeting.

The dividend for the first period is fixed and equals 5% (before tax).

For the following periods, beginning with period 2, a variable dividend is calculated for each period on the basis of an increase in the value of a basket of 30 blue chip shares, as defined below, characterised by high market capitalisation and a low price/earnings ratio calculated on the basis of a **'Fix Upside Coupon' structure**.

Any increase in the basket by periods with respect to the initial value of the basket (*Final value of the basket period minus Initial value of the basket*) divided by *Initial value of the basket*) will be distributed at the renewal date and paid out at 100% as a dividend on the period on the understanding that, in order to determine the final value of the equity period, consideration must be taken of the calculation method described in "Final value".

Negative basket performances are not taken into account. The dividend per period is at least 0%.

The dividends paid are liable for withholding tax of 15%, subject to changes in the legislation applicable. The dividends on each period, with the exception of the last period, are payable on the last bank working day of the month following the end of the period. The dividend for the last period is payable on the renewal date.

RENEWAL DATE: Friday 28.02.13 (payment with value date D + 1 bank working day)

CURRENCY: PLN, changes to the local currency exchange rates for shares in the basket with respect to the PLN are not relevant.

PERIODS:

Period	Duration of period	Dividend per period (before tax)
1) 08/2009 - 01/2010	6 months	5%

Period	Duration of period	Final price for period
2) 02/2010 - 01/2011	12 months	For each share in the basket, the average rate of the first five Appraisal Days of February 2011
3) 02/2011 - 01/2012	12 months	For each share in the basket, the average rate of the first five Appraisal Days of February 2012
4) 02/2012 - 01/2013	12 months	For each share in the basket, the average rate of the first five Appraisal Days of February 2013

INITIAL VALUE OF A SHARE:

for each share in the basket the average price of the first five appraisal days beginning Wednesday 31.07.09 inclusive.

FINAL VALUE PER PERIOD OF A SHARE*:

- Scenario 1: if the final price for a share is greater than its initial value, irrespective of the difference, a 6.5% increase with respect to the initial value of the share will be booked for the current period.
- Scenario 2: if the final price of the share for the period is less than or equal to the initial value of this share, the share's final price will be booked as its final value.

*The increase or decrease in a share's price at the end of each period will always be calculated in relation to the initial value of this individual share as described above, which is only determined once and may not be changed, as shown in the example below.

INITIAL VALUE OF THE BASKET: the average weighted Initial value of shares in the basket.

FINAL VALUE OF BASKET FOR THE PERIOD:

the average weighted final value of shares in the basket for the period.

PRICE:

For all shares excepting those listed on the Milan Stock Exchange, the closing price, particularly the price of a basket share as calculated and communicated at market closing by the exchange management where the security is listed, or their legal successor. For shares listed on the Milan exchange, the reference price.

APPRAISAL DAY:

For each share in the basket in the stock exchange on which it is listed, this refers to the most significant trading day, at least in regard to this share, the options for it show a volatile market event (trading suspension or limit for this share) or anticipated closing (the exchange management announces that trading day it has closed the market earlier than other trading days). If a volatile market event or anticipated closing occur regarding a share in the basket, the original appraisal day for this share is replaced by the first trading day following, during which there is no volatile market event and no anticipated closing which is not itself already an original appraisal day, and which does not itself replace already an original appraisal day due to a volatile market event or anticipated closing.

However, if during each of the eight trading days following the original trading day, a volatile market event or anticipated closing occurs, (i) that eighth trading day will be considered as the original appraisal day, (ii) SICAV will in good faith evaluate the share price as recorded on this eighth trading day, together with the prime counterpart(s) with which a swap agreement has been made, and (iii) SICAV will inform shareholders of (a) the volatile market event or the anticipated closing which occurred regarding one or many shares, (b) modified condition to determine the initial value and/or final value, and (c) the methods concerning distribution of amounts according to investment goals realised.

The above clarifications are designed to describe the mode of operation of the sub-fund's structure. The examples provided do not given any indication of the remitted return. The effective return of the sub-fund depends, on the one hand, on the real development of the market for the duration of the structure and, on the other, the specific mechanisms of the sub-fund and, in particular, the change in the underlying values, the duration and level of participation, as described in the section "Objectives and placement policy".

The following example illustrates the investment objects described above. The example is based on a duration of 3 years, 6 months, and 29 days, and a basket of 3 shares equally weighted each priced at 100 in the determination of the Initial value.

The dividend for the first period is fixed and equals 5% (before tax). For successive periods, as of period 2, a variable dividend is determined depending on a possible increase in the basket of shares.

In case of any rise, even minimal, possibly ($>0\%$), in a period of a share compared with its Initial value, the contribution of this share to any capital gains of the basket will be set at 6.5% for the current period.

However, in the event of a decrease ($\leq 0\%$) per period of an individual share compared with its initial value, the decline of this share will be taken into account in determining the contribution of this share to the value of the basket for the current period.

The dividend per period is at least 0%.

Example

Positive scenario

Number of period	Final Value per period of Share A (*)	Final Value per period of Share B (*)	Final Value per period of Share C (*)	Calculation	Dividend (**) (***)
1	Not applicable	Not applicable	Not applicable	Not applicable	5% (fixed)
2	101 (6.5%)	106 (6.5%)	103 (6.5%)	$(6.5\%+6.5\%+6.5\%)/3= 6.5\%$	6.50%
3	104 (6.5%)	110 (6.5%)	101 (6.5%)	$(6.5\%+6.5\%+6.5\%)/3= 6.5\%$	6.50%
4	105 (6.5%)	106 (6.5%)	110 (6.5%)	$(6.5\%+6.5\%+6.5\%)/3= 6.5\%$	6.50%

(*) The final price and, in brackets, the contribution of each share (final value of a share for each period) to the dividend for the period considered.

(**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.

(***) The duration of the first period is 6 months. The duration of the second, third and fourth periods is 12 months.

Neutral scenario

Number of period	Final Value per period of Share A (*)	Final Value per period of Share B (*)	Final Value per period of Share C (*)	Calculation	Dividend (**) (***)
1	Not applicable	Not applicable	Not applicable	Not applicable	5% (fixed)
2	93 (-7%)	101 (6.5%)	103 (6.5%)	$(-7\%+6.5\%+6.5\%)/3= 2\%$	2.00%
3	96 (-4%)	104 (6.5%)	103 (6.5%)	$(-4\%+6.5\%+6.5\%)/3= 3\%$	3.00%
4	101 (6.5%)	102 (6.5%)	95 (-5%)	$(6.5\%+6.5\%-5\%)/3= 2.67\%$	2.67%

(*) The final price and, in brackets, the contribution of each share (final value of a share for each period) to the dividend for the period considered.

(**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.

(***) The duration of the first period is 6 months. The duration of the second, third and fourth periods is 12 months.

Negative scenario

Number of period	Final Value per period of Share A (*)	Final Value per period of Share B (*)	Final Value per period of Share C (*)	Calculation	Dividend (**) (***)
1	Not applicable	Not applicable	Not applicable	Not applicable	5% (fixed)
2	97 (-3%)	98 (-2%)	95 (-5%)	$(-3\%-2\%-5\%)/3= -3.33\%$	0.00%
3	98 (-2%)	92 (-8%)	92 (-8%)	$(-2\%-8\%-8\%)/3= -6\%$	0.00%
4	99 (-1%)	102 (6.5%)	95 (-5%)	$(-1\%+6.5\%-5\%)/3= 0.17\%$	0.17%

(*) The final price and, in brackets, the contribution of each share (final value of a share for each period) to the dividend for the period considered.

(**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.

(***) The duration of the first period is 6 months. The duration of the second, third and fourth periods is 12 months.

APPLICABLE BASKET:

The table below shows, in the columns from left to right, the successive numerical order of the share, name, Bloomberg code, exchange where listed, and its initial weight.

1	3M CO	MMM UN Equity	NYSE	2.50%
2	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	3.50%
3	BANK OF MONTREAL	BMO CT Equity	Toronto	3.50%
4	BAYER AG	BAY GY Equity	Frankfurt	3.50%
5	BNP PARIBAS	BNP FP Equity	Paris	3.50%
6	BRISTOL-MYERS SQUIBB CO	BMV UN Equity	NYSE	3.00%
7	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	4.00%
8	ENI SPA	ENI IM Equity	Milan	3.50%
9	FRANCE TELECOM SA	FTE FP Equity	Paris	4.00%
10	GAS NATURAL SDG	GAS SM Equity	Madrid	5.00%
11	HENNES & MAURITZ AB-B SHS	HMB SS Equity	Stockholm	2.50%
12	HSBC HOLDINGS PLC	HSBA LN Equity	London	3.50%
13	KRAFT FOODS INC-CLASS A	KFT UN Equity	NYSE	3.50%
14	LAFARGE SA	LG FP Equity	Paris	2.50%
15	MUENCHENER RUECKVER AG-REG	MUV2 GY Equity	Frankfurt	3.00%
16	NATIONAL GRID PLC	NG/ LN Equity	London	3.00%
17	NOKIA OYJ	NOK1V FH Equity	Helsinki	2.00%
18	NOVARTIS AG-REG	NOVN VX Equity	Virt-x	4.00%
19	NTT DOCOMO INC	9437 JT Equity	Tokyo	3.00%
20	PFIZER INC	PFE UN Equity	NYSE	3.50%
21	PPR	PP FP Equity	Paris	3.00%
22	SCOTTISH & SOUTHERN ENERGY	SSE LN Equity	London	4.50%
23	SHARP CORP	6753 JT Equity	Tokyo	3.00%
24	STATOILHYDRO ASA	STL NO equity	Oslo	2.00%
25	SWISS RE-REG	RUKN VX Equity	Virt-x	2.50%
26	SWISSCOM AG-REG	SCMN VX Equity	Virt-x	5.00%
27	TELSTRA CORP LTD	TLS AU Equity	Sydney	4.50%
28	THYSSENKRUPP AG	TKA GY Equity	Frankfurt	2.50%
29	VEOLIA ENVIRONNEMENT	VIE FP Equity	Paris	3.00%
30	ZURICH FINANCIAL SERVICE-REG	ZURN VX Equity	Virt-x	3.50%

Selection criteria for basket inclusion:

A share can only be part of the basket if (i) the share is listed on an exchange, (ii) the security is part of a large index of shares, (iii) the share presents significant market capitalisation and a high market/income relationship, and (iv) the SICAV board of directors has approved inclusion of the share in the basket ("Selection criteria").

Basket adjustments following a merger, acquisition, spin-off, nationalisation, bankruptcy, or disqualification.

Merger or acquisition

If one or several basket share issuers take part in a merger or acquisition during the sub-fund duration, it will be allocated to the concerned share issuers through the transaction, and who subsequently satisfy the selection criteria, an equal basket weight to the sum of the share weight of all the issuers concerned by the transaction. If after the transaction no issuer concerned with this transaction no longer satisfy the selection criteria, steps outlined in "Nationalisation, bankruptcy, or disqualification" will be followed.

'Spin-offs'

If the issuer of a basket share proceeds with a spin-off, the weight of the share in question will be shared equally between the shares of all the issuers resulting from smurfing, and which satisfies the selection criteria.

If after the transaction no issuer resulting from the spin-off satisfies the selection criteria, steps outlined in "Nationalisation, bankruptcy, or disqualification" will be followed.

Nationalisation, bankruptcy, or disqualification

If the issuer of a basket share is nationalised, declared bankrupt, or no longer satisfies the selection criteria ("Disqualification"), the share is liquidated at the last price before consolidation. The liquidation amount is then invested through the renewal date of the underlying transaction swap at the current market rate on the currency or bond market at the moment of consolidation for a duration equal to the remaining duration through the renewal date of the underlying swap transaction of the sub-fund. The amount of the increased consolidation of stakes is deposited on the renewal date as income from the shares for calculating final rise of the basket at the renewal date.

The following information is general and is not intended to cover all aspects of public mutual fund investments in detail. In all specific cases, other measures can be applied as well. Otherwise, tax legislation and its interpretation can change. Investors seeking further information on tax consequences--as much in Belgium as well as in foreign countries--regarding the acquisition, maintenance, and transmission of participation rights, must contact their financial advisor regarding tax and financial matters.

The European Directive regarding savings and taxes on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This public mutual fund invests more than 40% of its assets directly or indirectly in debt as defined in the savings directive.

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

The European Savings Directive was implemented by:

The Act of 17 May 2004 *transposing into Belgian law the Directive 2003/48/CE of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending the 1992 Income Tax Code on withholding tax;*

- the Royal Decree of 27 September 2009 *implementing Article 338bis § 2 of the 1992 Income Tax Code*

- *the Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paymaster established in Belgium which pays income in relation to the public mutual fund through dividend (coupon) payments, either through sale, reimbursement, or depreciation of shares of a natural person (incumbent in fact) residing in another European Union country, or one of the independent or associated territories, is required to transmit information on the subject of this payment to the Belgian authority which will transmit the latter subsequently to the tax authority of the resident country of the incumbent in fact.

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 CIR 92).

These public mutual fund shares are capitalised as much as those entitling one to a dividend will be subject to application of Article 19bis CIR 92 in the event of full or partial distribution of equity capital.

Article 19bis CIR 92 is valid only for shareholders who are subject to taxes on natural persons. On the basis of this Article, it will be imposed on debt claim returns which are included between the redemption or reimbursement price in function of the period during which the investor held shares. The rate is set at 15%.

Debt claim returns consist in a total of income which directly or indirectly in the form of interest, and capital gains and losses coming from equity contributions, were invested into receivables.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, with the exception of technical and legal setup and updating of the sub-fund, to KBC Fund Management Ltd., Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 FUTURE INVESTMENT POLICY DURING THE FINANCIAL YEAR

Basket composition on the date of the report

Name	Value
3M CO	2,8596
BANCO BILBAO VIZCAYA ARGENTA	2,0756
BANK OF MONTREAL (CN)	3,6167
BAYER AG	3,8814
BNP PARIBAS	2,0927
BRISTOL-MYERS SQUIBB CO	4,8550
DEUTSCHE POST AG-REG	4,1706
ENI SPA	3,4059
FRANCE TELECOM SA	2,7689
GAS NATURAL SDG SA	4,9511
HENNES & MAURITZ AB-B SHS	2,6010
HSBC HOLDINGS PLC (LONDON)	2,7257
KRAFT FOODS INC-CLASS A	4,6578
LAFARGE SA	1,2883
MUENCHENER RUECKVER AG-REG	2,7146
NATIONAL GRID PLC	3,7438
NOKIA OYJ	0,8089
NOVARTIS AG-REG	4,3957
NTT DOCOMO INC	3,0679
PFIZER INC	4,7669
PPR	4,1591
SHARP CORP	1,8708
SSE PLC	5,2421
STATOILHYDRO ASA	2,3088
SWISS RE LTD	2,7719
SWISSCOM AG-REG	4,9979
TELSTRA CORP LTD (AU)	4,2434
THYSSENKRUPP AG	1,9638
VEOLIA ENVIRONNEMENT	1,0478
ZURICH FINANCIAL SERVICE-REG	3,4337
TOTAL	97,49

Movement in the index or basket

Index:	BASKET
31/12/2010:	105,04
30/06/2011:	107,29
29/12/2011:	97,49
Change since 31.12.10 or since the sub-fund launch:	-7,19%
Change since 30.06.11 or since the sub-fund launch:	-9,13%
Index at sub-fund launch:	100,00
Minimum guarantee in local currency on the renewal date:	100,00
Currency:	PLN

Call Markets

Period	Final Date	Final Value	Cap
1	05/02/2010	n.a.	5,00%
2	07/02/2011	n.a.	1,04%

Basket modifications since sub-fund launch

Date	EXIT	ENTRY	Comments
23/05/2011	SWISS RE-REG	SWISS RE LTD	Code change
03/10/2011	SCOTTISH & SOUTHERN ENERGY PLC	SSE PLC	Change of name

2.1.8 RISK RATING

At the level of Ø to VI.

Current risk rating: III

Risk rating at launch: II

This is a risk indicator tied to investment in a UCI or sub-fund. Seven risk classes have been defined. The zero class represents the lowest risk, and the sixth the highest.

Risk class adjustment:

Risk class calculation is made according to prospectus OPC 3/2007 of the Financial Services and Markets Authority (FSMA) of 8 June 2007.

A risk class can change over time. Thus, a level change from market volatility can influence the risk profile.

The risk class must be adapted when, for two half-year periods from consecutive calculations, a sub-fund risk class from a UCI sub-fund is different from the one assigned initially.

The adjusted risk class and the one upon launch must be mentioned in (half-year) annual reports.

2.2 BALANCE SHEET

Balance Sheet Summary		31/12/2011 <small>(in the sub-fund's currency)</small>	31/12/2010 <small>(in the sub-fund's currency)</small>
TOTAL NET ASSETS		12.010.903,78	13.762.285,57
II.	II. Securities, money market instruments, UCIs and derivative financial instruments		
A.	A. Bonds and other debt instruments		
	a) Bonds	11.566.848,44	13.123.982,34
F.	Financial derivatives		
	e) Equities		
	Swaps (+/-)	-534.798,76	-597.759,14
IV.	Receivables and payables within one year		
A.	Receivables		
	a) Accounts receivable		2.888,87
	c) Collateral	319.948,80	319.980,80
B.	Debts		
	a) Accounts payable (-)	-87.903,64	-138.550,23
V.	Deposits and cash		
A.	A. Demand balances at banks	89.492,05	135.935,19
B.	Demand balances at banks	649.875,30	909.883,80
VI.	Accruals and deferrals		
B.	Accrued income	17.960,34	17.976,49
C.	Accrued expenses (-)	-10.518,75	-12.052,55
TOTAL CAPITAL AND RESERVES		12.010.903,78	13.762.285,57
A.	Capital	12.032.460,29	13.466.079,92
B.	Profit share	-25.797,92	-57.304,44
D.	Result for the financial year	4.241,41	353.510,09

OFF-BALANCE-SHEET HEADINGS

I	Liens on property (+/-)		
I.A	Collateral (+/-)		
I.A.B	Cash at bank and in hand/deposits	320.000,00	320.000,00
IV	Notional amounts of swap contracts (+)	12.886.717,00	14.508.717,00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Write-downs, capital gains and losses		
A. A. Bonds and other debt instruments		
a) Bonds	-239.493,04	48.931,38
F. Financial derivatives		
e) Equities		
Swaps (+/-)	-12.038,12	-442.823,16
G. Receivables, deposits, cash at bank and in hand and payables	-40,50	763,10
H. Foreign Exchange positions and transactions		
a) Financial derivatives		
Swaps (+/-)		441.367,55
b) Other foreign exchange positions and transactions	166,92	-439.492,65
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	535.102,97	518.788,56
b) Deposits and cash at bank and in hand	48.951,06	137.489,22
c) Collateral (+/-)	5.806,47	7.333,70
C. Interest on borrowings (-)	-12,43	-571,17
D. Swaps (+/-)	-141.465,86	307.644,66
F. Other investment income		2.204,45
III. Other income		
A. Fees to cover renewal costs and disposal of assets, to discourage redemption and to cover delivery costs	16.057,53	10.086,45
B. Other	-799,89	2.887,41
IV. Operating expenses		
A. Transaction and delivery costs (-)		0,09
B. Financial expenses (-)	-2.860,35	-4.122,60
C. Custodian fees (-)	-959,50	-1.016,05
D. Asset Manager fees (-)		
a) Financial management	-171.530,53	-196.107,51
b) Accounting and administrative expenses	-6.645,31	-7.098,48
E. Administrative costs (-)	-636,95	-3.301,59
F. Registration and organisation expenses (-)	-11.945,88	-11.293,17
G. Remuneration, social security charges and pensions (-)	-13,49	-20,98
H. Services and sundry expenses (-)	-2.601,89	-3.078,30
J. Taxes	-9.889,58	-14.145,20
K. Other charges (-)	-910,22	-915,62
Income and expenditure for the financial period		
Subtotal II + III + IV before tax on the profit	255.646,15	744.763,87
V. Profit (loss) on ordinary activities	4.241,41	353.510,09
VII. Result for the financial year	4.241,41	353.510,09

Profit appropriation account	31/12/2011 <small>(in the sub-fund's currency)</small>	31/12/2010 <small>(in the sub-fund's currency)</small>
I. Profit (Loss) to be allocated is	-21.556,51	296.205,65
Profit (loss) for the period available for appropriation	4.241,41	353.510,09
Income equalisation on the creation of shares	-25.797,92	-57.304,44
II. (Allocations to) Deductions from capital	171.426,75	480.639,35
IV. (Distribution of dividends)	-149.870,24	-776.845,00

2.4 STATEMENT OF ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF ASSETS OF HORIZON KREDYT BANK FIX UPSIDE COUPON 2

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6W-15 10/01-10/07 6.66%	1.160.000,00	PLN	97,363	1.155.402,66		10,47	9,62
BEECHWOOD STRUCTURED FIN PLC 6W-15 10/01-10/07 5.84%	1.170.000,00	PLN	96,388	1.153.960,81		10,46	9,61
BROOKFIELDS CAPITAL PLC 6W-15 10/01-10/07 6.66%	1.165.000,00	PLN	97,654	1.163.779,27		10,55	9,69
EPERON FINANCE PLC 6W-15 10/01-10/07 6.66%	1.170.000,00	PLN	97,266	1.164.232,81		10,55	9,69
ESPACCIO SECURITIES PLC 6W-15 10/01-10/07 5.84%	585.000,00	PLN	96,409	577.100,31		5,23	4,81
GREENSTREET STRUCT. FIN. PROD. PLC 6W-15 10/01-10/07 5.84%	580.000,00	PLN	96,465	572.494,09		5,19	4,77
NIMROD CAPITAL PLC 6W-15 10/01-10/07 5.84%	580.000,00	PLN	97,533	578.690,83		5,25	4,82
OPAL FINANCIAL PRODUCTS PLC 6W-15 10/01-10/07 5.84	585.000,00	PLN	96,659	578.566,31		5,24	4,82
PROFILE FINANCE PLC 6W-15 10/01-10/07 5.84%	585.000,00	PLN	97,171	581.558,09		5,27	4,84
RECOLTE SECURITIES PLC 6W-15 10/01-10/07 6.66%	585.000,00	PLN	96,276	576.323,18		5,22	4,80
SILVERSTATE FIN INV PLC 6W-15 10/01-10/07 6.66%	580.000,00	PLN	96,838	574.659,23		5,21	4,78
VESPUCCI STRUCTURED FIN PROD 6W-15 10/01-10/07 6.66%	585.000,00	PLN	97,029	580.729,29		5,26	4,84
VIGADO CAPITAL PLC 6W-15 10/01-10/07 6.66%	585.000,00	PLN	96,323	576.599,33		5,23	4,80
VOYCE INVESTMENTS PLC 6W-15 10/01-10/07 6.66%	580.000,00	PLN	97,782	580.134,69		5,26	4,83
WATERFORD CAPITAL INC PLC 6W-15 10/01-10/07 5.84%	585.000,00	PLN	96,185	575.793,48		5,22	4,79
WAVES FINANCIAL INV PLC 6W-15 10/01-10/07 5.84%	580.000,00	PLN	97,211	576.824,06		5,23	4,80
Total bonds				11.566.848,44		104,85	96,30
Swaps							
<u>Belgium</u>							
KBC SWAPS	12.886.717,00	PLN	-4,150	-534.798,76		-4,85	-4,45
Total swaps				-534.798,76		-4,85	-4,45
TOTAL SECURITIES PORTFOLIO				11.032.049,68		100,00	91,85
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	1.557,81	EUR	1,000	6.944,41			0,06
KBC GROUP PLN	82.547,64	PLN	1,000	82.547,64			0,69
Total demand account				89.492,05			0,75
Time deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	280.000,00	PLN	99,984	279.955,20			2,33
KBC BANK NV 25/07-10/01/12 KBCBANK 3.980 %	300.000,00	PLN	99,982	299.946,00			2,50

<u>United Kingdom</u>						
STANDARD CHARTERED 08/07-10/01/12 STANDCHA 3.400 %	70.000,00	PLN	99,963	69.974,10		0,58
Total deposit accounts				649.875,30		5,41
TOTAL CASH AT BANK AND IN HAND				739.367,35		6,16
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC BANK NV 08/07-10/01/12 KBCBAN 4.050 % C	320.000,00	PLN	99,984	319.948,80		2,66
Total receivables				319.948,80		2,66
Debts						
<u>Belgium</u>						
KBC GROUP PLN PAYABLES	-87.903,64	PLN	1,000	-87.903,64		-0,73
Total debt				-87.903,64		-0,73
TOTAL RECEIVABLES AND PAYABLES				232.045,16		1,93
OTHER						
Accrued interest		PLN		17.960,34		0,15
Expenses payable		PLN		-10.518,75		-0,09
TOTAL OTHER				7.441,59		0,06
TOTAL NET ASSETS				12.010.903,78		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transaction can be freely consulted at the registered office of SICAV, avenue du Port 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In currency	In the sub-fund's currency	Lot size	Date of transaction
KBCBANK 08/07-10/01/12 KBCBAN 4.050 % C	PLN	320.000,00	320.000,00	n.a.	06.07.2011
EQLISWAP	PLN	12.886.717,00	12.886.717,00	n.a.	29.07.2011

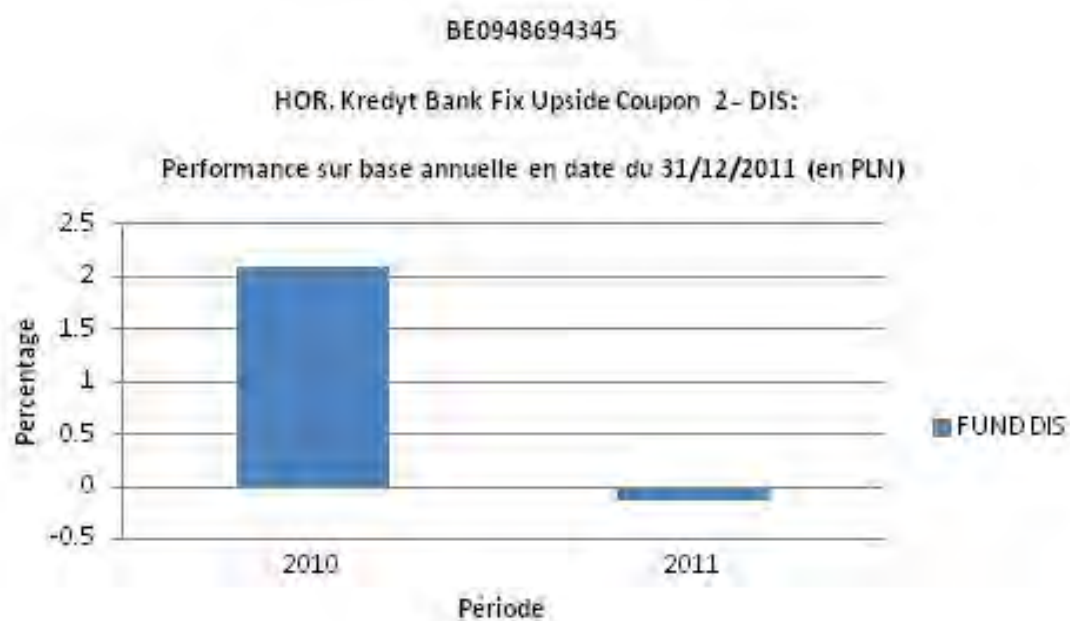
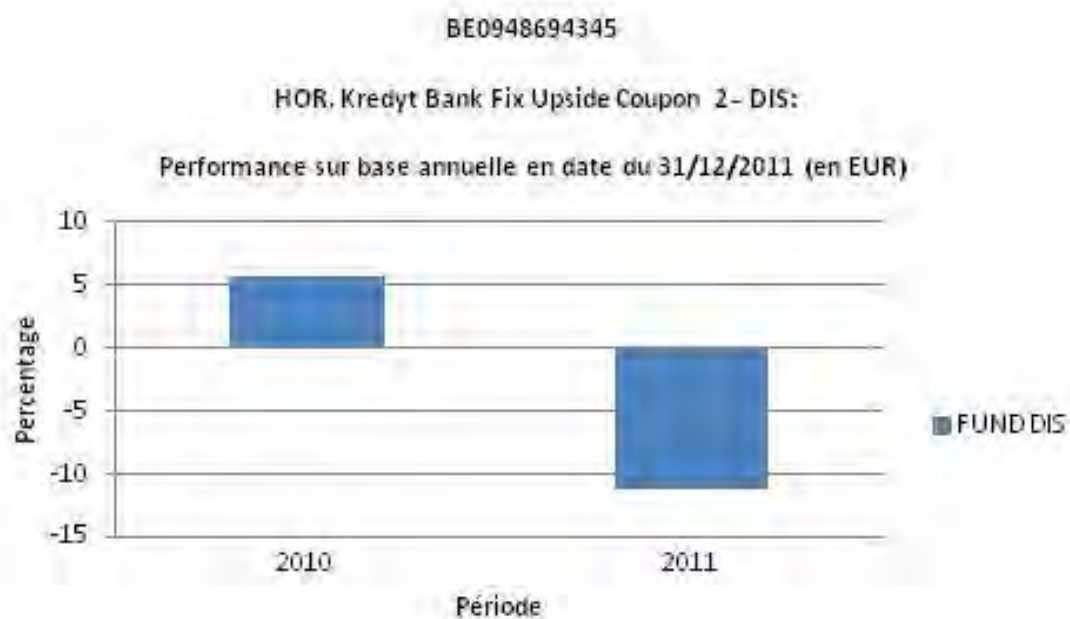
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND IN THE NET ASSET VALUE

Period	Change in number of shares in circulation						
Years	Subscriptions		Reimbursements		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12		157.190,00		1.721,00		155.469,00	155.469,00
2010 - 12		0,00		10.654,00		144.815,00	144.815,00
2011 - 12		0,00		16.867,00		127.948,00	127.948,00

Period	Amounts paid and received by the UCI (in the sub-fund's currency)			
Years	Subscriptions		Reimbursements	
	Cap.	Dis.	Cap.	Dis.
2009 - 12		15.719.000,00		167.223,91
2010 - 12		0,00		1.008.644,81
2011 - 12		0,00		1.605.752,96

Period	Net asset value End of period (in the sub-fund's currency)		
Years	of the sub-fund	of one unit	
		Cap.	Dis.
2009 - 12	15.194.265,29		97,73
2010 - 12	13.762.285,57		95,03
2011 - 12	12.010.903,78		93,87

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 Yr		3 Yrs*		5 Yrs*		10 Yrs*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch date	Share classes
DIS	BE0948694345	EUR	-11.20%								22/07/2009	-1.86%
DIS	BE0948694345	PLN	-0.13%								22/07/2009	-0.01%

* The rates shown are on an annual basis.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible restructuring.
- Calculated in PLN 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 paid dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Distribution units (DIS)

Return on date D over a period of X years:

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

where Y = D-X

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

$$[NAV(D) / NAV(S)]^{1/F} - 1$$

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

with C a factor that is determined by all of the dividends and from the date of calculating D and the reference date.

For dividend i to date DI with value Wi we apply:

$$Ci = [Wi / NIW(Di)] + 1$$

i = 1 ... N

where C = C0 * ... * CN.

- 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 nth 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 returns for distribution shares.

Dividend at ex-dividend date 17/02/2011: 0.88 PLN Net (1.04 PLN Gross).

2.4.6 COSTS

Total expenses ratio (TER): * 1.618%

* 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 collective investment undertaking in units of collective investment undertakings 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 collective investment undertaking.

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 shareholders of 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 consequently to be maximised. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

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.

The custody fee is paid at the end of each month based on the number of shares issued at the start of each half-year.

Auditor's fee: 1,000 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

Custodian's fee: this fee is payable annually at the start of each calendar year, and is calculated on the assets' value at the end of the preceding 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 sub-fund. This includes manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivative products on financial indexes: More information on potential financial indexes underlying financial derivative products are covered in the section "Goals and key principles of investment policy" of this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION REGARDING HORIZON CSOB DIGITALNI REVERZNI 3

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 30.04.09

Initial subscription price: 10 CZK

Renewal date: 31.05.12

Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has two objects, before costs and taxes:

- (1) To reimburse the initial subscription price per share of 10 CZK on the renewal date (capital protection). This capital protection is provided through implementation of a financial mechanism explained in greater detail in the section *Capital Protection*. This capital protection, however, is not applicable to shareholders selling their shares before the renewal date.
- (2) To offer a potential return through a swap agreement
Different types of swaps in which the sub-fund can invest are explained in *Potential return*.

CAPITAL PROTECTION

Financial instrument for capital projection

The financial instrument intended to ensure capital protection on the renewal date consists of investing all subscriptions in bonds or other debt instruments, deposits and/or liquidities, especially funds deposited in term or demand accounts). These investments can have different durations and coupon payment dates which are adjusted to sub-fund commitment renewal dates through swaps described in *Authorised swap transactions (2)*.

Investment characteristics

Investments must have the following characteristics:

- (1) Deposits and/or debt instruments, made with, or issued by, prudently monitored financial institutions within a European Economic Area Member State.
- (2) A debt instrument investment issued, or guaranteed by, a European Economic Area Member State.
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

Investments under (3) include the following:

- (A) Bonds listed on stock exchanges issued by 'Special Purpose Vehicles' (SPV).

The SPVs are managed by KBC Asset Management SA or its subsidiaries.

Bonds issued by SPVs have a diversified portfolio of deposits issued by financial entities, bonds, and other debt instruments and financial derivatives as underlying assets. Selection of underlying assets rests on criteria regarding the allocation and credit rating (see *Authorised asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Other items relative to criteria which these underlying deposits, bonds, other debt instruments, and derivatives must have are noted in the SPV base prospectuses. The base prospectuses may be viewed at <http://www.kbc.be/prospectus/spv/>.

Sub-fund SPV investments are explained for sub-fund investors in the SICAV annual report and the half-year report, which includes the sub-fund. The annual report and the half-year report may be viewed at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions prudently monitored in the United States, Japan, Canada, or Australia; and/or
- Debt instruments issued by financial institutions prudently monitored in the United States, Japan, Canada, or Australia; and/or
- Debt instruments issued or guaranteed by the United States, Japan, Canada, or Australia.

Prudent monitoring of financial institutions in the United States, Japan, Canada, and Australia can be considered equivalent to prudent monitoring of financial entities in European Economic Area Member States.

Debt instruments issued by financial entities prudently monitored in the United States, Japan, Canada, and Australia, or issued or guaranteed in the United States, Japan, Canada, and Australia have a minimum credit rating score as discussed in *Characteristics of bonds and other debt instruments*.

(C) Investments can also combine those in (A) and (B).

No formal guarantee

No formal reimbursement guarantee of the initial subscription price is granted to the sub-fund or its investors. In other terms, capital protection does not constitute an obligation from sub-fund income, even as realising its object through the functioning of the financial instrument remains the absolute priority.

If, due to the defectiveness of the financial instrument, the amount to be paid per share on the renewal date before costs and taxes is less than the initial subscription price, KBC Asset Management can decide, with no obligation to do so, to allocate the management fee made from SICAV sub-fund and potentially other sub-funds during the current financial year to hedge against this shortfall. This does not constitute a guarantee on behalf of KBC Asset Management SA. At its own discretion, it can decide whether or not to use the management fee to this end.

This capital protection, however, is not applicable to shareholders selling their shares before the renewal date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund makes swaps with one or several prime counterparts. This is why the sub-fund transfers part of its future revenue from these investments set for capital protection to these counterparts for the duration of the sub-fund. In exchange, the counterparts commit to offer a potential return described in *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with provisions of the Royal Decree of 4 March 2005 regarding certain public investment entities, sub-fund investments can consist of tradable securities, particularly bonds and other debt instruments, financial market instruments, in shares of mutual funds, deposits, derivatives, liquidities and all other instruments, insofar as permitted in the regulations applicable.

Investment limits and restrictions set by the Royal Decree of 4 March 2005 regarding certain mutual funds will be observed at all times.

CHARACTERISTICS OF BONDS AND OTHER DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All durations are taken into consideration during selection of bonds and other debt instruments.

AUTHORISED SWAP TRANSACTIONS

The swaps described below were made with prime counterparts within legally defined limits.

(1) To achieve a potential return, the sub-fund makes swaps. In context of these swaps, the sub-fund transfers part of its future revenue from these investments set for capital protection to these counterparts for the duration of the sub-fund. In exchange, the counterpart/s undertake/s to offer a potential return described in the section *Strategy selected*.

The swaps under (1) are essential to completion of the investment objects of the sub-fund, given that via this method, the goal of reaching a potential return can occur.

The sub-fund risk profile is not influenced by use of these swaps.

(2) The sub-fund makes swaps to coordinate sub-fund commitment durations and those of cash flows from deposits, bonds, and other debt instruments described in *Required investment characteristics*.

The swaps are essential to realisation of the investment objects of the sub-fund, given that there are insufficient bonds and other debt instruments on the market whose coupons and renewal dates perfectly coincide with renewal dates of sub-fund commitments.

The sub-fund risk profile is not influenced by the use of these swaps.

(3) The sub-fund can also conclude these swaps to protect credit risk from bond and other debt instrument issuers. Through such a swap, one or several counterparts resume the risk of non-performing bond or other debt instrument issuers within the sub-fund portfolio in exchange for a premium payable by the sub-fund.

Swaps under (3) hedge against credit risk.

The sub-fund risk profile is not influenced by the use of these swaps.

STRATEGY SELECTED

GOALS AND KEY PRINCIPLES OF INVESTMENT POLICY:

The sub-fund has two investment goals: on the one hand, to maintain the initial subscription value on the renewal date, and on the other a potential increase in value through fluctuations in the EURO STOXX 50 index[®] through a **'Digital Reverse Cliquet' structure**.

The 'Digital Reverse Cliquet' structure means that if, for each of the pre-defined partial periods, the price applicable on the index considered at the end of a certain period (Final Value) has not fallen with respect to the price applicable on the index considered at the beginning of a certain period

(Initial Value), a gain of 55% (redemption return 15.37%) is earned at the renewal date. However, for each period during which the price applicable on the index falls (the index falls on the period if ((Final Value on the period less Initial Value on the period) divided by Initial Value on the period) < 0), 4% is deducted from 55% to calculate the final gain. At the renewal date, 4% multiplied by (number of periods showing a fall in the price applicable on the index) is thus deducted from 55% to calculate the final gain. If this outcome is negative, it is brought to zero.

RENEWAL DATE: Friday 31.05.12 (payment with value date D + 1 bank working day)

CURRENCY: CZK, the change in the exchange rate of the EURO STOXX 50 index[®] with respect to the CZK is not relevant.

CLIQUET PERIOD:

Period	Initial Value	Final Value
1) 05/2009	Average <i>Price over the first 10 Appraisal Days</i> starting on 07.05.09 inclusive	Price on the tenth Appraisal Day of June 2009
2) to 35) each month from 06/2009 (inclusive) to the preceding month 04/2012	Price on the tenth Appraisal Day of the month concerned	Price on the tenth Appraisal Day of the month following the month concerned
36) 04/2012	Price on the tenth Appraisal Day of April 2012	Average <i>Price over the first 10 Appraisal Days</i> of May 2012

PRICE:

Closing price, i.e. the price on the EURO STOXX 50 index[®], as calculated on closure of the stock exchanges and notified by the authority responsible (index sponsor), namely Stoxx Limited (or its legal successor).

APPRAISAL DAY:

A stock exchange day during which the exchange authorities calculate and notify the price on the index.

If, however, **[A]** the exchange authorities (i) substantially modify the formula and/or the method of calculation for the index on the Appraisal Day or before this date and/or (ii) fail to calculate and notify the index (when all data are available), the sicav will calculate the index in a concerted fashion with the prime counterpart/s with which a swap agreement has been drawn up, on the basis of the last known method and formula for calculation of the index; and/or **[B]** on the Appraisal Day, a volatile market event occurs (preventing calculation of the index) or closure is earlier than expected (the exchange authorities have announced that on this day the market will close earlier than on other days), the original Appraisal Day is replaced by the next stock exchange day with no volatile market events or early closures, which is not itself an original Appraisal Day and does not itself replace an original Reference Day due to a volatile market event or an early closure. However, if in the course of each of the eight stock exchange days following the original Appraisal Day a volatile market event or early closure should occur, (i) the eighth stock exchange day will be considered to be the original Appraisal Day, (ii) the sicav will calculate the index in a concerted fashion with the prime counterpart/s with which a swap agreement has been drawn up, on the basis of the last known method and formula for calculation of the index and (iii) the sicav will notify shareholders of (a) the exceptional circumstances arising, (b) the changes to conditions to determine the Initial Value and/or the Final Value for the period, and (c) the procedures for distribution of sums in relation to the investment target.

If the index undergoes modifications (e.g. calculation by another sponsor, changes to the calculation method etc.), the sicav will decide how to determine the index in a concerted fashion with the prime counterpart/s with which a swap agreement has been drawn up. In the event of substantial changes to or discontinuation of calculation of the index, it may be replaced by another index on the conditions that the new index is representative of the geographical and/or economic sectors.

The EURO STOXX 50 index[®] is a weighted shares index without protection of dividends calculated by Stoxx Ltd. The main objective of the EURO STOXX 50[®] index is to be a continuous indicator of the market trend on European stock exchanges. This index has a baseline value of 1000, calculated on the basis of the underlying prices recorded on 31 December 1991.

The EURO STOXX 50 index[®] is exclusively composed of shares issued in Economic and Monetary Union Member States, with the exception of Luxembourg. On 10 April 1998 the following stock exchanges were registered in the account line: Austria (Vienna), Belgium (Brussels), Finland (Helsinki), France (Paris), Germany (Frankfurt), Italy (Milan), Ireland (Dublin), Netherlands (Amsterdam), Portugal (Lisbon) and Spain (Madrid).

The index is composed of the 50 largest European shares in terms of freely negotiable shares. They are weighted on the basis of this criterion.

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by Horizon CSOB Digitalni Reverzni 3. Stoxx Limited does not accept any liability for the issue and offer of shares by this mutual fund.

The EURO STOXX 50 index[®] is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

STOXX and its licensors do not have any other link to the licensee other than the licence which was awarded to the EURO STOXX 50 index[®] and the associated registered brands for the purposes of use in connection with Horizon CSOB Digitalni Reverzni 3.

STOXX and its licensors:

- do not make any declaration of guarantee in relation to the opportunity of a transaction with the shares of Horizon CSOB Digitalni Reverzni 3, which they also abstain from selling or promoting.
- do not make any investment recommendation to any party concerning Horizon CSOB Digitalni Reverzni 3, or any other stock.
- do not accept any liability or obligation in relation to the issue date, the quantity and price of Horizon CSOB Digitalni Reverzni 3 units, and do not make any decisions in this regard.
- do not undertake any liability or obligation concerning the administration, management or marketing of Horizon CSOB Digitalni Reverzni 3.
- are not obliged to consider the requirements of Horizon CSOB Digitalni Reverzni 3, or of owners of units in determining, compiling or calculating the EURO STOXX 50 index[®].

STOXX and its licensors do not accept any liability concerning Horizon CSOB Digitalni Reverzni 3. Specifically,

- **STOXX and its licensors do not provide nor underwrite any guarantee whether explicit or implicit regarding:**
 - **the results to be obtained by Horizon CSOB Digitalni Reverzni 3, holders of Horizon CSOB Digitalni Reverzni 3 units or any person involved in the utilisation of the EURO STOXX 50 index[®] and data within the EURO STOXX 50 index[®];**
 - **the accuracy and completeness of the EURO STOXX 50 index[®] and of the data it contains;**
 - **the negotiability of the EURO STOXX 50 index[®] and its data, and suitability of the data for a specific use or particular purpose;**
- **STOXX and its licensors cannot be held responsible for any error, omission or interruption of any kind in the EURO STOXX 50 index[®] or the data that it contains;**
- **In any event, STOXX or its licensors cannot be held responsible for any shortfall in returns of any kind. The same applies to any indirect damages or losses, even if STOXX and its licensors have given notice of the existence of such risks.**

The licence contract between KBC and STOXX has been entered in their sole interest and not in that of the holders of units in Horizon CSOB Digitalni Reverzni 3 or third parties.

The above clarifications are designed to describe the mode of operation of the sub-fund's structure. The examples provided do not give any indication of the remitted return. The effective return of the sub-fund depends, on the one hand, on the real development of the market for the duration of the structure and, on the other, the specific mechanisms of the sub-fund and, in particular, the change in the underlying values, the duration and level of participation, as described in the section "Objectives and placement policy".

The following examples illustrate the aforementioned placement objectives for a period of 3 years and 24 days, which pays out 55% at the renewal date less 4% per period in which the index falls. If the final outcome is negative, it is brought to zero. The gain will be paid above 100% of the initial subscription value of 10 CZK. The initial basket value equals 100.

	Nombre de Périodes avec une performance négative de l'indice	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	0	$55 - 0 * 4 = 55\%$	$10 + 55\% * 10 = 15.5$ CZK (rendement actuariel : 15.37% avant frais et impôts)
Scénario Neutre	9	$55 - 9 * 4 = 19\%$	$10 + 19\% * 10 = 11.9$ CZK (rendement actuariel : 5.84% avant frais et impôts)
Scénario Négatif	14	$55 - 14 * 4 = 0\%$	$10 + 0\% * 10 = 10$ CZK (rendement actuariel : 0% avant frais et impôts)

(*) Si le résultat final est négatif il est ramené à zéro

The following information is general and is not intended to cover all aspects of public mutual fund investments in detail. In all specific cases, other measures can be applied as well. Otherwise, tax legislation and its interpretation can change. Investors seeking further information on tax consequences--as much in Belgium as well as in foreign countries--regarding the acquisition, maintenance, and transmission of participation rights, must contact their financial advisor regarding tax and financial matters.

The European Directive regarding savings and taxes on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This public mutual fund invests more than 40% of its assets directly or indirectly in debt as defined in the savings directive.

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

The European Savings Directive was implemented by:

The Act of 17 May 2004 *transposing into Belgian law the Directive 2003/48/CE of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending the 1992 Income Tax Code on withholding tax;*

- the Royal Decree of 27 September 2009 *implementing Article 338bis § 2 of the 1992 Income Tax Code*

- *the Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paymaster established in Belgium which pays income in relation to the public mutual fund through dividend (coupon) payments, either through sale, reimbursement, or depreciation of shares of a natural person (incumbent in fact) residing in another European Union country, or one of the independent or associated territories, is required to transmit information on the subject of this payment to the Belgian authority which will transmit the latter subsequently to the tax authority of the resident country of the incumbent in fact.

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 CIR 92).

These public mutual fund shares are capitalised as much as those entitling one to a dividend will be subject to application of Article 19bis CIR 92 in the event of full or partial distribution of equity capital.

Article 19bis CIR 92 is valid only for shareholders who are subject to taxes on natural persons. On the basis of this Article, it will be imposed on debt claim returns which are included between the redemption or reimbursement price in function of the period during which the investor held shares. The rate is set at 15%.

Debt claim returns consist in a total of income which directly or indirectly in the form of interest, and capital gains and losses coming from equity contributions, were invested into receivables.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, with the exception of technical and legal setup and updating of the sub-fund, to KBC Fund Management Ltd., Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 INVESTMENT POLICY

Movement in the index or basket

Index:	EURO STOXX 50 INDEX
31/12/2010:	2.792,82
30/06/2011:	2.848,53
29/12/2011:	2.292,28
Change since 31.12.10 or since the sub-fund launch:	-17,92%
Change since 30.06.11 or since the sub-fund launch:	-19,53%
Index at sub-fund launch:	2.417,08
Minimum guarantee in local currency on the renewal date:	10,00
Currency:	CZK

Call Markets

Period	Final Date	Final Value	Cap
1	12/06/2009	2.509,220	0,00%
2	14/07/2009	2.370,710	-4,00%
3	14/08/2009	2.669,410	0,00%
4	14/09/2009	2.829,250	0,00%
5	14/10/2009	2.950,820	0,00%
6	13/11/2009	2.883,040	-4,00%
7	14/12/2009	2.885,000	0,00%
8	14/01/2010	2.940,250	0,00%
9	12/02/2010	2.674,460	-4,00%
10	12/03/2010	2.898,360	0,00%
11	14/04/2010	2.949,650	0,00%
12	14/05/2010	2.633,920	-4,00%
13	14/06/2010	2.683,460	0,00%
14	14/07/2010	2.738,960	0,00%
15	13/08/2010	2.708,730	-4,00%
16	14/09/2010	2.806,470	0,00%
17	14/10/2010	2.836,110	0,00%
18	12/11/2010	2.822,430	-4,00%
19	14/12/2010	2.861,670	0,00%
20	14/01/2011	2.920,400	0,00%
21	14/02/2011	3.018,380	0,00%
22	14/03/2011	2.852,110	-4,00%
23	14/04/2011	2.917,720	0,00%
24	13/05/2011	2.894,600	-4,00%
25	14/06/2011	2.779,940	-4,00%
26	14/07/2011	2.695,290	-4,00%
27	12/08/2011	2.307,330	-4,00%
28	14/09/2011	2.083,380	-4,00%
29	14/10/2011	2.355,480	0,00%
30	14/11/2011	2.288,320	-4,00%
31	14/12/2011	2.205,910	-4,00%

Basket modifications since sub-fund launch

Date	EXIT	ENTRY	Comments
01/01/2011	DOW JONES EUROSTOXX 50	EURO STOXX 50 INDEX	Change of name

2.1.8 RISK RATING

At the level of Ø to VI.

Current risk rating: II

Risk rating at launch: II

This is a risk indicator tied to investment in a UCI or sub-fund. Seven risk classes have been defined. The zero class represents the lowest risk, and the sixth the highest.

Risk class adjustment:

Risk class calculation is made according to prospectus OPC 3/2007 of the Financial Services and Markets Authority (FSMA) of 8 June 2007.

A risk class can change over time. Thus, a level change from market volatility can influence the risk profile.

The risk class must be adapted when, for two half-year periods from consecutive calculations, a sub-fund risk class from a UCI sub-fund is different from the one assigned initially.

The adjusted risk class and the one upon launch must be mentioned in (half-year) annual reports.

2.2 BALANCE SHEET

Balance Sheet Summary		31/12/2011 <small>(in the sub-fund's currency)</small>	31/12/2010 <small>(in the sub-fund's currency)</small>
TOTAL NET ASSETS		116.717.479,69	127.477.697,05
II.	II. Securities, money market instruments, UCIs and derivative financial instruments		
A.	A. Bonds and other debt instruments		
	a) Bonds	104.642.385,50	108.030.604,44
F.	Financial derivatives		
	m) Financial Index instruments		
	Swaps (+/-)	396.142,12	6.818.446,15
IV.	Receivables and payables within one year		
A.	Receivables		
	a) Accounts receivable		26.179,66
V.	Deposits and cash		
A.	A. Demand balances at banks	752.775,27	742.688,05
B.	Demand balances at banks	10.890.491,50	11.811.002,10
VI.	Accruals and deferrals		
B.	Accrued income	44.439,77	58.338,19
C.	Accrued expenses (-)	-8.754,47	-9.561,54
TOTAL CAPITAL AND RESERVES		116.717.479,69	127.477.697,05
A.	Capital	125.715.117,95	123.783.889,85
B.	Profit share	-20.540,60	-6.147,20
D.	Result for the financial year	-8.977.097,66	3.699.954,40

OFF-BALANCE-SHEET HEADINGS

IV	Notional amounts of swap contracts (+)	120.043.066,00	120.043.066,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Write-downs, capital gains and losses		
A. A. Bonds and other debt instruments		
a) Bonds	-2.232.949,28	233.237,76
F. Financial derivatives		
e) Equities		
Swaps (+/-)		-2.219.886,67
l) Financial Index instruments		
Swaps (+/-)	-6.422.304,03	7.019.443,47
G. Receivables, deposits, cash at bank and in hand and payables	-510,60	-11.483,80
H. Foreign Exchange positions and transactions		
b) Other foreign exchange positions and transactions	-3.872,02	-8.196,35
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	1.647.500,28	746.900,16
b) Deposits and cash at bank and in hand	131.089,69	713.008,72
C. Interest on borrowings (-)	-100,77	-8.772,26
D. Swaps (+/-)	292.211,50	-348.095,79
III. Other income		
A. Fees to cover renewal costs and disposal of assets, to discourage redemption and to cover delivery costs	17.831,18	26.834,65
B. Other	-9.180,29	126.878,37
IV. Operating expenses		
B. Financial expenses (-)	-29.581,24	-54.812,76
C. Custodian fees (-)	-6.088,25	-6.547,38
D. Asset Manager fees (-)		
a) Financial management	-2.248.106,27	-2.358.574,24
b) Accounting and administrative expenses	-61.792,41	-63.869,37
F. Registration and organisation expenses (-)	-15.656,75	-17.448,65
G. Remuneration, social security charges and pensions (-)	-126,48	-186,22
H. Services and sundry expenses (-)	-25.525,02	-26.769,47
J. Taxes	-1.441,86	-33.680,82
K. Other charges (-)	-8.495,04	-8.024,95
Income and expenditure for the financial period		
Subtotal II + III + IV before tax on the profit	-317.461,73	-1.313.160,01
V. Profit (loss) on ordinary activities	-8.977.097,66	3.699.954,40
VII. Result for the financial year	-8.977.097,66	3.699.954,40

Profit appropriation account

	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Profit (Loss) to be allocated is	-8.997.638,26	3.693.807,20
Profit (loss) for the period available for appropriation	-8.977.097,66	3.699.954,40
Income equalisation on the creation of shares	-20.540,60	-6.147,20
II. (Allocations to) Deductions from capital	8.997.638,26	-3.693.807,20

2.4 STATEMENT OF ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB DIGITALNI REVERZNI 3

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	10.650.000,00	CZK	97,387	10.443.680,68		9,94	8,95
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	10.750.000,00	CZK	96,412	10.436.979,50		9,94	8,94
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	10.700.000,00	CZK	97,679	10.523.906,72		10,02	9,02
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	10.750.000,00	CZK	97,290	10.531.359,02		10,03	9,02
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	5.350.000,00	CZK	96,433	5.195.314,24		4,95	4,45
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 10/07-10/01 3.10 %	5.350.000,00	CZK	96,489	5.198.323,72		4,95	4,45
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	5.350.000,00	CZK	97,558	5.255.483,28		5,00	4,50
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	5.400.000,00	CZK	96,684	5.257.400,93		5,01	4,50
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	5.350.000,00	CZK	97,195	5.236.081,94		4,99	4,49
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	5.400.000,00	CZK	96,300	5.236.695,11		4,99	4,49
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	5.350.000,00	CZK	96,863	5.218.295,27		4,97	4,47
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	5.350.000,00	CZK	97,053	5.228.502,32		4,98	4,48
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	5.350.000,00	CZK	96,347	5.190.732,66		4,94	4,45
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	5.300.000,00	CZK	97,807	5.219.560,54		4,97	4,47
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	5.400.000,00	CZK	96,210	5.231.805,58		4,98	4,48
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	5.350.000,00	CZK	97,236	5.238.263,99		4,99	4,49
Total bonds				104.642.385,50		99,62	89,65
Swaps							
<u>Belgium</u>							
KBC SWAPS	120.043.066,00	CZK	0,330	396.142,12		0,38	0,34
Total swaps				396.142,12		0,38	0,34
TOTAL SECURITIES PORTFOLIO				105.038.527,62		100,00	89,99
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	708.563,01	CZK	1,000	708.563,01			0,61
KBC GROUP EURO	1.733,61	EUR	1,000	44.212,26			0,04
Total demand account				752.775,27			0,65
Time deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	2.660.000,00	CZK	100,001	2.660.026,60			2,28
KBC BANK NV 25/07-10/01/12 KBCBANK 0.820 %	2.780.000,00	CZK	100,003	2.780.083,40			2,38

France						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	5.450.000,00	CZK	100,007	5.450.381,50		4,67
Total deposit accounts				10.890.491,50		9,33
TOTAL CASH AT BANK AND IN HAND				11.643.266,77		9,98
OTHER						
Accrued interest		CZK		44.439,77		0,04
Expenses payable		CZK		-8.754,47		-0,01
TOTAL OTHER				35.685,30		0,03
TOTAL NET ASSETS				116.717.479,69		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transaction can be freely consulted at the registered office of SICAV, avenue du Port 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In currency	In the sub-fund's currency	Lot size	Date of transaction
EQLISWAP	CZK	120.043.066,00	120.043.066,00	n.a.	08.07.2011

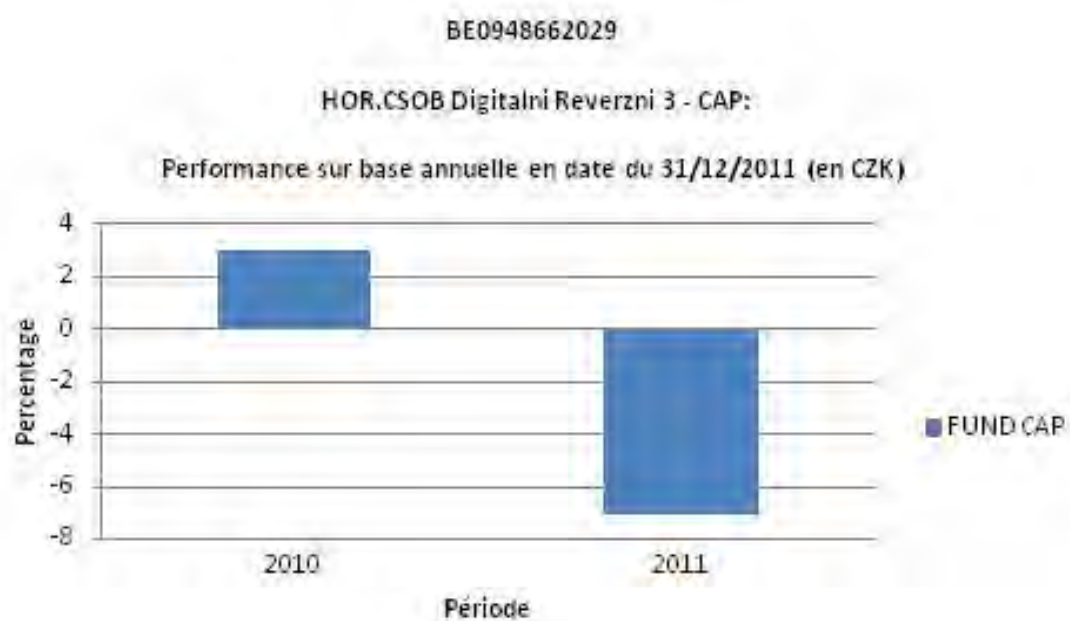
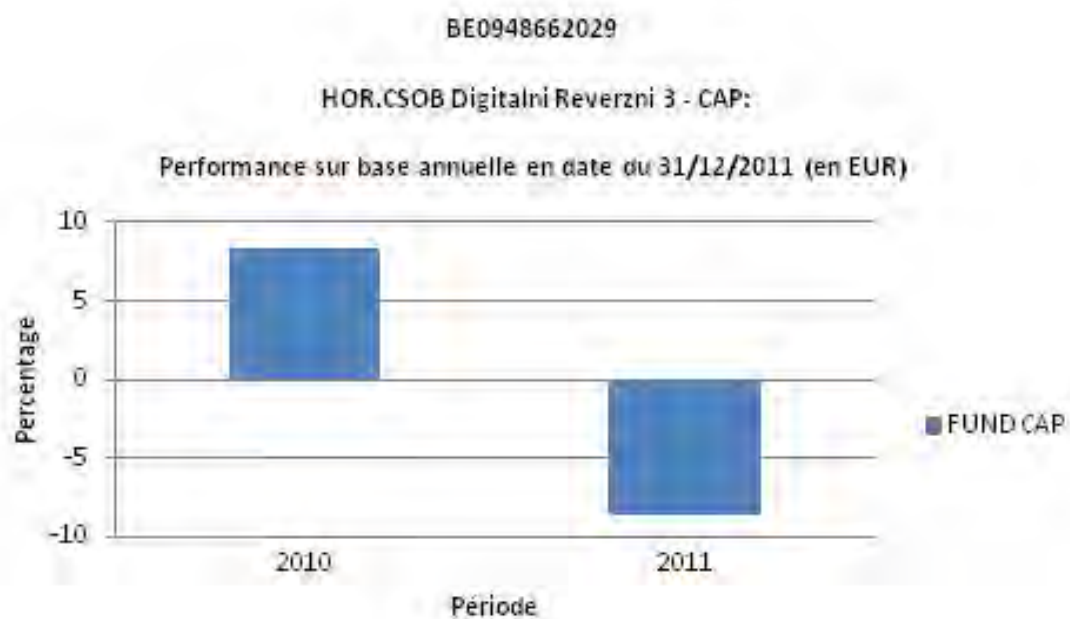
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND IN THE NET ASSET VALUE

Period	Change in number of shares in circulation						
	Subscriptions		Reimbursements		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	12.510.000,00		0,00		12.510.000,00		12.510.000,00
2010 - 12	0,00		260.708,00		12.249.292,00		12.249.292,00
2011 - 12	0,00		176.620,00		12.072.672,00		12.072.672,00

Period	Amounts paid and received by the UCI (in the sub-fund's currency)			
	Subscriptions		Reimbursements	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	125.100.000,00		0,00	
2010 - 12	0,00		2.683.468,19	
2011 - 12	0,00		1.783.119,70	

Period	Net asset value End of period (in the sub-fund's currency)		
	of the sub-fund	of one unit	
		Cap.	Dis.
2009 - 12	126.461.210,84	10,11	
2010 - 12	127.477.697,05	10,41	
2011 - 12	116.717.479,69	9,67	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 Yr		3 Yrs*		5 Yrs*		10 Yrs*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch date	Share classes
CAP	BE0948662029	EUR	-8.61%								30/04/2009	0.92%
CAP	BE0948662029	CZK	-7.11%								30/04/2009	-1.25%

* The rates shown are on an annual basis.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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.
- 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
- 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 nth 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.

2.4.6 COSTS

Total expenses ratio (TER): * 1.935%

* 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 collective investment undertaking in units of collective investment undertakings 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 collective investment undertaking.

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 shareholders of 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 consequently to be maximised. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

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.

The custody fee is paid at the end of each month based on the number of shares issued at the start of each half-year.

Auditor's fee: 1,000 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

Custodian's fee: this fee is payable annually at the start of each calendar year, and is calculated on the assets' value at the end of the preceding 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 sub-fund. This includes manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivative products on financial indexes: More information on potential financial indexes underlying financial derivative products are covered in the section "Goals and key principles of investment policy" of this report.

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 - 2.4.7. Notes to the financial statements and other data

In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION REGARDING HORIZON KREDYT BANK FIX UPSIDE COUPON 3

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 27.11.09
Initial subscription price: 100 PLN
Maturity date: 28.06.13
Currency: PLN

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND

The sub-fund has two objects, before costs and taxes:

- (1) To refund the initial per-share subscription price of 100 PLN on the renewal date. The target is secured by an official guarantee issued by KBC Bank SA, avenue du Port 2, 1080 Brussels in favour of the sub-fund shareholders. Further information concerning guarantee procedures is available in the additional information on the sub-fund.
This capital guarantee, however, is not applicable to shareholders selling their shares before the renewal date.
- (2) To offer a potential return through swap agreements, which is why the sub-fund transfers a portion of the future earnings on investments described in *Asset authorised categories* to the counterpart/s for the duration of the sub-fund. In exchange, the counterpart/s undertake/s to offer a potential return.
This target does not form part of the guarantee.
The different types of swaps in which the sub-fund can invest are explained in *Authorised swap transactions*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with provisions of the Royal Decree of 4 March 2005 regarding certain public investment entities, sub-fund investments can consist of tradable securities, particularly bonds and other debt instruments, financial market instruments, shares of mutual funds, deposits, derivatives, liquidities and all other instruments, insofar as this is permitted by the regulations applicable. These investments can have different durations and coupon payment dates which are adjusted to sub-fund commitment renewal dates through swaps described in *Authorised swap transactions (2)*. Investment limits and restrictions set by the Royal Decree of 4 March 2005 regarding certain mutual funds will be observed at all times.

Specifically, the sub-fund may invest in bonds listed on stock exchanges issued by 'Special Purpose Vehicles' (SPV).

The SPVs are managed by KBC Asset Management SA or its subsidiaries.

Bonds issued by SPVs have a diversified portfolio of deposits issued by financial entities, bonds, and other debt instruments and financial derivatives as underlying assets. Selection of underlying assets rests on criteria regarding the allocation and credit rating (see *Authorised asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Other items relative to criteria which these underlying deposits, bonds, other debt instruments, and derivatives must have are noted in the SPV base prospectuses. The base prospectuses may be viewed at <http://www.kbc.be/prospectus/spv/>.

Sub-fund SPV investments are explained for sub-fund investors in the SICAV annual report and the half-year report, which includes the sub-fund. The annual report and the half-year report may be viewed at <http://www.kbc.be/>.

CHARACTERISTICS OF BONDS AND OTHER DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All durations are taken into consideration during selection of bonds and other debt instruments.

AUTHORISED SWAP TRANSACTIONS

The swaps described below were made with prime counterparts within legally defined limits.

(1) To achieve a potential return, the sub-fund makes swaps. In connection with these swaps, the sub-fund transfers part of its future revenue described in *Asset authorised categories* to the counterpart/s for the duration of the sub-fund. In exchange, the counterpart/s undertake/s to offer a potential return described in the section *Strategy selected*.

The swaps under (1) are essential to completion of the investment objects of the sub-fund, given that via this method, the goal of reaching a potential return can occur.

The sub-fund risk profile is not influenced by use of these swaps.

(2) If necessary, the sub-fund carries out swaps to coordinate sub-fund commitment durations and those of cash flows from investments described in *Asset authorised categories*.

The swaps are essential to realisation of the investment objects of the sub-fund, given that there are insufficient bonds and other debt instruments on the market whose coupons and renewal dates perfectly coincide with renewal dates of sub-fund commitments.

The sub-fund risk profile is not influenced by the use of these swaps.

(3) The sub-fund can also conclude these swaps to protect credit risk from bond and other debt instrument issuers. Through this swap, one or several counterparts undertake/s the risk of default on a bond or another debt instrument in the sub-fund portfolio, in exchange for a premium payable by the sub-fund.

Swaps under (3) hedge against credit risk.

The sub-fund risk profile is not influenced by the use of these swaps.

STRATEGY SELECTED

GOALS AND KEY PRINCIPLES OF INVESTMENT POLICY:

The sub-fund has two investment goals. on the one hand, to maintain the initial subscription value on the renewal date, and on the other distribution of a dividend by periods following approval by the General Meeting on the basis of an increase in the value of a basket of 30 blue chip shares, as defined below, characterised by high market capitalisation and a low price/earnings ratio calculated on the basis of a '**Fix Upside Coupon**' structure.

Any increase in the basket by periods with respect to the initial value of the basket (*Final value of the basket period minus Initial value of the basket*) divided by *Initial value of the basket*) will be distributed at the renewal date and paid out at 100% as a dividend on the period on the understanding that, in order to determine the final value of the equity period, consideration must be taken of the calculation method described in "Final value". Negative basket performances are not taken into account. The dividend per period is at least 2 %.

The dividends paid are liable for withholding tax of 15%, subject to changes in the legislation applicable. The dividends on each period, with the exception of the last period, are payable on the last bank working day of the month following the end of the period. The dividend for the last period is payable on the renewal date.

MATURITY: 28.06.13 (payment with value date D + 1 bank working day)

CURRENCY: PLN, changes to the local currency exchange rates for shares in the basket with respect to the PLN are not relevant. The investor subscribes in PLN and is refunded on the renewal date (or possibly in advance) in PLN. The investor is not protected against any fall in the value of the sub-fund currency against the euro.

Period	Duration of period	Final price for period
1) 12/2009 –11/2010	12 months	For each share in the basket, the average rate of the first five Appraisal Days of December 2010
2) 12/2010 – 11/2011	12 months	For each share in the basket, the average rate of the first five Appraisal Days of December 2011
3) 12/2011 – 05/2013	18 months	For each share in the basket, the average rate of the first five Appraisal Days of June 2013

INITIAL VALUE OF A SHARE:

for each share in the basket the average price of the first five appraisal days beginning Wednesday 30.11.09 inclusive.

FINAL VALUE PER PERIOD OF A SHARE*:

- Scenario 1: if the final price for a share is greater than its initial value, irrespective of the difference, a 12% increase with respect to the initial value of the share will be booked for the current period.
- Scenario 2: if the final price of the share for the period is less than or equal to the initial value of this share, the share's final price will be booked as its final value.

*The increase or decrease in a share's price at the end of each period will always be calculated in relation to the initial value of this individual share as described above, which is only determined once and may not be changed, as shown in the example below.

INITIAL VALUE OF THE BASKET: the average weighted Initial Value of shares in the basket.

FINAL VALUE OF BASKET FOR THE PERIOD:

the average weighted final value of shares in the basket for the period.

PRICE:

For all shares, with the exception of those listed on the Milan Stock Exchange, the closing price, particularly the price of a basket share as calculated and notified at market closure by the authority at the stock exchange where the share is listed, or its legal successor. For shares listed on the Milan exchange, the reference price is used.

APPRAISAL DAY:

The appraisal day is determined separately for each share in the basket.

An appraisal day is a trading day that is at the same time designated

- i) for the exchange on which the share is quoted and
- ii) For the exchange whose activities have a significant aspect of the negotiation of bonds and futures contracts on this share

hereinafter referred to as the 'exchanges concerned'.

If on the appraisal day

- a) one of the exchanges concerned remains unexpectedly closed or
- b) if an event occurs that disrupts the market for one of the exchanges concerned or
- c) if one of the exchanges concerned has a scheduled closure

the original appraisal day will be replaced by the next exchange working day in the course of which no even occurs as described in a), b) or c) above. A closure other than an ordinary closure which is announced in due time is not considered as a scheduled closure.

If an appraisal is performed on the basis of successive appraisal days, the trading day replacing an original appraisal day (i) may not coincide with another original appraisal day and (ii) may not be a trading day which replaces another original appraisal day.

If however an event described in a), b) or c) above occurs in the course of the eight trading days that follow the original appraisal day,

- (i) The eighth trading day will be considered as the original trading day and
- (ii) the sicav shall evaluate in good faith in consultation with the prime counterparts with which a swap agreement has been entered, the index value as it would have been calculated on the eighth trading day and
- (iii) The sicav shall inform the shareholders about changes relating to fixing the initial value and/or final value as well as to payment arrangements.

The above clarifications are designed to describe the mode of operation of the sub-fund's structure. The examples provided do not given any indication of the remitted return. The effective return of the sub-fund depends, on the one hand, on the real development of the market for the duration of the structure and, on the other, the specific mechanisms of the sub-fund and, in particular, the change in the underlying values, the duration and level of participation, as described in the section "Objectives and placement policy".

The following example illustrates the investment objects described above. The example is based on a duration of 3 years and 6 months, and a basket of 3 shares with equal weightings, each priced 100 in the determination of the Initial value. The duration of the first and second periods is 12 months. The duration of the third period is 18 months.

The dividend for the period is determined by any increases in the basket of shares.

In case of any rise, even minimal, possibly ($>0\%$), in a period of a share compared with its Initial value, the contribution of this share to any capital gains of the basket will be set at 12% for the current period.

However, in the event of a decrease ($\leq 0\%$) per period of an individual share compared with its initial value, the decline of this share will be taken into account in determining the contribution of this share to the value of the basket for the current period.

The dividend per period is at least 2%.

Example

Positive scenario

Numéro Période	Valeur Finale Par Période de l'Action A	Valeur Finale Par Période de l'Action B	Valeur Finale Par Période de l'Action C	Calculaton	Dividende (**)
1	101 (12%)	106 (12%)	103 (12%)	$(12\%+12\%+12\%)/3= 12\%$	12.00%
2	101 (12%)	107 (12%)	105 (12%)	$(12\%+12\%+12\%)/3= 12\%$	12.00%
3	104 (12%)	110 (12%)	101 (12%)	$(12\%+12\%+12\%)/3= 12\%$	12.00%

(*) Le Cours Final et entre parenthèses, la contribution de chaque action (Valeur Finale par Période d'une action) au dividende de la période considérée.

(**) Fiscalité : précompte mobilier de 15% sur les dividendes, sous réserve de modification de la législation en vigueur.

Scénario Neutre

Numéro Période	Valeur Finale Par Période de l'Action A	Valeur Finale Par Période de l'Action B	Valeur Finale Par Période de l'Action C	Calculaton	Dividende (**)
1	97 (-3%)	98 (-2%)	103 (12%)	$(-3\%-2\%+12\%)/3= 2.33\%$	2.33%
2	93 (-7%)	101 (12%)	103 (12%)	$(-7\%+12\%+12\%)/3= 5.67\%$	5.67%
3	96 (-4%)	104 (12%)	103 (12%)	$(-4\%+12\%+12\%)/3= 6.67\%$	6.67%

(*) Le Cours Final et entre parenthèses, la contribution de chaque action (Valeur Finale par Période d'une action) au dividende de la période considérée.

(**) Fiscalité : précompte mobilier de 15% sur les dividendes, sous réserve de modification de la législation en vigueur.

Scénario Négatif

Numéro Période	Valeur Finale Par Période de l'Action A	Valeur Finale Par Période de l'Action B	Valeur Finale Par Période de l'Action C	Calculaton	Dividende (**)
1	97 (-3%)	98 (-2%)	96 (-4%)	$(-3\%-2\%-4\%)/3= -3\%$	2.00%
2	97 (-3%)	98 (-2%)	95 (-5%)	$(-3\%-2\%-5\%)/3= -3.33\%$	2.00%
3	99 (-1%)	101 (12%)	90 (-10%)	$(-1\%+12\%-10\%)/3= 0.33\%$	2.00%

(*) Le Cours Final et entre parenthèses, la contribution de chaque action (Valeur Finale par Période d'une action) au dividende de la période considérée.

(**) Fiscalité : précompte mobilier de 15% sur les dividendes, sous réserve de modification de la législation en vigueur.

APPLICABLE BASKET:

The table below shows, in the columns from left to right, the successive numerical order of the share, name, Bloomberg code, exchange where listed, and its initial weight.

1	3M CO	MMM UN Equity	NYSE	2.50%
2	ANHEUSER-BUSCH INBEV NV	ABI BB Equity	Brussels	3.00%
3	BAYER AG	BAY GY Equity	Frankfurt	3.50%
4	BOUYGUES	EN FP Equity	Paris	3.00%
5	BRISTOL-MYERS SQUIBB CO	BMY UN Equity	NYSE	3.00%
6	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	3.50%
7	DIAGEO PLC	DGE LN Equity	London	3.00%
8	ELI LILLY & CO	LLY UN Equity	NYSE	3.00%
9	ENEL SPA	ENEL IM Equity	Milan	3.25%
10	FRANCE TELECOM SA	FTE FP Equity	Paris	3.00%
11	HENNES & MAURITZ AB-B SHS	HMB SS Equity	Stockholm	2.75%
12	KONINKLIJKE KPN NV	KPN NA Equity	Amsterdam	3.75%
13	KRAFT FOODS INC-CLASS A	KFT UN Equity	NYSE	4.50%
14	MCDONALD'S CORP	MCD UN Equity	NYSE	2.75%
15	MERCK & CO. INC.	MRK UN Equity	NYSE	2.75%
16	NATIONAL GRID PLC	NG/ LN Equity	London	3.25%
17	NESTLE SA-REG	NESN VX Equity	Virt-x	5.00%
18	NOKIA OYJ	NOK1V FH Equity	Helsinki	3.50%
19	NOVARTIS AG-REG	NOVN VX Equity	Virt-x	3.25%
20	NTT DOCOMO INC	9437 JT Equity	Tokyo	5.00%
21	PFIZER INC	PFE UN Equity	NYSE	3.75%
22	PHILIPS ELECTRONICS NV	PHIA NA Equity	Amsterdam	3.00%
23	ROCHE HOLDING AG-GENUSSSCHEIN	ROG VX Equity	Virt-x	3.00%
24	SWISSCOM AG-REG	SCMN VX Equity	Virt-x	5.00%
25	TELEFONICA SA	TEF SM Equity	Madrid	3.50%
26	UNITED PARCEL SERVICE-CL B	UPS UN Equity	NYSE	2.75%
27	VEOLIA ENVIRONNEMENT	VIE FP Equity	Paris	3.00%
28	VERIZON COMMUNICATIONS INC	VZ UN Equity	NYSE	3.00%
29	VIVENDI	VIV FP Equity	Paris	2.50%
30	ZURICH FINANCIAL SERVICE-REG	ZURN VX Equity	Virt-x	3.25%

Selection criteria for basket inclusion:

A share can only be part of the basket if (i) the share is listed on an exchange, (ii) the share forms part of a large index of shares, (iii) the share presents significant market capitalisation and a low price/earnings ratio, and (iv) the sicav's board of directors has approved inclusion of the share in the basket ("Selection criteria").

Basket adjustments following a merger, acquisition, spin-off, nationalisation, bankruptcy, or disqualification.

Merger or acquisition

If one or several issuers or shares in the basket take part in a merger or acquisition during the term of the sub-fund, a weighting on the basket equal to the sum of the share weightings of the shares of all the issuers concerned by the transaction will be allocated to the shares of the issuers concerned by the transaction. If, after the transaction, none of the issuers concerned by the transaction now satisfy the selection criteria, the procedure described in "Nationalisation, bankruptcy, or disqualification" will be applied.

'Spin-offs'

If the issuer of a basket share carries out a spin-off, the weighting of the share in question will be shared equally between the shares of all the issuers arising from the division which satisfy the selection criteria.

If, after the transaction, none of the issuers arising from the spin-off now satisfy the selection criteria, the procedure described in "Nationalisation, bankruptcy, or disqualification" will be applied.

Nationalisation, bankruptcy, or disqualification

If the issuer of a basket share is nationalised, declared bankrupt, or no longer satisfies the selection criteria ("Disqualification"), the share is liquidated at the last price prior to elimination. The liquidation amount is then invested up to the renewal date of the underlying transaction swap at the current market rate on the currency or bond market at the time of elimination for a term equal to the period remaining up to the renewal date of the sub-fund's underlying swap transaction. The amount of the consolidation plus interest is booked on the renewal date as income from the shares for calculating the final increase of the basket at the renewal date.

The following information is general and is not intended to cover all aspects of public mutual fund investments in detail. In all specific cases, other measures can be applied as well. Otherwise, tax legislation and its interpretation can change. Investors seeking further information on tax consequences--as much in Belgium as well as in foreign countries--regarding the acquisition, maintenance, and transmission of participation rights, must contact their financial advisor regarding tax and financial matters.

The European Directive regarding savings and taxes on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This public mutual fund invests more than 40% of its assets directly or indirectly in debt as defined in the savings directive.

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

The European Savings Directive was implemented by:

The Act of 17 May 2004 *transposing into Belgian law the Directive 2003/48/CE of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending the 1992 Income Tax Code on withholding tax;*

- the Royal Decree of 27 September 2009 *implementing Article 338bis § 2 of the 1992 Income Tax Code*

- the Royal Decree of 27 September 2009 *concerning the entry into effect of Article 338bis § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paymaster established in Belgium which pays income in relation to the public mutual fund through dividend (coupon) payments, either through sale, reimbursement, or depreciation of shares of a natural person (incumbent in fact) residing in another European Union country, or one of the independent or associated territories, is required to transmit information on the subject of this payment to the Belgian authority which will transmit the latter subsequently to the tax authority of the resident country of the incumbent in fact.

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 CIR 92).

These public mutual fund shares are capitalised as much as those entitling one to a dividend will be subject to application of Article 19bis CIR 92 in the event of full or partial distribution of equity capital.

Article 19bis CIR 92 is valid only for shareholders who are subject to taxes on natural persons. On the basis of this Article, it will be imposed on debt claim returns which are included between the redemption or reimbursement price in function of the period during which the investor held shares.

The rate is set at 15%.

Debt claim returns consist in a total of income which directly or indirectly in the form of interest, and capital gains and losses coming from equity contributions, were invested into receivables.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, with the exception of technical and legal setup and updating of the sub-fund, to KBC Fund Management Ltd., Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 INVESTMENT POLICY

Basket composition on the date of the report

Name	Value
3M CO	2,6326
ANHEUSER-BUSCH INBEV NV	4,0873
BAYER AG	3,2349
BOUYGUES	2,1103
BRISTOL-MYERS SQUIBB CO	4,2314
DEUTSCHE POST AG-REG	3,1557
DIAGEO PLC	4,0608
ELI LILLY & CO	3,3446
ENEL SPA	2,4594
FRANCE TELECOM SA	2,0425
HENNES & MAURITZ AB-B SHS	2,9390
KONINKLIJKE KPN NV	2,8669
KRAFT FOODS INC-CLASS A	6,3898
MCDONALD'S CORP	4,4307
MERCK & CO. INC.	2,8293
NATIONAL GRID PLC	3,4604
NESTLE SA-REG	5,4777
NOKIA OYJ	1,5150
NOVARTIS AG-REG	3,0778
NTT DOCOMO INC	5,2814
PFIZER INC	4,3822
PHILIPS ELECTRONICS NV	2,5044
ROCHE HOLDING AG-GENUSSCHEIN	2,8639
SWISSCOM AG-REG	4,3926
TELEFONICA SA (SM)	2,3669
UNITED PARCEL SERVICE-CL B	3,5022
VEOLIA ENVIRONNEMENT	1,1033
VERIZON COMMUNICATIONS INC	3,9727
VIVENDI	2,0975
ZURICH FINANCIAL SERVICE-REG	3,0864
TOTAL	99,90

Movement in the index or basket

Index: **BASKET**

31/12/2010: **103,31**

30/06/2011: **102,50**

29/12/2011: **99,90**

Change since 31.12.10 or since the sub-fund launch: **-3,30%**

Change since 30.06.11 or since the sub-fund launch: **-2,54%**

Index at sub-fund launch: **100,00**

Minimum guarantee in local currency on the renewal date: **100,00**

Currency: **PLN**

Call Markets

Period	Final Date	Final Value	Cap
1	07/12/2010	n.a.	2,11%
2	07/12/2011	n.a.	2,00%

2.1.8 RISK RATING

At the level of Ø to VI.

Current risk rating: III

Risk rating at launch: II

This is a risk indicator tied to investment in a UCI or sub-fund. Seven risk classes have been defined. The zero class represents the lowest risk, and the sixth the highest.

Risk class adjustment:

Risk class calculation is made according to prospectus OPC 3/2007 of the Financial Services and Markets Authority (FSMA) of 8 June 2007.

A risk class can change over time. Thus, a level change from market volatility can influence the risk profile.

The risk class must be adapted when, for two half-year periods from consecutive calculations, a sub-fund risk class from a UCI sub-fund is different from the one assigned initially.

The adjusted risk class and the one upon launch must be mentioned in (half-year) annual reports.

2.2 BALANCE SHEET

Balance Sheet Summary		31/12/2011 <small>(in the sub-fund's currency)</small>	31/12/2010 <small>(in the sub-fund's currency)</small>
TOTAL NET ASSETS		18.518.902,18	21.844.593,79
II.	II. Securities, money market instruments, UCIs and derivative financial instruments		
A.	A. Bonds and other debt instruments		
	a) Bonds	18.039.699,08	20.309.251,76
F.	Financial derivatives		
	e) Equities		
	Swaps (+/-)	-630.582,03	-301.559,60
IV.	Receivables and payables within one year		
A.	Receivables		
	a) Accounts receivable		4.704,91
B.	Debts		
	a) Accounts payable (-)	-85.038,49	-183.648,87
V.	Deposits and cash		
A.	A. Demand balances at banks	223.588,56	78.583,65
B.	Demand balances at banks	969.824,70	1.959.781,40
VI.	Accruals and deferrals		
B.	Accrued income	17.628,59	28.244,43
C.	Accrued expenses (-)	-16.218,23	-50.763,89
TOTAL CAPITAL AND RESERVES		18.518.902,18	21.844.593,79
A.	Capital	18.841.991,75	21.254.369,90
B.	Profit share	-10.651,93	-14.646,14
D.	Result for the financial year	-312.437,64	604.870,03

OFF-BALANCE-SHEET HEADINGS

IV	Notional amounts of swap contracts (+)	19.644.300,00	22.173.500,00
----	--	---------------	---------------

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Write-downs, capital gains and losses		
A. A. Bonds and other debt instruments		
a) Bonds	-371.540,74	37.092,15
F. Financial derivatives		
e) Equities		
Swaps (+/-)	-370.518,91	70.325,03
G. Receivables, deposits, cash at bank and in hand and payables	43,30	4.563,40
H. Foreign Exchange positions and transactions		
b) Other foreign exchange positions and transactions	5.241,82	-1.417,92
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	840.903,76	382.813,16
b) Deposits and cash at bank and in hand	63.136,70	363.967,86
C. Interest on borrowings (-)	-49,07	-89,82
D. Swaps (+/-)	-83.393,25	134.497,06
III. Other income		
A. Fees to cover renewal costs and disposal of assets, to discourage redemption and to cover delivery costs	21.575,60	9.943,51
B. Other	-1.637,02	4.702,54
IV. Operating expenses		
A. Transaction and delivery costs (-)		-56,03
B. Financial expenses (-)	-3.124,43	-10.605,89
C. Custodian fees (-)	-959,50	-1.016,05
D. Asset Manager fees (-)		
a) Financial management	-367.507,23	-344.344,76
b) Accounting and administrative expenses	-10.212,31	-11.330,79
E. Administrative costs (-)	-1.660,36	-1.998,50
F. Registration and organisation expenses (-)	-11.908,90	-3.130,59
G. Remuneration, social security charges and pensions (-)	-21,20	-33,02
H. Services and sundry expenses (-)	-4.176,99	-4.872,73
J. Taxes	-15.231,74	-22.671,87
K. Other charges (-)	-1.397,17	-1.466,71
Income and expenditure for the financial period		
Subtotal II + III + IV before tax on the profit	424.336,89	494.307,37
V. Profit (loss) on ordinary activities	-312.437,64	604.870,03
VII. Result for the financial year	-312.437,64	604.870,03

Profit appropriation account

	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Profit (Loss) to be allocated is	-323.089,57	590.223,89
Profit (loss) for the period available for appropriation	-312.437,64	604.870,03
Income equalisation on the creation of shares	-10.651,93	-14.646,14
II. (Allocations to) Deductions from capital	713.761,57	-119.989,29
IV. (Distribution of dividends)	-390.672,00	-470.234,60

2.4 STATEMENT OF ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF ASSETS OF HORIZON KREDYT BANK FIX UPSIDE COUPON 3

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6W-15 10/01-10/07 6.66%	1.805.000,00	PLN	97,363	1.797.846,38		10,33	9,71
BEECHWOOD STRUCTURED FIN PLC 6W-15 10/01-10/07 5.84%	1.825.000,00	PLN	96,388	1.799.981,61		10,34	9,72
BROOKFIELDS CAPITAL PLC 6W-15 10/01-10/07 6.66%	1.820.000,00	PLN	97,654	1.818.092,93		10,44	9,82
EPERON FINANCE PLC 6W-15 10/01-10/07 6.66%	1.820.000,00	PLN	97,266	1.811.028,82		10,40	9,78
ESPACCIO SECURITIES PLC 6W-15 10/01-10/07 5.84%	910.000,00	PLN	96,409	897.711,59		5,16	4,85
GREENSTREET STRUCT. FIN. PROD. PLC 6W-15 10/01-10/07 5.84%	905.000,00	PLN	96,465	893.288,19		5,13	4,82
NIMROD CAPITAL PLC 6W-15 10/01-10/07 5.84%	905.000,00	PLN	97,533	902.957,24		5,19	4,88
OPAL FINANCIAL PRODUCTS PLC 6W-15 10/01-10/07 5.84	915.000,00	PLN	96,659	904.937,06		5,20	4,89
PROFILE FINANCE PLC 6W-15 10/01-10/07 5.84%	915.000,00	PLN	97,171	909.616,49		5,23	4,91
RECOLTE SECURITIES PLC 6W-15 10/01-10/07 6.66%	915.000,00	PLN	96,276	901.428,57		5,18	4,87
SILVERSTATE FIN INV PLC 6W-15 10/01-10/07 6.66%	905.000,00	PLN	96,838	896.666,56		5,15	4,84
VESPUCCI STRUCTURED FIN PROD 6W-15 10/01-10/07 6.66%	910.000,00	PLN	97,029	903.356,67		5,19	4,88
VIGADO CAPITAL PLC 6W-15 10/01-10/07 6.66%	910.000,00	PLN	96,323	896.932,30		5,15	4,84
VOYCE INVESTMENTS PLC 6W-15 10/01-10/07 6.66%	905.000,00	PLN	97,782	905.210,16		5,20	4,89
WATERFORD CAPITAL INC PLC 6W-15 10/01-10/07 5.84%	915.000,00	PLN	96,185	900.600,07		5,17	4,86
WAVES FINANCIAL INV PLC 6W-15 10/01-10/07 5.84%	905.000,00	PLN	97,211	900.044,44		5,17	4,86
Total bonds				18.039.699,08		103,62	97,41
Swaps							
<u>Belgium</u>							
KBC SWAPS	19.644.300,00	PLN	-3,210	-630.582,03		-3,62	-3,41
Total swaps				-630.582,03		-3,62	-3,41
TOTAL SECURITIES PORTFOLIO				17.409.117,05		100,00	94,01
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	1.379,23	EUR	1,000	6.148,33			0,03
KBC GROUP PLN	217.440,23	PLN	1,000	217.440,23			1,17
Total demand account				223.588,56			1,21
Time deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	440.000,00	PLN	99,984	439.929,60			2,38
KBC BANK NV 25/07-10/01/12 KBCBANK 3.980 %	480.000,00	PLN	99,982	479.913,60			2,59

<u>United Kingdom</u>						
STANDARD CHARTERED 08/07-10/01/12 STANDCHA 3.400 %	50.000,00	PLN	99,963	49.981,50		0,27
Total deposit accounts				969.824,70		5,24
TOTAL CASH AT BANK AND IN HAND				1.193.413,26		6,44
OTHER RECEIVABLES AND PAYABLES						
Debts						
<u>Belgium</u>						
KBC GROUP PLN PAYABLES	-85.038,49	PLN	1,000	-85.038,49		-0,46
Total debt				-85.038,49		-0,46
TOTAL RECEIVABLES AND PAYABLES				-85.038,49		-0,46
OTHER						
Accrued interest		PLN		17.628,59		0,10
Expenses payable		PLN		-16.218,23		-0,09
TOTAL OTHER				1.410,36		0,01
TOTAL NET ASSETS				18.518.902,18		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transaction can be freely consulted at the registered office of SICAV, avenue du Port 2, 1080 Brussels.

2.4.3 VALUE OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVE POSITIONS

IN SECURITIES	Currency	In currency	In the sub-fund's currency	Lot size	Date of transaction
EQLISWAP	PLN	19.644.300,00	19.644.300,00	n.a.	13.12.2011

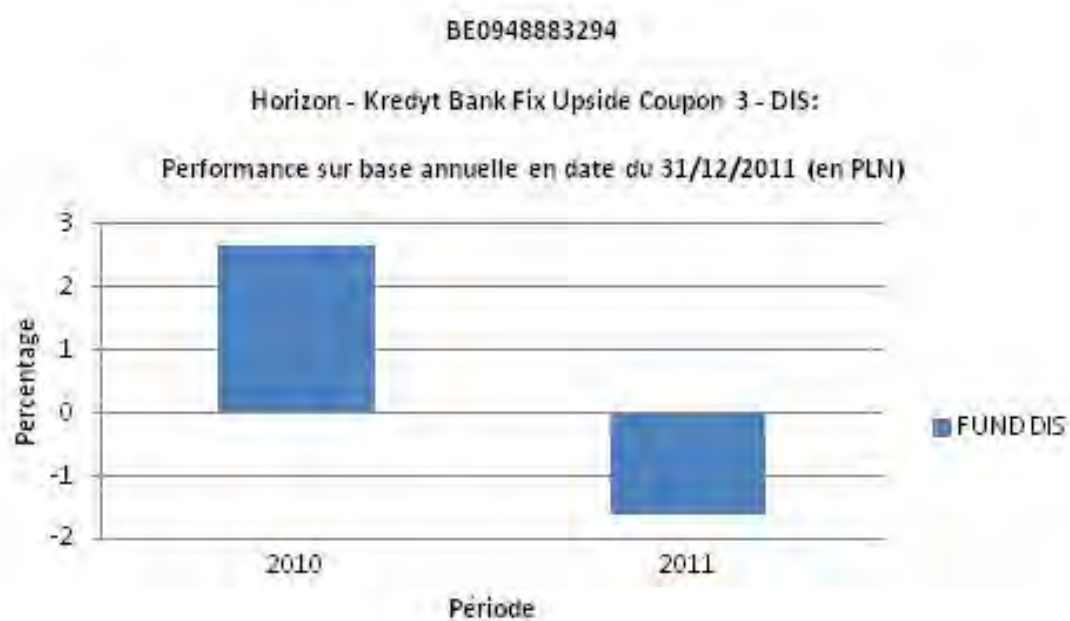
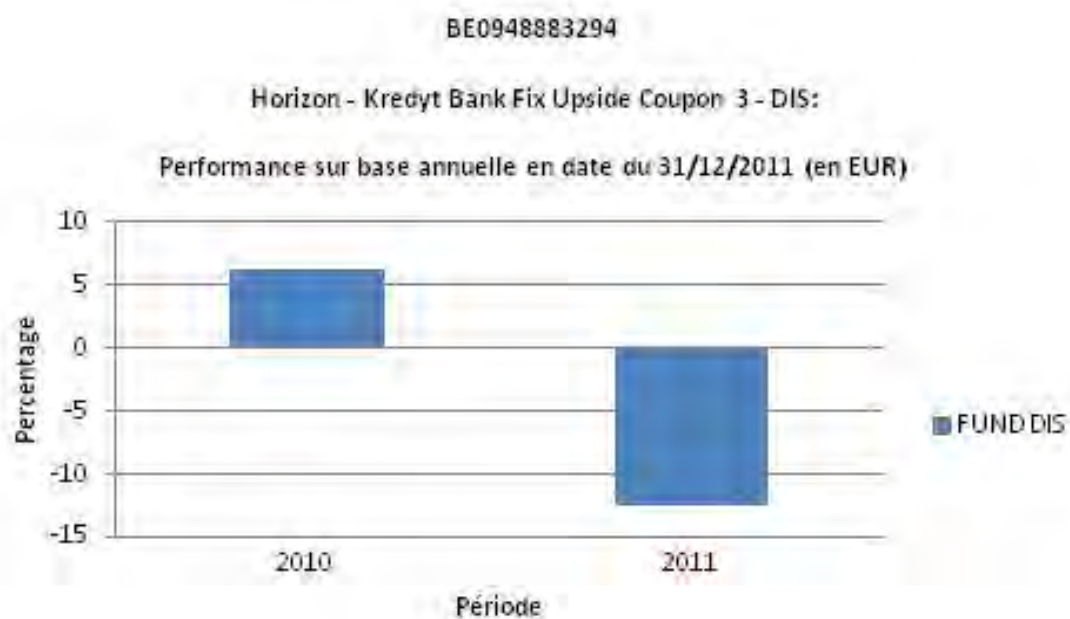
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND IN THE NET ASSET VALUE

Period	Change in number of shares in circulation						
Years	Subscriptions		Reimbursements		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12		230.884,00		0,00		230.884,00	230.884,00
2010 - 12		0,00		9.901,00		220.983,00	220.983,00
2011 - 12		0,00		26.549,00		194.434,00	194.434,00

Period	Amounts paid and received by the UCI (in the sub-fund's currency)			
Years	Subscriptions		Reimbursements	
	Cap.	Dis.	Cap.	Dis.
2009 - 12		23.088.400,00		0,00
2010 - 12		0,00		994.351,42
2011 - 12		0,00		2.622.581,97

Period	Net asset value End of period (in the sub-fund's currency)		
Years	of the sub-fund	of one unit	
		Cap.	Dis.
2009 - 12	22.702.257,48		98,33
2010 - 12	21.844.593,79		98,85
2011 - 12	18.518.902,18		95,25

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 Yr		3 Yrs*		5 Yrs*		10 Yrs*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch date	Share classes
DIS	BE0948883294	EUR	-12.53%								27/11/2009	-4.10%
DIS	BE0948883294	PLN	-1.62%								27/11/2009	-0.33%

* The rates shown are on an annual basis.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible restructuring.
- Calculated in PLN 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 paid dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Distribution units (DIS)

Return on date D over a period of X years:

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

where Y = D-X

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

$$[NAV(D) / NAV(S)]^{1/F} - 1$$

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

with C a factor that is determined by all of the dividends and from the date of calculating D and the reference date.

For dividend i to date DI with value Wi we apply:

$$Ci = [Wi / NIW(Di)] + 1$$

i = 1 ... N

where C = C0 * ... * CN.

- 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 nth 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 returns for distribution shares.

Dividend at ex-dividend date 19/12/2011: 1.70 PLN net (2.00 PLN gross).

Pursuant to Royal Decree of 10 November 2006 concerning the accounting and financial statements of certain undertakings for collective investment, the investor should note that the collective investment entity has paid out a dividend even if a negative carryforward was booked for the financial year concerning the dividend.

The investor should likewise note that the dividend paid out has been set in accordance with the investment target described in the prospectus and the simplified prospectus.

2.4.6 COSTS

Total expenses ratio (TER): * 2.063%

* 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 collective investment undertaking in units of collective investment undertakings 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 collective investment undertaking.

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 shareholders of 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 consequently to be maximised. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES ON THE FINANCIAL STATEMENTS AND OTHER DATA

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.

The custody fee is paid at the end of each month based on the number of shares issued at the start of each half-year.

Auditor's fee: 1,000 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

Custodian's fee: this fee is payable annually at the start of each calendar year, and is calculated on the assets' value at the end of the preceding 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 sub-fund. This includes manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivative products on financial indexes: More information on potential financial indexes underlying financial derivative products are covered in the section "Goals and key principles of investment policy" of this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB DUO COUPON 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 09.10.09

Initial subscription price: 20 EUR

Maturity date: 30.04.18

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse the initial subscription price per share of 20 EUR up to the first half of the initial subscription value on the interim maturity date and the second half of the initial subscription value on the maturity date (protection of capital). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection, however, does not extend to shareholders selling their shares before the interim or final maturity date.
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism intended to ensure capital protection on the maturity date or, where applicable, the early exercise date consists of investing all subscriptions in bonds or other debt instruments, deposits and/or liquid assets, notably funds deposited into term or demand accounts. These investments may have different durations and coupon payment dates which are aligned with the expiry dates of the sub-fund's commitments through the use of the swaps referred to in the section *Permitted swap transactions (2)*.

Characteristics to be met by the investments

The deposits, bonds and other debt instruments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area;
- (2) Debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes and Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, due to shortcomings of the financial mechanism, the amount to be paid per share on the interim maturity date or at maturity before costs and taxes is less than the initial subscription price, KBC Asset Management may decide, without being obligated to do so, to allocate the management fee made from the sub-fund and potentially other sub-funds of the ICVC during the current financial year to cover this shortfall. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

This capital protection, however, does not extend to shareholders selling their shares before the interim or final maturity dates.

POTENTIAL RETURN

To obtain a potential return, the sub-fund conducts swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, derivatives (financial derivatives), liquid assets and any other instrument permitted under the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-1" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. As part of these swaps, the sub-fund transfers part of its future income from these investments earmarked for capital protection to these counterparties for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund risk profile is not influenced by use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The sub-fund has the following investment objectives:

- On the interim maturity date: redemption of the first half of the initial subscription value of 20 EUR, i.e. 10 EUR and an initial dividend payment equal to 7.5% calculated on the basis of half of the initial subscription of 20 EUR, i.e. 10 EUR. This dividend amounts to 0.75 EUR

- On the maturity date: redemption of the second half of the value of the initial subscription of 20 EUR, i.e. 10 EUR.
- Per period of: after approval by the general meeting, a dividend calculated for half of the initial subscription value of 20 EUR , i.e. 10 EUR, on the basis of any increase in the value of a basket of 30 shares in top-quality companies (as set out below) with high market capitalisation and a low price/earnings ratio, calculated on the basis of a **'Fix Upside Coupon' structure**. Any increase in the basket by periods with respect to the base value of the basket (*(last value of the basket period minus base value of the basket) divided by base value of the basket*) will be determined according to the respective period and paid out in full as a dividend, it being understood that in determining the last value of the shares for the period that the method of calculation as described in the "Last value per period of a share" is to be used. Any negative basket performances are not taken into account. The minimum dividend per period is equal to 1%, calculated on the basis of half of the initial subscription value of 20 EUR, i.e. 10 EUR.
- The payment of the dividend for the initial period coincides with the interim maturity date.

A withholding tax of 21% is levied on the dividend paid, subject to changes in the applicable legislation. The dividends on each period, with the exception of the last period, are payable on the last bank working day of the month following the end of the period. The dividend for the last period is payable on the maturity date.

MATURITY: Friday 30.04.18 (payment with value date D + 1 bank working day).

INTERIM MATURITY: The last valuation date of October 2010 (payment with value date of D+1 bank working day).

CURRENCY: EUR, the change in the local exchange rate of the shares in the basket in relation to the EUR is not relevant.

Period	Duration of period	Last price for period
1) 10/2009 – 09/2010	12 months	For each share in the basket, the average price of the first five valuation dates of October 2010
2) 10/2010 – 09/2011	12 months	For each share in the basket, the average price of the first five valuation dates of October 2011
3) 10/2011 – 09/2012	12 months	For each share in the basket, the average price of the first five valuation dates of October 2012
4) 10/2012 – 09/2013	12 months	For each share in the basket, the average price of the first five valuation dates of October 2013
5) 10/2013 – 09/2014	12 months	For each share in the basket, the average price of the first five valuation dates of October 2014
6) 10/2014 – 09/2015	12 months	For each share in the basket, the average price of the first five valuation dates of October 2015
7) 10/2015 – 09/2016	12 months	For each share in the basket, the average price of the first five valuation dates of October 2016
8) 10/2016 – 03/2018	18 months	For each share in the basket, the average price of the first five valuation dates of April 2018

BASE VALUE OF A SHARE:

For each share in the basket the average price of the first five valuation dates beginning Wednesday 16.10.09 inclusive.

LAST VALUE PER PERIOD OF A SHARE*:

- Scenario 1: if the final price for a share is greater than its base value, irrespective of the difference, a 7% increase with respect to the base value of the share will be booked for the current period.
- Scenario 2: if the final price of the share for the period is less than or equal to the base value of this share, the share's final price will be booked as its last value for the period.

*The increase or decrease in a share's price at the end of each period is always calculated in relation to the base value of this individual share as described above, which is only determined once and may not be changed, as shown in the example below.

BASE VALUE OF THE BASKET: the average weighted base value of shares in the basket.

LAST VALUE OF BASKET FOR THE PERIOD:

the average weighted last value of shares in the basket for the period.

PRICE:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of a share in the basket as calculated and published at the stock exchange close by the competent stock-exchange entity (or its legal successor) where the security is listed. For equities listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each equity in the basket, this is a trading day for the stock exchange on which the share is listed and which is the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market in that share (suspension or limitation of trading on that security) or early closure of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market in a share in the basket is disrupted or closes early, the original valuation date for this equity is replaced by the next trading day on which there is no disruption or early closure, provided that date is not already a scheduled valuation date or already replaces a scheduled valuation date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled valuation date, (i) this eighth trading day will be deemed to be the scheduled valuation date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which occurred with regard to one or more shares, (b) the change in the conditions for determining the base value and/or last value, and (c) the terms and conditions for distribution subject to the investment objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following example illustrates the investment objectives described above. The example is based on a duration of 8 years, 6 months, and 15 days, an initial subscription value of 20 EUR, an interim maturity date 12 months after launch of the sub-fund and a basket of 3 equally weighted shares, each priced at 100 in the determination of the base value.

- At the interim maturity date, the first half of the value of the initial subscription of 20 EUR (i.e. 10 EUR) is redeemed. Moreover, for the period starting from the launch to the interim maturity date, a first dividend of 7.5% will be paid, calculated on the basis of half of the initial subscription amount of EUR 20 (i.e. EUR 10). The dividend paid thus amounts to $7,5\% * 10 \text{ EUR} = 0,75 \text{ EUR}$
- For periods 1 to 8, the sub-fund pays a dividend calculated on the basis of the other half of the initial subscription of 20 EUR (i.e. 10 EUR), based on any increase in the basket of shares. In case of any rise in a period of an individual share (>0%), compared with its base value, the contribution of this share to basket gain will be set at 7%. However, any decrease ($\leq 0\%$) of an individual share in relation to the base value is taken into account in determining the contribution of the share to the value of the basket for the period concerned. The minimum dividend per period is equal to 1%, calculated on the basis of half of the initial subscription value of 20 EUR, i.e. 10 EUR.
- The payment of the dividend for the initial period coincides with the interim maturity date.

Example

Scénario positif		Cours Final Action par Période				Calcul	Dividende (**)	Paiement en EUR (***)
Numéro Période		Action A	Action B	Action C				
	Echéance Intermédiaire					7.50%		
1	Fin Période 1 (*)	101 (7%)	102 (7%)	101 (7%)	$(7\%+7\%+7\%)/3= 7\%$	7.00%	$10+0.75+0.7=11.45$	
2	Fin Période 2 (*)	102 (7%)	110 (7%)	102 (7%)	$(7\%+7\%+7\%)/3= 7\%$	7.00%	0.70	
3	Fin Période 3 (*)	103 (7%)	111 (7%)	104 (7%)	$(7\%+7\%+7\%)/3= 7\%$	7.00%	0.70	
4	Fin Période 4 (*)	101 (7%)	112 (7%)	110 (7%)	$(7\%+7\%+7\%)/3= 7\%$	7.00%	0.70	
5	Fin Période 5 (*)	105 (7%)	118 (7%)	115 (7%)	$(7\%+7\%+7\%)/3= 7\%$	7.00%	0.70	
6	Fin Période 6 (*)	101 (7%)	120 (7%)	120 (7%)	$(7\%+7\%+7\%)/3= 7\%$	7.00%	0.70	
7	Fin Période 7 (*)	101 (7%)	115 (7%)	125 (7%)	$(7\%+7\%+7\%)/3= 7\%$	7.00%	0.70	
8	Fin Période 8 (*)	101 (7%)	102 (7%)	122 (7%)	$(7\%+7\%+7\%)/3= 7\%$	7.00%	$10+0.7=10.7$	

(*) Le Cours Final et entre parenthèses, la contribution de chaque action (Valeur Finale par Période d'une action) au dividende de la période considérée.

(**) Fiscalité : précompte mobilier de 15% sur les dividendes, sous réserve de modification de la législation en vigueur.

(***) 50% de la valeur de souscription initiale est remboursée à l'Echéance Intermédiaire et 50% à l'Echéance

4.00%

Scénario neutre		Cours Final Action par Période				Calcul	Dividende (**)	Paiement en EUR (***)
Numéro Période		Action A	Action B	Action C				
	Echéance Intermédiaire					7.50%		
1	Fin Période 1 (*)	101 (7%)	102 (7%)	99 (-1%)	$(7\%+7\%-1\%)/3= 4.33\%$	4.33%	$10+0.75+0.43=11.18$	
2	Fin Période 2 (*)	90 (-10%)	110 (7%)	102 (7%)	$(-10\%+7\%+7\%)/3= 1.33\%$	1.33%	0.13	
3	Fin Période 3 (*)	94 (-6%)	111 (7%)	104 (7%)	$(-6\%+7\%+7\%)/3= 2.67\%$	2.67%	0.26	
4	Fin Période 4 (*)	93 (-7%)	112 (7%)	110 (7%)	$(-7\%+7\%+7\%)/3= 2.33\%$	2.33%	0.23	
5	Fin Période 5 (*)	101 (7%)	94 (-6%)	115 (7%)	$(7\%-6\%+7\%)/3= 2.67\%$	2.67%	0.26	
6	Fin Période 6 (*)	99 (-1%)	120 (7%)	120 (7%)	$(-1\%+7\%+7\%)/3= 4.33\%$	4.33%	0.43	
7	Fin Période 7 (*)	98 (-2%)	115 (7%)	125 (7%)	$(-2\%+7\%+7\%)/3= 4\%$	4.00%	0.40	
8	Fin Période 8 (*)	99 (-1%)	101 (7%)	99 (-1%)	$(-1\%+7\%-1\%)/3= 1.67\%$	1.67%	$10+0.16=10.16$	

(*) Le Cours Final et entre parenthèses, la contribution de chaque action (Valeur Finale par Période d'une action) au dividende de la période considérée.

(**) Fiscalité : précompte mobilier de 15% sur les dividendes, sous réserve de modification de la législation en vigueur.

(***) 50% de la valeur de souscription initiale est remboursée à l'Echéance Intermédiaire et 50% à l'Echéance

Scénario négatif		Cours Final Action par Période				Calcul	Dividende (**)	Paiement en EUR (***)
Numéro Période		Action A	Action B	Action C				
	Echéance Intermédiaire					7.50%		
1	Fin Période 1 (*)	98 (-2%)	99 (-1%)	95 (-5%)	$(-2\%-1\%-5\%)/3= -2.67\%$	1.00%	$10+0.75+0.1=10.85$	
2	Fin Période 2 (*)	97 (-3%)	98 (-2%)	101 (7%)	$(-3\%-2\%+7\%)/3= 0.67\%$	1.00%	0.10	
3	Fin Période 3 (*)	98 (-2%)	101 (7%)	95 (-5%)	$(-2\%+7\%-5\%)/3= 0\%$	1.00%	0.10	
4	Fin Période 4 (*)	99 (-1%)	102 (7%)	95 (-5%)	$(-1\%+7\%-5\%)/3= 0.33\%$	1.00%	0.10	
5	Fin Période 5 (*)	89 (-11%)	99 (-1%)	77 (-23%)	$(-11\%-1\%-23\%)/3= -11.67\%$	1.00%	0.10	
6	Fin Période 6 (*)	96 (-4%)	92 (-8%)	85 (-15%)	$(-4\%-8\%-15\%)/3= -9\%$	1.00%	0.10	
7	Fin Période 7 (*)	92 (-8%)	108 (7%)	69 (-31%)	$(-8\%+7\%-31\%)/3= -10.67\%$	1.00%	0.10	
8	Fin Période 8 (*)	80 (-20%)	112 (7%)	80 (-20%)	$(-20\%+7\%-20\%)/3= -11\%$	1.00%	$10+0.1=10.1$	

(*) Le Cours Final et entre parenthèses, la contribution de chaque action (Valeur Finale par Période d'une action) au dividende de la période considérée.

(**) Fiscalité : précompte mobilier de 15% sur les dividendes, sous réserve de modification de la législation en vigueur.

(***) 50% de la valeur de souscription initiale est remboursée à l'Echéance Intermédiaire et 50% à l'Echéance

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	3M CO	MMM UN Equity	NYSE	2.50%
2	ABBOTT LABORATORIES	ABT UN Equity	NYSE	3.00%
3	BAYER AG	BAY GY Equity	Frankfurt	3.00%
4	COLGATE-PALMOLIVE CO	CL UN Equity	NYSE	3.50%
5	DIAGEO PLC	DGE LN Equity	London	3.00%
6	EAST JAPAN RAILWAY CO	9020 JT Equity	Tokyo	3.50%
7	ENEL SPA	ENEL IM Equity	Milan	3.25%
8	ENI SPA	ENI IM Equity	Milan	3.00%
9	FRANCE TELECOM SA	FTE FP Equity	Paris	4.00%
10	HENNES & MAURITZ AB-B SHS	HMB SS Equity	Stockholm	3.00%
11	HJ HEINZ CO	HNZ UN Equity	NYSE	3.25%
12	INTL BUSINESS MACHINES CORP	IBM UN Equity	NYSE	3.00%
13	KONINKLIJKE KPN NV	KPN NA Equity	Amsterdam	4.50%
14	KRAFT FOODS INC-CLASS A	KFT UN Equity	NYSE	3.00%
15	MCDONALD'S CORP	MCD UN Equity	NYSE	3.25%
16	MICROSOFT CORP	MSFT UQ Equity	Nasdaq	2.75%
17	MITSUBISHI CORP	8058 JT Equity	Tokyo	3.00%
18	NATIONAL GRID PLC	NG/ LN Equity	London	3.50%
19	NESTLE SA-REG	NESN VX Equity	Virt-X	3.75%
20	NOVARTIS AG-REG	NOVN VX Equity	Virt-X	4.50%
21	NTT DOCOMO INC	9437 JT Equity	Tokyo	4.50%
22	PFIZER INC	PFE UN Equity	NYSE	2.75%
23	ROCHE HOLDING AG-GENUSSSCHEIN	ROG VX Equity	Virt-X	3.00%
24	STATOILHYDRO ASA	STL NO Equity	Oslo	3.75%
25	SWISSCOM AG-REG	SCMN VX Equity	Virt-X	4.25%
26	TAKEDA PHARMACEUTICAL CO LTD	4502 JT Equity	Tokyo	3.25%
27	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
28	TESCO PLC	TSCO LN Equity	London	3.00%
29	VERIZON COMMUNICATIONS INC	VZ UN Equity	NYSE	3.25%
30	VIVENDI	VIV FP Equity	Paris	3.00%

Selection criteria for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) the share has a major market capitalisation and a low price/earnings ratio, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the maturity date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket on the maturity date.

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price pro rata based on the length of time for which the investor has held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 INVESTMENT POLICY

Composition of the basket on the date of the report

Name	Value
3M CO	2,6770
ABBOTT LABORATORIES	3,2644
BAYER AG	3,0438
COLGATE-PALMOLIVE CO	4,1147
DIAGEO PLC	4,3394
EAST JAPAN RAILWAY	2,7812
ENEL SPA	2,3582
ENI SPA	2,6236
FRANCE TELECOM SA	2,7042
HENNES & MAURITZ AB-B SHS	3,2207
HJ HEINZ CO	4,3072
INTL BUSINESS MACHINES CORP	4,5701
KONINKLIJKE KPN NV	3,3841
KRAFT FOODS INC-CLASS A	4,1559
MCDONALD'S CORP	5,5567
MICROSOFT CORP (UQ)	2,7016
MITSUBISHI CORP	2,2790
NATIONAL GRID PLC	4,1383
NESTLE SA-REG	4,4438
NOVARTIS AG-REG	4,5652
NTT DOCOMO INC	4,7050
PFIZER INC	3,3673
ROCHE HOLDING AG-GENUSSCHEIN	2,9333
STATOILHYDRO ASA	4,0906
SWISSCOM AG-REG	3,9717
TAKEDA PHARMACEUTICAL CO LTD	2,9553
TELEFONICA SA (SM)	2,0857
TESCO PLC	3,1442
VERIZON COMMUNICATIONS INC	4,8132
VIVENDI	2,5077
TOTAL	105,80

Performance of the index or basket

Index:	BASKET
31/12/2010:	105,18
30/06/2011:	106,85
29/12/2011:	105,80
Performance since 31/12/2010 or since the launch of the sub-fund:	0,59%
Performance since 30 June 2011 or since the launch of the sub-fund:	-0,98%
Index at the launch of the sub-fund	100,00
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	EUR

Fixings

Period	Last date	Last value	Cap
1	07/10/2010	n.a.	0,50%
2	07/10/2010	n.a.	1,00%
3	07/10/2010	n.a.	7,00%
4	07/10/2011	n.a.	1,00%

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: I

Risk rating at launch: I

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
TOTAL NET ASSETS	11.245.918,83	11.604.048,65
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	10.372.667,49	10.316.259,09
F. Financial derivatives		
e) On shares		
Swaps (+/-)	-69.060,18	-728.178,15
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		5.440,43
c) Collateral	450.558,00	880.464,70
B. Debts		
a) Accounts payable (-)	-6.419,41	-868,23
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	266.562,85	261.922,15
B. Term accounts at banks	230.188,40	870.017,40
VI. Accruals and deferrals		
B. Accrued income	2.267,22	3.311,23
C. Accrued expenses (-)	-845,54	-4.319,97
TOTAL CAPITAL AND RESERVES	11.245.918,83	11.604.048,65
A. Capital	10.522.207,58	11.621.587,62
B. Share in the profit	-15.627,51	-5.897,06
D. Result for the financial year	739.338,76	-11.641,91

OFF-BALANCE-SHEET ITEMS

I Security in the form of real property (+/-)		
I.A Collateral (+/-)		
I.A.B Deposits and cash at bank and in hand	450.000,00	880.000,00
IV Notional amounts of swap contracts (+)	12.373.640,00	13.240.780,00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-100.587,51	-185.834,33
F. Financial derivatives		
e) On shares		
Swaps (+/-)	633.797,48	-779.508,13
j) On interest rates		
Swaps (+/-)		-173.118,06
G. Receivables, deposits, cash at bank and in hand, and payables	264,30	56,90
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	145,62	1,28
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	159.600,66	234.489,48
b) Deposits and cash at bank and in hand	19.018,89	26.136,02
c) Collateral (+/-)	8.991,51	
C. Interest on loans taken out (-)		-70,72
D. Swaps (+/-)	48.498,90	917.861,94
F. Other investment income		1.627,79
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	9.814,10	90.077,62
B. Other	-2.879,03	5.440,43
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-0,02	-0,21
B. Financial expenses (-)	-774,22	-2.528,67
C. Custodian's fee (-)	-250,00	-250,00
D. Manager's fee (-)		
a) Financial management	-23.848,03	-109.481,13
b) Administration and accounting management	-6.169,67	-8.992,06
E. Administrative expenses (-)	-536,61	-4.880,87
F. Formation and organisation expenses (-)	-1.462,20	-6.037,01
G. Remuneration, social security charges and pensions (-)	-11,58	-34,30
H. Services and sundry goods (-)	-3.258,35	-4.909,78
J. Taxes	-135,75	-7.365,92
K. Other expenses (-)	-879,73	-4.322,18
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	205.718,87	1.126.760,43
V. Profit (loss) on ordinary activities before tax	739.338,76	-11.641,91
VII. Result for the financial year	739.338,76	-11.641,91

Profit appropriation statement

	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Profit to be allocated (loss to be recognised)		
Profit for the period available for appropriation (loss to be recognised)	723.711,25	-17.538,97
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	739.338,76	-11.641,91
	-15.627,51	-5.897,06
II. (Appropriations to) Deductions from capital	-597.449,65	1.165.973,97
IV. (Dividends to be distributed)	-126.261,60	-1.148.435,00

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB DUO COUPON 1

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMBER PRO BOND PTF 6E-0.07 21/04-23/10	846.000,00	EUR	98,026	832.121,33		8,08	7,40
AMETHYST STRUCTURED FIN PLC 6E-7 23/04-23/10 4.747%	290.000,00	EUR	97,476	283.645,40		2,75	2,52
AMETHYST STRUCTURED FIN PLC 6E-7 23/04-23/10 4.747%	293.000,00	EUR	96,501	283.724,23		2,75	2,52
BROOKFIELDS CAPITAL PLC 6E-7 23/04-23/10 4.747%	291.000,00	EUR	97,767	285.471,86		2,77	2,54
CARMINI PRO BAND PFT 6E-0.07 23/04-23/10	846.000,00	EUR	97,901	831.057,20		8,07	7,39
CORAL PRO BOND PTF 6E-0.07 23/04-23/10	846.000,00	EUR	97,957	831.532,45		8,07	7,39
EMERALD PRO BOND PTF 6E-0.07 23/04-23/10	846.000,00	EUR	98,058	832.391,29		8,08	7,40
EPERON FINANCE PLC 6E-7 23/04-23/10 4.747%	292.000,00	EUR	97,379	285.319,50		2,77	2,54
ESPACCIO SECURITIES PLC 6E-7 23/04-23/10 4.747%	293.000,00	EUR	96,522	283.784,29		2,75	2,52
GREENSTREET STRUCT. FIN. PROD. PLC 6E-7 23/04-23/10 4.747%	293.000,00	EUR	96,578	283.949,10		2,76	2,53
INDIGO PRO BOND PTF 6E-0.07 23/04-23/10	423.000,00	EUR	98,107	416.403,38		4,04	3,70
IVORY PRO BOND PTF 6E-0.07 23/04-23/10	423.000,00	EUR	97,915	415.590,83		4,03	3,70
MAGENTA PRO BOND PTF 6E-0.07 23/04-23/10	423.000,00	EUR	97,924	415.628,37		4,03	3,70
NIMROD CAPITAL PLC 6E-7 23/04-23/10 4.747%	291.000,00	EUR	97,646	285.119,94		2,77	2,54
OPAL FINANCIAL PRODUCTS PLC 6E-7 23/04-23/10 4.747%	293.000,00	EUR	96,772	284.518,54		2,76	2,53
PROFILE FINANCE PLC 6E-7 23/04-23/10 4.747%	293.000,00	EUR	97,284	286.016,98		2,78	2,54
RECOLTE SECURITIES PLC 6E-7 23/04-23/10 4.747%	294.000,00	EUR	96,389	284.362,28		2,76	2,53
SEPIA PRO BOND PTF 6E-0.07 23/04-23/10	423.000,00	EUR	97,790	415.062,60		4,03	3,69
SILVERSTATE FIN INV PLC 6E-7 23/04-23/10 4.747%	291.000,00	EUR	96,951	283.097,19		2,75	2,52
TAUPE PRO BOND PTF 6E-0.07 23/04-23/10	423.000,00	EUR	97,908	415.557,77		4,03	3,70
VERMILION PRO BOND PTF 6E-0.07 23/04-23/10	423.000,00	EUR	97,790	415.059,65		4,03	3,69
VESPUCCI STRUCTURED FIN PROD 6E-7 23/04-23/10 4.747%	293.000,00	EUR	97,142	285.601,88		2,77	2,54
VIGADO CAPITAL PLC 6E-7 23/04-23/10 4.747%	293.000,00	EUR	96,436	283.533,37		2,75	2,52
VOYCE INVESTMENTS PLC 6E-7 23/04-23/10 4.747%	290.000,00	EUR	97,895	284.862,08		2,77	2,53
WATERFORD CAPITAL INC PLC 6E-7 23/04-23/10 4.747%	294.000,00	EUR	96,298	284.096,07		2,76	2,53
WAVES FINANCIAL INV PLC 6E-7 23/10-23/04 4.747%	292.000,00	EUR	97,324	285.159,91		2,77	2,54
Total bonds				10.372.667,49		100,67	92,24
Swaps							
<u>Belgium</u>							
KBC SWAPS	12.373.640,00	EUR	-0,480	-69.060,18		-0,67	-0,61
Total swaps				-69.060,18		-0,67	-0,61
TOTAL SECURITIES PORTFOLIO				10.303.607,31		100,00	91,62

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP EURO	266.562,85	EUR	1,000	266.562,85		2,37
Total demand accounts				266.562,85		2,37
Time deposit accounts						
<u>Germany</u>						
COMMERZBANK AG 21/10-20/04/12 COMB 1.620 %	220.000,00	EUR	100,080	220.176,00		1,96
<u>Belgium</u>						
KBC BANK NV 21/10-20/04/12 KBCBANK 1.760 %	10.000,00	EUR	100,124	10.012,40		0,09
Total time deposit accounts				230.188,40		2,05
TOTAL CASH AT BANK AND IN HAND				496.751,25		4,42
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC BANK NV 21/10-20/04/12 KBCBAN 1.760 % C	450.000,00	EUR	100,124	450.558,00		4,01
Total receivables				450.558,00		4,01
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-6.419,41	EUR	1,000	-6.419,41		-0,06
Total debts				-6.419,41		-0,06
TOTAL OTHER RECEIVABLES AND PAYABLES				444.138,59		3,95
OTHER						
Accrued interest		EUR		2.267,22		0,02
Expenses payable		EUR		-845,54		-0,01
TOTAL OTHER				1.421,68		0,01
TOTAL NET ASSETS				11.245.918,83		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
KBCBANK 21/10-20/04/12 KBCBAN 1.760 % C	EUR	450.000,00	450.000,00	n.a.	19.10.2011
EQLISWAP	EUR	12.373.640,00	12.373.640,00	n.a.	14.10.2011

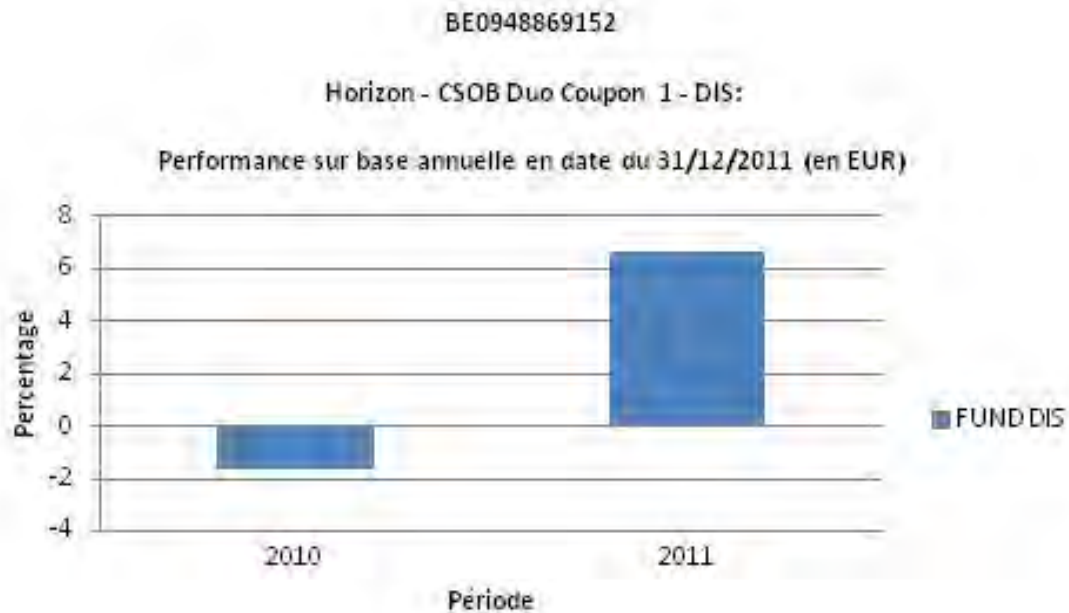
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12		924.469,00		6.122,00		918.347,00	918.347,00
2010 - 12		439.669,00		34.970,00		1.323.046,00	1.323.046,00
2011 - 12		565,00		107.253,00		1.216.358,00	1.216.358,00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12		18.476.496,95		121.046,04
2010 - 12		8.623.377,83		13.895.386,60
2011 - 12		5.101,95		976.308,93

Period	Net asset value At the end of the period (in the currency of the sub fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	18.036.134,33		19,64
2010 - 12	11.604.048,65		8,77
2011 - 12	11.245.918,83		9,25

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
DIS	BE0948869152	EUR	6.63%								09/10/2009	1.34%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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:

Distribution units (DIS)

Return on date D over a period of X years:

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

where Y = D-X

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

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

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

with C a factor that is determined by all of the dividends and from the date of calculating D and the reference date.

For dividend i to date Di with value Wi we apply:

$$Ci = [Wi / NAV(Di)] + 1$$

i = 1 ... N

where C = C0 * ... * CN.

- 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 nth 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 returns for distribution shares.

Dividend at ex-dividend date 17/10/2011: EUR 0,09 net (EUR 0,10 gross).

2.4.6 COSTS

Total expenses ratio (TER): * 0.347%

* 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% to 60% if the distributor is an entity belonging to KBC Groupe SA, and to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

If the management company invests the UCI's assets in units of undertakings for collective investment that are not managed by an entity belonging to KBC Groupe SA, and receives a fee for doing so, it will pay this fee to the UCI.

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON KREDYT BANK EXPOSURE QUICK BOOSTER 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 30.12.09
Initial subscription price: PLN 100
Maturity date: 31.07.13
Currency: PLN

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

The object of this sub-fund is to generate the highest possible return for its unit holders. To this end, an investment strategy has been developed which consists of:

- (1) An investment in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits and liquid assets (including funds placed on a fixed-term deposit account or demand account) (see under *Permitted asset classes*);
- (2) An investment in swaps (exchange contracts). The sub-fund therefore assigns part of its future income from the investments indicated under the point dealing with *Permitted asset classes* to the counterparty(-ies) for the life of the sub-fund. In exchange, the counterparty(-ies) commit to offering a potential return. The different types of swaps in which the sub-fund can invest are explained under the section *Permitted swap transactions*.

No formal guarantee is granted to the sub-fund or its unit holders. No guaranteed return or capital protection is offered by the sub-fund during the period concerned nor on Maturity.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable laws and regulations. These investments may be of various durations and coupon payment dates that are aligned to the expiry dates of the sub-fund's commitments through the use of the swaps described in the point dealing with *Permitted swap transactions (2)*.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

The sub-fund may invest in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-1" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are conducted with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. Under these swaps, the sub-fund transfers a portion of its future earnings from the investments indicated under the section *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The use of swaps in this sub-fund may lead to (full or partial) loss of the initial capital invested.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund risk profile is not influenced by use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the investments referred to under *Permitted asset classes*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The object of the sub-fund is to generate a possible capital gain that is contingent on the performance of the CECEEUR index (as described below) and a 'Booster' structure.

This Booster structure means that in calculating the net asset value at maturity, both the initial subscription value and the performance of the CECEEUR index (*= (last value minus base value) divided by base value*) are taken into account. Any rise is limited to 36% but is taken into account up to a total of 250%. The maximum gain is thus limited to 90% (yield to maturity: 19.70% before charges and taxes). Any decrease is taken into account without ceiling up to 100%. In this scenario the amount redeemed at maturity would be less than the amount corresponding to the initial subscription value.

Thus this sub-fund does not offer a guaranteed return or protection of capital, either during the term or at maturity.

MATURITY: Thursday 31.07.13 (payment with value date D + 1 bank business day)

CURRENCY: PLN, the change in the exchange rate of the CECEEUR index in relation to the PLN is not relevant. The investor subscribes in PLN and is refunded on the renewal date (or possibly in advance) in PLN. Investors are not protected against any fall in the value of the sub-fund currency against the euro.

BASE VALUE: The average price of the index in the first ten valuation dates starting from 6 January 2010 inclusive.

LAST VALUE: the average price of the last 10 valuation dates of June 2013.

PRICE:

Closing price, i.e. the price of the CECEEUR index as calculated at closure of the stock exchanges and notified by the authority responsible (index sponsor), namely the Warsaw Stock Exchange (or its legal successor).

VALUATION DATE:

A valuation date is a day which is both an official stock-market trading day

- i) for the stock market on which at least 20% of the securities making up the index are traded, and,
- ii) for the stock market with trading activity that has a significant impact on options and forward contracts traded on the securities making up the index,

hereinafter "the Stock Markets Concerned", and where the index sponsor calculates and publishes the index.

If, on the valuation date:

- a) one of the stock markets concerned remains closed unexpectedly; or,
- b) an event occurs which disrupts the market on one of the stock markets concerned; or,
- c) one of the stock markets concerned closes early,

the scheduled valuation date is replaced by the next trading day on which none of the events listed under a), b) and c) above occur. A closure which is out of the ordinary but is announced in good time is not considered to be an early closure.

If a valuation is made on the basis of successive valuation dates, the trading day replacing a scheduled valuation date (i) cannot coincide with another scheduled valuation date, and (ii) cannot be a trading day which already replaces another scheduled valuation date.

If, however, an event under a), b) or c) above occurs on each of the eight trading days which follow the scheduled valuation date:

- (i) the eighth trading day is held to be the scheduled valuation date:
- (ii) the ICVC will estimate, in good faith and in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, the index price that would have been listed on this eighth trading day, and,
- (iii) the ICVC will inform the unit holders of the changes with regard to determination of the base value and/or the last value and the terms and conditions of payment.

If changes are made to the index (e.g. calculation by another sponsor, change to the calculation method, etc.) or if the index sponsor does not calculate or publish the index (although all the data are available), the ICVC will confer with the counterparty with whom the swap contract has been concluded in order to decide how the index is to be determined. If substantial changes are made to the index or if the index is no longer calculated, the index can be replaced by another index, provided this new index is representative of the same geographic and/or economic sectors.

The **CECE Composite Index in EUR** index (CECEEUR for short) is weighted according to the stock market capitalisation and is representative of the Central and Eastern Europe region. It consists of all shares included in the Czech Traded, Hungarian Traded and Polish Traded indexes. It is denominated in EUR and is calculated in real time by Wiener Börse. Its baseline value as at 4 January 1999 was 746.46.

The index price can be consulted daily in all KBC branches.

Wiener Börse retains all proprietary rights relating to the index. Wiener Börse does not provide any guarantee in any form, does not subscribe or is involved in any other way in the issue of shares by Horizon Kredyt Bank Exposure Quick Booster 1. Wiener Börse does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 3 years, 6 months and 26 days which pays, on maturity, 250% of any rise in value of the basket beyond the full initial subscription value of PLN 100. Any increase of the index is limited to 20%. The maximum gain is limited to 50%. Negative performances of the index are taken into account without ceiling up to 100%. The base value of the index is 100.

	Last value of the index	Relevant performance	Value on maturity
Positive scenario	130	30% will be reduced to 20% $250\% * 20\% = 50\%$	$100 \text{ PLN} + 50\% * 100 \text{ PLN} = 150 \text{ PLN}$ (yield to maturity: 12,02% before costs and taxes)
Neutral scenario	108	$250\% * 8\% = 20\%$	$100 \text{ PLN} + 20\% * 100 \text{ PLN} = 120 \text{ PLN}$ (yield to maturity: 5.24% before costs and taxes)
Negative scenario	80	$100\% * -20\% = -20\%$	$100 \text{ PLN} + (-20\%) * 100 \text{ PLN} = 80 \text{ PLN}$ (yield to maturity: -6.07% before costs and taxes)

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

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price pro rata based on the length of time for which the investor has held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 INVESTMENT POLICY

Performance of the index or basket

	Index:	CECE TRADED INDEX EUR
	31/12/2010:	2.115,32
	30/06/2011:	2.194,31
	29/12/2011:	1.518,75
Performance since 31/12/2010 or since the launch of the sub-fund:		-28,20%
Performance since 30 June 2011 or since the launch of the sub-fund:		-30,79%
Index at the launch of the sub-fund		1.929,40

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: 5

Risk rating at launch: 5

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
TOTAL NET ASSETS	7.261.004,96	21.530.164,36
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	6.125.572,59	18.205.056,57
F. Financial derivatives		
e) On shares		
Swaps (+/-)	-1.702.469,52	3.187.539,16
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		4.950,02
c) Collateral	2.100.048,00	119.992,80
B. Debts		
a) Accounts payable (-)	-79.853,40	-828.538,43
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	47.536,24	259.504,81
B. Term accounts at banks	749.729,50	599.881,40
VI. Accruals and deferrals		
B. Accrued income	26.800,49	9.909,38
C. Accrued expenses (-)	-6.358,94	-28.131,35
TOTAL CAPITAL AND RESERVES	7.261.004,96	21.530.164,36
A. Capital	10.345.036,36	18.008.723,91
B. Share in the profit	-16.569,76	-79.181,09
D. Result for the financial year	-3.067.461,64	3.600.621,54

OFF-BALANCE-SHEET ITEMS

I Security in the form of real property (+/-)		
I.A Collateral (+/-)		
I.A.B Deposits and cash at bank and in hand	2.100.000,00	120.000,00
IV Notional amounts of swap contracts (+)	9.192.600,00	18.717.200,00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-129.229,93	35.068,43
F. Financial derivatives		
e) On shares		
Swaps (+/-)	-3.000.036,28	3.566.781,92
G. Receivables, deposits, cash at bank and in hand, and payables	-96,70	-125,80
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	5.933,21	-2.284,07
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	436.024,89	369.174,50
b) Deposits and cash at bank and in hand	58.821,82	339.409,35
c) Collateral (+/-)	1.946,30	1.645,48
C. Interest on loans taken out (-)		-1.364,61
D. Swaps (+/-)	-244.882,71	-227.754,39
F. Other investment income		1.866,67
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	106.774,04	52.400,56
B. Other	-1.867,30	4.947,52
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-0,28	-0,18
B. Financial expenses (-)	-3.524,66	-13.193,02
C. Custodian's fee (-)	-959,50	
D. Manager's fee (-)		
a) Financial management	-279.303,51	-444.472,97
b) Administration and accounting management	-12.407,10	-10.870,32
F. Formation and organisation expenses (-)	-1.593,32	-2.746,89
G. Remuneration, social security charges and pensions (-)	-14,92	-31,60
H. Services and sundry goods (-)	-3.310,26	-4.824,28
J. Taxes	-6.172,18	-41.289,57
K. Other expenses (-)	6.436,75	-21.715,19
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	55.968,06	1.181,06
V. Profit (loss) on ordinary activities before tax	-3.067.461,64	3.600.621,54
VII. Result for the financial year	-3.067.461,64	3.600.621,54

**Profit appropriation
statement**

	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Profit to be allocated (loss to be recognised)		
Profit for the period available for appropriation (loss to be recognised)	-3.084.031,40	3.521.440,45
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-3.067.461,64	3.600.621,54
	-16.569,76	-79.181,09
II. (Appropriations to) Deductions from capital	3.084.031,40	-3.521.440,45

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON KREDYT BANK EXPOSURE QUICK BOOSTER 1

Name	Quantity at 31 December 2011	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6W-15 10/01-10/07 6.66%	615.000,00	PLN	97,363	612.562,62		13,85	8,44
AMETHYST STRUCTURED FIN PLC 6W-15 10/01-10/07 5,84%	625.000,00	PLN	96,388	616.432,06		13,94	8,49
BROOKFIELDS CAPITAL PLC 6W-15 10/01-10/07 6.66%	615.000,00	PLN	97,654	614.355,58		13,89	8,46
EPERON FINANCE PLC 6W-15 10/01-10/07 6.66%	615.000,00	PLN	97,266	611.968,53		13,84	8,43
ESPACCIO SECURITIES PLC 6W-15 10/01-10/07 5.84%	310.000,00	PLN	96,409	305.813,83		6,91	4,21
GREENSTREET STRUCT. FIN. PROD. PLC 6W-15 10/01-10/07 5.84%	310.000,00	PLN	96,465	305.988,22		6,92	4,21
NIMROD CAPITAL PLC 6W-15 10/01-10/07 5.84%	305.000,00	PLN	97,533	304.311,56		6,88	4,19
OPAL FINANCIAL PRODUCTS PLC 6W-15 10/01-10/07 5.84	310.000,00	PLN	96,659	306.590,69		6,93	4,22
PROFILE FINANCE PLC 6W-15 10/01-10/07 5.84%	310.000,00	PLN	97,171	308.176,07		6,97	4,24
RECOLTE SECURITIES PLC 6W-15 10/01-10/07 6.66%	310.000,00	PLN	96,276	305.402,02		6,91	4,21
SILVERSTATE FIN INV PLC 6W-15 10/01-10/07 6.66%	305.000,00	PLN	96,838	302.191,50		6,83	4,16
VESPUCCI STRUCTURED FIN PROD 6W-15 10/01-10/07 6.66%	310.000,00	PLN	97,029	307.736,88		6,96	4,24
VIGADO CAPITAL PLC 6W-15 10/01-10/07 6.66%	310.000,00	PLN	96,323	305.548,36		6,91	4,21
VOYCE INVESTMENTS PLC 6W-15 10/01-10/07 6.66%	305.000,00	PLN	97,782	305.070,83		6,90	4,20
WATERFORD CAPITAL INC PLC 6W-15 10/01-10/07 5.84%	310.000,00	PLN	96,185	305.121,33		6,90	4,20
WAVES FINANCIAL INV PLC 6W-15 10/01-10/07 5.84%	310.000,00	PLN	97,211	308.302,51		6,97	4,25
Total bonds				6.125.572,59		138,49	84,36
Swaps							
<u>Belgium</u>							
KBC SWAPS	9.192.600,00	PLN	-18,520	-1.702.469,52		-38,49	-23,45
Total swaps				-1.702.469,52		-38,49	-23,45
TOTAL SECURITIES PORTFOLIO				4.423.103,07		100,00	60,92
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	1.053,89	EUR	1,000	4.698,03			0,07
KBC GROUP PLN	42.838,21	PLN	1,000	42.838,21			0,59
Total demand accounts				47.536,24			0,66
Time deposit accounts							
<u>Belgium</u>							
KBC BANK NV 07/12-10/01/12 KBCBANK 4.850 %	10.000,00	PLN	100,013	10.001,30			0,14
KBC BANK NV 23/08-10/01/12 KBCBANK 4.000 %	10.000,00	PLN	99,983	9.998,30			0,14

<u>United Kingdom</u>						
STANDARD CHARTERED 08/07-10/01/12 STANDCHA 3.400 %	730.000,00	PLN	99,963	729.729,90		10,05
Total time deposit accounts				749.729,50		10,33
TOTAL CASH AT BANK AND IN HAND				797.265,74		10,98
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC BANK NV 07/12-10/01/12 KBCBAN 4.850 % C	1.350.000,00	PLN	100,013	1.350.175,50		18,60
KBC BANK NV 23/08-10/01/12 KBCBAN 4.000 % C	750.000,00	PLN	99,983	749.872,50		10,33
Total receivables				2.100.048,00		28,92
Debts						
<u>Belgium</u>						
KBC GROUP PLN PAYABLES	-79.853,40	PLN	1,000	-79.853,40		-1,10
Total debts				-79.853,40		-1,10
TOTAL OTHER RECEIVABLES AND PAYABLES				2.020.194,60		27,82
OTHER						
Accrued interest		PLN		26.800,49		0,37
Expenses payable		PLN		-6.358,94		-0,09
TOTAL OTHER				20.441,55		0,28
TOTAL NET ASSETS				7.261.004,96		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
KBCBANK 23/08-10/01/12 KBCBAN 4.000 % C	PLN	750.000,00	750.000,00	n.a.	23.08.2011
KBCBANK 07/12-10/01/12 KBCBAN 4.850 % C	PLN	1.350.000,00	1.350.000,00	n.a.	05.12.2011
EQLISWAP	PLN	9.192.600,00	9.192.600,00	n.a.	29.07.2011

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 12	231.696,00		47.854,00		183.842,00		183.842,00
2011 - 12	0,00		93.840,00		90.002,00		90.002,00

Period	Amounts received and paid by the UCI (in the sub fund's currency)				
Year	Subscriptions		Redemptions		
	Cap.	Dis.	Cap.	Dis.	
2010 - 12	23.169.600,00		5.240.057,18		
2011 - 12	0,00		11.201.697,76		

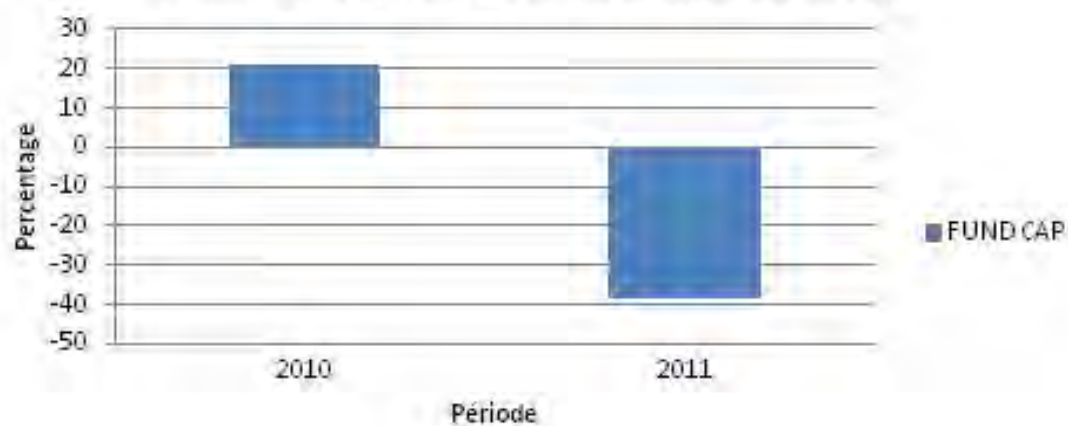
Period	Net asset value At the end of the period (in the currency of the sub fund)			
Year	Of the sub-fund		Of one unit	
			Cap.	Dis.
2010 - 12	21.530.164,36		117,11	
2011 - 12	7.261.004,96		80,68	

2.4.5 RETURNS

BE0948969184

Horizon - Kredyt Bank Exposure Quick Booster 1 - CAP:

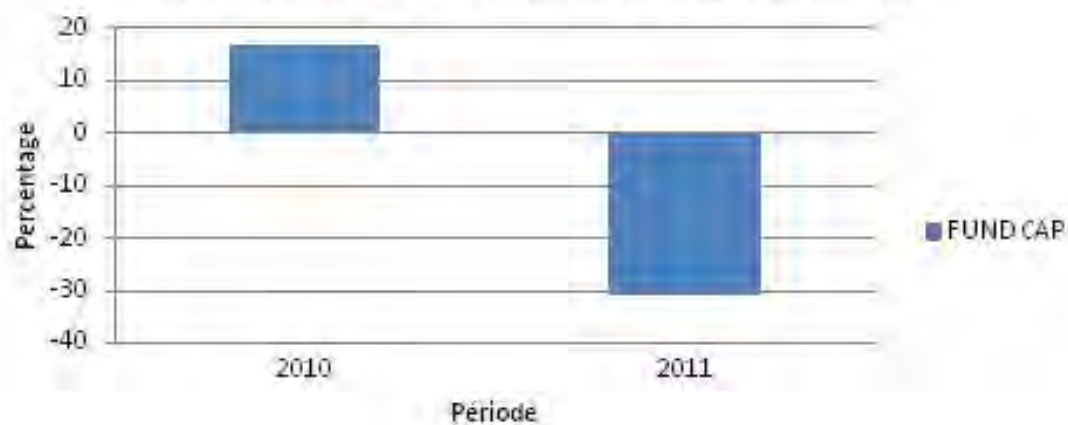
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0948969184

Horizon - Kredyt Bank Exposure Quick Booster 1 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en PLN)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948969184	EUR	-38.73%								30/12/2009	-13.51%
CAP	BE0948969184	PLN	-31.09%								30/12/2009	-10.18%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible restructuring.
- Calculated in PLN and 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
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
- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 2.449%

* 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% to 60% if the distributor is an entity belonging to KBC Groupe SA, and to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

If the management company invests the UCI's assets in units of undertakings for collective investment that are not managed by an entity belonging to KBC Groupe SA, and receives a fee for doing so, it will pay this fee to the UCI.

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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 - 2.1.2. Stock exchange listing
 - 2.1.3. Goal and key principles of the investment policy
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 - 2.4.1. Composition of the assets
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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB GOVERNMENT BONDS 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 17 July 2009
Initial subscription price: 10 EUR
Maturity date: 30 June 2014
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND:

The main object 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 primarily in bonds either directly, or indirectly through financial instruments with a similar performance.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

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

PERMITTED DERIVATIVES TRANSACTIONS

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

Changes are made to investments at regular intervals in keeping with the sub-fund's investment strategy. **In addition, listed and unlisted derivatives may be used by the sub-fund to achieve the objectives:** these may be forward contracts, options or swaps on securities, indexes, 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.

The UCI may conclude contracts to hedge a credit risk on issuers of debt instruments. Credit risk is the risk that the issuer of a debt instrument may default. The credit risk is transferred to parties whose solvency, at the time when the contract is concluded, is equivalent to that of the issuers whose debt instruments are held directly by the UCI. The UCI must submit a specific business programme to the Belgian Financial Services and Markets Authority (FSMA) before concluding any such contract.

Derivatives may be used to hedge (some of) the exposure to the currency in which the fund is denominated (EUR). They may therefore mitigate the exchange risk, expressed in EUR, and consequently also the market risk and return risk.

Derivatives are liquid instruments and readily tradeable. Hence, they have no impact on the liquidity risk.

Derivatives are also used for the purposes of the investment policy and strategy. Therefore they have no other impact on the market risk, return risk, concentration risk or the external risk factors or indeed on any other risk.

Strategy selected:

The assets are primarily invested in bonds and debt instruments issued by governments. The sub-fund will ensure that bonds and debt instruments are spread sufficiently between the various countries. The investor assumes the full risk of this portfolio of bonds and other debt instruments.

Characteristics of the bonds and other debt instruments

The assets are invested primarily in bonds and other debt instruments issued by governments which had a Standard & Poor's investment grade rating (BBB- or higher), or an equivalent Moody's or Fitch rating, when the sub-fund was launched. All maturities up to 6 years from the launch of the sub-fund are taken into consideration when selecting bonds and other debt instruments.

The bonds and debt instruments may be denominated in EUR or in other currencies. In the latter case, derivatives are used to hedge (some of the) exposure to fluctuations of other currencies against the EUR.

The following information is of a general nature 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 its interpretation can change. Investors who wish to have more information about the tax implications – both in Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19 bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price pro rata based on the length of time for which the investor held the units. This tax is levied at 15%.

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 intellectual portfolio management to KBC Asset Management SA, 5, Place de la Gare, L-1616 Luxembourg, Grand Duchy of Luxembourg.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 INVESTMENT POLICY

2011 was characterised by two major trends. In the first half, the market was still expecting continued economic growth and inflationary pressure. However, the situation took a turn for the worse in the second half. In the United States, recovery of the housing market faltered, triggering a renewed rise in payment defaults for mortgages. In Europe, the banking sector was strongly affected by the spreading sovereign debt crisis. In the meantime, the economic indicators deteriorated. Aversion to risk has become more pronounced. U.S. bond yields have fallen in the wake of the decline in economic indicators and the conviction that the Fed will maintain its benchmark rate at a low level for some time to come. Government bonds have moreover served as a safe haven for many investors. The German 10-year bond rate thus hit an all-time low of 1.65% on 22 September. We have maintained our policy of diversifying the portfolio among the main Eastern European countries.

2.1.8 FUTURE INVESTMENT POLICY

Europe will face major challenges in 2012. Banks are no longer inclined to maintain major holdings of government bonds issued by peripheral European countries. Therefore the big question now is who will be buy the numerous government bonds issued in 2012 and at what price. The task of refloating the world economy seems difficult for as long as this uncertainty is unresolved. In this context, we will maintain the current spread of assets between Eastern European countries.

2.1.9 RISK RATING

On a scale from 0 to 6.

Current risk rating: 1

Risk rating at launch: 2

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating:

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
TOTAL NET ASSETS	5.178.561,52	5.664.423,38
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	5.132.096,84	5.620.904,32
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		1.595,84
B. Debts		
a) Accounts payable (-)	-911,79	-1.851,31
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	48.968,89	45.293,35
VI. Accruals and deferrals		
A. Deferred charges	-71,70	
C. Accrued expenses (-)	-1.520,72	-1.518,82
TOTAL CAPITAL AND RESERVES	5.178.561,52	5.664.423,38
A. Capital	5.057.986,50	5.525.219,76
B. Share in the profit	-17.593,87	-90.765,75
D. Result for the financial year	138.168,89	229.969,37

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-86.176,21	-109.877,84
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	250.155,59	342.983,11
b) Deposits and cash at bank and in hand	555,15	175,53
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	9.360,48	38.357,06
B. Other	-540,52	7.998,41
IV. Operating expenses		
B. Financial expenses (-)	-629,98	-925,92
C. Custodian's fee (-)	-1.156,54	-1.549,72
D. Manager's fee (-)		
a) Financial management	-25.640,36	-34.940,06
b) Administration and accounting management	-5.409,91	-6.885,64
F. Formation and organisation expenses (-)	-686,47	-1.120,83
G. Remuneration, social security charges and pensions (-)	-5,53	-12,00
H. Services and sundry goods (-)	-1.203,29	-1.707,78
J. Taxes	-65,13	-2.101,16
K. Other expenses (-)	-388,39	-423,79
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	224.345,10	339.847,21
V. Profit (loss) on ordinary activities before tax	138.168,89	229.969,37
VII. Result for the financial year	138.168,89	229.969,37

Profit appropriation statement

	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Profit to be allocated (loss to be recognised)		
Profit for the period available for appropriation (loss to be recognised)	120.575,02	139.203,62
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	138.168,89	229.969,37
	-17.593,87	-90.765,75
II. (Appropriations to) Deductions from capital	-120.575,02	-139.203,62

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB GOVERNMENT BONDS 1

Name	Quantity at 31 December 2011	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Government bonds							
<u>Croatia</u>							
CROATIA 04/14 5.00% 15/04	1.000.000,00	EUR	99,880	1.034.182,51		20,15	19,97
<u>Ireland</u>							
TREASURY 09/14 4.00% 15/01	875.000,00	EUR	93,626	852.690,58		16,62	16,47
<u>Poland</u>							
POLAND 09/14 5.875 % 03/02	1.005.000,00	EUR	105,693	1.115.596,67		21,74	21,54
<u>Slovakia</u>							
SLOVAKIA GOVERNMENT 04/14 4.50% 20/05	1.025.000,00	EUR	103,038	1.084.369,01		21,13	20,94
<u>Czech Republic</u>							
CZECHIA 04/14 4.625% 23/06	975.000,00	EUR	104,805	1.045.258,07		20,37	20,18
Total bonds				5.132.096,84		100,00	99,10
TOTAL SECURITIES PORTFOLIO				5.132.096,84		100,00	99,10
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	48.968,89	EUR	1,000	48.968,89			0,95
Total demand accounts				48.968,89			0,95
TOTAL CASH AT BANK AND IN HAND				48.968,89			0,95
OTHER RECEIVABLES AND PAYABLES							
Debts							
<u>Belgium</u>							
KBC GROUP EUR PAYABLES	-911,79	EUR	1,000	-911,79			-0,02
Total debts				-911,79			-0,02
TOTAL OTHER RECEIVABLES AND PAYABLES				-911,79			-0,02
OTHER							
Expenses payable		EUR		-1.520,72			-0,03
Deferred charges		EUR		-71,70			0,00
TOTAL OTHER				-1.592,42			-0,03
TOTAL NET ASSETS				5.178.561,52			100,00

Geographical allocation (as a % of the securities portfolio)

	30/06/2010	31/12/2010	30/06/2011	31/12/2011
Czech Republic	19,96	19,06	19,39	20,61
Ireland	19,32	14,82	13,12	16,52
Croatia	20,04	23,56	24,19	20,14
Poland	20,78	21,60	22,00	21,43
Slovakia	19,90	20,96	21,30	21,30
Total	100,00	100,00	100,00	100,00

Sector allocation (as a % of the securities portfolio)

	30/06/2010	31/12/2010	30/06/2011	31/12/2011
Government	100,00	100,00	100,00	100,00
Total	100,00	100,00	100,00	100,00

Currency allocation (as a % of net assets)

	30/06/2010	31/12/2010	30/06/2011	31/12/2011
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 HORIZON CSOB GOVERNMENT BONDS 1 (IN SUB-FUND'S CURRENCY)

	1st half	2nd half	Year
Purchases	0,00	0,00	0,00
Sales	0,00	398.074,36	398.074,36
Total 1	0,00	398.074,36	398.074,36
Subscriptions	0,00	0,00	0,00
Redemptions	169.934,06	417.781,86	587.715,92
Total 2	169.934,06	417.781,86	587.715,92
Monthly average of total assets	5.571.214,60	5.350.308,56	5.456.343,46
Turnover rate	-3,05 %	-0,37 %	-3,48 %

	1st half	2nd half	Year
Purchases	0,00	0,00	0,00
Sales	0,00	398.074,36	398.074,36
Total 1	0,00	398.074,36	398.074,36
Subscriptions	0,00	0,00	0,00
Redemptions	169.934,06	417.781,86	587.715,92
Total 2	169.934,06	417.781,86	587.715,92
Monthly average of total assets	5.571.608,52	6.569.166,67	5.562.967,44
Adjusted turnover rate	-3,05 %	-0,30 %	-3,41 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take into account the 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 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 ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil.

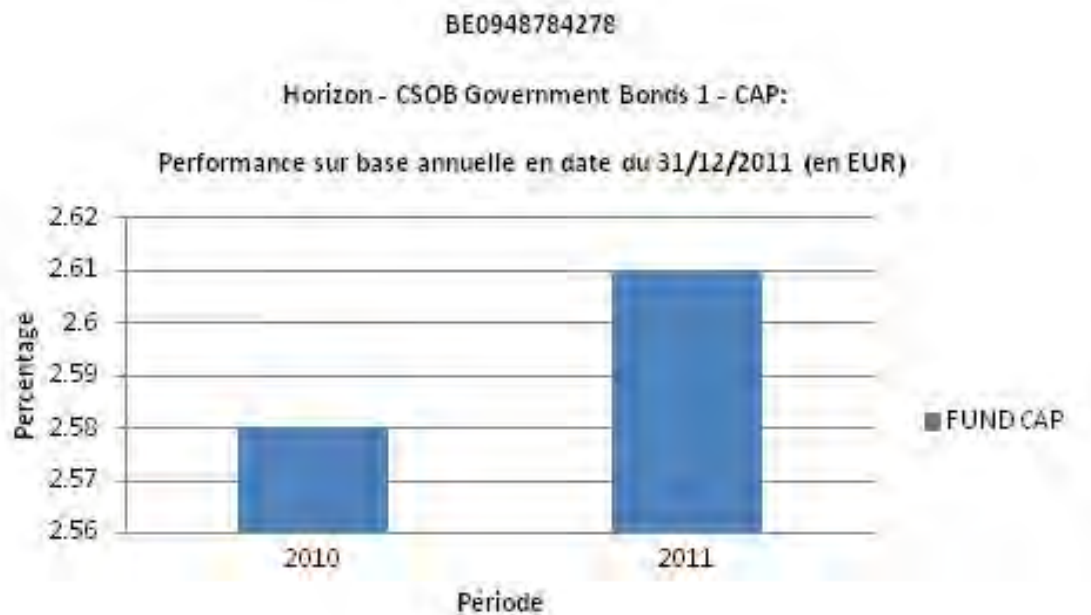
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	767.504,00		3.384,00		764.120,00		764.120,00
2010 - 12	0,00		236.938,00		527.182,00		527.182,00
2011 - 12	0,00		57.426,00		469.756,00		469.756,00

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	7.675.114,50		34.900,20	
2010 - 12	0,00		2.557.138,86	
2011 - 12	0,00		624.030,75	

Period	Net asset value At the end of the period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	7.991.592,87	10,46	
2010 - 12	5.664.423,38	10,74	
2011 - 12	5.178.561,52	11,02	

2.4.5 PERFORMANCE FIGURES



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948784278	EUR	2.61%								17/07/2009	4.03%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
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
- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 0.655%

* 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% to 60% if the distributor is an entity belonging to KBC Group NV, to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: A maximum of 1.3% 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 in the KBC Group.

KBC Fund Management SA receives a fee from the management company of a maximum 1.3% 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 sub-fund's average total net assets.

Auditor's fee: 1,700 EUR per year. This fee does not include 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.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB GROWTH POTENTIAL 10

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 11.12.09
Initial subscription price: 1000 EUR
Maturity date: 30 June 2016
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse the initial subscription price per unit of 1000 EUR on maturity (capital protection). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection at maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash (including money in fixed-term deposit or demand accounts). These investments may have different durations and coupon payment dates which are aligned with the expiry dates of the sub-fund's commitments through the use of the swaps referred to in the section *Permitted swap transactions (2)*.

Characteristics to be met by the investments

The deposits, bonds and other debt instruments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area;
- (2) Debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit at maturity (before charges and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and, if appropriate, from any other sub-fund of the ICVC. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund conducts swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, derivatives (financial derivatives), liquid assets and any other instrument permitted under the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-1" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. As part of these swaps, the sub-fund transfers part of its future income from these investments earmarked for capital protection to these counterparties for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund risk profile is not influenced by use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of 30 shares of companies active in the natural resources sector or which are new multinationals. 48% of any rise in value of the basket of 30 shares (= last value less the base value) divided by the base value), which exceed the full initial subscription value will be distributed on maturity.

MATURITY: Thursday 30 June 2016 (payment with value date D + 1 bank business day)

CURRENCY: EUR, changes to the local currency exchange rates for shares in the basket with respect to the EUR are not relevant.

BASE VALUE: Value of the basket based on the average stock market price of shares in the basket on the first ten valuation dates from Friday 18 December 2009 (inclusive).

LAST VALUE: Value of the basket on the basis of the average price of the shares in the basket on the last valuation day of the month for the last 24 months before maturity, specifically June 2014 to May 2016 (inclusive).

PRICE:

For all equities, with the exception of those listed on the Milan Stock Exchange, the closing price, notably the price of a basket share as calculated and communicated at market closing by the authority at the stock exchange where the share is listed, or its legal successor. For equities listed on the Milan stock exchange, the reference price is used.

VALUATION DATE:

A valuation date is determined separately for each share in the basket.

A valuation date is a day which is both an official stock-market trading day

- i) for the stock market where the share is listed, and,
- ii) for the stock market with trading activity that has a significant impact on options and forward contracts traded on the securities making up the index,

hereinafter "the Stock Markets Concerned",

If, on the valuation date:

- a) one of the stock markets concerned remains closed unexpectedly; or,
- b) an event occurs which disrupts the market on one of the stock markets concerned; or,
- c) one of the stock markets concerned closes early,

the scheduled valuation date is replaced by the next trading day on which none of the events listed under a), b) and c) above occur. A closure which is out of the ordinary but is announced in good time is not considered to be an early closure.

If a valuation is made on the basis of successive valuation dates, the trading day replacing a scheduled valuation date (i) cannot coincide with another scheduled valuation date, and (ii) cannot be a trading day which already replaces another scheduled valuation date.

If, however, an event under a), b) or c) above occurs on each of the eight trading days which follow the scheduled valuation date:

- (i) the eighth trading day is held to be the scheduled valuation date:
- (ii) the ICVC will estimate, in good faith and in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and,
- (iii) the ICVC will inform the unit holders of the changes with regard to determination of the base value and/or the last value and the terms and conditions of payment.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 6 years, 6 months and 13 days, which pays, on maturity, 48% of any rise in value (= (last value less the base value) divided by the base value) beyond the full initial subscription value (of EUR 1000). The base value of the basket is 100.

	Valeur Finale du panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	180	48% * 80% = 38.4	1000 + 38.4% * 1000 = 1384 EUR (rendement actuariel : 5.09%, avant frais et impôts)
Scénario Neutre	120	48% * 20% = 9.6%	1000 + 9.6% * 1000 = 1096 EUR (rendement actuariel : 1.41%, avant frais et impôts)
Scénario Négatif	90	48% * 0% = 0%	1000 + 0% * 1000 = 1000 EUR (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances are not taken into account.

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	AMERICA MOVIL-ADR SERIES L	AMX UN Equity	NYSE	3.3333%
2	ANGLO AMERICAN PLC	AAL LN Equity	London	3.3333%
3	BANK OF CHINA LTD - H	3988 HK Equity	Hong Kong	3.3333%
4	BHP BILLITON LTD	BHP AU Equity	Sydney	3.3333%
5	CAMECO CORP	CCJ UN Equity	NYSE	3.3333%
6	CEZ AS	CEZ CP Equity	Prague	3.3333%
7	CHEUNG KONG HOLDINGS LTD	1 HK Equity	Hong Kong	3.3333%
8	CHINA LIFE INSURANCE CO-H	2628 HK Equity	Hong Kong	3.3333%
9	CHINA MOBILE LTD	941 HK Equity	Hong Kong	3.3333%
10	CHINA TELECOM CORP LTD-H	728 HK Equity	Hong Kong	3.3333%
11	FIRST SOLAR INC	FSLR UQ Equity	Nasdaq	3.3333%
12	FORTUM OYJ	FUM1V FH Equity	Helsinki	3.3333%
13	FPL GROUP INC	FPL UN Equity	NYSE	3.3333%
14	GDF SUEZ	GSZ FP Equity	Paris	3.3333%
15	GOLDCORP INC	G CT Equity	Toronto	3.3333%
16	HUTCHISON WHAMPOALTD	13 HK Equity	Hong Kong	3.3333%
17	ICICI BANK LTD-SPON ADR	IBN UN Equity	NYSE	3.3333%
18	IND & COMM BK OF CHINA - H	1398 HK Equity	Hong Kong	3.3333%
19	KYOCERA CORP	6971 JT Equity	Tokyo	3.3333%
20	NEWMONT MINING CORP	NEM UN Equity	NYSE	3.3333%
21	PETROCHINA CO LTD-H	857 HK Equity	Hong Kong	3.3333%
22	PETROLEO BRASILEIRO S.A.-ADR	PBR UN Equity	NYSE	3.3333%
23	PING AN INSURANCE GROUP CO-H	2318 HK Equity	Hong Kong	3.3333%
24	POSCO	005490 KS Equity	Korea SE	3.3333%
25	RIO TINTO PLC	RIO LN Equity	London	3.3333%
26	SAMSUNG ELECTRONICS CO LTD	005930 KS Equity	Korea SE	3.3333%
27	SCOTTISH & SOUTHERN ENERGY	SSE LN Equity	London	3.3333%
28	TECK RESOURCES LTD-CLS B	TCK/B CT Equity	Toronto	3.3333%
29	VESTAS WIND SYSTEMS A/S	VWS DC Equity	Copenhagen	3.3333%
30	XSTRATA PLC	XTA LN Equity	London	3.3333%

Selection criteria for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) the company is operating in the natural resources sector or is a new multinational, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or several issuers of shares in the basket take part in a merger or acquisition during the term of the sub-fund, a basket weight equivalent to the total of the share weights of all the issuers involved in the transaction will be allocated to the shares of the issuers who are involved in the transaction and who satisfy the selection criteria after the transaction has taken place. If, after the transaction, none of the issuers involved in this transaction satisfy the selection criteria, the steps outlined in "Nationalisation, bankruptcy, or disqualification" will be followed.

Demerger

If the issuer of a basket share proceeds with a spin-off, the weight of the share in question will be shared equally between the shares of all the issuers arising from the division which satisfy the selection criteria.

If, after the transaction, none of the issuers arising from the spin-off now satisfy the selection criteria, the steps outlined in "Nationalisation, bankruptcy, or disqualification" will be followed.

Nationalisation, bankruptcy and disqualification

If the issuer of a basket share is nationalised, declared bankrupt, or no longer satisfies the selection criteria ("Disqualification"), the share is liquidated at the last stated price prior to elimination. The liquidation amount is then invested up to the maturity date of the underlying swap transaction at the rate on the money or bond market prevailing at the time of elimination for a term equal to the period remaining up to the maturity of the sub-fund's underlying swap transaction. The liquidation amount plus interest is booked as the share's performance in the accounts for the calculation of the final rise of the basket at maturity.

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:

the Act 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 the 1992 Income Tax Code on withholding tax;*

- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code;*

- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price pro rata based on the length of time for which the investor has held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 INVESTMENT POLICY

Composition of the basket on the date of the report

Name	Value
AMERICA MOVIL-ADR SERIES L	3,1866
ANGLO AMERICAN PLC	2,9260
BANK OF CHINA LTD - H	2,4095
BHP BILLITON LTD (AU)	2,7206
CAMECO CORP	1,8401
CEZ AS	3,0007
CHEUNG KONG HOLDINGS LTD	3,1618
CHINA LIFE INSURANCE CO-H	1,6959
CHINA MOBILE LTD	3,5441
CHINA TELECOM CORP LTD-H	4,5800
FIRST SOLAR INC	0,8097
FORTUM OYJ	2,9319
GDF SUEZ	2,3397
GOLDCORP INC	3,5681
HUTCHISON WHAMPOA LTD	4,2740
ICICI BANK LTD-SPON ADR	2,3776
IND & COMM BK OF CHINA - H	2,4843
KYOCERA CORP	2,5029
NEWMONT MINING CORP	4,2186
NEXTERA ENERGY INC	3,8029
PETROCHINA CO LTD-H	3,5116
PETROLEO BRASILEIRO S.A.-ADR	1,7333
PING AN INSURANCE GROUP CO-H	2,5472
POSCO	2,0840
RIO TINTO PLC	3,1082
SAMSUNG ELECTRONICS CO LTD	4,4630
SSE PLC	3,7062
TECK RESOURCES LTD-CL B	3,0104
VESTAS WIND SYSTEMS A/S	0,6331
XSTRATA PLC	2,9359
TOTAL	86,11

Performance of the index or basket

Index:	BASKET
31/12/2010:	112,02
30/06/2011:	107,06
29/12/2011:	86,11
Performance since 31/12/2010 or since the launch of the sub-fund:	-23,13%
Performance since 30 June 2011 or since the launch of the sub-fund:	-19,57%
Index at the launch of the sub-fund	100,00
Minimum guaranteed return in local currency on the maturity date:	1.000,00
Local currency:	EUR

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
23/06/2010	FPL GROUP INC	Nextera Energy Inc	Change of name
03/10/2011	SCOTTISH & SOUTHERN ENERGY	SSE PLC	Change of name

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at launch: IV

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the sub fund's currency)</small>	31/12/2010 <small>(in the sub fund's currency)</small>
TOTAL NET ASSETS	3.241.410,47	3.872.903,42
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	2.859.912,84	3.723.299,60
F. Financial derivatives		
e) On shares		
Swaps (+/-)	-69.220,80	35.107,50
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		866,56
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	28.938,23	43.850,55
B. Term accounts at banks	420.400,30	70.020,30
VI. Accruals and deferrals		
B. Accrued income	1.773,83	200,20
C. Accrued expenses (-)	-393,93	-441,29
TOTAL CAPITAL AND RESERVES	3.241.410,47	3.872.903,42
A. Capital	3.405.288,86	3.899.849,26
B. Share in the profit	-1.223,84	-9.502,28
D. Result for the financial year	-162.654,55	-17.443,56

OFF-BALANCE-SHEET ITEMS

IV Notional amounts of swap contracts (+)	3.312.000,00	3.775.000,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-58.521,09	-7.779,76
F. Financial derivatives		
e) On shares		
Swaps (+/-)	-110.842,20	36.401,70
j) On interest rates		
Swaps (+/-)		-85.944,87
G. Receivables, deposits, cash at bank and in hand, and payables	380,00	20,30
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	0,04	0,48
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	48.988,64	73.956,93
b) Deposits and cash at bank and in hand	4.802,87	6.455,04
D. Swaps (+/-)	-27.371,00	-11.892,90
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	4.688,38	7.060,69
B. Other	-246,27	866,56
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	0,03	-0,09
B. Financial expenses (-)	-609,58	-317,61
C. Custodian's fee (-)	-250,00	-250,00
D. Manager's fee (-)		
a) Financial management	-20.481,96	-28.596,66
b) Administration and accounting management	-1.774,68	-2.174,50
F. Formation and organisation expenses (-)	-425,25	-558,09
G. Remuneration, social security charges and pensions (-)	-3,51	-6,61
H. Services and sundry goods (-)	-705,88	-937,81
J. Taxes	-39,98	-1.291,75
K. Other expenses (-)	-243,11	-2.454,61
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	6.328,70	39.858,59
V. Profit (loss) on ordinary activities before tax	-162.654,55	-17.443,56
VII. Result for the financial year	-162.654,55	-17.443,56

**Profit appropriation
statement**

	31/12/2011 <small>(in the sub fund's currency)</small>	31/12/2010 <small>(in the sub fund's currency)</small>
I. Profit to be allocated (loss to be recognised)		
Profit for the period available for appropriation (loss to be recognised)	-163.878,39	-26.945,84
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-162.654,55	-17.443,56
	-1.223,84	-9.502,28
II. (Appropriations to) Deductions from capital	163.878,39	26.945,84

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB GROWTH POTENTIAL 10

Name	Quantity at 31 December 2011	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6E-7 23/09-23/03 5.165	292.000,00	EUR	97,458	285.901,16		10,25	8,82
BEECHWOOD STRUCTURED FIN PLC 6E-7 23/09-23/03 5.165%	295.000,00	EUR	96,483	285.963,59		10,25	8,82
BROOKFIELDS CAPITAL PLC 6E-7 23/09-23/03 5.165%	292.000,00	EUR	97,749	286.752,45		10,28	8,85
EPERON FINANCE PLC 6E-7 23/09-23/03 5.165%	293.000,00	EUR	97,361	286.597,24		10,27	8,84
ESPACCIO SECURITIES PLC 6E-7 23/09-23/03 5.165%	148.000,00	EUR	96,504	143.496,81		5,14	4,43
GREENSTREET STRUCT. FIN. PROD. PLC 6E-7 23/09-23/03 5.165%	147.000,00	EUR	96,560	142.609,93		5,11	4,40
NIMROD CAPITAL PLC 6E-7 23/09-23/03 5.165	146.000,00	EUR	97,628	143.199,66		5,13	4,42
OPAL FINANCIAL PRODUCTS PLC 6E-7 23/09-23/03 5.165%	147.000,00	EUR	96,754	142.895,62		5,12	4,41
PROFILE FINANCE PLC 6E-7 23/09-23/03 5.165%	147.000,00	EUR	97,266	143.647,40		5,15	4,43
RECOLTE SECURITIES PLC 6E-7 23/09-23/03 5.165%	147.000,00	EUR	96,371	142.331,96		5,10	4,39
SILVERSTATE FIN INV PLC 6E-7 23/09-23/03 5.165%	146.000,00	EUR	96,933	142.184,81		5,10	4,39
VESPUCCI STRUCTURED FIN PROD 6E-7 23/09-23/03 5.165%	147.000,00	EUR	97,124	143.439,14		5,14	4,43
VIGADO CAPITAL PLC 6E-7 23/09-23/03 5.165%	147.000,00	EUR	96,418	142.401,35		5,10	4,39
VOYCE INVESTMENTS PLC 6E-7 23/09-23/03 5.165%	146.000,00	EUR	97,877	143.563,11		5,14	4,43
WATERFORD CAPITAL INC PLC 6E-7 23/09-23/03 5.165	147.000,00	EUR	96,280	142.198,86		5,10	4,39
WAVES FINANCIAL INV PLC 6E-7 23/09-23/03 5.165%	146.000,00	EUR	97,307	142.729,75		5,11	4,40
Total bonds				2.859.912,84		102,48	88,23
Swaps							
<u>Belgium</u>							
KBC SWAPS	3.312.000,00	EUR	-2,090	-69.220,80		-2,48	-2,14
Total swaps				-69.220,80		-2,48	-2,14
TOTAL SECURITIES PORTFOLIO				2.790.692,04		100,00	86,10
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	28.938,23	EUR	1,000	28.938,23			0,89
Total demand accounts				28.938,23			0,89
Time deposit accounts							
<u>Belgium</u>							
KBC BANK NV 07/10-23/03/12 KBCBANK 1.690 %	70.000,00	EUR	100,099	70.069,30			2,16
KBC BANK NV 23/09-23/03/12 KBCBANK 1.710 %	200.000,00	EUR	100,104	200.208,00			6,18
<u>Sweden</u>							
SKANDINAVISKA ENSKILDA 14/10-23/03/12	100.000,00	EUR	100,078	100.078,00			3,09

SKANENSK 1.600 %						
SKANDINAVISKA ENSKILDA 23/09-23/03/12 SKANENSK 1.650 %	50.000,00	EUR	100,090	50.045,00		1,54
Total time deposit accounts				420.400,30		12,97
TOTAL CASH AT BANK AND IN HAND				449.338,53		13,86
OTHER						
Accrued interest		EUR		1.773,83		0,06
Expenses payable		EUR		-393,93		-0,01
TOTAL OTHER				1.379,90		0,04
TOTAL NET ASSETS				3.241.410,47		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
EQLISWAP	EUR	3.312.000,00	3.312.000,00	n.a.	29.07.2011

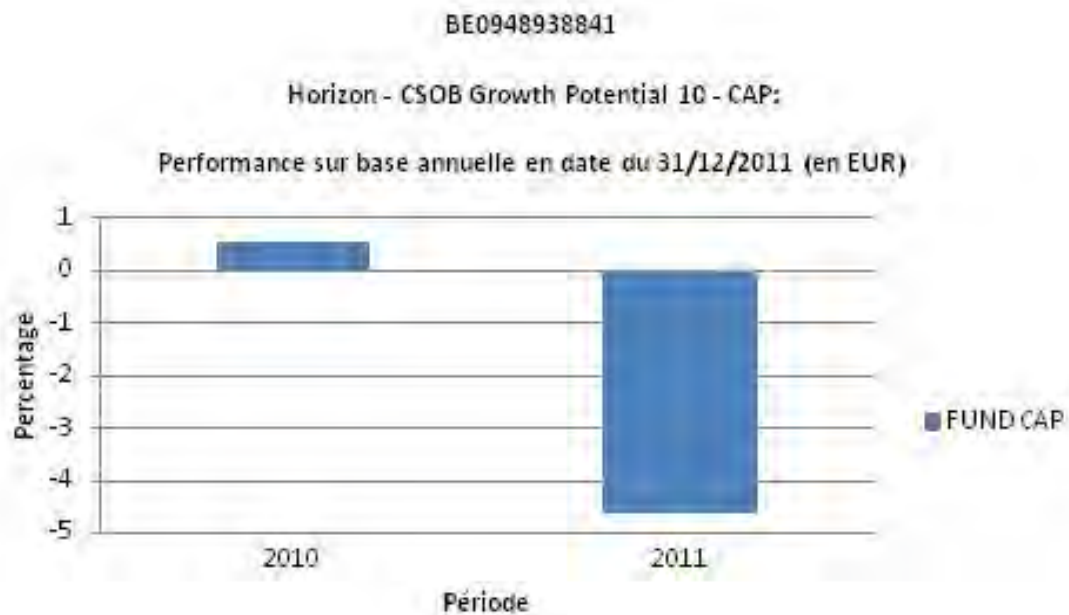
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	4.556,00		0,00		4.556,00		4.556,00
2010 - 12	0,00		704,00		3.852,00		3.852,00
2011 - 12	0,00		472,00		3.380,00		3.380,00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	4.556.000,00		0,00	
2010 - 12	0,00		706.069,24	
2011 - 12	0,00		468.838,40	

Period	Net asset value At the end of the period (in the currency of the sub fund)		
	Of the sub-fund	Of one unit	
		Cap.	Dis.
2010 - 12	3.872.903,42	1.005,43	
2011 - 12	3.241.410,47	959,00	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948938841	EUR	-4.62%								11/12/2009	-2.02%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
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
- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 0.719%

* 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% to 60% if the distributor is an entity belonging to KBC Groupe SA, and to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

If the management company invests the UCI's assets in units of undertakings for collective investment that are not managed by an entity belonging to KBC Groupe SA, and receives a fee for doing so, it will pay this fee to the UCI.

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB DUO COUPON 2

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 29.01.10

Initial subscription price: 20 EUR

Maturity date: 31/08/2018

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse the initial subscription price per share of 20 EUR up to the first half of the initial subscription value on the interim maturity date and the second half of the initial subscription value on the maturity date (protection of capital). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection, however, does not extend to shareholders selling their shares before the interim or final maturity date.
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism intended to ensure capital protection on the maturity date or, where applicable, the early exercise date consists of investing all subscriptions in bonds or other debt instruments, deposits and/or liquid assets, notably funds deposited into term or demand accounts. These investments may have different durations and coupon payment dates which are aligned with the expiry dates of the sub-fund's commitments through the use of the swaps referred to in the section *Permitted swap transactions (2)*.

Characteristics to be met by the investments

The deposits, bonds and other debt instruments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area;
- (2) Debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, due to shortcomings of the financial mechanism, the amount to be paid per share on the interim maturity date or at maturity before costs and taxes is less than the initial subscription price, KBC Asset Management may decide, without being obligated to do so, to allocate the management fee made from the sub-fund and potentially other sub-funds of the ICVC during the current financial year to cover this shortfall. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

This capital protection, however, does not extend to shareholders selling their shares before the interim or final maturity dates.

POTENTIAL RETURN

To obtain a potential return, the sub-fund conducts swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, derivatives (financial derivatives), liquid assets and any other instrument permitted under the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-1" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. As part of these swaps, the sub-fund transfers part of its future income from these investments earmarked for capital protection to these counterparties for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund risk profile is not influenced by use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The sub-fund has the following investment objectives:

- On the interim maturity date: redemption of the first half of the initial subscription value of 20 EUR, i.e. 10 EUR and an initial dividend payment equal to 7.5% calculated on the basis of half of the initial subscription of 20 EUR, i.e. 10 EUR. This dividend amounts to 0,75 EUR
- On the maturity date: redemption of the second half of the value of the initial subscription of 20 EUR, i.e. 10 EUR.
- Per period of: after approval by the general meeting of shareholders, a dividend calculated for half of the initial subscription value of 20 EUR, i.e. 10 EUR, on the basis of any increase in the value of a basket of the 30 top-quality corporate shares (as defined below), which are characterised by high market capitalisation and a low price/earnings ratio calculated on the basis of a **'Fix Upside Coupon' structure**. Any increase in value of this basket per period with respect to the initial value of the basket (*(last value of the basket period minus initial value of the basket) divided by initial value of the basket*) will be determined according to the respective period and paid out at 100% as a dividend. In determining the final value of the shares for the period the method of calculation as described in the "Last value per period of a share" must be used. Any negative basket performances are not taken into account. The minimum dividend per period is equal to 1%, calculated on the basis of half of the initial subscription value of 20 EUR, i.e. 10 EUR.
- The payment of the dividend for the initial period coincides with the interim maturity date.

A withholding tax of 21% is levied on the dividend paid, subject to changes in the applicable legislation. The dividends on each period, with the exception of the last period, are payable on the last bank working day of the month following the end of the period. The dividend for the last period is payable on the maturity date.

MATURITY: Friday 31.08.18 (payment with value date D + 1 bank working day).

INTERIM MATURITY: The last valuation date of August 2011 (payment with value date of D+1 bank working day).

CURRENCY: EUR, the change in the local exchange rate of the shares in the basket in relation to the EUR is not relevant.

Period	Duration of period	Last price for period
1) 02/2010 – 07/2011	18 months	For each share in the basket, the average price of the first five valuation dates of August 2011
2) 08/2011 – 07/2012	12 months	For each share in the basket, the average price of the first five valuation dates of August 2012
3) 08/2012 – 07/2013	12 months	For each share in the basket, the average price of the first five valuation dates of August 2013
4) 08/2013 – 07/2014	12 months	For each share in the basket, the average price of the first five valuation dates of August 2014
5) 08/2014 – 07/2015	12 months	For each share in the basket, the average price of the first five valuation dates of August 2015
6) 08/2015 – 07/2016	12 months	For each share in the basket, the average price of the first five valuation dates of August 2016
7) 08/2016 – 07/2017	12 months	For each share in the basket, the average price of the first five valuation dates of August 2017
8) 08/2017 – 07/2018	12 months	For each share in the basket, the average price of the first five valuation dates of August 2018

BASE VALUE OF A SHARE:

For each share in the basket the average price of the first five valuation dates beginning Wednesday 05.02.10 inclusive.

LAST VALUE PER PERIOD OF A SHARE*:

- Scenario 1: if the final price for a share is greater than its base value, irrespective of the difference, a 7% increase with respect to the base value of the share will be booked for the current period.
- Scenario 2: if the final price of the share for the period is less than or equal to the base value of this share, the share's final price will be booked as its last value for the period.

*The increase or decrease in a share's price at the end of each period is always calculated in relation to the base value of this individual share as described above, which is only determined once and may not be changed, as shown in the example below.

BASE VALUE OF THE BASKET: the average weighted base value of shares in the basket.

LAST VALUE OF BASKET FOR THE PERIOD:

the average weighted last value of shares in the basket for the period.

PRICE:

For all equities, with the exception of those listed on the Milan Stock Exchange, the closing price, notably the price of a basket share as calculated and communicated at market closing by the authority at the stock exchange where the share is listed, or its legal successor. For equities listed on the Milan stock exchange, the reference price is used.

VALUATION DATE:

A valuation date is determined separately for each share in the basket.

A valuation date is a day which is both an official stock-market trading day

- i) for the stock market where the share is listed, and,
- ii) for the stock market with trading activity that has a significant impact on options and forward contracts traded on the securities making up the index,

hereinafter "the Stock Markets Concerned",

If, on the valuation date:

- a) one of the stock markets concerned remains closed unexpectedly; or,
- b) an event occurs which disrupts the market on one of the stock markets concerned; or,
- c) one of the stock markets concerned closes early,

the scheduled valuation date is replaced by the next trading day on which none of the events listed under a), b) and c) above occur. A closure which is out of the ordinary but is announced in good time is not considered to be an early closure.

If a valuation is made on the basis of successive valuation dates, the trading day replacing a scheduled valuation date (i) cannot coincide with another scheduled valuation date, and (ii) cannot be a trading day which already replaces another scheduled valuation date.

If, however, an event under a), b) or c) above occurs on each of the eight trading days which follow the scheduled valuation date:

- (i) the eighth trading day is held to be the scheduled valuation date:
- (ii) the ICVC will estimate, in good faith and in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and,
- (iii) the ICVC will inform the unit holders of the changes with regard to determination of the base value and/or the last value and the terms and conditions of payment.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following example illustrates the investment objectives described above. The example is based on a duration of 8 years, 6 months, and 27 days, an initial subscription value of 20 EUR, an interim maturity date 18 months after launch of the sub-fund and a basket of 3 equally weighted shares, each priced at 100 in the determination of the base value.

- At the interim maturity date, the first half of the value of the initial subscription of 20 EUR (i.e. 10 EUR) is redeemed. Moreover, for the period starting from the launch to the interim maturity date, a first dividend of 7.5% will be paid, calculated on the basis of half of the initial subscription amount of EUR 20 (i.e. EUR 10). The dividend paid thus amounts to $7,5\% * 10 \text{ EUR} = 0,75 \text{ EUR}$
- For periods 1 to 8, the sub-fund pays a dividend calculated on the basis of the other half of the initial subscription of 20 EUR (i.e. 10 EUR), based on any increase in the basket of shares. In case of any rise in a period of an individual share (>0%), compared with its base value, the contribution of this share to basket gain will be set at 6%. However, any decrease ($\leq 0\%$) of an individual share in relation to the base value is taken into account in determining the contribution of the share to the value of the basket for the period concerned. The minimum dividend per period is equal to 1%, calculated on the basis of half of the initial subscription value of 20 EUR, i.e. 10 EUR.
- The payment of the dividend for the initial period coincides with the interim maturity date.

Example

Number Period	Positive scenario	Final share price per period			Formula	Dividend (**)	Payment in EUR (***)
		Share A	Share B	Share C			
	Interim maturity date					7.50%	10+0.75+0.6=11.35
1	End of period 1 (*)	101 (6%)	102 (6%)	101 (6%)	$(6\%+6\%+6\%)/3= 6\%$	6.00%	
2	End of period 2 (*)	102 (6%)	110 (6%)	102 (6%)	$(6\%+6\%+6\%)/3= 6\%$	6.00%	0.60
3	End of period 3 (*)	103 (6%)	111 (6%)	104 (6%)	$(6\%+6\%+6\%)/3= 6\%$	6.00%	0.60
4	End of period 4 (*)	101 (6%)	112 (6%)	110 (6%)	$(6\%+6\%+6\%)/3= 6\%$	6.00%	0.60
5	End of period 5 (*)	105 (6%)	118 (6%)	115 (6%)	$(6\%+6\%+6\%)/3= 6\%$	6.00%	0.60
6	End of period 6 (*)	101 (6%)	120 (6%)	120 (6%)	$(6\%+6\%+6\%)/3= 6\%$	6.00%	0.60
7	End of period 7 (*)	101 (6%)	115 (6%)	125 (6%)	$(6\%+6\%+6\%)/3= 6\%$	6.00%	0.60
8	End of period 8 (*)	101 (6%)	102 (6%)	122 (6%)	$(6\%+6\%+6\%)/3= 6\%$	6.00%	10+0.6=10.6

(*) The final price and, in brackets, the contribution of each share (last value of a share for each period) to the dividend for the period considered.

(**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.

(***) 50% of the value of the initial subscription will be redeemed on the interim maturity date and 50% on the final maturity date

Number Period	Neutral scenario	Final share price per period			Formula	Dividend (**)	Payment in EUR (***)
		Share A	Share B	Share C			
	Interim maturity date					7.50%	10+0.75+0.37=11.12
1	End of period 1 (*)	101 (6%)	102 (6%)	99 (-1%)	$(6\%+6\%-1\%)/3= 3.67\%$	3.67%	
2	End of period 2 (*)	90 (-10%)	110 (6%)	102 (6%)	$(-10\%+6\%+6\%)/3= 0.67\%$	0.67%	0.07
3	End of period 3 (*)	94 (-6%)	111 (6%)	104 (6%)	$(-6\%+6\%+6\%)/3= 2.00\%$	2.00%	0.20
4	End of period 4 (*)	93 (-7%)	112 (6%)	110 (6%)	$(-7\%+6\%+6\%)/3= 1.67\%$	1.67%	0.17
5	End of period 5 (*)	101 (6%)	94 (-6%)	115 (6%)	$(6\%-6\%+6\%)/3= 2.00\%$	2.00%	0.20
6	End of period 6 (*)	99 (-1%)	120 (6%)	120 (6%)	$(-1\%+6\%+6\%)/3= 3.67\%$	3.67%	0.37
7	End of period 7 (*)	98 (-2%)	115 (6%)	125 (6%)	$(-2\%+6\%+6\%)/3= 3.33\%$	3.33%	0.33
8	End of period 8 (*)	99 (-1%)	101 (6%)	99 (-1%)	$(-1\%+6\%-1\%)/3= 1.67\%$	1.33%	10+0.13=10.13

(*) The final price and, in brackets, the contribution of each share (last value of a share for each period) to the dividend for the period considered.

(**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.

(***) 50% of the value of the initial subscription will be redeemed on the interim maturity date and 50% on the final maturity date

Number Period	Negative scenario	Final share price per period			Formula	Dividend (**)	Payment in EUR (***)
		Share A	Share B	Share C			
	Interim maturity date					7.50%	10+0.75+0.1=10.85
1	End of period 1 (*)	98 (-2%)	99 (-1%)	95 (-5%)	$(-2\%-1\%-5\%)/3= -2.67\%$	1.00%	
2	End of period 2 (*)	97 (-3%)	98 (-2%)	101 (6%)	$(-3\%-2\%+6\%)/3= 0.33\%$	1.00%	0.10
3	End of period 3 (*)	98 (-2%)	101 (6%)	95 (-5%)	$(-2\%+6\%-5\%)/3= -1.33\%$	1.00%	0.10
4	End of period 4 (*)	99 (-1%)	102 (6%)	95 (-5%)	$(-1\%+6\%-5\%)/3= 0.00\%$	1.00%	0.10
5	End of period 5 (*)	89 (-11%)	99 (-1%)	77 (-23%)	$(-11\%-1\%-23\%)/3= -11.67\%$	1.00%	0.10
6	End of period 6 (*)	96 (-4%)	92 (-8%)	85 (-15%)	$(-4\%-8\%-15\%)/3= -9\%$	1.00%	0.10
7	End of period 7 (*)	92 (-8%)	108 (6%)	69 (-31%)	$(-8\%+6\%-31\%)/3= -11.00\%$	1.00%	0.10
8	End of period 8 (*)	80 (-20%)	112 (6%)	80 (-20%)	$(-20\%+6\%-20\%)/3= -11.33\%$	1.00%	10+0.1=10.1

(*) The final price and, in brackets, the contribution of each share (last value of a share for each period) to the dividend for the period considered.

(**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.

(***) 50% of the value of the initial subscription will be redeemed on the interim maturity date and 50% on the final maturity date

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ABBOTT LABORATORIES	ABT UN Equity	NYSE	3.00%
2	BAYER AG	BAY GY Equity	Frankfurt	3.00%
3	BP PLC	BP/ LN Equity	London	3.25%
4	DIAGEO PLC	DGE LN Equity	London	3.00%
5	EAST JAPAN RAILWAY CO	9020 JT Equity	Tokyo	3.50%
6	ENEL SPA	ENEL IM Equity	Milan	3.25%
7	ENI SPA	ENI IM Equity	Milan	3.00%
8	IBERDROLA SA	IBE SM Equity	Madrid	3.50%
9	INTL BUSINESS MACHINES CORP	IBM UN Equity	NYSE	3.00%
10	KONINKLIJKE KPN NV	KPN NA Equity	Amsterdam	4.50%
11	KRAFT FOODS INC-CLASS A	KFT UN Equity	NYSE	3.00%
12	MCDONALD'S CORP	MCD UN Equity	NYSE	3.25%
13	MICROSOFT CORP	MSFT UQ Equity	Nasdaq	2.75%
14	MITSUBISHI CORP	8058 JT Equity	Tokyo	3.00%
15	MUENCHENER RUECKVER AG-REG	MUV2 GY Equity	Frankfurt	4.50%
16	NATIONAL GRID PLC	NG/ LN Equity	London	3.50%
17	NESTLE SA-REG	NESN VX Equity	Virt-X	3.75%
18	NISOURCE INC	NI UN Equity	NYSE	3.00%
19	NTT DOCOMO INC	9437 JT Equity	Tokyo	4.50%
20	PFIZER INC	PFE UN Equity	NYSE	2.75%
21	ROCHE HOLDING AG-GENUSSSCHEIN	ROG VX Equity	Virt-X	3.00%
22	STATOILHYDRO ASA	STL NO Equity	Oslo	3.75%
23	SWISSCOM AG-REG	SCMN VX Equity	Virt-X	4.00%
24	TAKEDA PHARMACEUTICAL CO LTD	4502 JT Equity	Tokyo	3.25%
25	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
26	TELIASONERA AB	TLSN SS Equity	Stockholm	3.00%
27	TELSTRA CORP LTD	TLS AU Equity	Sydney	2.50%
28	TESCO PLC	TSCO LN Equity	London	3.00%
29	VERIZON COMMUNICATIONS INC	VZ UN Equity	NYSE	3.25%
30	VINCI SA	DG FP Equity	Paris	4.25%

Selection criteria for the basket

A share can only be part of the basket if (i) the share is listed on an exchange, (ii) the share forms part of a key share index, (iii) the share represents a substantial market capitalisation and a low price/earnings ratio, and (iv) the ICVC's Board of Directors has approved inclusion of the share in the basket ("Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition, the shares of the issuers concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, none of the shares concerned by this operation meet the Selection Criteria, the arrangements set out under 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket proceeds with a demerger, the share concerned may be replaced either by one of the shares arising from the demerger and meeting the Selection Criteria or by a basket composed of all such shares. This basket will be treated as one share for the purpose of calculating the number of shares in the basket. If, in the wake of the operation, none of the shares concerned by demerger meet the Selection Criteria, the arrangements set out under 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('Disqualification'), the share is removed from the basket and disposed of at the last price before it is eliminated. The amount realised is then invested until the maturity date of the sub-fund's underlying swap transaction at the interest rate applying at that time on the money or bond market. This amount together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket.

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price pro rata based on the length of time for which the investor has held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 INVESTMENT POLICY

Composition of the basket on the date of the report

Name	Value
ABBOTT LABORATORIES	3,1590
BAYER AG	3,0568
BP PLC	2,6454
DIAGEO PLC	4,1681
EAST JAPAN RAILWAY	2,8714
ENEL SPA	2,6591
ENI SPA	2,9054
IBERDROLA SA (SM)	2,8713
INTL BUSINESS MACHINES CORP	4,5399
KONINKLIJKE KPN NV	3,5870
KRAFT FOODS INC-CLASS A	3,9354
MCDONALD'S CORP	5,1693
MICROSOFT CORP (UQ)	2,5579
MITSUBISHI CORP	2,1554
MUENCHENER RUECKVER AG-REG	3,9201
NATIONAL GRID PLC	3,8973
NESTLE SA-REG	4,0940
NISOURCE INC	4,8682
NTT DOCOMO INC	4,5383
PFIZER INC	3,3432
ROCHE HOLDING AG-GENUSSCHEIN	2,7256
STATOILHYDRO ASA	4,4401
SWISSCOM AG-REG	3,6337
TAKEDA PHARMACEUTICAL CO LTD	2,7626
TELEFONICA SA (SM)	2,3685
TELIASONERA AB	2,7751
TELSTRA CORP LTD (AU)	2,4985
TESCO PLC	2,9031
VERIZON COMMUNICATIONS INC	4,8447
VINCI SA	3,6912
TOTAL	103,59

Performance of the index or basket

Index:	BASKET
31/12/2010:	103,49
30/06/2011:	105,49
29/12/2011:	103,59
Performance since 31/12/2010 or since the launch of the sub-fund:	0,10%
Performance since 30 June 2011 or since the launch of the sub-fund:	-1,80%
Index at the launch of the sub-fund	100,00
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	EUR

Fixings

Period	Last date	Last value	Cap
1	05/08/2011	n.a.	1,00%
2	05/08/2011	n.a.	1,10%
3	05/08/2011	n.a.	6,40%

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: I

Risk rating at launch: I

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
TOTAL NET ASSETS	6.071.430,49	13.448.886,98
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	5.434.307,58	11.941.621,17
F. Financial derivatives		
e) On shares		
Swaps (+/-)	24.079,25	-8.074,65
k) On interest-rates		
Swaps (+/-)		43.069,50
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		2.811,85
c) Collateral	260.213,20	
B. Debts		
a) Accounts payable (-)	-2.034,95	
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	51.239,08	18.969,73
B. Term accounts at banks	300.248,90	1.450.591,80
VI. Accruals and deferrals		
B. Accrued income	3.832,82	6.298,80
C. Accrued expenses (-)	-455,39	-6.401,22
TOTAL CAPITAL AND RESERVES	6.071.430,49	13.448.886,98
A. Capital	5.634.839,07	13.417.309,97
B. Share in the profit	-44.572,24	-250,90
D. Result for the financial year	481.163,66	31.827,91

OFF-BALANCE-SHEET ITEMS

I Security in the form of real property (+/-)		
I.A Collateral (+/-)		
I.A.B Deposits and cash at bank and in hand	260.000,00	
IV Notional amounts of swap contracts (+)	6.088.170,00	13.459.220,00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-94.492,31	-19.228,28
F. Financial derivatives		
e) On shares		
Swaps (+/-)	18.273,14	-8.074,65
j) On interest rates		
Swaps (+/-)	30.956,21	43.069,50
G. Receivables, deposits, cash at bank and in hand, and payables	-129,70	591,80
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-0,20	-2,31
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	140.713,66	51.613,02
b) Deposits and cash at bank and in hand	19.775,76	58.836,83
C. Interest on loans taken out (-)	-0,01	
D. Swaps (+/-)	439.890,93	-10.327,31
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	6.932,59	840,73
B. Other	-2.732,76	2.811,85
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	0,05	-0,08
B. Financial expenses (-)	-794,10	-874,05
C. Custodian's fee (-)	-250,00	
D. Manager's fee (-)		
a) Financial management	-63.323,52	-67.623,60
b) Administration and accounting management	-5.017,13	-6.191,61
E. Administrative expenses (-)	-2.385,70	
F. Formation and organisation expenses (-)	-3.207,81	-1.511,05
G. Remuneration, social security charges and pensions (-)	-13,40	-19,99
H. Services and sundry goods (-)	-2.422,82	-1.979,43
J. Taxes	-154,23	-3.702,24
K. Other expenses (-)	-454,99	-6.401,22
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	526.556,52	15.471,85
V. Profit (loss) on ordinary activities before tax	481.163,66	31.827,91
VII. Result for the financial year	481.163,66	31.827,91

**Profit appropriation
statement**

	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Profit to be allocated (loss to be recognised)	436.591,42	31.577,01
Profit for the period available for appropriation (loss to be recognised)	481.163,66	31.827,91
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-44.572,24	-250,90
II. (Appropriations to) Deductions from capital	124.750,28	-31.577,01
IV. (Dividends to be distributed)	-561.341,70	

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB DUO COUPON 2

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6E-7 08/08-10/02_5.096%	554.000,00	EUR	97,440	543.508,16		9,96	8,95
AMETHYST STRUCTURED FIN PLC 6E-7 08/08-10/02_5.096%	559.000,00	EUR	96,465	542.965,75		9,95	8,94
BROOKFIELDS CAPITAL PLC 6E-7 08/08-10/02_5.096%	558.000,00	EUR	97,731	549.059,19		10,06	9,04
EPERON FINANCE PLC 6E-7 08/08-10/02_5.096%	558.000,00	EUR	97,343	546.893,38		10,02	9,01
ESPACCIO SECURITIES PLC 6E-7 08/08-10/02_5.096%	277.000,00	EUR	96,486	269.111,35		4,93	4,43
GREENSTREET STRUCT. FIN. PROD. PLC 6E-7 08/08-10/02_5.096%	277.000,00	EUR	96,542	269.267,17		4,93	4,44
NIMROD CAPITAL PLC 6E-7 08/08-10/02_5.096%	277.000,00	EUR	97,610	272.226,65		4,99	4,48
OPAL FINANCIAL PRODUCTS PLC 6E-7 08/08-10/02_5.096%	279.000,00	EUR	96,736	271.753,56		4,98	4,48
PROFILE FINANCE PLC 6E-7 08/08-10/02_5.096%	279.000,00	EUR	97,248	273.180,41		5,01	4,50
RECOLTE SECURITIES PLC 6E-7 08/08-10/02_5.096%	278.000,00	EUR	96,353	269.713,58		4,94	4,44
SILVERSTATE FIN INV PLC 6E-7 08/08-10/02_5.096%	277.000,00	EUR	96,915	270.301,21		4,95	4,45
VESPUCCI STRUCTURED FIN PROD 6E-7 08/08-10/02_5.096%	279.000,00	EUR	97,106	272.785,14		5,00	4,49
VIGADO CAPITAL PLC 6E-7 08/08-10/02_5.096%	278.000,00	EUR	96,400	269.844,81		4,94	4,45
VOYCE INVESTMENTS PLC 6E-7 08/08-10/02_5.096%	276.000,00	EUR	97,859	271.930,97		4,98	4,48
WATERFORD CAPITAL INC PLC 6E-7 08/08-10/02_5.096%	279.000,00	EUR	96,262	270.431,14		4,95	4,45
WAVES FINANCIAL INV PLC 6E-7 08/08-10/02_5.096%	277.000,00	EUR	97,288	271.335,11		4,97	4,47
Total bonds				5.434.307,58		99,56	89,51
Swaps							
<u>Belgium</u>							
KBC SWAPS	6.088.170,00	EUR	0,390	24.079,25		0,44	0,40
Total swaps				24.079,25		0,44	0,40
TOTAL SECURITIES PORTFOLIO				5.458.386,83		100,00	89,90
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	51.239,08	EUR	1,000	51.239,08			0,84
Total demand accounts				51.239,08			0,84
Time deposit accounts							
<u>Belgium</u>							
KBC BANK NV 10/08-10/02/12 KBCBANK 1.730 %	10.000,00	EUR	100,082	10.008,20			0,17

<u>Sweden</u>						
SKANDINAVISKA ENSKILDA 10/08-10/02/12 SKANENSK 1.740 %	290.000,00	EUR	100,083	290.240,70		4,78
Total time deposit accounts				300.248,90		4,95
TOTAL CASH AT BANK AND IN HAND				351.487,98		5,79
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC BANK NV 10/08-10/02/12 KBCBAN 1.730 % C	260.000,00	EUR	100,082	260.213,20		4,29
Total receivables				260.213,20		4,29
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-2.034,95	EUR	1,000	-2.034,95		-0,03
Total debts				-2.034,95		-0,03
TOTAL OTHER RECEIVABLES AND PAYABLES				258.178,25		4,25
OTHER						
Accrued interest		EUR		3.832,82		0,06
Expenses payable		EUR		-455,39		-0,01
TOTAL OTHER				3.377,43		0,06
TOTAL NET ASSETS				6.071.430,49		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
KBCBANK 10/08-10/02/12 KBCBAN 1.730 % C	EUR	260.000,00	260.000,00	n.a.	19.08.2011
EQLISWAP	EUR	6.088.170,00	6.088.170,00	n.a.	30.11.2011

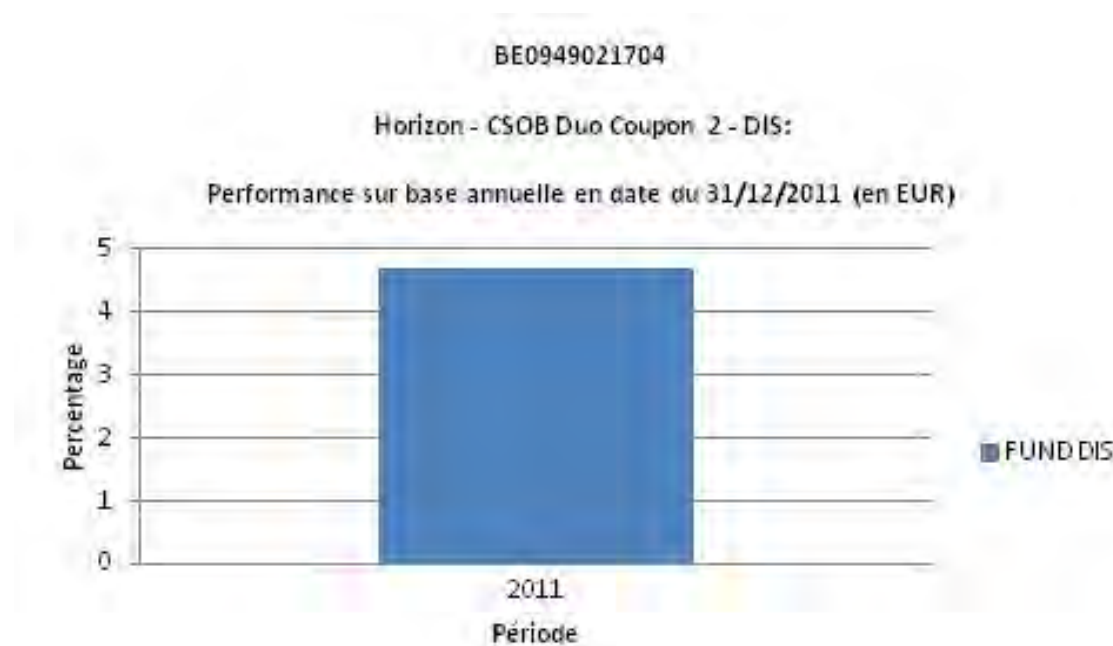
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 12		674.011,00		3.087,00		670.924,00	670.924,00
2011 - 12		0,00		59.516,00		611.408,00	611.408,00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2010 - 12		13.480.176,50		63.117,43
2011 - 12		0,00		7.297.278,45

Period	Net asset value At the end of the period (in the currency of the sub fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2010 - 12	13.448.886,98		20,05
2011 - 12	6.071.430,49		9,93

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
DIS	BE0949021704	EUR	4.69%								29/01/2010	2.52%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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:

Distribution units (DIS)

Return on date D over a period of X years:

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

where Y = D-X

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

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

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

with C a factor that is determined by all of the dividends and from the date of calculating D and the reference date.

For dividend i to date DI with value Wi we apply:

$$Ci = [Wi / NAV(Di)] + 1$$

i = 1 ... N

where C = C0 * ... * CN.

- 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 nth 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 returns for distribution shares.

Dividend at ex-dividend date 17/08/2011: EUR 0,72 net (EUR 0,85 gross).

2.4.6 COSTS

Total expenses ratio (TER): * 0.763%

* 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% to 60% if the distributor is an entity belonging to KBC Groupe SA, and to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

If the management company invests the UCI's assets in units of undertakings for collective investment that are not managed by an entity belonging to KBC Groupe SA, and receives a fee for doing so, it will pay this fee to the UCI.

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON DUO COUPON 3

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 16.04.10

Initial subscription price: 20 EUR

Maturity date: 31.10.18

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse the initial subscription price per share of 20 EUR up to the first half of the initial subscription value on the interim maturity date and the second half of the initial subscription value on the maturity date (protection of capital). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection, however, does not extend to shareholders selling their shares before the interim or final maturity date.
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism intended to ensure capital protection on the maturity date or, where applicable, the early exercise date consists of investing all subscriptions in bonds or other debt instruments, deposits and/or liquid assets, notably funds deposited into term or demand accounts. These investments may have different durations and coupon payment dates which are aligned with the expiry dates of the sub-fund's commitments through the use of the swaps referred to in the section *Permitted swap transactions (2)*.

Characteristics to be met by the investments

The deposits, bonds and other debt instruments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area;
- (2) Debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes and Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, due to shortcomings of the financial mechanism, the amount to be paid per share on the interim maturity date or at maturity before costs and taxes is less than the initial subscription price, KBC Asset Management may decide, without being obligated to do so, to allocate the management fee made from the sub-fund and potentially other sub-funds of the ICVC during the current financial year to cover this shortfall. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

This capital protection, however, does not extend to shareholders selling their shares before the interim or final maturity dates.

POTENTIAL RETURN

To obtain a potential return, the sub-fund conducts swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, derivatives (financial derivatives), liquid assets and any other instrument permitted under the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-1" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. As part of these swaps, the sub-fund transfers part of its future income from these investments earmarked for capital protection to these counterparties for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund risk profile is not influenced by use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The sub-fund has the following investment objectives:

- On the interim maturity date: redemption of the first half of the initial subscription value of 20 EUR, i.e. 10 EUR and an initial dividend payment equal to 7.5% calculated on the basis of half of the initial subscription of 20 EUR, i.e. 10 EUR. This dividend amounts to 0,75 EUR
- On the maturity date: redemption of the second half of the value of the initial subscription of 20 EUR, i.e. 10 EUR.
- Per period of: after approval by the general meeting of shareholders, a dividend calculated for half of the initial subscription value of 20 EUR, i.e. 10 EUR, on the basis of any increase in the value of a basket of the 30 top-quality corporate shares (as defined below), which are characterised by high market capitalisation and a low price/earnings ratio calculated on the basis of a **'Fix Upside Coupon' structure**. Any increase in value of this basket per period with respect to the initial value of the basket (*(last value of the basket period minus initial value of the basket) divided by initial value of the basket*) will be determined according to the respective period and paid out at 100% as a dividend. In determining the final value of the shares for the period the method of calculation as described in the "Last value per period of a share" must be used. Any negative basket performances are not taken into account. The minimum dividend per period is equal to 1%, calculated on the basis of half of the initial subscription value of 20 EUR, i.e. 10 EUR.
- The payment of the dividend for the initial period coincides with the interim maturity date.

A withholding tax of 21% is levied on the dividend paid, subject to changes in the applicable legislation. The dividends on each period, with the exception of the last period, are payable on the last bank working day of the month following the end of the period. The dividend for the last period is payable on the maturity date.

MATURITY: Friday 31.10.18 (payment with value date D + 1 bank working day).

INTERIM MATURITY: The last valuation date of October 2011 (payment with value date of D+1 bank working day).

CURRENCY: EUR, the change in the local exchange rate of the shares in the basket in relation to the EUR is not relevant.

Period	Duration of period	Last price for period
1) 04/2010 – 09/2011	18 months	For each share in the basket, the average price of the first five valuation dates of October 2011
2) 10/2011 – 09/2012	12 months	For each share in the basket, the average price of the first five valuation dates of October 2012
3) 10/2012 – 09/2013	12 months	For each share in the basket, the average price of the first five valuation dates of October 2013
4) 10/2013 – 09/2014	12 months	For each share in the basket, the average price of the first five valuation dates of October 2014
5) 10/2014 – 09/2015	12 months	For each share in the basket, the average price of the first five valuation dates of October 2015
6) 10/2015 – 09/2016	12 months	For each share in the basket, the average price of the first five valuation dates of October 2016
7) 10/2016 – 09/2017	12 months	For each share in the basket, the average price of the first five valuation dates of October 2017
8) 10/2017 – 09 /2018	12 months	For each share in the basket, the average price of the first five valuation dates of October 2018

BASE VALUE OF A SHARE:

For each share in the basket the average price of the first five valuation dates beginning Wednesday 23.04.10 inclusive.

LAST VALUE PER PERIOD OF A SHARE*:

- Scenario 1: if the final price for a share is greater than its base value, irrespective of the difference, a 7% increase with respect to the base value of the share will be booked for the current period.
- Scenario 2: if the final price of the share for the period is less than or equal to the base value of this share, the share's final price will be booked as its last value for the period.

*The increase or decrease in a share's price at the end of each period is always calculated in relation to the base value of this individual share as described above, which is only determined once and may not be changed, as shown in the example below.

BASE VALUE OF THE BASKET: the average weighted base value of shares in the basket.

LAST VALUE OF BASKET FOR THE PERIOD:

the average weighted last value of shares in the basket for the period.

PRICE:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, namely the price of an equity in the basket as calculated and published on closure of the stock exchange by the competent stock-exchange body (or its legal successor) for the place where the security is listed. For equities listed on the Milan stock exchange, the reference price is used.

VALUATION DATE:

A valuation date is determined separately for each share in the basket.

A valuation date is a day which is both an official stock-market trading day

- i) for the stock market where the share is listed, and,
- ii) for the stock market with trading activity that has a significant impact on options and forward contracts traded on the securities making up the index,

hereinafter "the Stock Markets Concerned",

If, on the valuation date:

- a) one of the stock markets concerned remains closed unexpectedly; or,
- b) an event occurs which disrupts the market on one of the stock markets concerned; or,
- c) one of the stock markets concerned closes early,

the scheduled valuation date is replaced by the next trading day on which none of the events listed under a), b) and c) above occur. A closure which is out of the ordinary but is announced in good time is not considered to be an early closure.

If a valuation is made on the basis of successive valuation dates, the trading day replacing a scheduled valuation date (i) cannot coincide with another scheduled valuation date, and (ii) cannot be a trading day which already replaces another scheduled valuation date.

If, however, an event under a), b) or c) above occurs on each of the eight trading days which follow the scheduled valuation date:

- (i) the eighth trading day is held to be the scheduled valuation date:
- (ii) the ICVC will estimate, in good faith and in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and,
- (iii) the ICVC will inform the unit holders of the changes with regard to determination of the base value and/or the last value and the terms and conditions of payment.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following example illustrates the investment objectives described above. The example is based on a duration of 8 years, 6 months, and 9 days, an initial subscription value of 20 EUR, an interim maturity date 18 months after launch of the sub-fund and a basket of 3 equally weighted shares, each priced at 100 in the determination of the base value.

- At the interim maturity date, the first half of the value of the initial subscription of 20 EUR (i.e. 10 EUR) is redeemed. Moreover, for the period starting from the launch to the interim maturity date, a first dividend of 7.5% will be paid, calculated on the basis of half of the initial subscription amount of EUR 20 (i.e. EUR 10). The dividend paid thus amounts to $7,5\% * 10 \text{ EUR} = 0,75 \text{ EUR}$
- For periods 1 to 8, the sub-fund pays a dividend calculated on the basis of the other half of the initial subscription of 20 EUR (i.e. 10 EUR), based on any increase in the basket of shares. In case of any rise in a period of an individual share (>0%), compared with its base value, the contribution of this share to basket gain will be set at 7%. However, any decrease ($\leq 0\%$) of an individual share in relation to the base value is taken into account in determining the contribution of the share to the value of the basket for the period concerned. The minimum dividend per period is equal to 1%, calculated on the basis of half of the initial subscription value of 20 EUR, i.e. 10 EUR.
- The payment of the dividend for the initial period coincides with the interim maturity date.

Example

Scénario positif		Cours Final Action par Période						
Numéro Période		Action A	Action B	Action C	Calcul	Dividende (**)	Paiement en EUR (***)	
	Echéance Intermédiaire					7.50%	10+0.75+0.7=11.45	
1	Fin Période 1 (*)	101 (7%)	102 (7%)	101 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%		
2	Fin Période 2 (*)	102 (7%)	110 (7%)	102 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	0.70	
3	Fin Période 3 (*)	103 (7%)	111 (7%)	104 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	0.70	
4	Fin Période 4 (*)	101 (7%)	112 (7%)	110 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	0.70	
5	Fin Période 5 (*)	105 (7%)	118 (7%)	115 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	0.70	
6	Fin Période 6 (*)	101 (7%)	120 (7%)	120 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	0.70	
7	Fin Période 7 (*)	101 (7%)	115 (7%)	125 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	0.70	
8	Fin Période 8 (*)	101 (7%)	102 (7%)	122 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	10+0.7=10.7	

(*) Le Cours Final et entre parenthèses, la contribution de chaque action (Valeur Finale par Période d'une action) au dividende de la période considérée.

(**) Fiscalité : précompte mobilier de 15% sur les dividendes, sous réserve de modification de la législation en vigueur.

(***) 50% de la valeur de souscription initiale est remboursée à l'Echéance Intermédiaire et 50% à l'Echéance

Scénario neutre		Cours Final Action par Période						
Numéro Période		Action A	Action B	Action C	Calcul	Dividende (**)	Paiement en EUR (***)	
	Echéance Intermédiaire					7.50%	0+0.75+0.43=11.18	
1	Fin Période 1 (*)	101 (7%)	102 (7%)	99 (-1%)	$(7\%+7\%-1\%)/3=4.33\%$	4.33%		
2	Fin Période 2 (*)	90 (-10%)	110 (7%)	102 (7%)	$(-10\%+7\%+7\%)/3=1.33\%$	1.33%	0.13	
3	Fin Période 3 (*)	94 (-6%)	111 (7%)	104 (7%)	$(-6\%+7\%+7\%)/3=2.67\%$	2.67%	0.27	
4	Fin Période 4 (*)	93 (-7%)	112 (7%)	110 (7%)	$(-7\%+7\%+7\%)/3=2.33\%$	2.33%	0.23	
5	Fin Période 5 (*)	101 (7%)	94 (-6%)	115 (7%)	$(7\%-6\%+7\%)/3=2.67\%$	2.67%	0.27	
6	Fin Période 6 (*)	99 (-1%)	120 (7%)	120 (7%)	$(-1\%+7\%+7\%)/3=4.33\%$	4.33%	0.43	
7	Fin Période 7 (*)	98 (-2%)	115 (7%)	125 (7%)	$(-2\%+7\%+7\%)/3=4\%$	4%	0.4	
8	Fin Période 8 (*)	99 (-1%)	101 (7%)	99 (-1%)	$(-1\%+7\%-1\%)/3=1.67\%$	1.67%	10+0.17=10.17	

(*) Le Cours Final et entre parenthèses, la contribution de chaque action (Valeur Finale par Période d'une action) au dividende de la période considérée.

(**) Fiscalité : précompte mobilier de 15% sur les dividendes, sous réserve de modification de la législation en vigueur.

(***) 50% de la valeur de souscription initiale est remboursée à l'Echéance Intermédiaire et 50% à l'Echéance

Scénario négatif		Cours Final Action par Période						
Numéro Période		Action A	Action B	Action C	Calcul	Dividende (**)	Paiement en EUR (***)	
	Echéance Intermédiaire					7.50%	10+0.75+0.1=10.85	
1	Fin Période 1 (*)	98 (-2%)	99 (-1%)	95 (-5%)	$(-2\%-1\%-5\%)/3=-2.67\%$	1.00%		
2	Fin Période 2 (*)	97 (-3%)	98 (-2%)	101 (7%)	$(-3\%-2\%+7\%)/3=0.67\%$	1.00%	0.10	
3	Fin Période 3 (*)	98 (-2%)	101 (7%)	95 (-5%)	$(-2\%+7\%-5\%)/3=0\%$	1.00%	0.10	
4	Fin Période 4 (*)	99 (-1%)	102 (7%)	95 (-5%)	$(-1\%+7\%-5\%)/3=0.33\%$	1.00%	0.10	
5	Fin Période 5 (*)	89 (-11%)	99 (-1%)	77 (-23%)	$(-11\%-1\%-23\%)/3=-11.67\%$	1.00%	0.10	
6	Fin Période 6 (*)	96 (-4%)	92 (-8%)	85 (-15%)	$(-4\%-8\%-15\%)/3=-9\%$	1.00%	0.10	
7	Fin Période 7 (*)	92 (-8%)	108 (7%)	89 (-31%)	$(-8\%+7\%-31\%)/3=-10.67\%$	1.00%	0.10	
8	Fin Période 8 (*)	80 (-20%)	112 (7%)	80 (-20%)	$(-20\%+7\%-20\%)/3=-11.1\%$	1.00%	10+0.1=10.1	

(*) Le Cours Final et entre parenthèses, la contribution de chaque action (Valeur Finale par Période d'une action) au dividende de la période considérée.

(**) Fiscalité : précompte mobilier de 15% sur les dividendes, sous réserve de modification de la législation en vigueur.

(***) 50% de la valeur de souscription initiale est remboursée à l'Echéance Intermédiaire et 50% à l'Echéance

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ABBOTT LABORATORIES	ABT UN Equity	NYSE	2.50%
2	ASTRAZENECA PLC	AZN LN Equity	London	3.50%
3	BANCO SANTANDER SA	SAN SM Equity	Madrid	4.00%
4	BP PLC	BP/ LN Equity	London	4.00%
5	COLGATE-PALMOLIVE CO	CL UN Equity	NYSE	4.50%
6	DANONE	BN FP Equity	Paris	2.50%
7	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	3.00%
8	DIAGEO PLC	DGE LN Equity	London	3.00%
9	GLAXOSMITHKLINE PLC	GSK LN Equity	London	3.00%
10	HOME DEPOT INC	HD UN Equity	NYSE	3.00%
11	IBERDROLA SA	IBE SM Equity	Madrid	3.50%
12	INTL BUSINESS MACHINES CORP	IBM UN Equity	NYSE	2.50%
13	JOHNSON & JOHNSON	JNJ UN Equity	NYSE	4.00%
14	KIMBERLY-CLARK CORP	KMB UN Equity	NYSE	3.00%
15	KONINKLIJKE AHOLD NV	AH NA Equity	Amsterdam	3.00%
16	KONINKLIJKE KPN NV	KPN NA Equity	Amsterdam	3.50%
17	KRAFT FOODS INC-CLASS A	KFT UN Equity	NYSE	3.00%
18	MUENCHENER RUECKVER AG-REG	MUV2 GY Equity	Frankfurt	3.50%
19	NATIONAL GRID PLC	NG/ LN Equity	London	4.00%
20	NESTLE SA-REG	NESN VX Equity	Virt-X	2.50%
21	NIPPON TELEGRAPH & TELEPHONE	9432 JT Equity	Tokyo	3.00%
22	NOVARTIS AG-REG	NOVN VX Equity	Virt-X	3.00%
23	PROCTER & GAMBLE CO/THE	PG UN Equity	NYSE	3.50%
24	ROCHE HOLDING AG-GENUSSCHEIN	ROG VX Equity	Virt-X	2.50%
25	SCOTTISH & SOUTHERN ENERGY	SSE LN Equity	London	4.00%
26	SWISSCOM AG-REG	SCMN VX Equity	Virt-X	3.00%
27	TAKEDA PHARMACEUTICAL CO LTD	4502 JT Equity	Tokyo	3.50%
28	TELEFONICA SA	TEF SM Equity	Madrid	4.50%
29	VODAFONE GROUP PLC	VOD LN Equity	London	4.00%
30	ZURICH FINANCIAL SERVICES AG	ZURN VX Equity	Virt-X	3.50%

Selection criteria for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it has a major market capitalisation and a low price/earnings ratio, and (iii) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition, the shares of the issuers concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, none of the shares concerned by this operation meet the Selection Criteria, the arrangements set out under 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket proceeds with a demerger, the share concerned may be replaced either by one of the shares arising from the demerger and meeting the Selection Criteria or by a basket composed of all such shares. This basket will be treated as one share for the purpose of calculating the number of shares in the basket. If, in the wake of the operation, none of the shares concerned by demerger meet the Selection Criteria, the arrangements set out under 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('Disqualification'), the share is removed from the basket and disposed of at the last price before it is eliminated. The amount realised is then invested until the maturity date of the sub-fund's underlying swap transaction at the interest rate applying at that time on the money or bond market. This amount together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket.

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price pro rata based on the length of time for which the investor has held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 INVESTMENT POLICY

Composition of the basket on the date of the report

Name	Value
ABBOTT LABORATORIES	2,7902
ASTRAZENECA PLC (LONDON)	3,6141
BANCO SANTANDER SA	2,4142
BP PLC	2,9870
COLGATE-PALMOLIVE CO	4,9837
DANONE	2,7272
DEUTSCHE POST AG-REG	2,6896
DIAGEO PLC	3,7567
GLAXOSMITHKLINE PLC	3,6021
HOME DEPOT INC	3,5220
IBERDROLA SA (SM)	2,7601
INTL BUSINESS MACHINES CORP	3,5798
JOHNSON & JOHNSON	4,0703
KIMBERLY-CLARK CORP	3,6407
KONINKLIJKE AHOLD NV	2,9886
KONINKLIJKE KPN NV	2,9179
KRAFT FOODS INC-CLASS A	3,7847
MUENCHENER RUECKVER AG-REG	2,8620
NATIONAL GRID PLC	4,3567
NESTLE SA-REG	2,5336
NIPPON TELEGRAPH & TELEPHONE	3,0155
NOVARTIS AG-REG	2,8711
PROCTER & GAMBLE CO/THE	3,7093
ROCHE HOLDING AG-GENUSSCHEIN	2,3312
SSE PLC	4,5985
SWISSCOM AG-REG	2,7268
TAKEDA PHARMACEUTICAL CO LTD	2,9401
TELEFONICA SA (SM)	3,5055
VODAFONE GROUP PLC	5,0384
ZURICH FINANCIAL SERVICE-REG	3,0021
TOTAL	100,32

Performance of the index or basket

Index:	BASKET
31/12/2010:	98,72
30/06/2011:	101,25
29/12/2011:	100,32
Performance since 31/12/2010 or since the launch of the sub-fund:	1,62%
Performance since 30 June 2011 or since the launch of the sub-fund:	-0,92%
Index at the launch of the sub-fund	100,00
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	EUR

Fixings

Period	Last date	Last value	Cap
1	07/10/2011	n.a.	1,00%
2	07/10/2011	n.a.	1,00%

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
03/10/2011	SCOTTISH & SOUTHERN ENERGY	SSE PLC	Change of name

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: I

Risk rating at launch: I

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the sub fund's currency)</small>	31/12/2010 <small>(in the sub fund's currency)</small>
TOTAL NET ASSETS	1.682.509,09	3.614.525,67
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	1.559.430,87	3.168.993,43
F. Financial derivatives		
e) On shares		
Swaps (+/-)	-31.493,99	-33.388,08
k) On interest-rates		
Swaps (+/-)		11.007,06
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		753,31
B. Debts		
a) Accounts payable (-)		-13.906,41
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	14.090,04	61.679,94
B. Term accounts at banks	140.161,30	420.222,50
VI. Accruals and deferrals		
B. Accrued income	447,07	902,75
C. Accrued expenses (-)	-126,20	-1.738,83
TOTAL CAPITAL AND RESERVES	1.682.509,09	3.614.525,67
A. Capital	1.570.773,55	3.635.103,00
B. Share in the profit	-6.614,59	-56,00
D. Result for the financial year	118.350,13	-20.521,33

OFF-BALANCE-SHEET ITEMS

IV Notional amounts of swap contracts (+)	1.711.630,00	3.669.020,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-31.245,70	-8.693,80
F. Financial derivatives		
e) On shares		
Swaps (+/-)	-2.677,05	-33.388,08
j) On interest rates		
Swaps (+/-)	7.338,04	11.007,06
G. Receivables, deposits, cash at bank and in hand, and payables	-61,20	222,50
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	0,18	-0,14
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	45.079,70	24.577,09
b) Deposits and cash at bank and in hand	5.937,88	2.823,05
D. Swaps (+/-)	112.234,86	-3.964,84
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	863,52	339,73
B. Other	-732,12	753,31
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-0,36	0,25
B. Financial expenses (-)	-133,35	-224,14
C. Custodian's fee (-)	-250,00	
D. Manager's fee (-)		
a) Financial management	-14.693,78	-9.105,62
b) Administration and accounting management	-1.361,21	-1.268,73
E. Administrative expenses (-)	-653,92	
F. Formation and organisation expenses (-)	-416,17	-344,33
G. Remuneration, social security charges and pensions (-)	-3,62	-5,36
H. Services and sundry goods (-)	-708,80	-518,60
J. Taxes	-40,70	-991,85
K. Other expenses (-)	-126,07	-1.738,83
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	144.995,86	10.331,13
V. Profit (loss) on ordinary activities before tax	118.350,13	-20.521,33
VII. Result for the financial year	118.350,13	-20.521,33

Profit appropriation statement

	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Profit to be allocated (loss to be recognised)	111.735,54	-20.577,33
Profit for the period available for appropriation (loss to be recognised)	118.350,13	-20.521,33
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-6.614,59	-56,00
II. (Appropriations to) Deductions from capital	42.127,26	20.577,33
IV. (Dividends to be distributed)	-153.862,80	

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB DUO COUPON 3

Name	Quantity at 31 December 2011	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6E-7 23/04-23/10 4.747%	158.000,00	EUR	97,476	154.537,84		10,11	9,19
AMETHYST STRUCTURED FIN PLC 6E-7 23/04-23/10 4.747%	160.000,00	EUR	96,501	154.934,73		10,14	9,21
BROOKFIELDS CAPITAL PLC 6E-7 23/04-23/10 4.747%	158.000,00	EUR	97,767	154.998,47		10,14	9,21
EPERON FINANCE PLC 6E-7 23/04-23/10 4.747%	159.000,00	EUR	97,379	155.362,33		10,17	9,24
ESPACCIO SECURITIES PLC 6E-7 23/04-23/10 4.747%	81.000,00	EUR	96,522	78.452,31		5,14	4,66
GREENSTREET STRUCT. FIN. PROD. PLC 6E-7 23/04-23/10 4.747%	81.000,00	EUR	96,578	78.497,88		5,14	4,67
NIMROD CAPITAL PLC 6E-7 23/04-23/10 4.747%	80.000,00	EUR	97,646	78.383,49		5,13	4,66
OPAL FINANCIAL PRODUCTS PLC 6E-7 23/04-23/10 4.747%	81.000,00	EUR	96,772	78.655,30		5,15	4,68
PROFILE FINANCE PLC 6E-7 23/04-23/10 4.747%	80.000,00	EUR	97,284	78.093,38		5,11	4,64
RECOLTE SECURITIES PLC 6E-7 23/04-23/10 4.747%	81.000,00	EUR	96,389	78.344,71		5,13	4,66
SILVERSTATE FIN INV PLC 6E-7 23/04-23/10 4.747%	80.000,00	EUR	96,951	77.827,41		5,09	4,63
VESPUCCI STRUCTURED FIN PROD 6E-7 23/04-23/10 4.747%	80.000,00	EUR	97,142	77.980,04		5,10	4,64
VIGADO CAPITAL PLC 6E-7 23/04-23/10 4.747%	81.000,00	EUR	96,436	78.382,95		5,13	4,66
VOYCE INVESTMENTS PLC 6E-7 23/04-23/10 4.747%	80.000,00	EUR	97,895	78.582,65		5,14	4,67
WATERFORD CAPITAL INC PLC 6E-7 23/04-23/10 4.747%	81.000,00	EUR	96,298	78.271,37		5,12	4,65
WAVES FINANCIAL INV PLC 6E-7 23/10-23/04 4.747%	80.000,00	EUR	97,324	78.126,01		5,11	4,64
Total bonds				1.559.430,87		102,06	92,69
Swaps							
<u>Belgium</u>							
KBC SWAPS	1.711.630,00	EUR	-1,840	-31.493,99		-2,06	-1,87
Total swaps				-31.493,99		-2,06	-1,87
TOTAL SECURITIES PORTFOLIO				1.527.936,88		100,00	90,81
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	14.090,04	EUR	1,000	14.090,04			0,84
Total demand accounts				14.090,04			0,84
Time deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/11-20/04/12 KBCBANK 1.630 %	30.000,00	EUR	100,083	30.024,90			1,79
KBC BANK NV 21/10-20/04/12 KBCBANK 1.760 %	110.000,00	EUR	100,124	110.136,40			6,55
Total time deposit accounts				140.161,30			8,33
TOTAL CASH AT BANK AND IN HAND				154.251,34			9,17

OTHER						
Accrued interest		EUR		447,07		0,03
Expenses payable		EUR		-126,20		-0,01
TOTAL OTHER				320,87		0,02
TOTAL NET ASSETS				1.682.509,09		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
EQLISWAP	EUR	1.711.630,00	1.711.630,00	n.a.	16.11.2011

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

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 12		183.451,00		1.700,00		181.751,00	181.751,00
2011 - 12		0,00		8.205,00		173.546,00	173.546,00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2010 - 12		3.669.020,00		33.973,00
2011 - 12		0,00		1.896.503,91

Period	Net asset value At the end of the period (in the currency of the sub fund)		
	Of the sub-fund	Of one unit	
		Cap.	Dis.
2010 - 12	3.614.525,67		19,89
2011 - 12	1.682.509,09		9,69

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
DIS	BE0949069216	EUR	3.78%								16/04/2010	1.87%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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:

Distribution units (DIS)

Return on date D over a period of X years:

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

where Y = D-X

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

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

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

with C a factor that is determined by all of the dividends and from the date of calculating D and the reference date.

For dividend i to date Di with value Wi we apply:

$$Ci = [Wi / NAV(Di)] + 1$$

i = 1 ... N

where C = C0 * ... * CN.

- 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 nth 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 returns for distribution shares.

Dividend at ex-dividend date 17/10/2011: EUR 0,72 net (EUR 0,85 gross).

2.4.6 COSTS

Total expenses ratio (TER): * 0.602%

* 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% to 60% if the distributor is an entity belonging to KBC Groupe SA, and to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

If the management company invests the UCI's assets in units of undertakings for collective investment that are not managed by an entity belonging to KBC Groupe SA, and receives a fee for doing so, it will pay this fee to the UCI.

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB EXCLUSIVE INFLATION PLUS 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 18/06/2010
Initial subscription price: 1000 EUR
Maturity date: 31.07.15
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

The object of this sub-fund is to generate the highest possible return for its unit holders. To this end, an investment strategy has been developed which consists of:

- (1) An investment in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits and liquid assets (including funds placed on a fixed-term deposit account or demand account) (see under *Permitted asset classes*);
- (2) An investment in swaps (exchange contracts). The sub-fund therefore assigns part of its future income from the investments indicated under the point dealing with *Permitted asset classes* to the counterparty(-ies) for the life of the sub-fund. In exchange, the counterparty(-ies) commit to offering a potential return. The different types of swaps in which the sub-fund can invest are explained under the section *Permitted swap transactions*.

No formal guarantee is granted to the sub-fund or its unit holders. No guaranteed return or capital protection is offered by the sub-fund during the period concerned nor on Maturity.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable laws and regulations. These investments may be of various durations and coupon payment dates that are aligned to the expiry dates of the sub-fund's commitments through the use of the swaps described in the point dealing with *Permitted swap transactions (2)*.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

The sub-fund may invest in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-1" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are conducted with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. Under these swaps, the sub-fund transfers a portion of its future earnings from the investments indicated under the section *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The use of swaps in this sub-fund may lead to (full or partial) loss of the initial capital invested.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund risk profile is not influenced by use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the investments referred to under *Permitted asset classes*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The objective of the sub-fund is to distribute a dividend per period. The size of the dividend will depend on the performance of the Eurostat Eurozone HICP Ex Tobacco Unrevised index, whereas the net asset value on the maturity date depends on the performance of the EURO STOXX 50[®] index.

- The dividends for the first two periods are fixed and equal to 5% per period (before tax). As a consequence, the yield to maturity per sub-period (on an annualised basis) is 4.54% for the first period and 4.60% for the second period, depending on the duration of the respective sub-period (see table of sub-periods)
- For the subsequent periods, starting from period 3, a variable dividend is determined per period, based on the change in the inflation index Eurostat Eurozone HICP Ex Tobacco Unrevised.

The change in this index per period (*last value of inflation index for the period minus the base value of inflation index for the period*) divided by the base value of inflation index for the period will be increased by 4% per period. If this combined value is positive, it will be paid out as dividend.

No dividend is paid in the event of a negative performance.

The dividends paid are liable for withholding tax of 15%, subject to changes in the legislation applicable. The dividends on each period, with the exception of the last period, are payable on the last bank working day of the month following the end of the period. The dividend for the last period is payable on the maturity date.

The 2 following options are available for calculating the net asset value at the maturity date:

Scenario 1

If the last value of the EURO STOXX 50[®] index is not less than 50% of the base value of the EURO STOXX 50[®] index, no gain or loss is achieved in relation to the initial subscription value when the net asset value is calculated at the maturity date.

Scenario 2

If the last value of the EURO STOXX 50[®] index is less than 50% of the base value of the EURO STOXX 50[®] index, to calculate the net asset value on the maturity date, 100% of the decrease (*=(last value of the EURO STOXX 50[®] index less the base value of the EURO STOXX 50[®] index)*, divided by the base value of the EURO STOXX 50[®] index) is deducted from the value of the initial subscription.

No guaranteed return or capital protection is offered by this sub-fund during the period concerned nor on maturity.

MATURITY: Thursday 31.07.15 (payment with value date D + 1 bank business day)

CURRENCY: EUR

PERIODS OF THE INFLATION INDEX:

Period	Dividend per period (before tax)
1) 06/2010 – 06/2011	5% (yield to maturity 4.54%) on annualised basis
2) 07/2011 – 06/2012	5% (yield to maturity 4.60%) on annualised basis

Period	Duration Period	Base value	Last value
3) 07/2012 – 06/2013	12 months	The fixing of the inflation index of April 2012	The fixing of the inflation index of April 2013
4) 07/2013 – 06/2014	12 months	The fixing of the inflation index of April 2013	The fixing of the inflation index of April 2014
5) 07/2014 – 6/2015	12 months	The fixing of the inflation index of April 2014	The fixing of the inflation index of April 2015

BASE VALUE of the EURO STOXX 50[®] INDEX: the average of the prices for the EURO STOXX 50[®] index on the first five valuation dates from Friday 25.06.10 (inclusive).

BASE VALUE of the EURO STOXX 50[®] INDEX: the average of the prices for the EURO STOXX 50[®] index on the first five valuation dates in July 2015

PRICE OF THE EURO STOXX 50[®] INDEX:

Closing price, i.e. the price on the EURO STOXX 50 index[®], as calculated on closure of the stock exchanges and notified by the authority responsible (index sponsor), namely Stoxx Limited (or its legal successor).

PERIODS OF THE INFLATION INDEX:

The official inflation index price as calculated and published monthly by Eurostat (or its legal successor).

VALUATION DATE OF THE EURO STOXX 50[®] INDEX:

A valuation date is a day which is both an official stock-market trading day

- i) for the stock market on which at least 20% of the securities making up the index are traded, and,
- ii) for the stock market with trading activity that has a significant impact on options and forward contracts traded on the securities making up the index,

hereinafter "the Stock Markets Concerned", and where the index sponsor calculates and publishes the index.

If, on the valuation date:

- a) one of the stock markets concerned remains closed unexpectedly; or,
- b) an event occurs which disrupts the market on one of the stock markets concerned; or,
- c) one of the stock markets concerned closes early,

the scheduled valuation date is replaced by the next trading day on which none of the events listed under a), b) and c) above occur. A closure which is out of the ordinary but is announced in good time is not considered to be an early closure.

If a valuation is made on the basis of successive valuation dates, the trading day replacing a scheduled valuation date (i) cannot coincide with another scheduled valuation date, and (ii) cannot be a trading day which already replaces another scheduled valuation date.

If, however, an event under a), b) or c) above occurs on each of the eight trading days which follow the scheduled valuation date:

- (i) the eighth trading day is held to be the scheduled valuation date:
- (ii) the ICVC will estimate, in good faith and in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, the index price that would have been listed on this eighth trading day, and,
- (iii) the ICVC will inform the unit holders of the changes with regard to determination of the base value and/or the last value and the terms and conditions of payment.

If changes are made to the EURO STOXX 50[®] index (e.g. change to the calculation method, etc.) or if the index sponsor does not calculate or publish the index (although all the data are available), the ICVC will confer with the counterparty with whom the swap contract has been concluded in order to decide how the index is to be determined. If substantial changes are made to the index or if the index is no longer calculated, the index can be adjusted (in the case of the inflation index) or replaced (applies to all indexes) by another index, provided that this new index is representative of the same geographic and/or economic sectors.

The EURO STOXX 50[®] index is a weighted shares index without protection of dividends calculated by Stoxx Ltd (or its legal successor). The main purpose of this index is to provide a continuous indication of market trends on the European stock markets. This index has a base value of 1000, calculated using the underlying prices recorded on 31 December 1991.

The EURO STOXX 50[®] index 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), Netherlands (Amsterdam), Portugal (Lisbon) and Spain (Madrid).

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

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The EURO STOXX 50[®] index is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

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- do not recommend that any person invest in Horizon CSOB Exclusive Inflation Plus 1, or any other securities of any kind;
- do not have any responsibility or liability for or make any decisions about the launch date, amount or pricing of Horizon CSOB Exclusive Inflation Plus 1 units;
- do not have any responsibility or liability for the administration, management or marketing of Horizon CSOB Exclusive Inflation Plus 1;
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- **STOXX and its licensors do not make any warranty, express or implied, and disclaim any and all warranty as regards:**
 - **the results to be obtained by Horizon CSOB Exclusive Inflation Plus 1, the holders of units in Horizon CSOB Exclusive Inflation Plus 1 or any other person in connection with the use of the EURO STOXX 50[®] index and the data included in the EURO STOXX 50[®] index;**
 - **the accuracy or completeness of the EURO STOXX 50[®] index and its data;**
 - **the negotiability and the fitness for a particular purpose or use of the EURO STOXX 50[®] index and its data;**
- **STOXX and its licensors have no liability for any errors, omissions or interruptions of any kind in the EURO STOXX 50[®] index or its data;**
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The licensing agreement between KBC and STOXX is solely for their benefit and not for the benefit of the holder of Horizon CSOB Exclusive Inflation Plus 1 units or any other third parties.

The Eurostat Eurozone HICP Ex Tobacco Unrevised index:

is the non revised index of merchantable services apart from tobacco consumed by households in the euro zone.

The Eurostat Eurozone HICP Ex Tobacco Unrevised contains the non-revised figures initially published by Eurostat. Eurostat may revise its HICP indexes, however this index will not change and the original HICP value as published will continue to be posted. On 28 February 2006, Eurostat rebased the consumer price index to 100 with 2005 as the reference year. Accordingly, this index has been rebased to correctly present the new reference year.

The non-revised index, calculated by Eurostat or its legal successor is published on the websites Bloomberg CPTFEMU and Reuters OATEI01 and on any other comparable website.

The Eurostat Eurozone HICP Ex Tobacco index is also published monthly on the Eurostat website (ec.europa.eu/eurostat), whereby the revised figures are posted on this site.

The HICPs are economic indicators measuring the changes over time in the prices of goods and services purchased by households. The HICPs provide comparable measurements of inflation in the euro zone, the EU, the European Economic area and for other countries, including applicant and

candidate countries. They are calculated on a standardised basis using a single series of definitions. They provide the official measure of consumer price inflation in the euro zone used in the application of monetary policy in the euro zone and in the assessment of inflation convergence as required in the Maastricht criteria.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following example illustrates the investment objectives described above. The example is based on a duration of 5 years, 1 month and 7 days. The dividends for the first two periods are fixed and equal to 5% per period (before tax). As a consequence, the yield to maturity per sub-period (annualised average) is 4.54% for the first period and 4.60% for the second period, depending on the duration of the sub-period (see table of sub-periods) For the subsequent periods, starting from period 3, a variable dividend per period is determined based on the change in the Eurostat Eurozone HICP ex Tobacco Unrevised index. This change is increased by 4% per period. No dividend is paid in the event of a negative performance.

In addition, the performance of the share index at the maturity date is monitored. If the last value of the share index is not less than 50% of the base value of the share index, there is no loss or gain in relation to the initial subscription value when the net asset value is calculated at the maturity date. Any decrease in the share index at the maturity date is only taken into account if the last value of the share index is less than 50% of the base value of the share index. The base value of the share index is 100 in each example, as at the end of the second year of the inflation index. The initial subscription value is 1000 EUR.

Positive scenario:

Valeur Finale de la Période	L'indice de l'Inflation	L'indice d'actions	Calcul	Dividende (**)	Valeur Finale
Valeur Finale de la Période 1	non applicable	non applicable	5% (fixe) (rendement actuariel 4.54%)	5%	
Valeur Finale de la Période 2	non applicable	non applicable	5% (fixe) (rendement actuariel 4.6%)	5%	
Valeur Finale de la Période 3	103	non applicable	$(103-100) / 100 + 4\% = 7\%$	7.00%	
Valeur Finale de la Période 4	106	non applicable	$(106-103) / 103 + 4\% = 6.91\%$	6.91%	
Valeur Finale de la Période 5	109	120	$(109-106) / 106 + 4\% + 0\%* = 6.83\%$	6.83%	100.00%

(*) If the last value of the share index is greater than then base value of the share index the investor receives 100% of the initial subscription value.

(**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.

Neutral scenario:

Valeur Finale de la Période	L'indice de l'Inflation	L'indice d'actions	Calcul	Dividende (**)	Valeur Finale
Valeur Finale de la Période 1	non applicable	non applicable	5% (fixe) (rendement actuariel 4.54%)	5%	
Valeur Finale de la Période 2	non applicable	non applicable	5% (fixe) (rendement actuariel 4.6%)	5%	
Valeur Finale de la Période 3	99	non applicable	$(99-100) / 100 + 4\% = 3\%$	3.00%	
Valeur Finale de la Période 4	99	non applicable	$(99-99) / 99 + 4\% = 4\%$	4.00%	
Valeur Finale de la Période 5	102	80	$(102-99) / 99 + 4\% + 0\%* = 6.03\%$	6.03%	100.00%

(*) If the last value of the share index is not less than 50% of the base value of the share index the investor receives 100% of the initial subscription value.

(**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.

Negative scenario:

Valeur Finale de la Période	L'indice de l'Inflation	L'indice d'actions	Calcul	Dividende (**)	Valeur Finale
Valeur Finale de la Période 1	non applicable	non applicable	5% (fixe) (rendement actuariel 4.54%)	5%	
Valeur Finale de la Période 2	non applicable	non applicable	5% (fixe) (rendement actuariel 4.6%)	5%	
Valeur Finale de la Période 3	95	non applicable	$(95-100) / 100 + 4\% = -1.5\%$	0%***	
Valeur Finale de la Période 4	90	non applicable	$(90-95) / 95 + 4\% = -1.26\%$	0%***	
Valeur Finale de la Période 5	92	45	$(92-90) / 90 + 4\% - 55\%* = -48.78\%$	6.22%***	45.00%

(*) Any decrease in the share index at the maturity date is fully taken into account if the last value of the share index is less than 50% of the initial subscription value of the share index.

(**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.

(***) No dividend is paid in the event of a negative performance.

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

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:

the Act 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 the 1992 Income Tax Code on withholding tax;*

- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code;*

- *the Royal Decree of 27 September 2009 concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price pro rata based on the length of time for which the investor has held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 INVESTMENT POLICY

Performance of the index or basket

	Index:	EURO STOXX 50 INDEX
	31/12/2010:	2.792,82
	30/06/2011:	2.848,53
	29/12/2011:	2.292,28
Performance since 31/12/2010 or since the launch of the sub-fund:		-17,92%
Performance since 30 June 2011 or since the launch of the sub-fund:		-19,53%
Index at the launch of the sub-fund		2.589,25
Minimum guaranteed return in local currency on the maturity date:		1.000,00
Local currency:		EUR

Fixings

Period	Last date	Last value	Cap
1	07/07/2011	2.589,246	5,00%

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
01/01/2011	DOW JONES EUROSTOXX 50	EURO STOXX 50 INDEX	Change of name

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: 4

Risk rating at launch: 4

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
TOTAL NET ASSETS	3.269.078,61	3.556.653,69
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	2.803.169,25	2.671.334,51
F. Financial derivatives		
k) On interest-rates		
Swaps (+/-)	106.524,00	217.890,00
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		710,42
c) Collateral		210.035,70
B. Debts		
a) Accounts payable (-)		-15.849,65
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	99.471,21	124.126,77
B. Term accounts at banks	260.095,60	349.867,10
VI. Accruals and deferrals		
B. Accrued income	81,51	138,38
C. Accrued expenses (-)	-262,96	-1.599,54
TOTAL CAPITAL AND RESERVES	3.269.078,61	3.556.653,69
A. Capital	3.287.684,94	3.331.431,86
B. Share in the profit	494,15	253,16
D. Result for the financial year	-19.100,48	224.968,67

OFF-BALANCE-SHEET ITEMS

I Security in the form of real property (+/-)		
I.A Collateral (+/-)		
I.A.B Deposits and cash at bank and in hand		210.000,00
IV Notional amounts of swap contracts (+)	3.228.000,00	3.228.000,00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-60.698,53	8.467,56
F. Financial derivatives		
j) On interest rates		
Swaps (+/-)	-111.366,00	217.838,00
G. Receivables, deposits, cash at bank and in hand, and payables	192,80	-97,20
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-0,17	0,98
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	46.721,43	17.115,50
b) Deposits and cash at bank and in hand	5.672,54	738,75
c) Collateral (+/-)		1.055,83
D. Swaps (+/-)	142.800,22	-1.235,08
F. Other investment income		55,21
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	1.978,69	2.076,85
B. Other	-690,44	710,42
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-0,15	-0,12
B. Financial expenses (-)	-106,89	-188,18
C. Custodian's fee (-)	-250,00	
D. Manager's fee (-)		
a) Financial management	-36.916,84	-17.071,82
b) Administration and accounting management	-1.707,71	-939,99
E. Administrative expenses (-)	-677,45	
F. Formation and organisation expenses (-)	-3.052,54	-822,11
G. Remuneration, social security charges and pensions (-)	-3,59	
H. Services and sundry goods (-)	-691,66	-201,01
J. Taxes	-40,52	-935,38
K. Other expenses (-)	-263,67	-1.599,54
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	152.771,42	-1.240,67
V. Profit (loss) on ordinary activities before tax	-19.100,48	224.968,67
VII. Result for the financial year	-19.100,48	224.968,67

Profit appropriation statement

	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Profit to be allocated (loss to be recognised)		
Profit for the period available for appropriation (loss to be recognised)	-18.606,33	225.221,83
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	494,15	253,16
II. (Appropriations to) Deductions from capital	178.006,33	-225.221,83
IV. (Dividends to be distributed)	-159.400,00	

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF ASSETS OF HORIZON CSOB EXCLUSIVE INFLATION PLUS 1

Name	Quantity at 31 December 2011	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	234.000,00	EUR	97,947	229.267,86		7,88	7,01
AMETHYST STRUCTURED FIN PLC 6E-7 23/12-23/06 1.368%	77.000,00	EUR	97,396	75.018,78		2,58	2,30
BEECHWOOD STRUCTURED FIN PLC 6E-7 23/12-23/06 3.095%	78.000,00	EUR	96,421	75.232,90		2,59	2,30
BROOKFIELDS CAPITAL PLC 6E-7 23/12-23/06 3.095%	77.000,00	EUR	97,687	75.243,26		2,59	2,30
CARMINI PRO BAND PFT 6E-0.07 23/06-23/12	234.000,00	EUR	97,821	228.973,52		7,87	7,00
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	234.000,00	EUR	97,877	229.104,98		7,87	7,01
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	234.000,00	EUR	97,979	229.342,53		7,88	7,02
EPERON FINANCE PLC 6E-7 23/12-23/06 3.095%	77.000,00	EUR	97,299	74.944,40		2,58	2,29
ESPACCIO SECURITIES PLC 6E-7 23/12-23/06 3.095%	78.000,00	EUR	96,442	75.248,89		2,59	2,30
GREENSTREET STRUCT. FIN. PROD. PLC 6E-7 23/12-23/06 3.095%	78.000,00	EUR	96,498	75.292,76		2,59	2,30
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	117.000,00	EUR	98,028	114.728,72		3,94	3,51
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	117.000,00	EUR	97,836	114.503,97		3,94	3,50
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	117.000,00	EUR	97,844	114.514,36		3,94	3,50
NIMROD CAPITAL PLC 6E-7 23/12-23/06 3.095%	77.000,00	EUR	97,567	75.150,14		2,58	2,30
OPAL FINANCIAL PRODUCTS PLC 6E-7 23/12-23/06 3.095%	77.000,00	EUR	96,692	74.477,12		2,56	2,28
PROFILE FINANCE PLC 6E-7 23/12-23/06 3.095%	77.000,00	EUR	97,204	74.870,91		2,57	2,29
RECOLTE SECURITIES PLC 6E-7 23/12-23/06 3.095%	78.000,00	EUR	96,309	75.145,27		2,58	2,30
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	117.000,00	EUR	97,711	114.357,87		3,93	3,50
SILVERSTATE FIN INV PLC 6E-7 23/12-23/06 3.095%	77.000,00	EUR	96,871	74.614,91		2,56	2,28
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	117.000,00	EUR	97,828	114.494,83		3,94	3,50
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	117.000,00	EUR	97,710	114.357,05		3,93	3,50
VESPUCCI STRUCTURED FIN PROD 6E-7 23/12-23/06 3.095%	77.000,00	EUR	97,062	74.761,82		2,57	2,29
VIGADO CAPITAL PLC 6E-7 23/12-23/06 3.095%	78.000,00	EUR	96,356	75.182,09		2,58	2,30
VOYCE INVESTMENTS PLC 6E-7 23/12-23/06 3.095%	76.000,00	EUR	97,815	74.363,36		2,56	2,28
WATERFORD CAPITAL INC PLC 6E-7 23/12-23/06 3.095%	78.000,00	EUR	96,219	75.074,64		2,58	2,30
WAVES FINANCIAL INV PLC 6E-7 23/12-23/06 3.095%	77.000,00	EUR	97,245	74.902,31		2,57	2,29
Total bonds				2.803.169,25		96,34	85,75
Swaps							
<u>Belgium</u>							
KBC SWAPS	3.228.000,00	EUR	3,300	106.524,00		3,66	3,26
Total swaps				106.524,00		3,66	3,26
TOTAL SECURITIES PORTFOLIO				2.909.693,25		100,00	89,01

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP EURO	99.471,21	EUR	1,000	99.471,21		3,04
Total demand accounts				99.471,21		3,04
Time deposit accounts						
<u>Belgium</u>						
KBC BANK NV 23/12-22/06/12 KBCBANK 1.640 %	180.000,00	EUR	100,050	180.090,00		5,51
<u>Sweden</u>						
SKANDINAVISKA ENSKILDA 23/12-22/06/12 SKANENSK 1.550 %	80.000,00	EUR	100,007	80.005,60		2,45
Total time deposit accounts				260.095,60		7,96
TOTAL CASH AT BANK AND IN HAND				359.566,81		11,00
OTHER						
Accrued interest		EUR		81,51		0,00
Expenses payable		EUR		-262,96		-0,01
TOTAL OTHER				-181,45		-0,01
TOTAL NET ASSETS				3.269.078,61		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
FIXISWAP	EUR	3.228.000,00	3.228.000,00	n.a.	12.07.2011

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 12		3.328,00		0,00		3.328,00	3.328,00
2011 - 12		45,00		140,00		3.233,00	3.233,00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2010 - 12		3.331.685,02		0,00
2011 - 12		44.397,00		153.471,60

Period	Net asset value At the end of the period (in the currency of the sub fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2010 - 12	3.556.653,69		1.068,71
2011 - 12	3.269.078,61		1.011,16

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
DIS	BE0935084047	EUR	-0.90%								18/06/2010	3.80%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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:

Distribution units (DIS)

Return on date D over a period of X years:

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

where Y = D-X

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

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

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

with C a factor that is determined by all of the dividends and from the date of calculating D and the reference date.

For dividend i to date DI with value Wi we apply:

$$Ci = [Wi / NAV(Di)] + 1$$

i = 1 ... N

where C = C0 * ... * CN.

- 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 nth 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 returns for distribution shares.

Dividend at ex-dividend date 18/07/11: 42,50 EUR net (50,00 EUR gross).

Pursuant to Royal Decree of 10 November 2006 concerning the accounting and financial statements of certain undertakings for collective investment, the investor should note that the collective investment entity has paid out a dividend even if a negative carryforward was booked for the financial year concerning the dividend.

The investor should likewise note that the dividend paid out has been set in accordance with the investment target described in the prospectus and the simplified prospectus.

2.4.6 COSTS

Total expenses ratio (TER): * 1.297%

* 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% to 60% if the distributor is an entity belonging to KBC Groupe SA, and to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

If the management company invests the UCI's assets in units of undertakings for collective investment that are not managed by an entity belonging to KBC Groupe SA, and receives a fee for doing so, it will pay this fee to the UCI.

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB JUMPER PLUS 2

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 10.09.10

Initial subscription price: 10 EUR

Maturity date: 30.09.15

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

The object of this sub-fund is to generate the highest possible return for its unit holders. To this end, an investment strategy has been developed which consists of:

- (1) An investment in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits and liquid assets (including funds placed on a fixed-term deposit account or demand account) (see under *Permitted asset classes*);
- (2) An investment in swaps (exchange contracts). The sub-fund therefore assigns part of its future income from the investments indicated under the point dealing with *Permitted asset classes* to the counterparty(-ies) for the life of the sub-fund. In exchange, the counterparty(-ies) commit to offering a potential return. The different types of swaps in which the sub-fund can invest are explained under the section *Permitted swap transactions*.

No formal guarantee is granted to the sub-fund or its unit holders. No guaranteed return or capital protection is offered by the sub-fund during the period concerned nor on Maturity.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable laws and regulations. These investments may be of various durations and coupon payment dates that are aligned to the expiry dates of the sub-fund's commitments through the use of the swaps described in the point dealing with *Permitted swap transactions (2)*.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

The sub-fund may invest in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-1" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are conducted with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. Under these swaps, the sub-fund transfers a portion of its future earnings from the investments indicated under the section *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The use of swaps in this sub-fund may lead to (full or partial) loss of the initial capital invested.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund risk profile is not influenced by use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the investments referred to under *Permitted asset classes*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The objective of the sub-fund is to obtain a potential increase in value on the basis of the performance of the Euro Stoxx 50[®], according to an **'Index Jumper' structure**.

The index jumper structure entails early termination if one of the observation values is not lower than the base value. Should this be the case, the capital gain paid in addition to the initial subscription value will correspond to 12% multiplied by the serial number of the observation value which led to the early termination. In total, there are 4 observation values.

If the structure is not terminated early by one of the observation values, there are the following 3 possibilities at maturity:

Scenario 1

If the last value is not lower than the base value, the net asset value on maturity takes into account both the initial net asset value and a fixed capital gain of 5*12% (9.77% yield to maturity, before charges and taxes).

Scenario 2

If the last value is lower than the base value but not less than half of the base value, there is no capital gain or capital loss on the base value when the net asset value is calculated on maturity.

Scenario 3

If the last value is less than half of the base value, for the purposes of calculating the net asset value on maturity, the full fall in value of the EURO STOXX 50[®] index (= *last value minus the base value*) divided by the base value) is deducted from the initial net asset value.

No guaranteed return or capital protection is offered by this sub-fund during the period concerned nor on maturity.

If the criteria for early termination is met, the ICVC's Board of Directors will take the decision to close the sub-fund on the early termination date.

MATURITY: Thursday 30.09.15 (payment with value date D + 1 bank business day)

CURRENCY: EUR

BASE VALUE: The average performance of the index in the first ten valuation dates starting from Friday 17 September 2010 (inclusive).

LAST VALUE: the average of the prices for the index on the first ten valuation dates in September 2015.

EARLY EXERCISE DATE: the last Belgian bank business day in the month when an observation value led to early exercise. (payment with a value date of D + 1 bank business day)

OBSERVATION VALUE: an observation value is calculated each year, from 2011 to 2014 (inclusive), based on the prices of the index on the first ten valuation dates in September of the year concerned. 4 observation values are therefore calculated over the life of the sub-fund.

PRICE:

Closing price, i.e. the price on the EURO STOXX 50 index[®], as calculated on closure of the stock exchanges and notified by the authority responsible (index sponsor), namely Stoxx Limited (or its legal successor).

VALUATION DATE:

A valuation date is a day which is both an official stock-market trading day

- i) for the stock market on which at least 20% of the securities making up the index are traded, and,
- ii) for the stock market with trading activity that has a significant impact on options and forward contracts traded on the securities making up the index,

hereinafter "the Stock Markets Concerned", and where the index sponsor calculates and publishes the index.

If, on the valuation date:

- a) one of the stock markets concerned remains closed unexpectedly; or,
- b) an event occurs which disrupts the market on one of the stock markets concerned; or,
- c) one of the stock markets concerned closes early,

the scheduled valuation date is replaced by the next trading day on which none of the events listed under a), b) and c) above occur. A closure which is out of the ordinary but is announced in good time is not considered to be an early closure.

If a valuation is made on the basis of successive valuation dates, the trading day replacing a scheduled valuation date (i) cannot coincide with another scheduled valuation date, and (ii) cannot be a trading day which already replaces another scheduled valuation date.

If, however, an event under a), b) or c) above occurs on each of the eight trading days which follow the scheduled valuation date:

- (i) the eighth trading day is held to be the scheduled valuation date:
- (ii) the ICVC will estimate, in good faith and in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, the index price that would have been listed on this eighth trading day, and,
- (iii) the ICVC will inform the unit holders of the changes with regard to determination of the base value and/or the last value and the terms and conditions of payment.

If changes are made to the index (e.g. calculation by another sponsor, change to the calculation method, etc.) or if the index sponsor does not calculate or publish the index (although all the data are available), the ICVC will confer with the counterparty with whom the swap contract has been concluded in order to decide how the index is to be determined. If substantial changes are made to the index or if the index is no longer calculated, the index can be replaced by another index, provided this new index is representative of the same geographic and/or economic sectors.

The EURO STOXX 50 index[®] is a weighted shares index without protection of dividends calculated by Stoxx Ltd (or its legal successor). The main purpose of this index is to provide a continuous indication of market trends on the European stock markets. This index has a base value of 1000, calculated using the underlying prices recorded on 31 December 1991.

The EURO STOXX 50[®] index 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), Netherlands (Amsterdam), Portugal (Lisbon) and Spain (Madrid).

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

STOXX Ltd holds all proprietary rights to the index. Stoxx Limited does not provide any guarantee for or subscribe to or have any other involvement in the issue and offer of shares in Horizon CSOB Jumper Plus 2. Stoxx Limited does not accept any liability for the issue and offer of shares in this collective investment undertaking.

The EURO STOXX 50[®] index is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

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- do not have any responsibility or liability for or make any decisions about the launch date, amount or pricing of Horizon CSOB Jumper Plus 2 units;
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 - **the accuracy or completeness of the EURO STOXX 50[®] index and its data;**
 - **the negotiability and the fitness for a particular purpose or use of the EURO STOXX 50[®] index and its data;**
- **STOXX and its licensors have no liability for any errors, omissions or interruptions of any kind in the EURO STOXX 50[®] index or its data;**
- **Under no circumstances shall STOXX or its Licensors be liable for any loss of earnings. nor for any consequential damages or losses, even if STOXX or its licensors is aware that they might occur.**

The licence contract between KBC and STOXX has been entered in their sole interest and not in that of the holders of units in Horizon CSOB Jumper Plus 2 or in the interest of third parties.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5 years and 14 days, on the clear understanding that the structure may be terminated early if the observation value is not less than the base value, that the percentage fixed for calculation of the interim capital gain corresponds to 12%, that the fixed capital gain on maturity is 60% (provided no observation value results in early exercise and the last value is not less than the full base value) and that any fall in value on maturity is only taken into account if the last value is less than 50% of the base value. If the last value is lower than the base value but not less than half of the base value, there is no capital gain or capital loss on the initial net asset value. The base value is 100 in each of the examples and the initial initial subscription value is EUR 10.

Positive scenario:

Observation moment	Observation value/ Last value	Capital gain	Value on the early exercise date/value on maturity
End of year 1	101	12% * 1 = 12%	11,2 EUR

Yield to maturity: 11,52%, before costs and taxes.

Positive scenario:

Observation moment	Observation value/ Last value	Capital gain	Value on the early exercise date/value on maturity
End of year 1	80	n.a.	n.a.
End of year 2	85	n.a.	n.a.
End of year 3	87	n.a.	n.a.
End of year 4	89	n.a.	n.a.
End of year 5	105	60% (fixed capital gain)	16 EUR

Yield to maturity: 9,77%, before costs and taxes.

Neutral scenario:

Observation moment	Observation value/ Last value	Capital gain	Value on the early exercise date/value on maturity
End of year 1	80	n.a.	n.a.
End of year 2	85	n.a.	n.a.
End of year 3	87	n.a.	n.a.
End of year 4	89	n.a.	n.a.
End of year 5	75	0%(*)	10 EUR

* If the last value is not less than half but less than the full base value, investors receive the full base value.

Negative scenario:

Observation moment	Observation value/ Last value	Capital gain	Value on the early exercise date/value on maturity
End of year 1	89	n.a.	n.a.
End of year 2	86	n.a.	n.a.
End of year 3	82	n.a.	n.a.
End of year 4	75	n.a.	n.a.
End of year 5	45 (< 50)	n.a.	4,5 EUR

Yield to maturity: -14,66%, before costs and taxes.

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

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price pro rata based on the length of time for which the investor has held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 INVESTMENT POLICY

Performance of the index or basket

Index: **EURO STOXX 50 INDEX**

31/12/2010: **2.792,82**

30/06/2011: **2.848,53**

29/12/2011: **2.292,28**

Performance since 31/12/2010 or since the launch of the sub-fund: **-17,92%**

Performance since 30 June 2011 or since the launch of the sub-fund: **-19,53%**

Index at the launch of the sub-fund **2.769,03**

Fixings

Period	Last date	Last value	Cap
1	14/09/2011	2.121,710	0,00%

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
01/01/2011	DOW JONES EUROSTOXX 50	EURO STOXX 50 INDEX	Change of name

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: 4

Risk rating at launch: 4

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the sub fund's currency)</small>	31/12/2010 <small>(in the sub fund's currency)</small>
TOTAL NET ASSETS	6.080.760,76	6.920.774,03
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	5.356.330,62	5.810.391,74
F. Financial derivatives		
e) On shares		
Swaps (+/-)	-220.727,87	263.205,98
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		2.102,82
c) Collateral	280.347,20	
B. Debts		
a) Accounts payable (-)	-562,52	-55.625,18
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	82.381,98	161.959,70
B. Term accounts at banks	580.596,00	740.366,90
VI. Accruals and deferrals		
B. Accrued income	2.866,89	1.579,64
C. Accrued expenses (-)	-471,54	-3.207,57
TOTAL CAPITAL AND RESERVES	6.080.760,76	6.920.774,03
A. Capital	6.692.140,96	6.653.105,75
B. Share in the profit	-2.349,28	260,34
D. Result for the financial year	-609.030,92	267.407,94

OFF-BALANCE-SHEET ITEMS

I Security in the form of real property (+/-)		
I.A Collateral (+/-)		
I.A.B Deposits and cash at bank and in hand	280.000,00	
IV Notional amounts of swap contracts (+)	6.463.360,00	6.463.360,00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-118.797,05	3.343,34
F. Financial derivatives		
e) On shares		
Swaps (+/-)	-483.933,85	263.205,98
G. Receivables, deposits, cash at bank and in hand, and payables	576,30	366,90
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-0,19	-3,08
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	94.799,52	26.293,49
b) Deposits and cash at bank and in hand	8.164,48	1.889,27
c) Collateral (+/-)	2.287,27	
D. Swaps (+/-)	8.144,32	5.829,63
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	3.082,16	3.246,42
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	0,17	-0,08
B. Financial expenses (-)	-162,50	-26,05
C. Custodian's fee (-)	-250,00	
D. Manager's fee (-)		
a) Financial management	-116.632,12	-31.906,72
b) Administration and accounting management	-3.402,33	-1.043,86
E. Administrative expenses (-)	-6,05	
F. Formation and organisation expenses (-)	-849,55	-193,62
G. Remuneration, social security charges and pensions (-)	-7,10	
H. Services and sundry goods (-)	-1.487,47	-386,11
J. Taxes	-84,60	
K. Other expenses (-)	-472,33	-3.207,57
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	-6.876,13	494,80
V. Profit (loss) on ordinary activities before tax	-609.030,92	267.407,94
VII. Result for the financial year	-609.030,92	267.407,94

**Profit appropriation
statement**

	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Profit to be allocated (loss to be recognised)		
Profit for the period available for appropriation (loss to be recognised)	-611.380,20	267.668,28
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-609.030,92	267.407,94
	-2.349,28	260,34
II. (Appropriations to) Deductions from capital	611.380,20	-267.668,28

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB JUMPER PLUS 2

Name	Quantity at 31 December 2011	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6E-7 23/04-23/10 4.747%	547.000,00	EUR	97,476	535.013,91		10,42	8,80
AMETHYST STRUCTURED FIN PLC 6E-7 23/04-23/10 4.747%	552.000,00	EUR	96,501	534.524,84		10,41	8,79
BROOKFIELDS CAPITAL PLC 6E-7 23/04-23/10 4.747%	548.000,00	EUR	97,767	537.589,63		10,47	8,84
EPERON FINANCE PLC 6E-7 23/04-23/10 4.747%	549.000,00	EUR	97,379	536.439,76		10,45	8,82
ESPACCIO SECURITIES PLC 6E-7 23/04-23/10 4.747%	277.000,00	EUR	96,522	268.287,54		5,22	4,41
GREENSTREET STRUCT. FIN. PROD. PLC 6E-7 23/04-23/10 4.747%	276.000,00	EUR	96,578	267.474,25		5,21	4,40
NIMROD CAPITAL PLC 6E-7 23/04-23/10 4.747%	275.000,00	EUR	97,646	269.443,24		5,25	4,43
OPAL FINANCIAL PRODUCTS PLC 6E-7 23/04-23/10 4.747%	276.000,00	EUR	96,772	268.010,64		5,22	4,41
PROFILE FINANCE PLC 6E-7 23/04-23/10 4.747%	276.000,00	EUR	97,284	269.422,15		5,25	4,43
RECOLTE SECURITIES PLC 6E-7 23/04-23/10 4.747%	276.000,00	EUR	96,389	266.952,35		5,20	4,39
SILVERSTATE FIN INV PLC 6E-7 23/04-23/10 4.747%	273.000,00	EUR	96,951	265.586,03		5,17	4,37
VESPUCCI STRUCTURED FIN PROD 6E-7 23/04-23/10 4.747%	275.000,00	EUR	97,142	268.056,37		5,22	4,41
VIGADO CAPITAL PLC 6E-7 23/04-23/10 4.747%	276.000,00	EUR	96,436	267.082,63		5,20	4,39
VOYCE INVESTMENTS PLC 6E-7 23/04-23/10 4.747%	273.000,00	EUR	97,895	268.163,27		5,22	4,41
WATERFORD CAPITAL INC PLC 6E-7 23/04-23/10 4.747%	276.000,00	EUR	96,298	266.702,44		5,19	4,39
WAVES FINANCIAL INV PLC 6E-7 23/10-23/04 4.747%	274.000,00	EUR	97,324	267.581,57		5,21	4,40
Total bonds				5.356.330,62		104,30	88,09
Swaps							
<u>Belgium</u>							
KBC SWAPS	6.463.360,00	EUR	-7,020	-220.727,87		-4,30	-3,63
Total swaps				-220.727,87		-4,30	-3,63
TOTAL SECURITIES PORTFOLIO				5.135.602,75		100,00	84,46
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	82.381,98	EUR	1,000	82.381,98			1,36
Total demand accounts				82.381,98			1,36
Time deposit accounts							
<u>Germany</u>							
COMMERZBANK AG 21/10-20/04/12 COMB 1.620 %	280.000,00	EUR	100,080	280.224,00			4,61

<u>Belgium</u>						
KBC BANK NV 21/10-20/04/12 KBCBANK 1.760 %	300.000,00	EUR	100,124	300.372,00		4,94
Total time deposit accounts				580.596,00		9,55
TOTAL CASH AT BANK AND IN HAND				662.977,98		10,90
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC BANK NV 21/10-20/04/12 KBCBAN 1.760 % C	280.000,00	EUR	100,124	280.347,20		4,61
Total receivables				280.347,20		4,61
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-562,52	EUR	1,000	-562,52		-0,01
Total debts				-562,52		-0,01
TOTAL OTHER RECEIVABLES AND PAYABLES				279.784,68		4,60
OTHER						
Accrued interest		EUR		2.866,89		0,05
Expenses payable		EUR		-471,54		-0,01
TOTAL OTHER				2.395,35		0,04
TOTAL NET ASSETS				6.080.760,76		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
KBCBANK 21/10-20/04/12 KBCBAN 1.760 % C	EUR	280.000,00	280.000,00	n.a.	21.11.2011
EQLISWAP	EUR	6.463.360,00	6.463.360,00	n.a.	21.10.2011

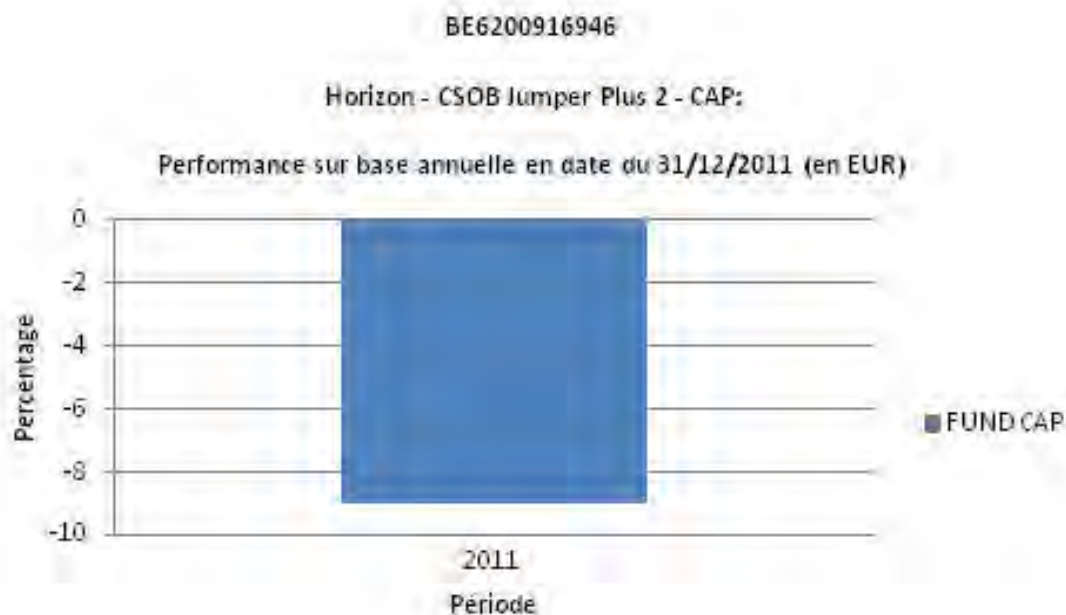
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 12	671.311,00		6.540,00		664.771,00		664.771,00
2011 - 12	4.112,00		26.961,00		641.922,00		641.922,00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2010 - 12	6.720.684,34		67.318,25	
2011 - 12	38.618,71		269.601,06	

Period	Net asset value At the end of the period (in the currency of the sub fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2010 - 12	6.920.774,03	10,41	
2011 - 12	6.080.760,76	9,47	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE6200916946	EUR	-9.03%								10/09/2010	-4.08%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
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
- 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} 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.842%

* 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% to 60% if the distributor is an entity belonging to KBC Groupe SA, and to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

If the management company invests the UCI's assets in units of undertakings for collective investment that are not managed by an entity belonging to KBC Groupe SA, and receives a fee for doing so, it will pay this fee to the UCI.

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB DUO COUPON 4

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 23.07.10

Initial subscription price: 20 EUR

Maturity date: 27.12.18

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse the initial subscription price per share of 20 EUR up to the first half of the initial subscription value on the interim maturity date and the second half of the initial subscription value on the maturity date (protection of capital). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection, however, does not extend to shareholders selling their shares before the interim or final maturity date.
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism intended to ensure capital protection on the maturity date or, where applicable, the early exercise date consists of investing all subscriptions in bonds or other debt instruments, deposits and/or liquid assets, notably funds deposited into term or demand accounts. These investments may have different durations and coupon payment dates which are aligned with the expiry dates of the sub-fund's commitments through the use of the swaps referred to in the section *Permitted swap transactions (2)*.

Characteristics to be met by the investments

The deposits, bonds and other debt instruments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area;
- (2) Debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, due to shortcomings of the financial mechanism, the amount to be paid per share on the interim maturity date or at maturity before costs and taxes is less than the initial subscription price, KBC Asset Management may decide, without being obligated to do so, to allocate the management fee made from the sub-fund and potentially other sub-funds of the ICVC during the current financial year to cover this shortfall. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

This capital protection, however, does not extend to shareholders selling their shares before the interim or final maturity dates.

POTENTIAL RETURN

To obtain a potential return, the sub-fund conducts swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, derivatives (financial derivatives), liquid assets and any other instrument permitted under the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-1" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. As part of these swaps, the sub-fund transfers part of its future income from these investments earmarked for capital protection to these counterparties for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund risk profile is not influenced by use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The sub-fund has the following investment objectives:

On the interim maturity date: remboursement de la première moitié de la valeur de souscription initiale de 20 EUR, soit 10 EUR et un premier paiement de dividende égal à 7% (rendement actuariel sur base annuelle : 6.42%) calculé sur la moitié de la valeur de souscription initiale de 20 EUR, soit 10 EUR. This dividend amounts to 0,7 EUR

On the maturity date: redemption of the second half of the value of the initial subscription of 20 EUR, i.e. 10 EUR.

Per period of: a dividend calculated for half of the initial subscription value of 20 EUR, i.e. 10 EUR, on the basis of any increase in the value of a basket of the 30 top-quality corporate shares (as defined below), which are characterised by high market capitalisation and a low price/earnings ratio calculated on the basis of a **'Fix Upside Coupon' structure**. Any increase in value of this basket per period with respect to the base value of the basket (*(last value of the basket period minus base value of the basket) divided by base value of the basket*) will be determined according to the respective period and paid out at 100% as a dividend. In determining the last value of the shares for the period the method of calculation as described in the "Last value per period of a share" must be used and thus a maximum gain of 7% is distributed as dividend. As a consequence, the yield to maturity per sub-period (on an annualised basis) is between 4.89% and 6.44% maximum, depending on the duration of the sub-period (see table of sub-periods). Any negative basket performances are not taken into account. The minimum dividend per period is equal to 0.5%, calculated on the basis of half of the initial subscription value of 20 EUR, i.e. 10 EUR. As a consequence, the yield to maturity per sub-period (on an annualised basis) is between 0.35% and 0.46% minimum, depending on the duration of the sub-period (see table of sub-periods)

The payment of the dividend for the initial period coincides with the interim maturity date.

A withholding tax of 21% is levied on the dividend paid, subject to changes in the applicable legislation. The dividends on each period, with the exception of the last period, are payable on the last bank working day of the month following the end of the period. The dividend for the last period is payable on the maturity date.

MATURITY: Friday 27.12.18 (payment with value date D + 1 bank working day).

INTERIM MATURITY: The last valuation date of August 2011 (payment with value date of D+1 bank working day).

CURRENCY: EUR, the change in the local exchange rate of the shares in the basket in relation to the EUR is not relevant.

Period	Duration of period	Last price for period
1) 07/2010 – 07/2011	13 months	For each share in the basket, the average price of the first five valuation dates of August 2011
2) 08/2011 – 07/2012	12 months	For each share in the basket, the average price of the first five valuation dates of August 2012
3) 08/2012 – 07/2013	12 months	For each share in the basket, the average price of the first five valuation dates of August 2013
4) 08/2013 – 07/2014	12 months	For each share in the basket, the average price of the first five valuation dates of August 2014
5) 08/2014 – 07/2015	12 months	For each share in the basket, the average price of the first five valuation dates of August 2015
6) 08/2015 – 07/2016	12 months	For each share in the basket, the average price of the first five valuation dates of August 2016
7) 08/2016 – 07/2017	12 months	For each share in the basket, the average price of the first five valuation dates of August 2017
8) 08/2017 – 11/2018	16 months	For each share in the basket, the average price of the first five valuation dates of December 2018

BASE VALUE OF A SHARE:

For each share in the basket the average price of the first five valuation dates beginning Wednesday 27.07.10 inclusive.

LAST VALUE PER PERIOD OF A SHARE*:

- Scenario 1: if the final price for a share is greater than its base value, irrespective of the difference, a 7% increase with respect to the base value of the share will be booked for the current period.
- Scenario 2: if the final price of the share for the period is less than or equal to the base value of this share, the share's final price will be booked as its last value for the period.

*The increase or decrease in a share's price at the end of each period is always calculated in relation to the base value of this individual share as described above,

which is only determined once and may not be changed, as shown in the example below.

BASE VALUE OF THE BASKET: the average weighted base value of shares in the basket.

LAST VALUE OF BASKET FOR THE PERIOD:

the average weighted last value of shares in the basket for the period.

PRICE:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, namely the price of an equity in the basket as calculated and published on closure of the stock exchange by the competent stock-exchange body (or its legal successor) for the place where the security is listed. For equities listed on the Milan stock exchange, the reference price is used.

VALUATION DATE:

A valuation date is determined separately for each share in the basket.

A valuation date is a day which is both an official stock-market trading day

- i) for the stock market where the share is listed, and,
- ii) for the stock market with trading activity that has a significant impact on options and forward contracts traded on the securities making up the index,

hereinafter "the Stock Markets Concerned",

If, on the valuation date:

- a) one of the stock markets concerned remains closed unexpectedly; or,
- b) an event occurs which disrupts the market on one of the stock markets concerned; or,
- c) one of the stock markets concerned closes early,

the scheduled valuation date is replaced by the next trading day on which none of the events listed under a), b) and c) above occur. A closure which is out of the ordinary but is announced in good time is not considered to be an early closure.

If a valuation is made on the basis of successive valuation dates, the trading day replacing a scheduled valuation date (i) cannot coincide with another scheduled valuation date, and (ii) cannot be a trading day which already replaces another scheduled valuation date.

If, however, an event under a), b) or c) above occurs on each of the eight trading days which follow the scheduled valuation date:

- (i) the eighth trading day is held to be the scheduled valuation date:
- (ii) the ICVC will estimate, in good faith and in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and,
- (iii) the ICVC will inform the unit holders of the changes with regard to determination of the base value and/or the last value and the terms and conditions of payment.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following example illustrates the investment objectives described above. The example is based on a duration of 8 years, 6 months, and 2 days, an initial subscription value of 20 EUR, an interim maturity date 13 months after launch of the sub-fund and a basket of 3 equally weighted shares, each priced at 100 in the determination of the base value.

- At the interim maturity date, the first half of the value of the initial subscription of 20 EUR (i.e. 10 EUR) is redeemed. Moreover, for the period starting from the launch to the interim maturity date, a first dividend of 7% will be paid, calculated on the basis of half of the initial subscription amount of EUR 20 (i.e. EUR 10). The dividend paid thus amounts to $7\% \times 10 \text{ EUR} = 0,7 \text{ EUR}$
- For periods 1 to 8, the sub-fund pays a dividend calculated on the basis of the other half of the initial subscription of 20 EUR (i.e. 10 EUR), based on any increase in the basket of shares. In case of any rise in a period of an individual share (>0%), compared with its base value, the contribution of this share to basket gain will be set at 7%. However, any decrease ($\leq 0\%$) of an individual share in relation to the base value is taken into account in determining the contribution of the share to the value of the basket for the period concerned. The minimum dividend per period is equal to 0.5%, calculated on the basis of half of the initial subscription value of 20 EUR, i.e. 10 EUR.
- The payment of the dividend for the initial period coincides with the interim maturity date.

Example

Scénario positif		Cours Final Action par Période						
Numéro Période		Action A	Action B	Action C	Calcul	Dividende (**)	Paiement en EUR (***)	
	Echéance Intermédiaire					7.00%		
1	Fin Période 1 (*)	101 (7%)	102 (7%)	101 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	10+0.7+0.7=11.4	
2	Fin Période 2 (*)	102 (7%)	110 (7%)	102 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	0.70	
3	Fin Période 3 (*)	103 (7%)	111 (7%)	104 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	0.70	
4	Fin Période 4 (*)	101 (7%)	112 (7%)	110 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	0.70	
5	Fin Période 5 (*)	105 (7%)	118 (7%)	115 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	0.70	
6	Fin Période 6 (*)	101 (7%)	120 (7%)	120 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	0.70	
7	Fin Période 7 (*)	101 (7%)	115 (7%)	125 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	0.70	
8	Fin Période 8 (*)	101 (7%)	102 (7%)	122 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	10+0.7=10.7	

(*) Le Cours Final et entre parenthèses, la contribution de chaque action (Valeur Finale par Période d'une action) au dividende de la période considérée.

(**) Fiscalité : précompte mobilier de 15% sur les dividendes, sous réserve de modification de la législation en vigueur.

(***) 50% de la valeur de souscription initiale est remboursée à l'Echéance Intermédiaire et 50% à l'Echéance

Scénario neutre		Cours Final Action par Période						
Numéro Période		Action A	Action B	Action C	Calcul	Dividende (**)	Paiement en EUR (***)	
	Echéance Intermédiaire					4.33%		
1	Fin Période 1 (*)	101 (7%)	102 (7%)	99 (-1%)	$(7\%+7\%-1\%)/3=4.33\%$	4.33%	10+0.7+0.43=11.13	
2	Fin Période 2 (*)	90 (-10%)	110 (7%)	102 (7%)	$(-10\%+7\%+7\%)/3=1.33\%$	1.33%	0.13	
3	Fin Période 3 (*)	94 (-6%)	111 (7%)	104 (7%)	$(-6\%+7\%+7\%)/3=2.67\%$	2.67%	0.27	
4	Fin Période 4 (*)	93 (-7%)	112 (7%)	110 (7%)	$(-7\%+7\%+7\%)/3=2.33\%$	2.33%	0.23	
5	Fin Période 5 (*)	101 (7%)	94 (-6%)	115 (7%)	$(7\%-6\%+7\%)/3=2.67\%$	2.67%	0.27	
6	Fin Période 6 (*)	99 (-1%)	120 (7%)	120 (7%)	$(-1\%+7\%+7\%)/3=4.33\%$	4.33%	0.43	
7	Fin Période 7 (*)	98 (-2%)	115 (7%)	125 (7%)	$(-2\%+7\%+7\%)/3=4\%$	4%	0.4	
8	Fin Période 8 (*)	99 (-1%)	101 (7%)	99 (-1%)	$(-1\%+7\%-1\%)/3=1.67\%$	1.67%	10+0.17=10.17	

(*) Le Cours Final et entre parenthèses, la contribution de chaque action (Valeur Finale par Période d'une action) au dividende de la période considérée.

(**) Fiscalité : précompte mobilier de 15% sur les dividendes, sous réserve de modification de la législation en vigueur.

(***) 50% de la valeur de souscription initiale est remboursée à l'Echéance Intermédiaire et 50% à l'Echéance

Scénario négatif		Cours Final Action par Période						
Numéro Période		Action A	Action B	Action C	Calcul	Dividende (**)	Paiement en EUR (***)	
	Echéance Intermédiaire					7.00%		
1	Fin Période 1 (*)	98 (-2%)	99 (-1%)	95 (-5%)	$(-2\%-1\%-5\%)/3=-2.67\%$	0.50%	10+0.7+0.05=10.75	
2	Fin Période 2 (*)	97 (-3%)	98 (-2%)	101 (7%)	$(-3\%-2\%+7\%)/3=0.67\%$	0.50%	0.05	
3	Fin Période 3 (*)	98 (-2%)	101 (7%)	95 (-5%)	$(-2\%+7\%-5\%)/3=0\%$	0.50%	0.05	
4	Fin Période 4 (*)	99 (-1%)	102 (7%)	95 (-5%)	$(-1\%+7\%-5\%)/3=0.33\%$	0.50%	0.05	
5	Fin Période 5 (*)	89 (-11%)	99 (-1%)	77 (-23%)	$(-11\%-1\%-23\%)/3=-11.67\%$	0.50%	0.05	
6	Fin Période 6 (*)	98 (-4%)	92 (-8%)	85 (-15%)	$(-4\%-8\%-15\%)/3=-9\%$	0.50%	0.05	
7	Fin Période 7 (*)	92 (-8%)	108 (7%)	69 (-31%)	$(-8\%+7\%-31\%)/3=-10.67\%$	0.50%	0.05	
8	Fin Période 8 (*)	80 (-20%)	112 (7%)	80 (-20%)	$(-20\%+7\%-20\%)/3=-11.1\%$	0.50%	10+0.05=10.05	

(*) Le Cours Final et entre parenthèses, la contribution de chaque action (Valeur Finale par Période d'une action) au dividende de la période considérée.

(**) Fiscalité : précompte mobilier de 15% sur les dividendes, sous réserve de modification de la législation en vigueur.

(***) 50% de la valeur de souscription initiale est remboursée à l'Echéance Intermédiaire et 50% à l'Echéance

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ABBOTT LABORATORIES	ABT UN Equity	NYSE	2.50%
2	ALLIANZ SE-REG	ALV GY Equity	Frankfurt	4.50%
3	BANCO SANTANDER SA	SAN SM Equity	Madrid	3.50%
4	BP PLC	BP/ LN Equity	London	4.00%
5	BRISTOL-MYERS SQUIBB CO	BMV UN Equity	NYSE	3.00%
6	BRITISH LAND CO PLC	BLND LN Equity	London	4.00%
7	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	4.50%
8	E.ON AG	EOAN GY Equity	Frankfurt	3.50%
9	ENEL SPA	ENEL IM Equity	Milan	4.00%
10	FRANCE TELECOM SA	FTE FP Equity	Paris	2.50%
11	GDF SUEZ	GSZ FP Equity	Paris	3.00%
12	HOME DEPOT INC	HD UN Equity	NYSE	3.00%
13	HSBC HOLDINGS PLC	HSBA LN Equity	London	3.50%
14	KONINKLIJKE AHOLD NV	AH NA Equity	Amsterdam	3.00%
15	KONINKLIJKE KPN NV	KPN NA Equity	Amsterdam	3.50%
16	KRAFT FOODS INC-CLASS A	KFT UN Equity	NYSE	2.50%
17	MUENCHENER RUECKVER AG-REG	MUV2 GY Equity	Frankfurt	4.00%
18	NATIONAL GRID PLC	NG/ LN Equity	London	3.00%
19	NESTLE SA-REG	NESN VX Equity	Virt-X	3.00%
20	NOVARTIS AG-REG	NOVN VX Equity	Virt-X	3.00%
21	PEPSICO INC	PEP UN Equity	NYSE	4.00%
22	ROCHE HOLDING AG-GENUSSCHEIN	ROG VX Equity	Virt-X	3.50%
23	SCOTTISH & SOUTHERN ENERGY	SSE LN Equity	London	4.00%
24	SWISSCOM AG-REG	SCMN VX Equity	Virt-X	2.50%
25	TAKEDA PHARMACEUTICAL CO LTD	4502 JT Equity	Tokyo	3.00%
26	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
27	UNIBAIL-RODAMCO SE	UL FP Equity	Paris	3.00%
28	VINCI SA	DG FP Equity	Paris	3.50%
29	VODAFONE GROUP PLC	VOD LN Equity	London	3.50%
30	ZURICH FINANCIAL SERVICES AG	ZURN VX Equity	Virt-X	2.50%

Selection criteria for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it has a major market capitalisation and a low price/earnings ratio, and (iii) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition, the shares of the issuers concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, none of the shares concerned by this operation meet the Selection Criteria, the arrangements set out under 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket proceeds with a demerger, the share concerned may be replaced either by one of the shares arising from the demerger and meeting the Selection Criteria or by a basket composed of all such shares. This basket will be treated as one share for the purpose of calculating the number of shares in the basket. If, in the wake of the operation, none of the shares concerned by demerger meet the Selection Criteria, the arrangements set out under 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('Disqualification'), the share is removed from the basket and disposed of at the last price before it is eliminated. The amount realised is then invested until the maturity date of the sub-fund's underlying swap transaction at the interest rate applying at that time on the money or bond market. This amount together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket.

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price pro rata based on the length of time for which the investor has held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 INVESTMENT POLICY

Composition of the basket on the date of the report

Name	Value
ABBOTT LABORATORIES	2,8579
ALLIANZ SE-REG	3,6775
BANCO SANTANDER SA	1,9741
BP PLC	4,5159
BRISTOL-MYERS SQUIBB CO	4,1998
BRITISH LAND CO PLC	3,9032
DEUTSCHE POST AG-REG	3,9451
E.ON AG	2,5015
ENEL SPA	3,2775
FRANCE TELECOM SA	1,9017
GDF SUEZ	2,4296
HOME DEPOT INC	4,4271
HSBC HOLDINGS PLC (LONDON)	2,5997
KONINKLIJKE AHOLD NV	3,1111
KONINKLIJKE KPN NV	2,9706
KRAFT FOODS INC-CLASS A	3,1952
MUENCHENER RUECKVER AG-REG	3,4897
NATIONAL GRID PLC	3,6596
NESTLE SA-REG	3,0876
NOVARTIS AG-REG	3,1177
PEPSICO INC	4,0827
ROCHE HOLDING AG-GENUSSCHEIN	4,0789
SSE PLC	4,5334
SWISSCOM AG-REG	2,2234
TAKEDA PHARMACEUTICAL CO LTD	2,5334
TELEFONICA SA (SM)	2,2833
UNIBAIL-RODAMCO (PARIS)	3,0842
VINCI SA	3,0597
VODAFONE GROUP PLC	4,2796
ZURICH FINANCIAL SERVICE-REG	2,1449
TOTAL	97,15

Performance of the index or basket

Index:	BASKET
31/12/2010:	103,18
30/06/2011:	105,27
29/12/2011:	97,15
Performance since 31/12/2010 or since the launch of the sub-fund:	-5,84%
Performance since 30 June 2011 or since the launch of the sub-fund:	-7,71%
Index at the launch of the sub-fund	100,00
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	EUR

Fixings

Period	Last date	Last value	Cap
1	05/08/2011	n.a.	0,50%
2	05/08/2011	n.a.	0,50%

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
03/10/2011	SCOTTISH & SOUTHERN ENERGY	SSE PLC	Change of name

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: I

Risk rating at launch: I

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
TOTAL NET ASSETS	4.935.669,69	10.901.722,99
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	4.352.625,42	9.649.019,61
F. Financial derivatives		
e) On shares		
Swaps (+/-)	-226.869,44	-38.374,05
k) On interest-rates		
Swaps (+/-)		-2.221,50
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		2.272,15
c) Collateral	510.418,20	
B. Debts		
a) Accounts payable (-)	-471,74	
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	44.975,82	110.628,00
B. Term accounts at banks	250.202,10	1.180.479,70
VI. Accruals and deferrals		
B. Accrued income	5.159,53	5.114,30
C. Accrued expenses (-)	-370,20	-5.195,22
TOTAL CAPITAL AND RESERVES	4.935.669,69	10.901.722,99
A. Capital	4.792.342,37	10.910.457,06
B. Share in the profit	-14.431,89	-122,36
D. Result for the financial year	157.759,21	-8.611,71

OFF-BALANCE-SHEET ITEMS

I Security in the form of real property (+/-)		
I.A Collateral (+/-)		
I.A.B Deposits and cash at bank and in hand	510.000,00	
IV Notional amounts of swap contracts (+)	5.255.360,00	10.943.000,00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-63.723,37	4.488,82
F. Financial derivatives		
e) On shares		
Swaps (+/-)	-191.845,56	-38.374,05
j) On interest rates		
Swaps (+/-)	28.606,37	-2.221,50
G. Receivables, deposits, cash at bank and in hand, and payables	140,60	479,70
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	1,69	0,16
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	111.931,53	52.239,17
b) Deposits and cash at bank and in hand	19.435,39	6.703,39
C. Interest on loans taken out (-)		-1.026,26
D. Swaps (+/-)	305.459,29	244,05
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	3.844,07	326,65
B. Other	-2.208,24	2.272,15
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	0,13	-0,16
B. Financial expenses (-)	-244,37	-513,61
C. Custodian's fee (-)	-250,00	
D. Manager's fee (-)		
a) Financial management	-42.258,83	-20.864,50
b) Administration and accounting management	-4.037,51	-2.359,29
E. Administrative expenses (-)	-1.701,80	
F. Formation and organisation expenses (-)	-2.929,25	-314,58
G. Remuneration, social security charges and pensions (-)	-10,84	
H. Services and sundry goods (-)	-1.957,60	-1.504,99
J. Taxes	-122,68	-2.991,64
K. Other expenses (-)	-369,81	-5.195,22
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	384.579,48	27.015,16
V. Profit (loss) on ordinary activities before tax	157.759,21	-8.611,71
VII. Result for the financial year	157.759,21	-8.611,71

Profit appropriation statement

	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Profit to be allocated (loss to be recognised)	143.327,32	-8.734,07
Profit for the period available for appropriation (loss to be recognised)	157.759,21	-8.611,71
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-14.431,89	-122,36
II. (Appropriations to) Deductions from capital	257.096,18	8.734,07
IV. (Dividends to be distributed)	-400.423,50	

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB DUO COUPON 4

Name	Quantity at 31 December 2011	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6E-7 08/08-10/02_5.096%	435.000,00	EUR	97,440	426.761,82		10,34	8,65
AMETHYST STRUCTURED FIN PLC 6E-7 08/08-10/02_5.096%	447.000,00	EUR	96,465	434.178,33		10,52	8,80
BROOKFIELDS CAPITAL PLC 6E-7 08/08-10/02_5.096%	446.000,00	EUR	97,731	438.853,77		10,64	8,89
EPERON FINANCE PLC 6E-7 08/08-10/02_5.096%	445.000,00	EUR	97,343	436.142,57		10,57	8,84
ESPACCIO SECURITIES PLC 6E-7 08/08-10/02_5.096%	221.500,00	EUR	96,486	215.191,93		5,22	4,36
GREENSTREET STRUCT. FIN. PROD. PLC 6E-7 08/08-10/02_5.096%	221.500,00	EUR	96,542	215.316,53		5,22	4,36
NIMROD CAPITAL PLC 6E-7 08/08-10/02_5.096%	222.500,00	EUR	97,610	218.665,81		5,30	4,43
OPAL FINANCIAL PRODUCTS PLC 6E-7 08/08-10/02_5.096%	222.500,00	EUR	96,736	216.721,04		5,25	4,39
PROFILE FINANCE PLC 6E-7 08/08-10/02_5.096%	227.500,00	EUR	97,248	222.754,64		5,40	4,51
RECOLTE SECURITIES PLC 6E-7 08/08-10/02_5.096%	225.500,00	EUR	96,353	218.778,46		5,30	4,43
SILVERSTATE FIN INV PLC 6E-7 08/08-10/02_5.096%	221.500,00	EUR	96,915	216.143,39		5,24	4,38
VESPUCCI STRUCTURED FIN PROD 6E-7 08/08-10/02_5.096%	226.500,00	EUR	97,106	221.454,60		5,37	4,49
VIGADO CAPITAL PLC 6E-7 08/08-10/02_5.096%	225.500,00	EUR	96,400	218.884,91		5,31	4,44
VOYCE INVESTMENTS PLC 6E-7 08/08-10/02_5.096%	219.500,00	EUR	97,859	216.263,93		5,24	4,38
WATERFORD CAPITAL INC PLC 6E-7 08/08-10/02_5.096%	226.500,00	EUR	96,262	219.543,56		5,32	4,45
WAVES FINANCIAL INV PLC 6E-7 08/08-10/02_5.096%	221.500,00	EUR	97,288	216.970,13		5,26	4,40
Total bonds				4.352.625,42		105,50	88,19
Swaps							
<u>Belgium</u>							
KBC SWAPS	5.255.360,00	EUR	-4,590	-226.869,44		-5,50	-4,60
Total swaps				-226.869,44		-5,50	-4,60
TOTAL SECURITIES PORTFOLIO				4.125.755,98		100,00	83,59
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	44.975,82	EUR	1,000	44.975,82			0,91
Total demand accounts				44.975,82			0,91
Time deposit accounts							
<u>Belgium</u>							
KBC BANK NV 10/08-10/02/12 KBCBANK 1.730 %	120.000,00	EUR	100,082	120.098,40			2,43
KBC BANK NV 23/08-10/02/12 KBCBANK 1.730 %	30.000,00	EUR	100,069	30.020,70			0,61

<u>Sweden</u>						
SKANDINAVISKA ENSKILDA 10/08-10/02/12 SKANENSK 1.740 %	100.000,00	EUR	100,083	100.083,00		2,03
Total time deposit accounts				250.202,10		5,07
TOTAL CASH AT BANK AND IN HAND				295.177,92		5,98
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC BANK NV 10/08-10/02/12 KBCBAN 1.730 % C	510.000,00	EUR	100,082	510.418,20		10,34
Total receivables				510.418,20		10,34
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-471,74	EUR	1,000	-471,74		-0,01
Total debts				-471,74		-0,01
TOTAL OTHER RECEIVABLES AND PAYABLES				509.946,46		10,33
OTHER						
Accrued interest		EUR		5.159,53		0,11
Expenses payable		EUR		-370,20		-0,01
TOTAL OTHER				4.789,33		0,10
TOTAL NET ASSETS				4.935.669,69		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
KBCBANK 10/08-10/02/12 KBCBAN 1.730 % C	EUR	510.000,00	510.000,00	n.a.	19.08.2011
EQLISWAP	EUR	5.255.360,00	5.255.360,00	n.a.	31.08.2011

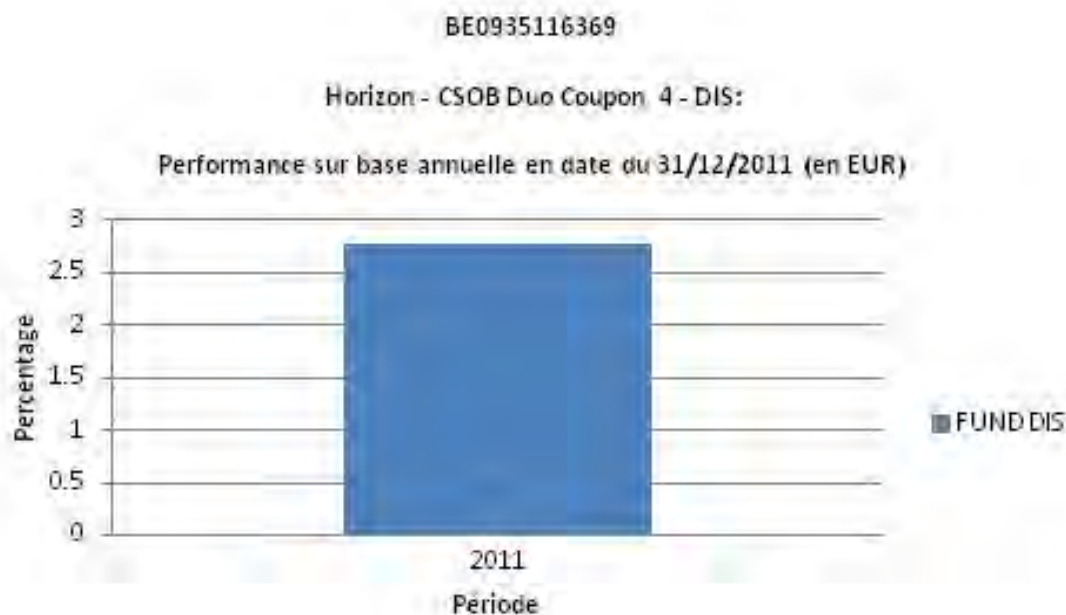
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 12		547.150,00		1.599,00		545.551,00	545.551,00
2011 - 12		0,00		27.627,00		517.924,00	517.924,00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2010 - 12		10.943.000,00		32.665,30
2011 - 12		0,00		5.723.389,01

Period	Net asset value At the end of the period (in the currency of the sub fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2010 - 12	10.901.722,99		19,98
2011 - 12	4.935.669,69		9,53

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
DIS	BE0935116369	EUR	2.77%								23/07/2010	1.85%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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:

Distribution units (DIS)

Return on date D over a period of X years:

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

where Y = D-X

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

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

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

with C a factor that is determined by all of the dividends and from the date of calculating D and the reference date.

For dividend i to date DI with value Wi we apply:

$$Ci = [Wi / NAV(Di)] + 1$$

i = 1 ... N

where C = C0 * ... * CN.

- 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 nth 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 returns for distribution shares.

Dividend at ex-dividend date 17/08/2011: EUR 0,64 net (EUR 0,75 gross).

2.4.6 COSTS

Total expenses ratio (TER): * 0.661%

* 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% to 60% if the distributor is an entity belonging to KBC Groupe SA, and to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

If the management company invests the UCI's assets in units of undertakings for collective investment that are not managed by an entity belonging to KBC Groupe SA, and receives a fee for doing so, it will pay this fee to the UCI.

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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 - 2.4.5. Performance figures
 - 2.4.6. Costs
 - 2.4.7. Notes to the financial statements and other data

In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB DUO COUPON 5

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 22.10.10

Initial subscription price: 20 EUR

Maturity date: 31.07.19

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse the initial subscription price per share of 20 EUR up to the first half of the initial subscription value on the interim maturity date and the second half of the initial subscription value on the maturity date (protection of capital). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection, however, does not extend to shareholders selling their shares before the interim or final maturity date.
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism intended to ensure capital protection on the maturity date or, where applicable, the early exercise date consists of investing all subscriptions in bonds or other debt instruments, deposits and/or liquid assets, notably funds deposited into term or demand accounts. These investments may have different durations and coupon payment dates which are aligned with the expiry dates of the sub-fund's commitments through the use of the swaps referred to in the section *Permitted swap transactions (2)*.

Characteristics to be met by the investments

The deposits, bonds and other debt instruments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area;
- (2) Debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, due to shortcomings of the financial mechanism, the amount to be paid per share on the interim maturity date or at maturity before costs and taxes is less than the initial subscription price, KBC Asset Management may decide, without being obligated to do so, to allocate the management fee made from the sub-fund and potentially other sub-funds of the ICVC during the current financial year to cover this shortfall. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

This capital protection, however, does not extend to shareholders selling their shares before the interim or final maturity dates.

POTENTIAL RETURN

To obtain a potential return, the sub-fund conducts swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, derivatives (financial derivatives), liquid assets and any other instrument permitted under the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-1" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. As part of these swaps, the sub-fund transfers part of its future income from these investments earmarked for capital protection to these counterparties for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund risk profile is not influenced by use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The sub-fund has the following investment objectives:

On the interim maturity date: remboursement de la première moitié de la valeur de souscription initiale de 20 EUR, soit 10 EUR et un premier paiement de dividende égal à 6% (rendement actuariel sur base annuelle : 5.49%) calculé sur la moitié de la valeur de souscription initiale de 20 EUR, soit 10 EUR. This dividend amounts to 0.6 EUR

On the maturity date: redemption of the second half of the value of the initial subscription of 20 EUR, i.e. 10 EUR.

Per period of: a dividend calculated for half of the initial subscription value of 20 EUR, i.e. 10 EUR, on the basis of any increase in the value of a basket of the 30 top-quality corporate shares (as defined below), which are characterised by high market capitalisation and a low price/earnings ratio calculated on the basis of a **'Fix Upside Coupon' structure**. Any increase in value of this basket per period with respect to the base value of the basket (*(last value of the basket period minus base value of the basket) divided by base value of the basket*) will be determined according to the respective period and paid out at 100% as a dividend. In determining the last value of the shares for the period the method of calculation as described in the "Last value per period of a share" must be used and thus a maximum gain of 7% is distributed as dividend. As a consequence, the yield to maturity per sub-period (on an annualised basis) is between 3.94 % and 6.44% maximum, depending on the duration of the sub-period (see table of sub-periods).

Any negative basket performances are not taken into account. The minimum dividend per period is equal to 0.5%, calculated on the basis of half of the initial subscription value of 20 EUR, i.e. 10 EUR. As a consequence, the yield to maturity per sub-period (on an annualised basis) is between 0.28 % and 0.46% minimum, depending on the duration of the sub-period (see table of sub-periods). The payment of the dividend for the initial period coincides with the interim maturity date.

A withholding tax of 21% is levied on the dividend paid, subject to changes in the applicable legislation. The dividends on each period, with the exception of the last period, are payable on the last bank working day of the month following the end of the period. The dividend for the last period is payable on the maturity date.

MATURITY: Friday 31.07.19 (payment with value date D + 1 bank working day).

INTERIM MATURITY: The last valuation date of November 2011 (payment with value date of D+1 bank working day).

CURRENCY: EUR, the change in the local exchange rate of the shares in the basket in relation to the EUR is not relevant.

PERIODS

Period	Duration of period	Last price for period
1) 10/2010 – 10/2011	13 months	For each share in the basket, the average price of the first five valuation dates of November 2011
2) 11/2011 – 10/2012	12 months	For each share in the basket, the average price of the first five valuation dates of November 2012
3) 11/2012 – 10/2013	12 months	For each share in the basket, the average price of the first five valuation dates of November 2013
4) 11/2013 – 10/2014	12 months	For each share in the basket, the average price of the first five valuation dates of November 2014
5) 11/2014 – 10/2015	12 months	For each share in the basket, the average price of the first five valuation dates of November 2015
6) 11/2015 – 10/2016	12 months	For each share in the basket, the average price of the first five valuation dates of November 2016
7) 11/2016 – 10/2017	12 months	For each share in the basket, the average price of the first five valuation dates of November 2017
8) 11/2017 – 06 /2019	21 months	For each share in the basket, the average price of the first five valuation dates of July 2019

BASE VALUE OF A SHARE:

For each share in the basket the average price of the first five valuation dates beginning Wednesday 26.10.10 inclusive.

LAST VALUE PER PERIOD OF A SHARE*:

- Scenario 1: if the final price for a share is greater than its base value, irrespective of the difference, a 7% increase with respect to the base value of the share will be booked for the current period.
- Scenario 2: if the final price of the share for the period is less than or equal to the base value of this share, the share's final price will be booked as its last value for the period.

(*)The increase or decrease in a share's price at the end of each period is always calculated in relation to the base value of the respective share as described above, which is only determined once and which may not be changed, as shown in the example below.

BASE VALUE OF THE BASKET: the average weighted base value of shares in the basket.

LAST VALUE OF BASKET FOR THE PERIOD:

the average weighted last value of shares in the basket for the period.

PRICE:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, namely the price of an equity in the basket as calculated and published on closure of the stock exchange by the competent stock-exchange body (or its legal successor) for the place where the security is listed. For equities listed on the Milan stock exchange, the reference price is used.

VALUATION DATE:

A valuation date is determined separately for each share in the basket.

A valuation date is a day which is both an official stock-market trading day

- i) for the stock market where the share is listed, and,
- ii) for the stock market with trading activity that has a significant impact on options and forward contracts traded on the securities making up the index,

hereinafter "the Stock Markets Concerned",

If, on the valuation date:

- a) one of the stock markets concerned remains closed unexpectedly; or,
- b) an event occurs which disrupts the market on one of the stock markets concerned; or,
- c) one of the stock markets concerned closes early,

the scheduled valuation date is replaced by the next trading day on which none of the events listed under a), b) and c) above occur. A closure which is out of the ordinary but is announced in good time is not considered to be an early closure.

If a valuation is made on the basis of successive valuation dates, the trading day replacing a scheduled valuation date (i) cannot coincide with another scheduled valuation date, and (ii) cannot be a trading day which already replaces another scheduled valuation date.

If, however, an event under a), b) or c) above occurs on each of the eight trading days which follow the scheduled valuation date:

- (i) the eighth trading day is held to be the scheduled valuation date:
- (ii) the ICVC will estimate, in good faith and in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and,
- (iii) the ICVC will inform the unit holders of the changes with regard to determination of the base value and/or the last value and the terms and conditions of payment.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following example illustrates the investment objectives described above. The example is based on a duration of 8 years, 9 months, and 3 days, an initial subscription value of 20 EUR, an interim maturity date 13 months after launch of the sub-fund and a basket of 3 equally weighted shares, each priced at 100 in the determination of the base value.

- At the interim maturity date, the first half of the value of the initial subscription of 20 EUR (i.e. 10 EUR) is redeemed. Moreover, for the period starting from the launch to the interim maturity date, a first dividend of 6% will be paid, calculated on the basis of half of the initial subscription amount of EUR 20 (i.e. EUR 10). The dividend paid thus amounts to $6\% \times 10 \text{ EUR} = 0.6 \text{ EUR}$
- For periods 1 to 8, the sub-fund pays a dividend calculated on the basis of the other half of the initial subscription of 20 EUR (i.e. 10 EUR), based on any increase in the basket of shares. In case of any rise in a period of an individual share ($>0\%$), compared with its base value, the contribution of this share to basket gain will be set at 7%. However, any decrease ($\leq 0\%$) of an individual share in relation to the base value is taken into account in determining the contribution of the share to the value of the basket for the period concerned. The minimum dividend per period is equal to 0.5%, calculated on the basis of half of the initial subscription value of 20 EUR, i.e. 10 EUR.
- The payment of the dividend for the initial period coincides with the interim maturity date.

Example

Positive scenario		Final share price per period			Formula	Dividend (**)	Payment in EUR (***)
Number Period		Share A	Share B	Share C			
	Interim maturity date					6.00%	
1	End of period 1 (*)	101 (7%)	102 (7%)	101 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	10+0.6+0.7=11.3
2	End of period 2 (*)	102 (7%)	110 (7%)	102 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	0.70
3	End of period 3 (*)	103 (7%)	111 (7%)	104 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	0.70
4	End of period 4 (*)	101 (7%)	112 (7%)	110 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	0.70
5	End of period 5 (*)	105 (7%)	118 (7%)	115 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	0.70
6	End of period 6 (*)	101 (7%)	120 (7%)	120 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	0.70
7	End of period 7 (*)	101 (7%)	115 (7%)	125 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	0.70
8	End of period 8 (*)	101 (7%)	102 (7%)	122 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	10+0.7=10.7

(*) The final price and, in brackets, the contribution of each share (last value of a share for each period) to the dividend for the period considered.

(**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.

(***) 50% of the value of the initial subscription will be redeemed on the interim maturity date and 50% on the final maturity date

Neutral scenario		Final share price per period			Formula	Dividend (**)	Payment in EUR (***)
Number Period		Share A	Share B	Share C			
	Interim maturity date					6.00%	
1	End of period 1 (*)	101 (7%)	102 (7%)	99 (-1%)	$(7\%+7\%-1\%)/3=4.33\%$	4.33%	10+0.6+0.43=11.03
2	End of period 2 (*)	90 (-10%)	110 (7%)	102 (7%)	$(-10\%+7\%+7\%)/3=1.33\%$	1.33%	0.13
3	End of period 3 (*)	94 (-6%)	111 (7%)	104 (7%)	$(-6\%+7\%+7\%)/3=2.67\%$	2.67%	0.27
4	End of period 4 (*)	93 (-7%)	112 (7%)	110 (7%)	$(-7\%+7\%+7\%)/3=2.33\%$	2.33%	0.23
5	End of period 5 (*)	101 (7%)	94 (-6%)	115 (7%)	$(7\%-6\%+7\%)/3=2.67\%$	2.67%	0.27
6	End of period 6 (*)	99 (-1%)	120 (7%)	120 (7%)	$(-1\%+7\%+7\%)/3=4.33\%$	4.33%	0.43
7	End of period 7 (*)	98 (-2%)	115 (7%)	125 (7%)	$(-2\%+7\%+7\%)/3=4\%$	4%	0.4
8	End of period 8 (*)	99 (-1%)	101 (7%)	99 (-1%)	$(-1\%+7\%-1\%)/3=1.67\%$	1.67%	10+0.17=10.17

(*) The final price and, in brackets, the contribution of each share (last value of a share for each period) to the dividend for the period considered.

(**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.

(***) 50% of the value of the initial subscription will be redeemed on the interim maturity date and 50% on the final maturity date

Negative scenario		Final share price per period			Formula	Dividend (**)	Payment in EUR (***)
Number Period		Share A	Share B	Share C			
	Interim maturity date					6.00%	
1	End of period 1 (*)	98 (-2%)	99 (-1%)	95 (-5%)	$(-2\%-1\%-5\%)/3=-2.67\%$	0.50%	10+0.6+0.05=10.65
2	End of period 2 (*)	97 (-3%)	98 (-2%)	101 (7%)	$(-3\%-2\%+7\%)/3=0.67\%$	0.67%	0.067
3	End of period 3 (*)	98 (-2%)	101 (7%)	95 (-5%)	$(-2\%+7\%-5\%)/3=0\%$	0.50%	0.05
4	End of period 4 (*)	99 (-1%)	102 (7%)	95 (-5%)	$(-1\%+7\%-5\%)/3=0.33\%$	0.50%	0.05
5	End of period 5 (*)	89 (-11%)	99 (-1%)	77 (-23%)	$(-11\%-1\%-23\%)/3=-11.67\%$	0.50%	0.05
6	End of period 6 (*)	96 (-4%)	92 (-8%)	85 (-15%)	$(-4\%-8\%-15\%)/3=-9\%$	0.50%	0.05
7	End of period 7 (*)	92 (-8%)	108 (7%)	69 (-31%)	$(-8\%+7\%-31\%)/3=-10.67\%$	0.50%	0.05
8	End of period 8 (*)	80 (-20%)	112 (7%)	80 (-20%)	$(-20\%+7\%-20\%)/3=-11.1\%$	0.50%	10+0.05=10.05

(*) The final price and, in brackets, the contribution of each share (last value of a share for each period) to the dividend for the period considered.

(**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.

(***) 50% of the value of the initial subscription will be redeemed on the interim maturity date and 50% on the final maturity date

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ABBOTT LABORATORIES	ABT UN Equity	NYSE	2.50%
2	ALLIANZ SE-REG	ALV GY Equity	Frankfurt	4.50%
3	ATLANTIA SPA	ATL IM Equity	Milan	4.00%
4	BANCO SANTANDER SA	SAN SM Equity	Madrid	3.50%
5	BRISTOL-MYERS SQUIBB CO	BMY UN Equity	NYSE	3.00%
6	BRITISH LAND CO PLC	BLND LN Equity	London	4.00%
7	CONSOLIDATED EDISON INC	ED UN EQUITY	NYSE	4.50%
8	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	3.50%
9	E.ON AG	EOAN GY Equity	Frankfurt	4.00%
10	ENEL SPA	ENEL IM Equity	Milan	2.50%
11	FRANCE TELECOM SA	FTE FP Equity	Paris	3.00%
12	GDF SUEZ	GSZ FP Equity	Paris	3.00%
13	HOME DEPOT INC	HD UN Equity	NYSE	3.50%
14	HSBC HOLDINGS PLC	HSBA LN Equity	London	3.00%
15	KONINKLIJKE AHOLD NV	AH NA Equity	Amsterdam	3.50%
16	KONINKLIJKE KPN NV	KPN NA Equity	Amsterdam	2.50%
17	KRAFT FOODS INC-CLASS A	KFT UN Equity	NYSE	4.00%
18	NATIONAL GRID PLC	NG/ LN Equity	London	3.00%
19	NESTLE SA-REG	NESN VX Equity	Virt-X	3.00%
20	NOVARTIS AG-REG	NOVN VX Equity	Virt-X	3.00%
21	PEPSICO INC	PEP UN Equity	NYSE	4.00%
22	ROCHE HOLDING AG-GENUSSSCHEIN	ROG VX Equity	Virt-X	3.50%
23	SCOTTISH & SOUTHERN ENERGY	SSE LN Equity	London	4.00%
24	SWISSCOM AG-REG	SCMN VX Equity	Virt-X	2.50%
25	TAKEDA PHARMACEUTICAL CO LTD	4502 JT Equity	Tokyo	3.00%
26	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
27	UNIBAIL-RODAMCO SE	UL FP Equity	Paris	3.00%
28	VINCI SA	DG FP Equity	Paris	3.50%
29	VODAFONE GROUP PLC	VOD LN Equity	London	3.50%
30	ZURICH FINANCIAL SERVICES AG	ZURN VX Equity	Virt-X	2.50%

Selection criteria for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it has a major market capitalisation and a low price/earnings ratio, and (iii) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

The number of shares in the basket will always be equal to the initial number unless the issuer of the basket is declared bankrupt (see § Bankruptcy).

If the number of shares decreases subsequent to a merger, an additional share will be added to the basket. The additional share and the share resulting from the merger will receive the same weighting in the basket.

Merger, takeovers, nationalisation or disqualification

If one or more issuers of shares in the basket are involved in a merger or acquisition, the shares of the issuers concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation.

If the number of shares in the basket decreases subsequent to a merger or acquisition, an additional share will be added to the basket issued by an issuer which enjoys international standing and comparable solvency and which fulfils the selection criteria. An identical weighting will be assigned in the basket to this additional share and the share resulting from the merger.

If one or more issuers of shares in the basket are involved in a merger, acquisition or nationalisation or another event with the result that one or more shares in the basket no longer fulfil the selection criteria ('Disqualification'), the ICVC Board of Directors may replace the shares not satisfying the selection criteria with other shares issued by other issuers which have an international standing and corresponding solvency and which fulfil the selection criteria.

Demerger

If an issuer of a share in the basket proceeds with a demerger, the share concerned may be replaced either by one of the shares arising from the demerger and meeting the Selection Criteria or by a basket composed of all such shares meeting the Selection Criteria. This basket will be treated as one share for the purpose of calculating the number of shares in the basket. If, in the wake of the operation, none of the shares arising from the demerger fulfil the Selection Criteria, the ICVC Board of Directors may replace those shares with other shares issued by other issuers with an international standing and corresponding solvency, that fulfil the Selection Criteria.

Bankruptcy

If an issuer of a share in the basket is declared bankrupt, the share is removed from the basket and disposed of at the last price before it is eliminated. The amount realised is then invested until the maturity date of the sub-fund's underlying swap transaction at the interest rate applying at that time on the money or bond market. This amount together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket.

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price pro rata based on the length of time for which the investor has held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 INVESTMENT POLICY

Composition of the basket on the date of the report

Name	Value
ABBOTT LABORATORIES	2,7292
ALLIANZ SE-REG	3,6746
ATLANTIA SPA	3,2078
BANCO SANTANDER SA	2,2146
BRISTOL-MYERS SQUIBB CO	3,9279
BRITISH LAND CO PLC	3,5985
CONSOLIDATED EDISON INC	5,6687
DEUTSCHE POST AG-REG	3,0534
E.ON AG	2,9386
ENEL SPA	1,8937
FRANCE TELECOM SA	2,1112
GDF SUEZ	2,2118
HOME DEPOT INC	4,7440
HSBC HOLDINGS PLC (LONDON)	2,2499
KONINKLIJKE AHOLD NV	3,6275
KONINKLIJKE KPN NV	1,9404
KRAFT FOODS INC-CLASS A	4,6947
NATIONAL GRID PLC	3,2152
NESTLE SA-REG	3,0011
NOVARTIS AG-REG	2,8046
PEPSICO INC	4,0958
ROCHE HOLDING AG-GENUSSCHEIN	3,8467
SSE PLC	4,5350
SWISSCOM AG-REG	2,1429
TAKEDA PHARMACEUTICAL CO LTD	2,6524
TELEFONICA SA (SM)	2,0526
UNIBAIL-RODAMCO (PARIS)	2,7158
VINCI SA	2,9897
VODAFONE GROUP PLC	3,7922
ZURICH FINANCIAL SERVICE-REG	2,1918
TOTAL	94,52

Performance of the index or basket

Index: **BASKET**

31/12/2010: **98,49**

30/06/2011: **100,94**

29/12/2011: **94,52**

Performance since 31/12/2010 or since the launch of the sub-fund: **-4,03%**

Performance since 30 June 2011 or since the launch of the sub-fund: **-6,36%**

Index at the launch of the sub-fund **100,00**

Minimum guaranteed return in local currency on the maturity date: **10,00**

Local currency: **EUR**

Fixings

Period	Last date	Last value	Cap
1	07/11/2011	n.a.	0,60%
2	07/11/2011	n.a.	0,50%
3	07/11/2011	n.a.	5,40%

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
03/10/2011	SCOTTISH & SOUTHERN ENERGY	SSE PLC	Change of name

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: I

Risk rating at launch: I

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the sub fund's currency)</small>	31/12/2010 <small>(in the sub fund's currency)</small>
TOTAL NET ASSETS	4.309.440,02	9.369.164,15
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	3.780.180,47	8.409.089,34
F. Financial derivatives		
e) On shares		
Swaps (+/-)	-285.643,35	-230.809,76
k) On interest-rates		
Swaps (+/-)		-2.758,44
IV. Receivables and payables within one year		
A. Receivables		
c) Collateral	510.405,40	290.165,30
B. Debts		
a) Accounts payable (-)	-4.083,09	
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	37.122,04	75.795,97
B. Term accounts at banks	270.265,50	830.434,70
VI. Accruals and deferrals		
B. Accrued income	1.516,28	1.794,24
C. Accrued expenses (-)	-323,23	-4.547,20
TOTAL CAPITAL AND RESERVES	4.309.440,02	9.369.164,15
A. Capital	4.108.696,81	9.600.387,50
B. Share in the profit	-7.719,44	-21,60
D. Result for the financial year	208.462,65	-231.201,75

OFF-BALANCE-SHEET ITEMS

I Security in the form of real property (+/-)		
I.A Collateral (+/-)		
I.A.B Deposits and cash at bank and in hand	510.000,00	290.000,00
IV Notional amounts of swap contracts (+)	4.541.140,00	9.610.420,00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-51.658,91	-11.420,00
F. Financial derivatives		
e) On shares		
Swaps (+/-)	-74.718,06	-230.809,76
j) On interest rates		
Swaps (+/-)	31.589,70	-2.758,44
G. Receivables, deposits, cash at bank and in hand, and payables	70,90	600,00
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	0,23	-0,70
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	125.856,11	25.594,01
b) Deposits and cash at bank and in hand	14.382,53	3.357,65
c) Collateral (+/-)	4.239,80	
C. Interest on loans taken out (-)		-1.658,94
D. Swaps (+/-)	201.489,99	-542,89
F. Other investment income		493,00
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	2.399,48	100,54
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	0,03	0,06
B. Financial expenses (-)	-224,86	-39,92
C. Custodian's fee (-)	-250,00	
D. Manager's fee (-)		
a) Financial management	-36.408,55	-7.697,64
b) Administration and accounting management	-3.530,69	-869,12
E. Administrative expenses (-)	-1.304,27	
F. Formation and organisation expenses (-)	-1.170,26	-83,83
G. Remuneration, social security charges and pensions (-)	-9,35	
H. Services and sundry goods (-)	-1.858,77	-917,98
J. Taxes	-109,51	
K. Other expenses (-)	-322,89	-4.547,79
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	303.178,79	13.187,15
V. Profit (loss) on ordinary activities before tax	208.462,65	-231.201,75
VII. Result for the financial year	208.462,65	-231.201,75

**Profit appropriation
statement**

	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Profit to be allocated (loss to be recognised)		
Profit for the period available for appropriation (loss to be recognised)	200.743,21	-231.223,35
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-7.719,44	-21,60
II. (Appropriations to) Deductions from capital	106.144,54	231.223,35
IV. (Dividends to be distributed)	-306.887,75	

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB DUO COUPON 5

Name	Quantity at 31 December 2011	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMBER PRO BOND PTF 6E-0.07 10/05-10/11	426.000,00	EUR	97,994	418.414,05		11,97	9,71
AMETHYST STRUCTURED FIN PLC 6E-7 10/11-10/05	54.000,00	EUR	97,443	52.741,00		1,51	1,22
BEECHWOOD STRUCTURED FIN PLC 6E-7 10/11-10/05	55.000,00	EUR	96,469	53.181,68		1,52	1,23
BROOKFIELDS CAPITAL PLC 6E-7 10/11-10/05	54.000,00	EUR	97,735	52.898,43		1,51	1,23
CARMINI PRO BAND PFT 6E-0.07 10/05-10/11	426.000,00	EUR	97,868	417.878,21		11,96	9,70
AMBER PRO BOND PTF 6E-0.07 10/05-10/11	426.000,00	EUR	97,924	418.117,52		11,97	9,70
AMBER PRO BOND PTF 6E-0.07 10/05-10/11	426.000,00	EUR	98,026	418.549,98		11,98	9,71
EPERON FINANCE PLC 6E-7 10/11-10/05	55.000,00	EUR	97,347	53.664,56		1,54	1,25
ESPACCIO SECURITIES PLC 6E-7 10/11-10/05	56.000,00	EUR	96,489	54.160,11		1,55	1,26
GREENSTREET STRUCT. FIN. PROD. PLC 6E-7 10/11-10/05	55.000,00	EUR	96,545	53.223,89		1,52	1,24
AMBER PRO BOND PTF 6E-0.07 10/05-10/11	213.000,00	EUR	98,075	209.379,59		5,99	4,86
AMBER PRO BOND PTF 6E-0.07 10/05-10/11	213.000,00	EUR	97,883	208.970,44		5,98	4,85
AMBER PRO BOND PTF 6E-0.07 10/05-10/11	213.000,00	EUR	97,892	208.989,34		5,98	4,85
NIMROD CAPITAL PLC 6E-7 10/11-10/05	55.000,00	EUR	97,614	53.811,52		1,54	1,25
OPAL FINANCIAL PRODUCTS PLC 6E-7 10/11-10/05	55.000,00	EUR	96,740	53.330,79		1,53	1,24
PROFILE FINANCE PLC 6E-7 10/11-10/05	55.000,00	EUR	97,251	53.612,06		1,53	1,24
RECOLTE SECURITIES PLC 6E-7 10/11-10/05	55.000,00	EUR	96,356	53.119,89		1,52	1,23
AMBER PRO BOND PTF 6E-0.07 10/05-10/11	213.000,00	EUR	97,758	208.704,45		5,97	4,84
SILVERSTATE FIN INV PLC 6E-7 10/11-08/05	54.000,00	EUR	96,919	52.457,77		1,50	1,22
AMBER PRO BOND PTF 6E-0.07 10/05-10/11	213.000,00	EUR	97,875	208.953,79		5,98	4,85
AMBER PRO BOND PTF 6E-0.07 10/05-10/11	213.000,00	EUR	97,757	208.702,96		5,97	4,84
VESPUCCI STRUCTURED FIN PROD 6E-7 10/11-10/05	55.000,00	EUR	97,110	53.534,14		1,53	1,24
VIGADO CAPITAL PLC 6E-7 10/11-10/05	56.000,00	EUR	96,404	54.112,15		1,55	1,26
VOYCE INVESTMENTS PLC 6E-7 10/11-10/05	54.000,00	EUR	97,863	52.967,56		1,52	1,23
WATERFORD CAPITAL INC PLC 6E-7 10/11-10/05	55.000,00	EUR	96,266	53.070,09		1,52	1,23
WAVES FINANCIAL INV PLC 6E-7 10/11-10/05	55.000,00	EUR	97,292	53.634,50		1,54	1,25
Total bonds				3.780.180,47		108,17	87,72
Swaps							
<u>Belgium</u>							
KBC SWAPS	4.541.140,00	EUR	-6,130	-285.643,35		-8,17	-6,63
Total swaps				-285.643,35		-8,17	-6,63
TOTAL SECURITIES PORTFOLIO				3.494.537,12		100,00	81,09
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	37.122,04	EUR	1,000	37.122,04			0,86
Total demand accounts				37.122,04			0,86

Time deposit accounts						
<u>Belgium</u>						
KBC BANK NV 07/12-10/05/12 KBCBANK 1.590 %	10.000,00	EUR	100,063	10.006,30		0,23
KBC BANK NV 10/11-10/05/12 KBCBANK 1.670 %	10.000,00	EUR	100,092	10.009,20		0,23
<u>Slovakia</u>						
CALYON BANK 10/11-10/05/12 CALYON 1.690 %	250.000,00	EUR	100,100	250.250,00		5,81
Total time deposit accounts				270.265,50		6,27
TOTAL CASH AT BANK AND IN HAND				307.387,54		7,13
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC BANK NV 07/12-10/05/12 KBCBAN 1.590 % C	220.000,00	EUR	100,063	220.138,60		5,11
KBC BANK NV 10/11-10/05/12 KBCBANK 1.670 %	290.000,00	EUR	100,092	290.266,80		6,74
Total receivables				510.405,40		11,84
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-4.083,09	EUR	1,000	-4.083,09		-0,10
Total debts				-4.083,09		-0,10
TOTAL OTHER RECEIVABLES AND PAYABLES				506.322,31		11,75
OTHER						
Accrued interest		EUR		1.516,28		0,04
Expenses payable		EUR		-323,23		-0,01
TOTAL OTHER				1.193,05		0,03
TOTAL NET ASSETS				4.309.440,02		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
KBCBANK 10/11-10/05/12 KBCBAN 1.670 % C	EUR	290.000,00	290.000,00	n.a.	08.11.2011
KBCBANK 07/12-10/05/12 KBCBAN 1.590 % C	EUR	220.000,00	220.000,00	n.a.	05.12.2011
EQLISWAP	EUR	4.541.140,00	4.541.140,00	n.a.	16.12.2011

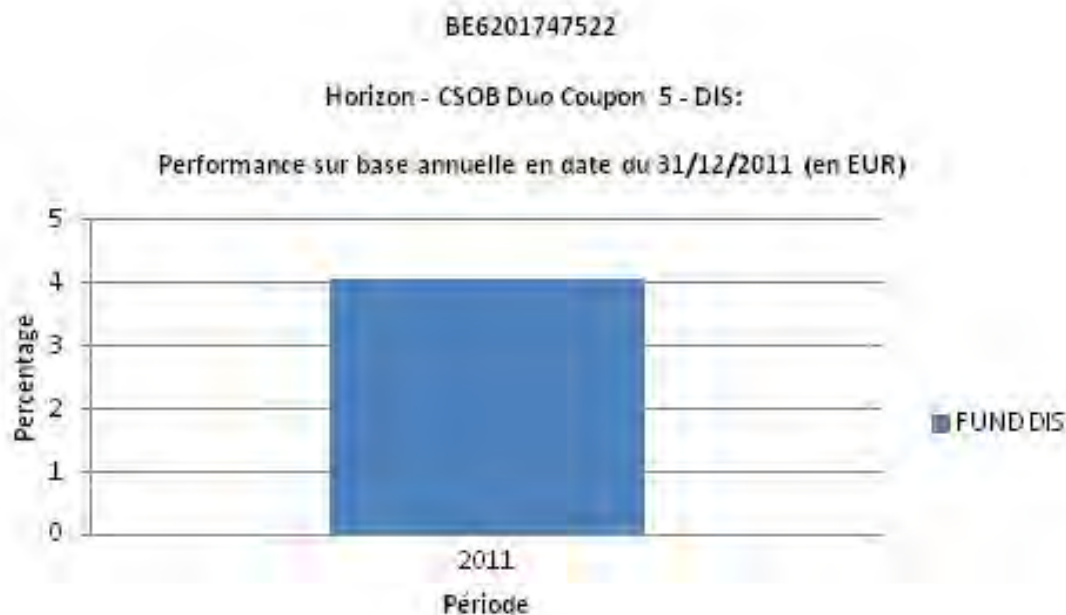
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 12		480.521,00		515,00		480.006,00	480.006,00
2011 - 12		0,00		17.067,00		462.939,00	462.939,00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2010 - 12		9.610.420,00		10.054,10
2011 - 12		0,00		4.961.299,03

Period	Net asset value At the end of the period (in the currency of the sub fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2010 - 12	9.369.164,15		19,52
2011 - 12	4.309.440,02		9,31

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
DIS	BE6201747522	EUR	4.07%								22/10/2010	1.32%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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:

Distribution units (DIS)

Return on date D over a period of X years:

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

where Y = D-X

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

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

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

with C a factor that is determined by all of the dividends and from the date of calculating D and the reference date.

For dividend i to date DI with value Wi we apply:

$$Ci = [Wi / NAV(Di)] + 1$$

i = 1 ... N

where C = C0 * ... * CN.

- 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 nth 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 returns for distribution shares.

Dividend at ex-dividend date 17/11/2011: EUR 0.55 net (EUR 0.65 gross).

2.4.6 COSTS

Total expenses ratio (TER): * 0.528%

* 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% to 60% if the distributor is an entity belonging to KBC Groupe SA, and to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

If the management company invests the UCI's assets in units of undertakings for collective investment that are not managed by an entity belonging to KBC Groupe SA, and receives a fee for doing so, it will pay this fee to the UCI.

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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- 2. Information on Horizon CSOB Inflation Plus 2
 - 2.1. Management report
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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB INFLATION PLUS 2

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 26.11.10

Initial subscription price: 10 EUR

Maturity date: 29.07.16

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

The object of this sub-fund is to generate the highest possible return for its unit holders. To this end, an investment strategy has been developed which consists of:

- (1) An investment in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits and liquid assets (including funds placed on a fixed-term deposit account or demand account) (see under *Permitted asset classes*);
- (2) An investment in swaps (exchange contracts). The sub-fund therefore assigns part of its future income from the investments indicated under the point dealing with *Permitted asset classes* to the counterparty(-ies) for the life of the sub-fund. In exchange, the counterparty(-ies) commit to offering a potential return. The different types of swaps in which the sub-fund can invest are explained under the section *Permitted swap transactions*.

No formal guarantee is granted to the sub-fund or its unit holders. No guaranteed return or capital protection is offered by the sub-fund during the period concerned nor on Maturity.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable laws and regulations. These investments may be of various durations and coupon payment dates that are aligned to the expiry dates of the sub-fund's commitments through the use of the swaps described in the point dealing with *Permitted swap transactions (2)*.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

The sub-fund may invest in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-1" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are conducted with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. Under these swaps, the sub-fund transfers a portion of its future earnings from the investments indicated under the section *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The use of swaps in this sub-fund may lead to (full or partial) loss of the initial capital invested.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund risk profile is not influenced by use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the investments referred to under *Permitted asset classes*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY:

The objective of the sub-fund is to distribute a dividend per period. The size of the dividend will depend on the performance of the Eurostat Eurozone HICP Ex Tobacco Unrevised index, whereas the net asset value on the maturity date depends on the performance of the EURO STOXX 50[®] index.

- The dividends for the first two periods are fixed and equal to 5% per period (before tax). As a consequence, the yield to maturity per sub-period (on an annualised basis) is 3.14% for the first period and 4.60% for the second period, according to the duration of the respective sub-period (see table of sub-periods)
- For the subsequent periods, starting from period 3, a variable dividend is determined per period, based on the change in the Eurostat Eurozone HICP Ex Tobacco Unrevised inflation index.
The change in this index per period (*final value of inflation index for the period minus the base value of inflation index for the period*) divided by the base value of inflation index for the period) will be increased by 3% per period. If this combined value is positive, it will be paid out as a dividend.
No dividend is paid in the event of a negative performance.

The dividends paid are liable for withholding tax of 15%, subject to changes in the legislation applicable. The dividends on each period, with the exception of the last period, are payable on the last bank working day of the month following the end of the period. The dividend for the last period is payable on the maturity date.

The 2 following options are available for calculating the net asset value at the maturity date:

Scenario 1

If the last value of the EURO STOXX 50[®] index is not less than 50% of the base value of the EURO STOXX 50[®] index, no gain or loss is achieved in relation to the initial subscription value when the net asset value is calculated at the maturity date.

Scenario 2

If the last value of the EURO STOXX 50[®] index is less than half of the base value of the EURO STOXX 50[®] index, to calculate the net asset on the maturity date, 100% of the decrease (*final value of the EURO STOXX 50[®] index less the base value of the EURO STOXX 50[®] index*), divided by the base value of the EURO STOXX 50[®] index) is deducted from the value of the initial subscription.

No guaranteed return or capital protection is offered by this sub-fund during the period concerned nor on maturity.

MATURITY: Thursday 29.07.16 (payment with value date D + 1 bank business day)

CURRENCY: EUR

PERIODS OF THE INFLATION INDEX:

Period	Dividend per period (before tax)
1) 12/2010 - 06/2012	5% (annualised yield to maturity 3,14%)
2) 07/2012 - 06/2013	5% (annualised yield to maturity 4.60%)

Period	Duration of period	Base value	Last value
3) 07/2013 - 06/2014	12 months	The fixing of the inflation index of April 2013	The fixing of the inflation index of April 2014
4) 07/2014 - 06/2015	12 months	The fixing of the inflation index of April 2014	The fixing of the inflation index of April 2015
5) 07/2015 - 06/2016	12 months	The fixing of the inflation index of April 2015	The fixing of the inflation index of April 2016

BASE VALUE of the EURO STOXX 50[®] INDEX: the average of the prices for the EURO STOXX 50[®] index on the first five valuation dates from Friday 3 December 2010 (inclusive).

BASE VALUE of the EURO STOXX 50[®] INDEX: the average of the prices for the EURO STOXX 50[®] index on the first five valuation dates in July 2016

PRICE OF THE EURO STOXX 50[®] INDEX:

Closing price, i.e. the price on the EURO STOXX 50 index[®], as calculated on closure of the stock exchanges and notified by the authority responsible (index sponsor), namely Stoxx Limited (or its legal successor).

PERIODS OF THE INFLATION INDEX

The official inflation index price as calculated and published monthly by Eurostat (or its legal successor).

VALUATION DATE OF THE EURO STOXX 50[®] INDEX:

A valuation date is a day which is both an official stock-market trading day

- i) for the stock market on which at least 20% of the securities making up the index are traded, and,
- ii) for the stock market with trading activity that has a significant impact on options and forward contracts traded on the securities making up the index,

hereinafter "the Stock Markets Concerned", and where the index sponsor calculates and publishes the index.

If, on the valuation date:

- a) one of the stock markets concerned remains closed unexpectedly; or,
- b) an event occurs which disrupts the market on one of the stock markets concerned; or,
- c) one of the stock markets concerned closes early,

the scheduled valuation date is replaced by the next trading day on which none of the events listed under a), b) and c) above occur. A closure which is out of the ordinary but is announced in good time is not considered to be an early closure.

If a valuation is made on the basis of successive valuation dates, the trading day replacing a scheduled valuation date (i) cannot coincide with another scheduled valuation date, and (ii) cannot be a trading day which already replaces another scheduled valuation date.

If, however, an event under a), b) or c) above occurs on each of the eight trading days which follow the scheduled valuation date:

- (i) the eighth trading day is held to be the scheduled valuation date:
- (ii) the ICVC will estimate, in good faith and in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, the index price that would have been listed on this eighth trading day, and,
- (iii) the ICVC will inform the unit holders of the changes with regard to determination of the base value and/or the last value and the terms and conditions of payment.

If changes are made to the EURO STOXX 50[®] index (e.g. change to the calculation method, etc.) or if the index sponsor does not calculate or publish the index (although all the data are available), the ICVC will confer with the counterparty with whom the swap contract has been concluded in order to decide how the index is to be determined. If substantial changes are made to the index or if the index is no longer calculated, the index can be adjusted (in the case of the inflation index) or replaced (applies to all indexes) by another index, provided that this new index is representative of the same geographic and/or economic sectors.

The EURO STOXX 50 index[®] is a weighted shares index without protection of dividends calculated by Stoxx Ltd (or its legal successor). The main purpose of this index is to provide a continuous indication of market trends on the European stock markets. This index has a base value of 1000, calculated using the underlying prices recorded on 31 December 1991.

The EURO STOXX 50[®] index is exclusively composed of shares issues in member countries of the European Union. The following exchanges are entered in the account line: Austria (Vienna), Belgium (Brussels), Finland (Helsinki), France (Paris), Germany (Frankfurt), Italy (Milan), Ireland (Dublin), Netherlands (Amsterdam), Portugal (Lisbon), Spain (Madrid), Greece (Athens) and Luxembourg (Luxembourg).

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

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The EURO STOXX 50[®] index is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

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- do not recommend that any person invest in Horizon CSOB Inflation Plus 2, or any other securities of any kind;
- do not have any responsibility or liability for or make any decisions about the launch date, amount or pricing of Horizon CSOB Inflation Plus 2 units;
- do not have any responsibility or liability for the administration, management or marketing of Horizon CSOB Inflation Plus 2;
- are under no obligation to consider the needs of Horizon CSOB Inflation Plus 2, or of its unit holders, in determining, composing or calculating the EURO STOXX 50[®] index.

STOXX and its licensors do not accept any responsibility with respect to Horizon CSOB Inflation Plus 2. More specifically,

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 - **the results to be obtained by Horizon CSOB Inflation Plus 2, the holders of units in Horizon CSOB Inflation Plus 2 or any other person in connection with the use of the EURO STOXX 50[®] index and the data included in the EURO STOXX 50[®] index;**
 - **the accuracy or completeness of the EURO STOXX 50[®] index and its data;**
 - **the negotiability and the fitness for a particular purpose or use of the EURO STOXX 50[®] index and its data;**
- **STOXX and its licensors have no liability for any errors, omissions or interruptions of any kind in the EURO STOXX 50[®] index or its data;**
- **Under no circumstances shall STOXX or its Licensors be liable for any loss of earnings, nor for any consequential damages or losses, even if STOXX or its licensors is aware that they might occur.**

The licence contract between KBC and STOXX has been entered in their sole interest and not in that of the holders of units in Horizon CSOB Inflation Plus 2 or in the interest of third parties.

The Eurostat Eurozone HICP Ex Tobacco Unrevised index: is the non revised index of merchantable services apart from tobacco consumed by households in the euro zone.

The Eurostat Eurozone HICP Ex Tobacco Unrevised contains the non-revised figures initially published by Eurostat. Eurostat may revise its HICP indexes, however this index will not change and the original HICP value as published will continue to be posted. On 28 February 2006, Eurostat rebased the consumer price index to 100 with 2005 as the reference year. Accordingly, this index has been rebased to correctly present the new reference year.

The non-revised index, calculated by Eurostat or its legal successor is published on the websites Bloomberg CPTFEMU and Reuters OATEI01 and on any other comparable website.

The Eurostat Eurozone HICP Ex Tobacco index is also published monthly on the Eurostat website (ec.europa.eu/eurostat), whereby the revised figures are posted on this site.

The HICPs are economic indicators measuring the changes over time in the prices of goods and services purchased by households. The HICPs provide comparable measurements of inflation in the euro zone, the EU, the European Economic area and for other countries, including applicant and candidate countries. They are calculated on a standardised basis using a single series of definitions. They provide the official measure of consumer price inflation in the euro zone used in the

application of monetary policy in the euro zone and in the assessment of inflation convergence as required in the Maastricht criteria.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following example illustrates the investment objectives described above. The example is based on a duration of 5 years, 6 month and 28 days. The dividends for the first two periods are fixed and equal to 5% per period (before tax). As a consequence, the yield to maturity per sub-period (annualised average) is 3.14% for the first period and 4.60% for the second period, depending on the duration of the sub-period (see table of sub-periods) For the subsequent periods, starting from period 3, a variable dividend per period is determined based on the change in the Eurostat Eurozone HICP ex Tobacco Unrevised index. This change is increased by 3% per period. No dividend is paid in the event of a negative performance.

In addition, the performance of the share index at the maturity date is monitored. If the last value of the share index is not less than 50% of the base value of the share index, there is no loss or gain in relation to the initial subscription value when the net asset value is calculated at the maturity date. Any decrease in the share index at the maturity date is only taken into account if the last value of the share index is less than 50% of the base value of the share index. The base value of the share index is 100 in each example. The value of the inflation index at the end of the second year is also 100 in each example.

The initial subscription value is 10 EUR.

Positive scenario:

Last value for the period	The inflation index	The share index	Formula	Dividend (**)	Last value
Last value for period 1	Not applicable	Not applicable	5% (fixed) (yield to maturity 3,14%)	5%	
Last value for period 2	Not applicable	Not applicable	5% (fixed) (yield to maturity 4.60%)	5%	
Last value for period 3	103	Not applicable	$(103-100) / 100 + 3\% = 6\%$	6.00%	
Last value for period 4	106	Not applicable	$(106-103) / 103 + 3\% = 5.91\%$	5.91%	
Last value for period 5	109	120	$(109-106) / 106 + 3\% + 0\%^* = 5.83\%$	5.83%	100.00%

(*) If the last value of the share index is greater than then base value of the share index the investor receives 100% of the initial subscription value.

(**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.

Neutral scenario:

Last value for the period	The inflation index	The share index	Formula	Dividend (**)	Last value
Last value for period 1	Not applicable	Not applicable	5% (fixed) (yield to maturity 3,14%)	5%	
Last value for period 2	Not applicable	Not applicable	5% (fixed) (yield to maturity 4.60%)	5%	
Last value for period 3	99	Not applicable	$(99-100) / 100 + 3\% = 2\%$	2.00%	
Last value for period 4	99	Not applicable	$(99-99) / 99 + 3\% = 3\%$	3.00%	
Last value for period 5	102	80	$(102-99) / 99 + 3\% + 0\%^* = 6.03\%$	6.03%	100.00%

(*) If the last value of the share index is not less than 50% of the base value of the share index the investor receives 100% of the initial subscription value.

(**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.

Negative scenario:

Last value for the period	The inflation index	The share index	Formula	Dividend (**)	Last value
Last value for period 1	Not applicable	Not applicable	5% (fixed) (yield to maturity 3,14%)	5%	
Last value for period 2	Not applicable	Not applicable	5% (fixed) (yield to maturity 4,60%)	5%	
Last value for period 3	95	Not applicable	$(95-100) / 100 + 3\% = -2\%$	0%***	
Last value for period 4	90	Not applicable	$(90-95) / 95 + 3\% = -2.26\%$	0%***	
Last value for period 5	92	45	$(92-90) / 90 + 3\% - 55\%* = -49.78\%$	5.22%***	45.00%

(*) Any decrease in the share index at the maturity date is fully taken into account if the last value of the share index is less than 50% of the initial subscription value of the share index.

(**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.

(***) No dividend is paid in the event of a negative performance.

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

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax;*

- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code;*

- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price pro rata based on the length of time for which the investor has held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 INVESTMENT POLICY

Performance of the index or basket

Index: **EURO STOXX 50 INDEX**

31/12/2010: **2.792,82**

30/06/2011: **2.848,53**

29/12/2011: **2.292,28**

Performance since 31/12/2010 or since the launch of the sub-fund: **-17,92%**

Performance since 30 June 2011 or since the launch of the sub-fund: **-19,53%**

Index at the launch of the sub-fund **2.802,95**

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
01/01/2011	DOW JONES EUROSTOXX 50	EURO STOXX 50 INDEX	Change of name

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: 4

Risk rating at launch: 4

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
TOTAL NET ASSETS	3.554.346,08	3.868.081,09
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	3.180.315,57	3.571.802,14
F. Financial derivatives		
m) On financial indexes		
Swaps (+/-)	-552,15	27.291,83
IV. Receivables and payables within one year		
B. Debts		
a) Accounts payable (-)	-1.944,36	-995,94
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	25.262,31	86.672,15
B. Term accounts at banks	350.372,40	190.043,70
VI. Accruals and deferrals		
B. Accrued income	1.159,67	135,53
C. Accrued expenses (-)	-267,36	-6.868,32
TOTAL CAPITAL AND RESERVES	3.554.346,08	3.868.081,09
A. Capital	3.648.435,14	3.842.913,07
B. Share in the profit	158,83	1,00
D. Result for the financial year	-94.247,89	25.167,02

OFF-BALANCE-SHEET ITEMS

IV Notional amounts of swap contracts (+)	3.654.760,00	3.843.920,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-67.664,15	1.621,37
F. Financial derivatives		
l) On financial indexes		
Swaps (+/-)	-26.690,10	27.291,83
G. Receivables, deposits, cash at bank and in hand, and payables	328,70	43,70
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	0,45	0,24
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	55.193,67	2.820,98
b) Deposits and cash at bank and in hand	5.625,69	273,27
D. Swaps (+/-)	-5.396,80	
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	2.233,00	10,06
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-0,88	0,07
B. Financial expenses (-)	-97,37	-26,18
C. Custodian's fee (-)	-250,00	
D. Manager's fee (-)		
a) Financial management	-52.832,19	-4.862,53
b) Administration and accounting management	-1.924,63	-177,60
F. Formation and organisation expenses (-)	-1.187,24	
G. Remuneration, social security charges and pensions (-)	-3,88	
H. Services and sundry goods (-)	-1.271,58	
J. Taxes	-43,74	
K. Other expenses (-)	-266,84	-1.828,19
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	-222,79	-3.790,12
V. Profit (loss) on ordinary activities before tax	-94.247,89	25.167,02
VII. Result for the financial year	-94.247,89	25.167,02

Profit appropriation statement

	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Profit to be allocated (loss to be recognised)		
Profit for the period available for appropriation (loss to be recognised)	-94.089,06	25.168,02
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-94.247,89	25.167,02
	158,83	1,00
II. (Appropriations to) Deductions from capital	94.089,06	-25.168,02

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB INFLATION PLUS 2

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6E-7 23/04-23/10 4.747%	324.000,00	EUR	97,476	316.900,38		9,97	8,92
AMETHYST STRUCTURED FIN PLC 6E-7 23/04-23/10 4.747%	327.000,00	EUR	96,501	316.647,87		9,96	8,91
BROOKFIELDS CAPITAL PLC 6E-7 23/04-23/10 4.747%	326.000,00	EUR	97,767	319.806,97		10,06	9,00
EPERON FINANCE PLC 6E-7 23/04-23/10 4.747%	326.000,00	EUR	97,379	318.541,64		10,02	8,96
ESPACCIO SECURITIES PLC 6E-7 23/04-23/10 4.747%	163.000,00	EUR	96,522	157.873,18		4,97	4,44
GREENSTREET STRUCT. FIN. PROD. PLC 6E-7 23/04-23/10 4.747%	163.000,00	EUR	96,578	157.964,87		4,97	4,44
NIMROD CAPITAL PLC 6E-7 23/04-23/10 4.747%	163.000,00	EUR	97,646	159.706,36		5,02	4,49
OPAL FINANCIAL PRODUCTS PLC 6E-7 23/04-23/10 4.747%	165.000,00	EUR	96,772	160.223,76		5,04	4,51
PROFILE FINANCE PLC 6E-7 23/04-23/10 4.747%	164.000,00	EUR	97,284	160.091,42		5,04	4,50
RECOLTE SECURITIES PLC 6E-7 23/04-23/10 4.747%	164.000,00	EUR	96,389	158.623,86		4,99	4,46
SILVERSTATE FIN INV PLC 6E-7 23/04-23/10 4.747%	163.000,00	EUR	96,951	158.573,35		4,99	4,46
VESPUCCI STRUCTURED FIN PROD 6E-7 23/04-23/10 4.747%	164.000,00	EUR	97,142	159.859,08		5,03	4,50
VIGADO CAPITAL PLC 6E-7 23/04-23/10 4.747%	163.000,00	EUR	96,436	157.733,59		4,96	4,44
VOYCE INVESTMENTS PLC 6E-7 23/04-23/10 4.747%	163.000,00	EUR	97,895	160.112,14		5,04	4,51
WATERFORD CAPITAL INC PLC 6E-7 23/04-23/10 4.747%	164.000,00	EUR	96,298	158.475,36		4,98	4,46
WAVES FINANCIAL INV PLC 6E-7 23/10-23/04 4.747%	163.000,00	EUR	97,324	159.181,74		5,01	4,48
Total bonds				3.180.315,57		100,02	89,48
Swaps							
<u>Belgium</u>							
KBC SWAPS	3.654.760,00	EUR	-0,470	-552,15		-0,02	-0,02
Total swaps				-552,15		-0,02	-0,02
TOTAL SECURITIES PORTFOLIO				3.179.763,42		100,00	89,46
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	25.262,31	EUR	1,000	25.262,31			0,71
Total demand accounts				25.262,31			0,71
Time deposit accounts							
<u>Germany</u>							
COMMERZBANK AG 21/10-20/04/12 COMB 1.620 %	140.000,00	EUR	100,080	140.112,00			3,94

<u>Belgium</u>						
KBC BANK NV 21/10-20/04/12 KBCBANK 1.760 %	210.000,00	EUR	100,124	210.260,40		5,92
Total time deposit accounts				350.372,40		9,86
TOTAL CASH AT BANK AND IN HAND				375.634,71		10,57
OTHER RECEIVABLES AND PAYABLES						
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-1.944,36	EUR	1,000	-1.944,36		-0,06
Total debts				-1.944,36		-0,06
TOTAL OTHER RECEIVABLES AND PAYABLES				-1.944,36		-0,06
OTHER						
Accrued interest		EUR		1.159,67		0,03
Expenses payable		EUR		-267,36		-0,01
TOTAL OTHER				892,31		0,03
TOTAL NET ASSETS				3.554.346,08		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
EQLISWAP	EUR	3.654.760,00	3.654.760,00	n.a.	31.10.2011

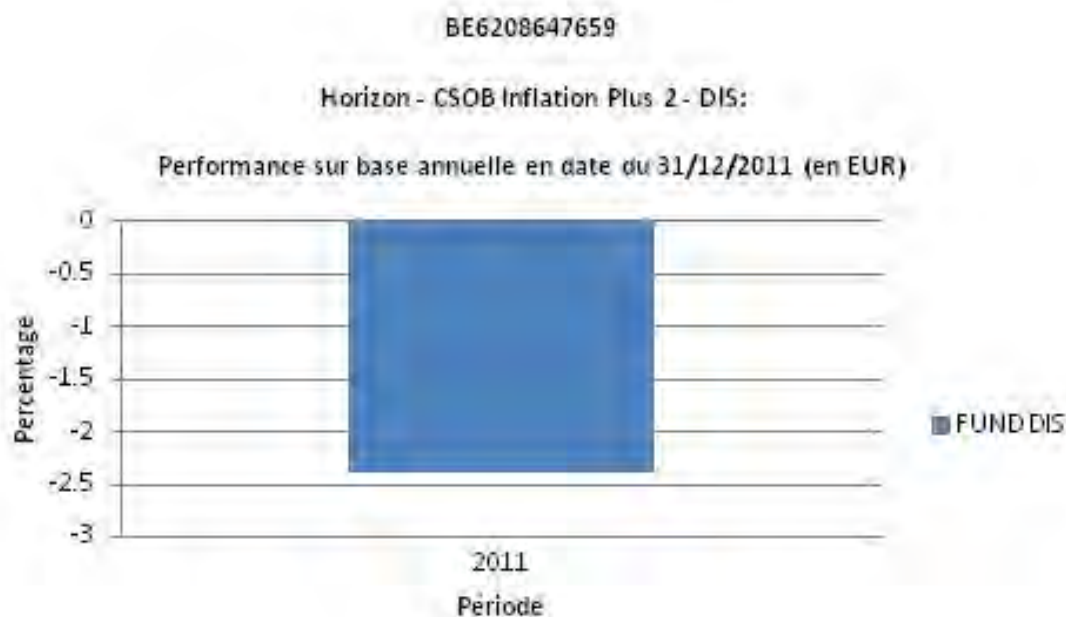
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 12		384.392,00		100,00		384.292,00	384.292,00
2011 - 12		200,00		22.480,00		362.012,00	362.012,00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2010 - 12		3.843.920,07		1.006,00
2011 - 12		1.907,00		221.394,12

Period	Net asset value At the end of the period (in the currency of the sub fund)		
	Of the sub-fund	Of one unit	
		Cap.	Dis.
2010 - 12	3.868.081,09		10,07
2011 - 12	3.554.346,15		9,82

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
DIS	BE6208647659	EUR	-2.39%								26/11/2010	-1.64%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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:
Distribution units (DIS)
Return on date D over a period of X years:

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

$$[C * NAV(D) / NAV(S)]^{1/F} - 1$$
 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
 with C a factor that is determined by all of the dividends and from the date of calculating D and the reference date.
 For dividend i to date DI with value Wi we apply:

$$Ci = [Wi / NAV(Di)] + 1$$

$$i = 1 \dots N$$
 where C = C0 * ... * CN.
- 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 nth 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 returns for distribution shares.

2.4.6 COSTS

Total expenses ratio (TER): * 1.529%

* 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, where appropriate, the manager delegated may receive 'soft commissions'.

The beneficiary has established an internal policy on the acceptance of soft commissions and the prevention of any conflict of interests in this regard. It has put in place the appropriate internal audit procedure to ensure compliance with this policy. More detailed information can be found in the General Part of the annual report.

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% to 60% if the distributor is an entity belonging to KBC Groupe SA, and to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

If the management company invests the UCI's assets in units of undertakings for collective investment that are not managed by an entity belonging to KBC Groupe SA, and receives a fee for doing so, it will pay this fee to the UCI.

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB DUO COUPON 6

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 10.12.10

Initial subscription price: 20 EUR

Maturity date: 31.07.19

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse the initial subscription price per share of 20 EUR up to the first half of the initial subscription value on the interim maturity date and the second half of the initial subscription value on the maturity date (protection of capital). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection, however, does not extend to shareholders selling their shares before the interim or final maturity date.
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism intended to ensure capital protection on the maturity date or, where applicable, the early exercise date consists of investing all subscriptions in bonds or other debt instruments, deposits and/or liquid assets, notably funds deposited into term or demand accounts. These investments may have different durations and coupon payment dates which are aligned with the expiry dates of the sub-fund's commitments through the use of the swaps referred to in the section *Permitted swap transactions (2)*.

Characteristics to be met by the investments

The deposits, bonds and other debt instruments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area;
- (2) Debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes and Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, due to shortcomings of the financial mechanism, the amount to be paid per share on the interim maturity date or at maturity before costs and taxes is less than the initial subscription price, KBC Asset Management may decide, without being obligated to do so, to allocate the management fee made from the sub-fund and potentially other sub-funds of the ICVC during the current financial year to cover this shortfall. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

This capital protection, however, does not extend to shareholders selling their shares before the interim or final maturity dates.

POTENTIAL RETURN

To obtain a potential return, the sub-fund conducts swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, derivatives (financial derivatives), liquid assets and any other instrument permitted under the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-1" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. As part of these swaps, the sub-fund transfers part of its future income from these investments earmarked for capital protection to these counterparties for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund risk profile is not influenced by use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The sub-fund has the following investment objectives:

On the interim maturity date: remboursement de la première moitié de la valeur de souscription initiale de 20 EUR, soit 10 EUR et un premier paiement de dividende égal à 6% (rendement actuariel sur base annuelle : 5.76%) calculé sur la moitié de la valeur de souscription initiale de 20 EUR, soit 10 EUR. This dividend amounts to 0.6 EUR

On the maturity date: redemption of the second half of the value of the initial subscription of 20 EUR, i.e. 10 EUR.

Per period of: a dividend calculated for half of the initial subscription value of 20 EUR, i.e. 10 EUR, on the basis of any increase in the value of a basket of the 30 top-quality corporate shares (as defined below), which are characterised by high market capitalisation and a low price/earnings ratio calculated on the basis of a '**Fix Upside Coupon**' structure. Any increase in value of this basket per period with respect to the base value of the basket (*(last value of the basket period minus base value of the basket) divided by base value of the basket*) will be determined according to the respective period and paid out at 100% as a dividend. In determining the last value of the shares for the period the method of calculation as described in the "Last value per period of a share" must be used and thus a maximum gain of 7% is distributed as dividend. As a consequence, the yield to maturity per sub-period (on an annualised basis) is between 4.14 % and 6.72% maximum, depending on the duration of the sub-period (see table of sub-periods).

Any negative basket performances are not taken into account. The minimum dividend per period is equal to 0.5%, calculated on the basis of half of the initial subscription value of 20 EUR, i.e. 10 EUR. As a consequence, the yield to maturity per sub-period (on an annualised basis) is between 0.29 % and 0.48% maximum, depending on the duration of the sub-period (see table of sub-periods) The payment of the dividend for the initial period coincides with the interim maturity date.

A withholding tax of 21% is levied on the dividend paid, subject to changes in the applicable legislation. The dividends on each period, with the exception of the last period, are payable on the last bank working day of the month following the end of the period. The dividend for the last period is payable on the maturity date.

MATURITY: Friday 31.07.19 (payment with value date D + 1 bank working day).

INTERIM MATURITY: The last valuation date of December 2011 (payment with value date of D+1 bank working day).

CURRENCY: EUR, the change in the local exchange rate of the shares in the basket in relation to the EUR is not relevant.

PERIODS

Period	Duration of period	Last price for period
1) 12/2010 – 11/2011	12 months	For each share in the basket, the average price of the first five valuation dates of December 2011
2) 12/2011 – 11/2012	12 months	For each share in the basket, the average price of the first five valuation dates of December 2012
3) 12/2012 – 11/2013	12 months	For each share in the basket, the average price of the first five valuation dates of December 2013
4) 12/2013 – 11/2014	12 months	For each share in the basket, the average price of the first five valuation dates of December 2014
5) 12/2014 – 11/2015	12 months	For each share in the basket, the average price of the first five valuation dates of December 2015
6) 12/2015 – 11/2016	12 months	For each share in the basket, the average price of the first five valuation dates of December 2016
7) 12/2016 – 11/2017	12 months	For each share in the basket, the average price of the first five valuation dates of December 2017
8) 12/2017 – 06 /2019	19 months	For each share in the basket, the average price of the first five valuation dates of July 2019

BASE VALUE OF A SHARE:

For each share in the basket the average price of the first five valuation dates beginning Wednesday 14.12.10 inclusive.

LAST VALUE PER PERIOD OF A SHARE(*):

- Scenario 1: if the final price for a share is greater than its base value, irrespective of the difference, a 7% increase with respect to the base value of the share will be booked for the current period.
- Scenario 2: if the final price of the share for the period is less than or equal to the base value of this share, the share's final price will be booked as its last value for the period.

(*)The increase or decrease in a share's price at the end of each period is always calculated in relation to the base value of the respective share as described above, which is only determined once and which may not be changed, as shown in the example below.

BASE VALUE OF THE BASKET: the average weighted base value of shares in the basket.

LAST VALUE OF BASKET FOR THE PERIOD:

the average weighted last value of shares in the basket for the period.

PRICE:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, namely the price of an equity in the basket as calculated and published on closure of the stock exchange by the competent stock-exchange body (or its legal successor) for the place where the security is listed. For equities listed on the Milan stock exchange, the reference price is used.

VALUATION DATE:

A valuation date is determined separately for each share in the basket.

A valuation date is a day which is both an official stock-market trading day

- i) for the stock market where the share is listed, and,
- ii) for the stock market with trading activity that has a significant impact on options and forward contracts traded on the securities making up the index,

hereinafter "the Stock Markets Concerned",

If, on the valuation date:

- a) one of the stock markets concerned remains closed unexpectedly; or,
- b) an event occurs which disrupts the market on one of the stock markets concerned; or,
- c) one of the stock markets concerned closes early,

the scheduled valuation date is replaced by the next trading day on which none of the events listed under a), b) and c) above occur. A closure which is out of the ordinary but is announced in good time is not considered to be an early closure.

If a valuation is made on the basis of successive valuation dates, the trading day replacing a scheduled valuation date (i) cannot coincide with another scheduled valuation date, and (ii) cannot be a trading day which already replaces another scheduled valuation date.

If, however, an event under a), b) or c) above occurs on each of the eight trading days which follow the scheduled valuation date:

- (i) the eighth trading day is held to be the scheduled valuation date:
- (ii) the ICVC will estimate, in good faith and in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and,
- (iii) the ICVC will inform the unit holders of the changes with regard to determination of the base value and/or the last value and the terms and conditions of payment.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following example illustrates the investment objectives described above. The example is based on a duration of 8 years, 7 months, and 15 days, an initial subscription value of 20 EUR, an interim maturity date 13 months after launch of the sub-fund and a basket of 3 equally weighted shares, each priced at 100 in the determination of the base value.

- At the interim maturity date, the first half of the value of the initial subscription of 20 EUR (i.e. 10 EUR) is redeemed. Moreover, for the period starting from the launch to the interim maturity date, a first dividend of 6% will be paid, calculated on the basis of half of the initial subscription amount of EUR 20 (i.e. EUR 10). The dividend paid thus amounts to $6\% \cdot 10 \text{ EUR} = 0.6 \text{ EUR}$
- For periods 1 to 8, the sub-fund pays a dividend calculated on the basis of the other half of the initial subscription of 20 EUR (i.e. 10 EUR), based on any increase in the basket of shares. In case of any rise in a period of an individual share ($>0\%$), compared with its base value, the contribution of this share to basket gain will be set at 7%. However, any decrease ($\leq 0\%$) of an individual share in relation to the base value is taken into account in determining the contribution of the share to the value of the basket for the period concerned. The minimum dividend per period is equal to 0.5%, calculated on the basis of half of the initial subscription value of 20 EUR, i.e. 10 EUR.
- The payment of the dividend for the initial period coincides with the interim maturity date.

Example

Number Period	Positive scenario	Final share price per period			Formula	Dividend (**)	Payment in EUR (***)
		Share A	Share B	Share C			
	Interim maturity date					6.00%	10+0.6+0.7=11.3
1	End of period 1 (*)	101 (7%)	102 (7%)	101 (7%)	$(7\%+7\%+7\%)/3= 7\%$	7.00%	
2	End of period 2 (*)	102 (7%)	110 (7%)	102 (7%)	$(7\%+7\%+7\%)/3= 7\%$	7.00%	0.70
3	End of period 3 (*)	103 (7%)	111 (7%)	104 (7%)	$(7\%+7\%+7\%)/3=7\%$	7.00%	0.70
4	End of period 4 (*)	101 (7%)	112 (7%)	110 (7%)	$(7\%+7\%+7\%)/3= 7\%$	7.00%	0.70
5	End of period 5 (*)	105 (7%)	118 (7%)	115 (7%)	$(7\%+7\%+7\%)/3= 7\%$	7.00%	0.70
6	End of period 6 (*)	101 (7%)	120 (7%)	120 (7%)	$(7\%+7\%+7\%)/3= 7\%$	7.00%	0.70
7	End of period 7 (*)	101 (7%)	115 (7%)	125 (7%)	$(7\%+7\%+7\%)/3= 7\%$	7.00%	0.70
8	End of period 8 (*)	101 (7%)	102 (7%)	122 (7%)	$(7\%+7\%+7\%)/3= 7\%$	7.00%	10+0.7=10.7

(*) The final price and, in brackets, the contribution of each share (last value of a share for each period) to the dividend for the period considered.

(**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.

(***) 50% of the value of the initial subscription will be redeemed on the interim maturity date and 50% on the final maturity date

Number Period	Neutral scenario	Final share price per period			Formula	Dividend (**)	Payment in EUR (***)
		Share A	Share B	Share C			
	Interim maturity date					6.00%	10+0.6+0.43=11.03
1	End of period 1 (*)	101 (7%)	102 (7%)	99 (-1%)	$(7\%+7\%-1\%)/3= 4.33\%$	4.33%	
2	End of period 2 (*)	90 (-10%)	110 (7%)	102 (7%)	$(-10\%+7\%+7\%)/3= 1.33\%$	1.33%	0.13
3	End of period 3 (*)	94 (-6%)	111 (7%)	104 (7%)	$(-6\%+7\%+7\%)/3= 2.67\%$	2.67%	0.27
4	End of period 4 (*)	93 (-7%)	112 (7%)	110 (7%)	$(-7\%+7\%+7\%)/3= 2.33\%$	2.33%	0.23
5	End of period 5 (*)	101 (7%)	94 (-6%)	115 (7%)	$(7\%-6\%+7\%)/3= 2.67\%$	2.67%	0.27
6	End of period 6 (*)	99 (-1%)	120 (7%)	120 (7%)	$(-1\%+7\%+7\%)/3= 4.33\%$	4.33%	0.43
7	End of period 7 (*)	98 (-2%)	115 (7%)	125 (7%)	$(-2\%+7\%+7\%)/3= 4\%$	4.00%	0.40
8	End of period 8 (*)	99 (-1%)	101 (7%)	99 (-1%)	$(-1\%+7\%-1\%)/3= 1.67\%$	1.67%	10+0.17=10.17

(*) The final price and, in brackets, the contribution of each share (last value of a share for each period) to the dividend for the period considered.

(**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.

(***) 50% of the value of the initial subscription will be redeemed on the interim maturity date and 50% on the final maturity date

Number Period	Negative scenario	Final share price per period			Formula	Dividend (**)	Payment in EUR (***)
		Share A	Share B	Share C			
	Interim maturity date					6.00%	10+0.6+0.05=10.65
1	End of period 1 (*)	98 (-2%)	99 (-1%)	95 (-5%)	$(-2\%-1\%-5\%)/3= -2.67\%$	0.50%	
2	End of period 2 (*)	97 (-3%)	98 (-2%)	90 (-10%)	$(-3\%-2\%-10\%)/3= -5\%$	0.50%	0.05
3	End of period 3 (*)	98 (-2%)	101 (7%)	95 (-5%)	$(-2\%+7\%-5\%)/3= 0.00\%$	0.50%	0.05
4	End of period 4 (*)	99 (-1%)	102 (7%)	95 (-5%)	$(-1\%+7\%-5\%)/3= 0.33\%$	0.50%	0.05
5	End of period 5 (*)	89 (-11%)	99 (-1%)	77 (-23%)	$(-11\%-1\%-23\%)/3= -11.67\%$	0.50%	0.05
6	End of period 6 (*)	96 (-4%)	92 (-8%)	85 (-15%)	$(-4\%-8\%-15\%)/3= -9\%$	0.50%	0.05
7	End of period 7 (*)	92 (-8%)	108 (7%)	69 (-31%)	$(-8\%+7\%-31\%)/3= -10.67\%$	0.50%	0.05
8	End of period 8 (*)	80 (-20%)	112 (7%)	80 (-20%)	$(-20\%+7\%-20\%)/3= -11\%$	0.50%	10+0.05=10.05

(*) The final price and, in brackets, the contribution of each share (last value of a share for each period) to the dividend for the period considered.

(**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.

(***) 50% of the value of the initial subscription will be redeemed on the interim maturity date and 50% on the final maturity date

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ABBOTT LABORATORIES	ABT UN Equity	NYSE	2.50%
2	ALLIANZ SE-REG	ALV GY Equity	Frankfurt	4.50%
3	ATLANTIA SPA	ATL IM Equity	Milan	4.00%
4	BANCO SANTANDER SA	SAN SM Equity	Madrid	3.50%
5	BRISTOL-MYERS SQUIBB CO	BMY UN Equity	NYSE	3.00%
6	BRITISH LAND CO PLC	BLND LN Equity	London	4.00%
7	CONSOLIDATED EDISON INC	ED UN EQUITY	NYSE	4.50%
8	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	3.50%
9	E.ON AG	EOAN GY Equity	Frankfurt	4.00%
10	ENEL SPA	ENEL IM Equity	Milan	2.50%
11	FRANCE TELECOM SA	FTE FP Equity	Paris	3.00%
12	GDF SUEZ	GSZ FP Equity	Paris	3.00%
13	HOME DEPOT INC	HD UN Equity	NYSE	3.50%
14	HSBC HOLDINGS PLC	HSBA LN Equity	London	3.00%
15	KONINKLIJKE AHOLD NV	AH NA Equity	Amsterdam	3.50%
16	KONINKLIJKE KPN NV	KPN NA Equity	Amsterdam	2.50%
17	KRAFT FOODS INC-CLASS A	KFT UN Equity	NYSE	4.00%
18	NATIONAL GRID PLC	NG/ LN Equity	London	3.00%
19	NESTLE SA-REG	NESN VX Equity	Virt-X	3.00%
20	NOVARTIS AG-REG	NOVN VX Equity	Virt-X	3.00%
21	PEPSICO INC	PEP UN Equity	NYSE	4.00%
22	ROCHE HOLDING AG-GENUSSSCHEIN	ROG VX Equity	Virt-X	3.50%
23	SCOTTISH & SOUTHERN ENERGY	SSE LN Equity	London	4.00%
24	SWISSCOM AG-REG	SCMN VX Equity	Virt-X	2.50%
25	TAKEDA PHARMACEUTICAL CO LTD	4502 JT Equity	Tokyo	3.00%
26	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
27	UNIBAIL-RODAMCO SE	UL FP Equity	Paris	3.00%
28	VINCI SA	DG FP Equity	Paris	3.50%
29	VODAFONE GROUP PLC	VOD LN Equity	London	3.50%
30	ZURICH FINANCIAL SERVICES AG	ZURN VX Equity	Virt-X	2.50%

Selection criteria for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it has a major market capitalisation and a low price/earnings ratio, and (iii) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

The number of shares in the basket will always be equal to the initial number unless the issuer of the basket is declared bankrupt (see § Bankruptcy).

If the number of shares decreases subsequent to a merger, an additional share will be added to the basket. The additional share and the share resulting from the merger will receive the same weighting in the basket.

Merger, takeovers, nationalisation or disqualification

If one or more issuers of shares in the basket are involved in a merger or acquisition, the shares of the issuers concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation.

If the number of shares in the basket decreases subsequent to a merger or acquisition, an additional share will be added to the basket issued by an issuer which enjoys international standing and comparable solvency and which fulfils the selection criteria. An identical weighting will be assigned in the basket to this additional share and the share resulting from the merger.

If one or more issuers of shares in the basket are involved in a merger, acquisition or nationalisation or another event with the result that one or more shares in the basket no longer fulfil the selection criteria ('Disqualification'), the ICVC Board of Directors may replace the shares not satisfying the selection criteria with other shares issued by other issuers which have an international standing and corresponding solvency and which fulfil the selection criteria.

Demerger

If an issuer of a share in the basket proceeds with a demerger, the share concerned may be replaced either by one of the shares arising from the demerger and meeting the Selection Criteria or by a basket composed of all such shares meeting the Selection Criteria. This basket will be treated as one share for the purpose of calculating the number of shares in the basket. If, in the wake of the operation, none of the shares arising from the demerger fulfil the Selection Criteria, the ICVC Board of Directors may replace those shares with other shares issued by other issuers with an international standing and corresponding solvency, that fulfil the Selection Criteria.

Bankruptcy

If an issuer of a share in the basket is declared bankrupt, the share is removed from the basket and disposed of at the last price before it is eliminated. The amount realised is then invested until the maturity date of the sub-fund's underlying swap transaction at the interest rate applying at that time on the money or bond market. This amount together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket.

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price pro rata based on the length of time for which the investor has held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 INVESTMENT POLICY

Composition of the basket on the date of the report

Name	Value
ABBOTT LABORATORIES	2,9168
ALLIANZ SE-REG	3,6479
ATLANTIA SPA	3,3942
BANCO SANTANDER SA	2,4955
BRISTOL-MYERS SQUIBB CO	3,9802
BRITISH LAND CO PLC	3,5558
CONSOLIDATED EDISON INC	5,7048
DEUTSCHE POST AG-REG	3,2455
E.ON AG	2,9146
ENEL SPA	2,0336
FRANCE TELECOM SA	2,2500
GDF SUEZ	2,2703
HOME DEPOT INC	4,2027
HSBC HOLDINGS PLC (LONDON)	2,2315
KONINKLIJKE AHOLD NV	3,7290
KONINKLIJKE KPN NV	2,1138
KRAFT FOODS INC-CLASS A	4,7645
NATIONAL GRID PLC	3,3870
NESTLE SA-REG	2,8822
NOVARTIS AG-REG	2,8542
PEPSICO INC	4,0467
ROCHE HOLDING AG-GENUSSCHEIN	3,9764
SSE PLC	4,3582
SWISSCOM AG-REG	2,1072
TAKEDA PHARMACEUTICAL CO LTD	2,5308
TELEFONICA SA (SM)	2,3021
UNIBAIL-RODAMCO (PARIS)	2,7805
VINCI SA	2,8533
VODAFONE GROUP PLC	3,7842
ZURICH FINANCIAL SERVICE-REG	2,1570
TOTAL	95,47

Performance of the index or basket

Index: **BASKET**

31/12/2010: **99,69**

30/06/2011: **102,16**

29/12/2011: **95,47**

Performance since 31/12/2010 or since the launch of the sub-fund: **-4,23%**

Performance since 30 June 2011 or since the launch of the sub-fund: **-6,55%**

Index at the launch of the sub-fund **100,00**

Minimum guaranteed return in local currency on the maturity date: **10,00**

Local currency: **EUR**

Fixings

Period	Last date	Last value	Cap
1	07/12/2011	n.a.	0,50%
2	07/12/2011	n.a.	0,60%
3	07/12/2011	n.a.	5,40%

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
03/10/2011	SCOTTISH & SOUTHERN ENERGY	SSE PLC	Change of name

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: I

Risk rating at launch: I

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary		31/12/2011 (in the sub fund's currency)
TOTAL NET ASSETS		5.434.729,09
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds		4.752.481,68
F. Financial derivatives		
e) On shares		
Swaps (+/-)		-355.229,19
IV. Receivables and payables within one year		
A. Receivables		
c) Collateral		480.240,00
B. Debts		
a) Accounts payable (-)		-3.712,02
V. Deposits and cash at bank and in hand		
A. Demand balances at banks		110.866,01
B. Term accounts at banks		450.194,90
VI. Accruals and deferrals		
B. Accrued income		295,35
C. Accrued expenses (-)		-407,64
TOTAL CAPITAL AND RESERVES		5.434.729,09
A. Capital		5.540.926,59
B. Share in the profit		-3.627,92
D. Result for the financial year		-102.569,58

OFF-BALANCE-SHEET ITEMS

I	Security in the form of real property (+/-)	
I.A	Collateral (+/-)	
I.A.B	Deposits and cash at bank and in hand	480.000,00
IV	Notional amounts of swap contracts (+)	5.862.130,00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)
I. Write-downs and capital gains and losses	
A. Bonds and other debt instruments	
a) Bonds	-145.103,41
F. Financial derivatives	
e) On shares	
Swaps (+/-)	-365.281,02
j) On interest rates	
Swaps (+/-)	34.113,13
G. Receivables, deposits, cash at bank and in hand, and payables	434,90
H. Foreign-exchange positions and transactions	
b) Other foreign-exchange positions and transactions	0,83
II. Investment income and expenses	
B. Interest	
a) Securities and money market instruments	167.965,15
b) Deposits and cash at bank and in hand	20.257,92
c) Collateral (+/-)	5.214,32
D. Swaps (+/-)	250.710,99
III. Other income	
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	5.659,10
IV. Operating expenses	
A. Investment transaction and delivery costs (-)	-0,06
B. Financial expenses (-)	-245,35
C. Custodian's fee (-)	-250,00
D. Manager's fee (-)	
a) Financial management	-59.647,12
b) Administration and accounting management	-4.735,69
E. Administrative expenses (-)	-1.634,80
F. Formation and organisation expenses (-)	-1.236,78
G. Remuneration, social security charges and pensions (-)	-12,11
H. Services and sundry goods (-)	-2.347,65
J. Taxes	-131,56
K. Other expenses (-)	-6.300,37
Income and expenditure for the (interim) period	
Subtotal II + III + IV before tax on the profit	373.265,99
V. Profit (loss) on ordinary activities before tax	-102.569,58
VII. Result for the financial year	-102.569,58

Profit appropriation statement

	31/12/2011 (in the sub fund's currency)
I. Profit to be allocated (loss to be recognised)	-106.197,50
Profit for the period available for appropriation (loss to be recognised)	-102.569,58
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-3.627,92
II. (Appropriations to) Deductions from capital	490.858,40
IV. (Dividends to be distributed)	-384.660,90

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB DUO COUPON 6

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	222.000,00	EUR	97,947	217.510,53		4,95	4,00
AMETHYST STRUCTURED FIN PLC 6E-7 23/12-23/06 1.368%	207.000,00	EUR	97,396	201.673,85		4,59	3,71
BEECHWOOD STRUCTURED FIN PLC 6E-7 23/12-23/06 3.095%	209.000,00	EUR	96,421	201.585,58		4,58	3,71
BROOKFIELDS CAPITAL PLC 6E-7 23/12-23/06 3.095%	207.000,00	EUR	97,687	202.277,33		4,60	3,72
CARMINI PRO BAND PFT 6E-0.07 23/06-23/12	222.000,00	EUR	97,821	217.231,29		4,94	4,00
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	222.000,00	EUR	97,877	217.356,00		4,94	4,00
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	222.000,00	EUR	97,979	217.581,37		4,95	4,00
EPERON FINANCE PLC 6E-7 23/12-23/06 3.095%	207.000,00	EUR	97,299	201.473,89		4,58	3,71
ESPACCIO SECURITIES PLC 6E-7 23/12-23/06 3.095%	210.000,00	EUR	96,442	202.593,15		4,61	3,73
GREENSTREET STRUCT. FIN. PROD. PLC 6E-7 23/12-23/06 3.095%	209.000,00	EUR	96,498	201.745,98		4,59	3,71
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	111.000,00	EUR	98,028	108.845,20		2,48	2,00
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	111.000,00	EUR	97,836	108.631,98		2,47	2,00
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	111.000,00	EUR	97,844	108.641,83		2,47	2,00
NIMROD CAPITAL PLC 6E-7 23/12-23/06 3.095%	207.000,00	EUR	97,567	202.026,99		4,59	3,72
OPAL FINANCIAL PRODUCTS PLC 6E-7 23/12-23/06 3.095%	209.000,00	EUR	96,692	202.152,17		4,60	3,72
PROFILE FINANCE PLC 6E-7 23/12-23/06 3.095%	208.000,00	EUR	97,204	202.248,67		4,60	3,72
RECOLTE SECURITIES PLC 6E-7 23/12-23/06 3.095%	209.000,00	EUR	96,309	201.350,78		4,58	3,71
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	111.000,00	EUR	97,711	108.493,36		2,47	2,00
SILVERSTATE FIN INV PLC 6E-7 23/12-23/06 3.095%	208.000,00	EUR	96,871	201.557,16		4,58	3,71
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	111.000,00	EUR	97,828	108.623,30		2,47	2,00
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	111.000,00	EUR	97,710	108.492,59		2,47	2,00
VESPUCCI STRUCTURED FIN PROD 6E-7 23/12-23/06 3.095%	208.000,00	EUR	97,062	201.953,99		4,59	3,72
VIGADO CAPITAL PLC 6E-7 23/12-23/06 3.095%	210.000,00	EUR	96,356	202.413,31		4,60	3,72
VOYCE INVESTMENTS PLC 6E-7 23/12-23/06 3.095%	206.000,00	EUR	97,815	201.563,84		4,58	3,71
WATERFORD CAPITAL INC PLC 6E-7 23/12-23/06 3.095%	210.000,00	EUR	96,219	202.124,03		4,60	3,72
WAVES FINANCIAL INV PLC 6E-7 23/12-23/06 3.095%	208.000,00	EUR	97,245	202.333,51		4,60	3,72
Total bonds				4.752.481,68		108,08	87,45
Swaps							
<u>Belgium</u>							
KBC SWAPS	5.862.130,00	EUR	-4,490	-355.229,19		-8,08	-6,54
Total swaps				-355.229,19		-8,08	-6,54
TOTAL SECURITIES PORTFOLIO				4.397.252,49		100,00	80,91

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP EURO	110.866,01	EUR	1,000	110.866,01		2,04
Total demand accounts				110.866,01		2,04
Time deposit accounts						
<u>Belgium</u>						
KBC BANK NV 23/12-22/06/12 KBCBANK 1.640 %	380.000,00	EUR	100,050	380.190,00		7,00
<u>Sweden</u>						
SKANDINAVISKA ENSKILDA 23/12-22/06/12 SKANENSK 1.550 %	70.000,00	EUR	100,007	70.004,90		1,29
Total time deposit accounts				450.194,90		8,28
TOTAL CASH AT BANK AND IN HAND				561.060,91		10,32
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC BANK NV 23/12-22/06/12 KBCBAN 1.640 % C	480.000,00	EUR	100,050	480.240,00		8,84
Total receivables				480.240,00		8,84
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-3.712,02	EUR	1,000	-3.712,02		-0,07
Total debts				-3.712,02		-0,07
TOTAL OTHER RECEIVABLES AND PAYABLES				476.527,98		8,77
OTHER						
Accrued interest		EUR		295,35		0,01
Expenses payable		EUR		-407,64		-0,01
TOTAL OTHER				-112,29		0,00
TOTAL NET ASSETS				5.434.729,09		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
KBCBANK 23/12-22/06/12 KBCBAN 1.640 % C	EUR	480.000,00	480.000,00	n.a.	21.12.2011
EQLISWAP	EUR	5.862.130,00	5.862.130,00	n.a.	12.12.2011

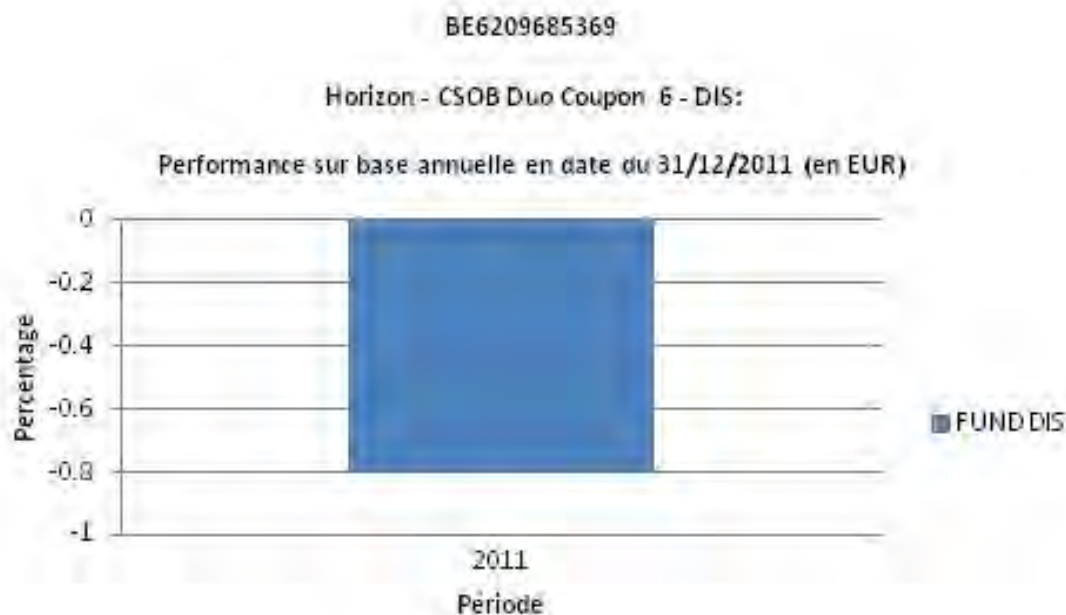
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2011 - 12		0,00		28.909,00		591.378,00	591.378,00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2011 - 12		0,00		6.483.771,05

Period	Net asset value At the end of the period (in the currency of the sub fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2011 - 12	5.434.729,09		9,19

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
DIS	BE6209685369	EUR	-0.80%								10/12/2010	-0.76%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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:

Distribution units (DIS)

Return on date D over a period of X years:

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

where Y = D-X

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

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

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

with C a factor that is determined by all of the dividends and from the date of calculating D and the reference date.

For dividend i to date DI with value Wi we apply:

$$Ci = [Wi / NAV(Di)] + 1$$

i = 1 ... N

where C = C0 * ... * CN.

- 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 nth 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 returns for distribution shares.

Dividend at ex-dividend date 19/12/2011: 0.55 EUR net (0.65 EUR gross).

Pursuant to Royal Decree of 10 November 2006 concerning the accounting and financial statements of certain undertakings for collective investment, the investor should note that the collective investment entity has paid out a dividend even if a negative carryforward was booked for the financial year concerning the dividend.

The investor should likewise note that the dividend paid out has been set in accordance with the investment target described in the prospectus and the simplified prospectus.

2.4.6 COSTS

Total expenses ratio (TER): Not applicable.

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% to 60% if the distributor is an entity belonging to KBC Groupe SA, and to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

If the management company invests the UCI's assets in units of undertakings for collective investment that are not managed by an entity belonging to KBC Groupe SA, and receives a fee for doing so, it will pay this fee to the UCI.

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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In the event of discrepancies between the Dutch and the other language versions of the Annual or Interim Report, the Dutch shall prevail.

2 INFORMATION ON HORIZON ACCESS FUND GLOBAL TRENDS

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 1 April 2011
Initial subscription price: 1000 EUR
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND:

The main object 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 primarily in equities, either directly or indirectly, through equity funds and futures.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

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

PERMITTED DERIVATIVES TRANSACTIONS

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

Changes are made to investments at regular intervals in keeping with the sub-fund's investment strategy. Use of futures is mainly limited to market hedging as a result of affiliations and/or disaffiliations that, due to their size or timing, cannot be executed through investments in other authorised assets. Such futures positions are also to be shifted to other authorised assets as quickly as possible. **In addition, listed and unlisted derivatives may be used by the sub-fund to achieve the objectives:** these may be forward contracts, options or swaps on securities, indexes, 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 mainly invested in the shares of companies involved in activities, which according to the fund manager, are consistent with the theme "Global Trends".

The theme "Global Trends" embraces the challenges of this decade and the next.

For this reason, the fund manager has mainly selected shares in companies in emerging markets, shares in companies involved in the exploitation and development of natural resources or in urban development as well as shares in companies which focus their activities on long-term trends in public health, tourism, technology and innovation.

Investments in other assets such as securities or money market instruments:

The sub-fund primarily invests its assets in units of other collective investment undertakings of the open-ended type. They may be collective investment undertakings promoted by KBC or by other entities.

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

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests no more than 15% of its assets directly, or indirectly, in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:

- the Act 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 the 1992 Income Tax Code on withholding tax;*
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code;*
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

Because this UCITS invests no more than 15% of its assets directly, or indirectly, in debt claims within the meaning of the European Savings Directive, its income does not fall within the scope of the 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 of the 1992 Income Tax Code.

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management of the portfolio will not be delegated to any other party.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Benchmark

MSCI All Countries World net return EUR. This benchmark is used as the reference for calculating the performance fee.

2.1.7 INVESTMENT POLICY

This fund makes its investments in three major areas: emerging economies, urban development and environmental impact and, finally, demographic change and distribution of wealth. These three areas are attributed a more or less equal weighting in the fund. The main individual areas have remained unchanged over the whole year (primary resources (which are becoming scarce), telecommunications and technologies). The emphasis is basically placed on emerging markets (China, India and Asia).

2.1.8 FUTURE INVESTMENT POLICY

The fund is pursuing its long-term investment objectives. Its composition will only be changed if there is a fundamental change to an investment area.

2.1.9 RISK RATING

On a scale from 0 to 6.

Current risk rating: 0

Risk rating at launch: 5

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary		31/12/2011 (in the sub fund's currency)
TOTAL NET ASSETS		36.711.383,96
II. Securities, money market instruments, UCIs and derivative financial instruments		
E. Open-end undertakings for collective investment		36.622.820,63
V. Deposits and cash at bank and in hand		
A. Demand balances at banks		117.313,89
VI. Accruals and deferrals		
C. Accrued expenses (-)		-28.750,56
TOTAL CAPITAL AND RESERVES		36.711.383,96
A. Capital		41.440.651,97
B. Share in the profit		-23.993,91
D. Result for the financial year		-4.705.274,10

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)
I. Write-downs and capital gains and losses	
E. Open-end undertakings for collective investment	-5.221.371,13
H. Foreign-exchange positions and transactions	
b) Other foreign-exchange positions and transactions	691.943,13
II. Investment income and expenses	
B. Interest	
b) Deposits and cash at bank and in hand	3.354,79
C. Interest on loans taken out (-)	-212,06
IV. Operating expenses	
B. Financial expenses (-)	-488,70
D. Manager's fee (-)	
a) Financial management	-118.388,26
b) Administration and accounting management	-27.972,32
F. Formation and organisation expenses (-)	-4.391,81
G. Remuneration, social security charges and pensions (-)	-36,66
H. Services and sundry goods (-)	-2.186,34
J. Taxes	-5.016,93
K. Other expenses (-)	-20.507,81
Income and expenditure for the (interim) period	
Subtotal II + III + IV before tax on the profit	-175.846,10
V. Profit (loss) on ordinary activities before tax	-4.705.274,10
VII. Result for the financial year	-4.705.274,10

Profit appropriation statement

	31/12/2011 (in the sub fund's currency)
I. Profit to be allocated (loss to be recognised)	-4.729.268,01
Profit for the period available for appropriation (loss to be recognised)	-4.705.274,10
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-23.993,91
II. (Appropriations to) Deductions from capital	4.729.268,01

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON ACCESS FUND GLOBAL TRENDS

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end funds							
<u>Belgium</u>							
HORIZON ACCESS FD CHINA IS B KAP	1.587,00	USD	605,990	740.799,67	2,29	2,02	2,02
HORIZON ACCESS FUND ASIAN INFRAST IS B KAP	4.944,00	EUR	368,980	1.824.237,12	6,07	4,98	4,97
HORIZON ACCESS INDIA FUND IS B KAP	241,00	USD	852,590	158.276,22	0,18	0,43	0,43
KBC ECO FUND AGRI IS B KAP	2.417,00	EUR	911,460	2.202.998,82	31,63	6,02	6,00
KBC ECO FUND ALTERNATIVE ENERGY IS B KAP	979,00	EUR	169,250	165.695,75	0,48	0,45	0,45
KBC ECO FUND CLIMATE CHANGE IS B KAP	2.273,00	EUR	320,670	728.882,91	2,81	1,99	1,99
KBC ECO FUND WATER IS B KAP	2.502,00	EUR	596,980	1.493.643,96	1,14	4,08	4,07
KBC EQUITY FUND CENTRAL EUROPE IS B KAP	844,00	EUR	814,870	687.750,28	2,52	1,88	1,87
KBC EQUITY FUND GLOBAL LEADERS IS B KAP	9.250,00	EUR	243,630	2.253.577,50	2,45	6,15	6,14
KBC EQUITY FUND GROWTH BY INNOVATION IS B KAP	10.521,00	EUR	143,190	1.506.501,99	5,25	4,11	4,10
KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS IS B KAP	6.587,00	EUR	400,300	2.636.776,10	2,81	7,20	7,18
KBC EQUITY FUND LUXURY & TOURISM IS B KAP	9.519,00	EUR	96,380	917.441,22	6,63	2,51	2,50
KBC EQUITY FUND MEDICAL TECHNOLOGIES IS B KAP	1.195,00	USD	1.595,660	1.468.813,51	14,40	4,01	4,00
KBC EQUITY FUND NEW ASIA IS B KAP	6.810,00	EUR	468,950	3.193.549,50	1,83	8,72	8,70
KBC EQUITY FUND NEW MARKETS IS B KAP	2.193,00	EUR	1.333,810	2.925.045,33	4,57	7,99	7,97
KBC EQUITY FUND OIL IS B KAP	3.316,00	EUR	633,770	2.101.581,32	1,70	5,74	5,73
KBC EQUITY FUND PHARMA GROWTH IS B KAP	2.344,00	EUR	561,140	1.315.312,16	6,54	3,59	3,58
KBC EQUITY FUND TECHNOLOGY IS B KAP	16.395,00	USD	132,960	1.679.155,14	1,64	4,59	4,57
KBC EQUITY FUND TELECOM IS B KAP	2.207,00	EUR	254,380	561.416,66	0,40	1,53	1,53
KBC EQUITY FUND TURKEY IS B KAP	908,00	TRY	862,690	319.501,78	3,32	0,87	0,87
<u>Luxembourg</u>							
BLACKROCK GLOBAL FUNDS WORLD ENERGY FD USD A2	42.335,00	USD	23,040	751.346,79		2,05	2,05
JP MORGAN FLEMING FUNDS CONSUMER TRENDS FUND	216.850,00	EUR	12,000	2.602.200,00		7,11	7,09
JP MORGAN INVESTMENT FUNDS GLOBAL NAT RES	36.038,00	EUR	19,120	689.046,56		1,88	1,88
MERRILL LYNCH INTL. INV. FUND WORLD MINING FUND	18.391,00	USD	61,830	875.917,06		2,39	2,39
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
HORIZON ACCESS FD BRAZIL KAP	464,00	EUR	821,680	381.259,52	1,23	1,04	1,04
HORIZON ACCESS FD RUSSIA KAP	2.236,00	EUR	394,590	882.303,24	1,67	2,41	2,40
KBC EQUITY FUND LATIN AMERICA KAP	562,00	EUR	1.344,710	755.727,02	1,72	2,06	2,06

<u>Luxembourg</u>							
MERRILL LYNCH INTERNAT INVESTM FDS WORLD GOLD & MINING	18.852,00	USD	55,370	804.063,50		2,20	2,19
Total investment funds				36.622.820,63		100,00	99,76
TOTAL SECURITIES PORTFOLIO				36.622.820,63		100,00	99,76
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	114.960,75	EUR	1,000	114.960,75			0,31
KBC GROUP TRY	2.807,42	TRY	1,000	1.145,09			0,00
KBC GROUP USD	1.568,29	USD	1,000	1.208,05			0,00
Total demand accounts				117.313,89			0,32
TOTAL CASH AT BANK AND IN HAND				117.313,89			0,32
OTHER							
Expenses payable		EUR		-28.750,56			-0,08
TOTAL OTHER				-28.750,56			-0,08
TOTAL NET ASSETS				36.711.383,96			100,00

Geographical allocation (as a % of the securities portfolio)

	30/06/2011	31/12/2011
Argentina	0,03	0,05
Australia	0,66	0,74
Austria	0,49	0,25
Belgium	0,59	1,01
Bulgaria	0,00	0,01
Bermuda	0,28	0,41
Brazil	6,32	5,08
Canada	1,12	1,31
Switzerland	1,23	1,39
Chile	0,34	0,49
China	6,12	5,87
Colombia	0,15	0,51
Czech Republic	0,53	0,55
Cayman islands	0,69	0,51
Germany	1,83	1,66
Denmark	0,38	0,36
Egypt	0,04	0,05
Spain	0,41	0,45
Finland	0,29	0,22
France	2,35	1,94
United Kingdom	3,65	3,89
Greece	0,01	0,00
Hong Kong	3,95	4,08
Hungary	0,40	0,12
India	4,15	3,15
Indonesia	0,94	1,03
Ireland	0,14	0,19
Israel	0,09	0,14
Italy	0,60	0,48
Jersey	0,11	0,13
Japan	1,87	2,79
South Korea	5,41	5,42
Croatia	0,01	0,00
Luxembourg	18,42	15,73
Mexico	1,22	1,06
Malaysia	1,66	1,60
Netherlands	0,46	0,51
Norway	0,14	0,29
New Zealand	0,01	0,02
Peru	0,10	0,26
Philippines	0,32	0,51
Poland	1,19	1,27
Portugal	0,11	0,11
Romania	0,07	0,07
Russia	3,53	3,75
Singapore	0,36	0,58
Slovenia	0,00	0,04
Sweden	0,68	0,30
Thailand	0,61	1,01
Turkey	1,31	1,13
Taiwan	4,16	4,39
USA	18,96	21,50

Brit.Virgin	0,05	0,00
South Africa	1,41	1,53
Dem. Congo	0,05	0,06
Total	100,00	100,00

Sector allocation (as a % of the securities portfolio)

	30/06/2011	31/12/2011
Cyclical sectors	26,76	26,35
Consumer discretionary	8,81	8,24
Consumer staples	4,07	7,60
Pharmaceuticals	8,50	9,43
Financials	12,17	10,30
Technology	11,23	11,64
Telecommunications	2,55	3,94
Utilities	6,55	5,84
Property	0,95	0,99
Investment funds	18,37	15,65
Sundry	0,04	0,02
Total	100,00	100,00

Currency allocation (as a % of net assets)

	30/06/2011	31/12/2011
ARS	0,01	0,02
AUD	0,59	0,62
BGN	0,00	0,01
BRL	5,91	4,69
CAD	1,16	1,34
CHF	1,15	1,32
CNY	2,00	1,91
COP	0,07	0,15
CZK	0,61	0,58
DKK	0,38	0,36
EUR	18,98	15,91
GBP	3,36	3,65
HKD	8,62	8,77
HRK	0,01	0,00
HUF	0,39	0,12
IDR	1,09	1,22
ILS	0,00	0,07
INR	3,84	2,83
JPY	1,87	2,79
KRW	5,32	5,40
MXN	0,93	0,79
MYR	1,64	1,59
NOK	0,19	0,33
NZD	0,01	0,02
PEN	0,02	0,00
PHP	0,32	0,50
PLN	1,19	1,27
RON	0,07	0,07
SEK	0,66	0,31
SGD	0,35	0,57
THB	0,62	1,04
TRY	1,29	1,15
TWD	4,29	4,35
USD	31,61	34,66
ZAR	1,45	1,59
Total	100,00	100,00

2.4.2 CHANGE IN THE COMPOSITION OF ASSETS HORIZON ACCESS FUND GLOBAL TRENDS (IN THE SUB-FUND'S CURRENCY)

	1st half-year	2nd half-year	Year
Purchases	41.899.782,34	35.933.185,14	77.832.967,48
Sales	732.834,05	33.604.743,01	34.337.577,05
Total 1	42.632.616,39	69.537.928,14	112.170.544,53
Subscriptions	42.127.458,47	2.289.108,80	44.416.567,27
Redemptions	248.762,89	2.727.152,41	2.975.915,30
Total 2	42.376.221,36	5.016.261,21	47.392.482,57
Monthly average of total assets	33.046.137,13	37.242.303,71	35.923.508,50
Turnover rate	0,78 %	173,25 %	180,32 %

	1st half	2nd half	Year
Purchases	41.899.782,34	35.933.185,14	77.832.967,48
Sales	732.834,05	33.604.743,01	34.337.577,05
Total 1	42.632.616,39	69.537.928,14	112.170.544,53
Subscriptions	42.127.458,47	2.289.108,80	44.416.567,27
Redemptions	248.762,89	2.727.152,41	2.975.915,30
Total 2	42.376.221,36	5.016.261,21	47.392.482,57
Monthly average of total assets	9.079.144,02	37.145.675,53	35.773.765,83
Adjusted turnover rate	2,82 %	173,70 %	181,08 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take into account the 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 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 ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil.

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

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2011 - 12	45.193,49		3.395,00		41.798,49		41.798,49

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2011 - 12	44.380.879,04		2.964.220,98	

Period	Net asset value At the end of the period (in the currency of the sub fund)		
	Of the sub-fund	Of one unit	
		Cap.	Dis.
2011 - 12	36.711.383,96	878,29	

2.4.5 PERFORMANCE FIGURES

The cumulative returns are given if they are available for a period of at least one year.

2.4.6 COSTS

Total expenses ratio (TER): Not applicable.

Fee for managing the investment portfolio

The management fee amounts to 51,485.72 EUR. A fee of 66.902,54 EUR for commissions and asset allocation costs has also been levied.

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% to 60% if the distributor is an entity belonging to KBC Groupe SA, and to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

If the management company invests the UCI's assets in units of undertakings for collective investment that are not managed by an entity belonging to KBC Groupe SA, and receives a fee for doing so, it will pay this fee to the UCI.

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1% 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.

In addition: Fees and charges associated with the allocation of assets: 0.25 p.a. calculated on basis of average total net assets of sub-fund.

In addition: a performance fee the management company receives a performance fee as set out in the prospectus.

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

Auditor's fee: 1,700 EUR per year. This fee does not include 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 mutual fund 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:

- the security may not be influenced negatively for the shareholders;
- the rules covering corporate governance must be respected, except for those relating to minority shareholders' rights;
- 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 ICVC.

Name	Maximum management fee
Horizon-Access Fund China-Institutional B Shares	1,50
Horizon-Access Fund Asian Infrastructure-Institutional B Shares	1,50
Horizon-Access India Fund-Institutional B Shares	1,50
KBC Eco Fund-Agri-Institutional B Shares	1,45
KBC Eco Fund-Alternative Energy-Institutional B Shares	1,30
KBC Eco Fund-Climate Change-Institutional B Shares	1,40
KBC Eco Fund-Water-Institutional B Shares	1,30
KBC Equity Fund-Central Europe-Institutional B Shares	1,50
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 New Markets-Institutional B Shares	1,50
KBC Equity Fund-Luxury & Tourism-Institutional B Shares	1,35
KBC Equity Fund-Medical Technologies-Institutional B Shares	1,35
KBC Equity Fund-New Asia-Institutional B Shares	1,50
KBC Equity Fund-New Markets-Institutional B Shares	1,50
KBC Equity Fund-Oil-Institutional B Shares	1,35
KBC Equity Fund-Pharma Growth-Institutional B Shares	1,35
KBC Equity Fund-Technology-Institutional B Shares	1,35
KBC Equity Fund-Telecom-Institutional B Shares	1,35
KBC Equity Fund-Turkey-Institutional B Shares	1,50
Horizon-Access Fund Brazil	1,20
Horizon-Access Fund Russia	1,20
KBC Equity Fund-Latin America	1,40
World Gold Fund	0,00
Horizon-Access Fund Global Trends	1,00

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB DUO COUPON 7

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 1 June 2011

Initial subscription price: 20 EUR

Maturity date: 30/08/2019

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse the initial subscription price per share of 20 EUR up to the first half of the initial subscription value on the interim maturity date and the second half of the initial subscription value on the maturity date (protection of capital). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection, however, does not extend to shareholders selling their shares before the interim or final maturity date.
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism intended to ensure capital protection on the maturity date or, where applicable, the early exercise date consists of investing all subscriptions in bonds or other debt instruments, deposits and/or liquid assets, notably funds deposited into term or demand accounts. These investments may have different durations and coupon payment dates which are aligned with the expiry dates of the sub-fund's commitments through the use of the swaps referred to in the section *Permitted swap transactions (2)*.

Characteristics to be met by the investments

The deposits, bonds and other debt instruments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area;
- (2) Debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, due to shortcomings of the financial mechanism, the amount to be paid per share on the interim maturity date or at maturity before costs and taxes is less than the initial subscription price, KBC Asset Management may decide, without being obligated to do so, to allocate the management fee made from the sub-fund and potentially other sub-funds of the ICVC during the current financial year to cover this shortfall. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

This capital protection, however, does not extend to shareholders selling their shares before the interim or final maturity dates.

POTENTIAL RETURN

To obtain a potential return, the sub-fund conducts swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, derivatives (financial derivatives), liquid assets and any other instrument permitted under the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-1" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. As part of these swaps, the sub-fund transfers part of its future income from these investments earmarked for capital protection to these counterparties for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund risk profile is not influenced by use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The sub-fund has the following investment objectives:

On the interim maturity date: remboursement de la première moitié de la valeur de souscription initiale de 20 EUR, soit 10 EUR et un premier paiement de dividende égal à 7.5% (rendement actuariel sur base annuelle : 6.08%) calculé sur la moitié de la valeur de souscription initiale de 20 EUR, soit 10 EUR. This dividend amounts to 0.75 EUR

On the maturity date: redemption of the second half of the value of the initial subscription of 20 EUR, i.e. 10 EUR.

Per period of: a dividend calculated for half of the initial subscription value of 20 EUR, i.e. 10 EUR, on the basis of any increase in the value of a basket of the 30 top-quality corporate shares (as defined below), which are characterised by high market capitalisation and a low price/earnings ratio calculated on the basis of a **'Fix Upside Coupon' structure**. Any increase in value of this basket per period with respect to the base value of the basket (*(last value of the basket period minus base value of the basket) divided by base value of the basket*) will be determined according to the respective period and paid out at 100% as a dividend. In determining the last value of the shares for the period the method of calculation as described in the "Last value per period of a share" must be used and thus a maximum gain of 7% is distributed as dividend. As a consequence, the yield to maturity per sub-period (on an annualised basis) is between 5.67% and 6.61% maximum, depending on the duration of the sub-period (see table of sub-periods).

Any negative basket performances are not taken into account. The minimum dividend per period is equal to 1%, calculated on the basis of half of the initial subscription value of 20 EUR, i.e. 10 EUR. As a consequence, the yield to maturity per sub-period (on an annualised basis) is between 0.81% and 0.94% minimum, depending on the duration of the sub-period (see table of sub-periods)

The payment of the dividend for the initial period coincides with the interim maturity date.

A withholding tax of 21% is levied on the dividend paid, subject to changes in the applicable legislation. The dividends on each period, with the exception of the last period, are payable on the last bank working day of the month following the end of the period. The dividend for the last period is payable on the maturity date.

MATURITY: Friday 30 August 2019 (payment with value date D + 1 bank working day).

INTERIM MATURITY: The last valuation date of August 2012 (payment with value date of D+1 bank working day).

CURRENCY: EUR, the change in the local exchange rate of the shares in the basket in relation to the EUR is not relevant.

PERIODS

Period	Duration of period	Last price for period
1) 06/2011 – 07/2012	14 months	For each share in the basket, the average price of the five first valuation dates in August 2012.
2) 08/2012 – 07/2013	12 months	For each share in the basket, the average price of the five first valuation dates in August 2013.
3) 08/2013 – 07/2014	12 months	For each share in the basket, the average price of the five first valuation dates in August 2014.
4) 08/2014 – 07/2015	12 months	For each share in the basket, the average price of the five first valuation dates in August 2015.
5) 08/2015 – 07/2016	12 months	For each share in the basket, the average price of the five first valuation dates in August 2016.
6) 08/2016 – 07/2017	12 months	For each share in the basket, the average price of the five first valuation dates in August 2017.
7) 08/2017 – 07/2018	12 months	For each share in the basket, the average price of the five first valuation dates in August 2018.
8) 08/2018 – 07/2019	12 months	For each share in the basket, the average price of the five first valuation dates in August 2019.

BASE VALUE OF A SHARE:

For each share in the basket the average price of the first five valuation dates beginning Wednesday 8 June 2011 inclusive.

LAST VALUE PER PERIOD OF A SHARE(*):

- Scenario 1: if the final price for a share is greater than its base value, irrespective of the difference, a 7% increase with respect to the base value of the share will be booked for the current period.

- Scenario 2: if the final price of the share for the period is less than or equal to the base value of this share, the share's final price will be booked as its last value for the period.

(*)The increase or decrease in a share's price at the end of each period is always calculated in relation to the base value of the respective share as described above, which is only determined once and which may not be changed, as shown in the example below.

BASE VALUE OF THE BASKET: the average weighted base value of shares in the basket.

LAST VALUE OF BASKET FOR THE PERIOD:

the average weighted last value of shares in the basket for the period.

PRICE:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, namely the price of an equity in the basket as calculated and published on closure of the stock exchange by the competent stock-exchange body (or its legal successor) for the place where the security is listed. For equities listed on the Milan stock exchange, the reference price is used.

VALUATION DATE:

A valuation date is determined separately for each share in the basket.

A valuation date is a day which is both an official stock-market trading day

- i) for the stock market where the share is listed, and,
- ii) for the stock market with trading activity that has a significant impact on options and forward contracts traded on the securities making up the index,

hereinafter "the Stock Markets Concerned",

If, on the valuation date:

- a) one of the stock markets concerned remains closed unexpectedly; or,
- b) an event occurs which disrupts the market on one of the stock markets concerned; or,
- c) one of the stock markets concerned closes early,

the scheduled valuation date is replaced by the next trading day on which none of the events listed under a), b) and c) above occur. A closure which is out of the ordinary but is announced in good time is not considered to be an early closure.

If a valuation is made on the basis of successive valuation dates, the trading day replacing a scheduled valuation date (i) cannot coincide with another scheduled valuation date, and (ii) cannot be a trading day which already replaces another scheduled valuation date.

If, however, an event under a), b) or c) above occurs on each of the eight trading days which follow the scheduled valuation date:

- (i) the eighth trading day is held to be the scheduled valuation date:
- (ii) the ICVC will estimate, in good faith and in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and,
- (iii) the ICVC will inform the unit holders of the changes with regard to determination of the base value and/or the last value and the terms and conditions of payment.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following example illustrates the investment objectives described above. The example is based on a duration of 8 years, 2 months, and 22 days, an initial subscription value of 20 EUR, an interim maturity date 14 months after launch of the sub-fund and a basket of 3 equally weighted shares, each priced at 100 in the determination of the base value.

At the interim maturity date, the first half of the value of the initial subscription of EUR 20 (i.e. EUR 10) is redeemed. Moreover, for the period starting from the launch to the interim maturity date, a first dividend of 7.5% will be paid, calculated on the basis of half of the initial subscription amount of EUR 20 (i.e. EUR 10). The dividend paid thus amounts to $7.5\% * 10 \text{ EUR} = 0.75 \text{ EUR}$

For periods 1 to 8, the sub-fund pays a dividend calculated on the basis of the other half of the initial subscription of 20 EUR (i.e. 10 EUR), based on any increase in the basket of shares. In case of any rise in a period of an individual share ($>0\%$), compared with its base value, the contribution of this share to basket gain will be set at 7%. However, any decrease ($\leq 0\%$) of an individual share in relation to the base value is taken into account in determining the contribution of the share to the value of the basket for the period concerned. The minimum dividend per period is equal to 1%, calculated on the basis of half of the initial subscription value of 20 EUR, i.e. 10 EUR.

The payment of the dividend for the initial period coincides with the interim maturity date.

In the event of redemption before maturity, the value of the investments is calculated on the basis of the market value of the underlying assets and not using the formula given in the examples.

The investment value calculated using the formula given in the examples may diverge positively or negatively from the value of the underlying assets.

Examples

Negative scenario	Final price (*) per period			The dividend (**) is (before withholding tax of 15%)	Payment (***) you receive in EUR ...
	share A	share B	share C		
Interim maturity date				Fixed dividend = 7.5%	10 + 0.75 = 10.75
+ end of period 1	98 (-2%)	99 (-1%)	95 (-5%)	$(-2\% - 1\% - 5\%) / 3 = -2.67\%$	+ 0.10 = 10.85
end of period 2	90 (-10%)	98 (-2%)	97 (-3%)	$(-10\% - 2\% - 3\%) / 3 = -5\%$	0.10
end of period 3	98 (-2%)	101 (7%)	95 (-5%)	$(-2\% + 7\% - 5\%) / 3 = 0\%$	0.10
end of period 4	99 (-1%)	102 (7%)	95 (-5%)	$(-1\% + 7\% - 5\%) / 3 = 0.33\%$	0.10
end of period 5	89 (-11%)	99 (-1%)	77 (-23%)	$(-11\% - 1\% - 23\%) / 3 = -11.67\%$	0.10
end of period 6	96 (-4%)	92 (-8%)	85 (-15%)	$(-4\% - 8\% - 15\%) / 3 = -9\%$	0.10
end of period 7	92 (-8%)	108 (7%)	69 (-31%)	$(-8\% + 7\% - 31\%) / 3 = -10.67\%$	0.10
end of period 8	80 (-20%)	112 (7%)	80 (-20%)	$(-20\% + 7\% - 20\%) / 3 = -11\%$	10 + 0.1 = 10.1

This example is based on a basket of 3 shares with the same weighting and with a price of 100 when the initial value was determined.
 (*) the final price and, in parentheses, the contribution of each share to the dividend for the reporting period.
 (**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.
 (***) 50% of the value of the initial subscription will be redeemed on the interim maturity date and 50% on the final maturity date.
 These examples do not indicate the return obtained and only represent the most probable scenario. The investment value may increase or decrease and the investor may even receive less than the amount initially invested in the event of departure before the renewal date.

Neutral scenario	Final price (*) per period			The dividend (**) is (before withholding tax of 15%)	Payment (***) you receive in EUR ...
	share A	share B	share C		
Interim maturity date				Fixed dividend = 7.5%	10 + 0.75 = 10.75
+ end of period 1	101 (7%)	102 (7%)	99 (-1%)	$(7\% + 7\% - 1\%) / 3 = 4.33\%$	+ 0.43 = 11.18
end of period 2	90 (-10%)	110 (7%)	102 (7%)	$(-10\% + 7\% + 7\%) / 3 = 1.33\%$	0.13
end of period 3	94 (-6%)	111 (7%)	104 (7%)	$(-6\% + 7\% + 7\%) / 3 = 2.67\%$	0.27
end of period 4	93 (-7%)	112 (7%)	110 (7%)	$(-7\% + 7\% + 7\%) / 3 = 2.33\%$	0.23
end of period 5	101 (7%)	94 (-6%)	115 (7%)	$(7\% - 6\% + 7\%) / 3 = 2.67\%$	0.27
end of period 6	99 (-1%)	120 (7%)	120 (7%)	$(-1\% + 7\% + 7\%) / 3 = 4.33\%$	0.43
end of period 7	98 (-2%)	115 (7%)	125 (7%)	$(-2\% + 7\% + 7\%) / 3 = 4\%$	0.40
end of period 8	99 (-1%)	102 (7%)	99 (-1%)	$(-1\% + 7\% - 1\%) / 3 = 1.67\%$	10 + 0.17 = 10.17

This example is based on a basket of 3 shares with the same weighting and with a price of 100 when the initial value was determined.
 (*) the final price and, in parentheses, the contribution of each share to the dividend for the reporting period.
 (**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.
 (***) 50% of the value of the initial subscription will be redeemed on the interim maturity date and 50% on the final maturity date.
 These examples do not indicate the return obtained and only represent the most probable scenario. The investment value may increase or decrease and the investor may even receive less than the amount initially invested in the event of departure before the maturity date.

Positive scenario	Final price (*) per period			The dividend (**) is (before withholding tax of 15%)	Payment (***) you receive in EUR ...
	share A	share B	share C		
Interim maturity date				Fixed dividend = 7.5%	10 + 0.75 = 10.75
+ end of period 1	101 (7%)	102 (7%)	101 (7%)	$(7\% + 7\% + 7\%) / 3 = 7\%$	+ 0.7 = 11.45
end of period 2	102 (7%)	110 (7%)	102 (7%)	$(7\% + 7\% + 7\%) / 3 = 7\%$	0.7
end of period 3	103 (7%)	111 (7%)	104 (7%)	$(7\% + 7\% + 7\%) / 3 = 7\%$	0.7
end of period 4	101 (7%)	112 (7%)	110 (7%)	$(7\% + 7\% + 7\%) / 3 = 7\%$	0.7
end of period 5	105 (7%)	118 (7%)	115 (7%)	$(7\% + 7\% + 7\%) / 3 = 7\%$	0.7
end of period 6	101 (7%)	120 (7%)	120 (7%)	$(7\% + 7\% + 7\%) / 3 = 7\%$	0.7
end of period 7	101 (7%)	115 (7%)	125 (7%)	$(7\% + 7\% + 7\%) / 3 = 7\%$	0.7
end of period 8	101 (7%)	102 (7%)	122 (7%)	$(7\% + 7\% + 7\%) / 3 = 7\%$	10 + 0.7 = 10.7

This example is based on a basket of 3 shares with the same weighting and with a price of 100 when the initial value was determined.
 (*) the final price and, in parentheses, the contribution of each share to the dividend for the reporting period.
 (**) Taxation: withholding tax of 15% on dividends, subject to changes in the legislation applicable.
 (***) 50% of the value of the initial subscription will be redeemed on the interim maturity date and 50% on the final maturity date.
 These examples do not indicate the return obtained and only represent the most probable scenario. The investment value may increase or decrease and the investor may even receive less than the amount initially invested in the event of departure before the maturity date.

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed (city - ICM) and its initial weighting.

1	ASTELLAS PHARMA INC	4503 JT Equity	Tokyo - XTKS	7.00%
2	BANK OF MONTREAL	BMO CT Equity	Toronto - XTSE	2.00%
3	BRISTOL-MYERS SQUIBB CO	BMV UN Equity	New York - XNYS	3.00%
4	CAN IMPERIAL BK OF COMMERCE	CM CT Equity	Toronto - XTSE	5.00%
5	CENTRICA PLC	CNALN Equity	London - XLON	2.00%
6	CONSOLIDATED EDISON INC	ED UN Equity	New York - XNYS	8.00%
7	ENEL SPA	ENEL IM Equity	Milano -MTAA	2.00%
8	FRANCE TELECOM SA	FTE FP Equity	Paris - XPAR	2.00%
9	GAS NATURAL	GAS SQ Equity	Madrid - XMCE	2.00%
10	KIMBERLY-CLARK CORP	KMB UN Equity	New York - XNYS	8.00%
11	KONINKLIJKE KPN NV	KPN NA Equity	Amsterdam - XAMS	5.00%
12	KRAFT FOODS INC-CLASS A	KFT UN Equity	New York - XNYS	5.00%
13	LAND SECURITIES GROUP PLC	LAND LN Equity	London - XLON	2.00%
14	MERCK & CO. INC.	MRK UN Equity	New York - XNYS	2.00%
15	NATIONAL GRID PLC	NG/ LN Equity	London - XLON	5.00%
16	NOVARTIS AG-REG	NOVN VX Equity	Zurich - XVTX	2.00%
17	PEARSON PLC	PSO LN Equity	London - XLON	2.00%
18	REED ELSEVIER PLC	REL LN Equity	London - XLON	2.00%
19	ROCHE HOLDING AG-GENUSSCHEIN	ROG VX Equity	Zurich - XVTX	7.00%
20	ROYAL BANK OF CANADA	RY CT Equity	Toronto - XTSE	2.00%
21	RSA INSURANCE GROUP PLC	RSALN Equity	London - XLON	2.00%
22	SCOTTISH & SOUTHERN ENERGY	SSE LN Equity	London - XLON	2.00%
23	SEVERN TRENT PLC	SVT LN Equity	London - XLON	2.00%
24	STANDARD LIFE PLC	SL/ LN Equity	London - XLON	2.00%
25	TAKEDA PHARMACEUTICAL CO LTD	4502 JT Equity	Tokyo - XTKS	7.00%
26	TELIASONERA AB	TLSN SS Equity	Stockholm -XSTO	2.00%
27	UNITED UTILITIES GROUP PLC	UU/ LN Equity	London - XLON	2.00%
28	VODAFONE GROUP PLC	VOD LN Equity	London - XLON	2.00%
29	WASTE MANAGEMENT INC	WM UN Equity	New York - XNYS	2.00%
30	ZURICH FINANCIAL SERVICES AG	ZURN VX Equity	Zurich - XVTX	2.00%

Selection criteria for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it has a major market capitalisation and a low price/earnings ratio, and (iii) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

The number of shares in the basket will always be equal to the initial number unless the issuer of the basket is declared bankrupt (see § Bankruptcy).

If the number of shares decreases subsequent to a merger, an additional share will be added to the basket. The additional share and the share resulting from the merger will receive the same weighting in the basket.

Merger, takeovers, nationalisation or disqualification

If one or more issuers of shares in the basket are involved in a merger or acquisition, the shares of the issuers concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation.

If the number of shares in the basket decreases subsequent to a merger or acquisition, an additional share will be added to the basket issued by an issuer which enjoys international standing and comparable solvency and which fulfils the selection criteria. An identical weighting will be assigned in the basket to this additional share and the share resulting from the merger.

If one or more issuers of shares in the basket are involved in a merger, acquisition or nationalisation or another event with the result that one or more shares in the basket no longer fulfil the selection criteria ('Disqualification'), the ICVC Board of Directors may replace the shares not satisfying the selection criteria with other shares issued by other issuers which have an international standing and corresponding solvency and which fulfil the selection criteria.

Demerger

If an issuer of a share in the basket proceeds with a demerger, the share concerned may be replaced either by one of the shares arising from the demerger and meeting the Selection Criteria or by a basket composed of all such shares meeting the Selection Criteria. This basket will be treated as one share for the purpose of calculating the number of shares in the basket. If, in the wake of the operation, none of the shares arising from the demerger fulfil the Selection Criteria, the ICVC Board of Directors may replace those shares with other shares issued by other issuers with an international standing and corresponding solvency, that fulfil the Selection Criteria.

Bankruptcy

If an issuer of a share in the basket is declared bankrupt, the share is removed from the basket and disposed of at the last price before it is eliminated. The amount realised is then invested until the maturity date of the sub-fund's underlying swap transaction at the interest rate applying at that time on the money or bond market. This amount together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket.

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price pro rata based on the length of time for which the investor has held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 INVESTMENT POLICY

Composition of the basket on the date of the report

Name	Value
ASTELLAS PHARMA INC	6,9552
BANK OF MONTREAL (CT)	1,8463
BRISTOL-MYERS SQUIBB CO	3,8193
CAN IMPERIAL BK OF COMMERCE (CT)	4,7511
CENTRICA	1,7881
CONSOLIDATED EDISON INC	9,5923
ENEL SPA	1,3500
FRANCE TELECOM SA	1,6201
GAS NATURAL	2,0246
KIMBERLY-CLARK CORP	9,0795
KONINKLIJKE KPN NV	4,5972
KRAFT FOODS INC-CLASS A	5,5265
LAND SECURITIES GROUP PLC	1,5020
MERCK & CO. INC.	2,1172
NATIONAL GRID PLC	5,2740
NOVARTIS AG-REG	2,0516
PEARSON PLC	2,1025
REED ELSEVIER PLC	1,9027
ROCHE HOLDING AG-GENUSSCHEIN	7,8573
ROYAL BANK OF CANADA (CT)	1,8915
RSA INSURANCE GROUP PLC	1,5495
SEVERN TRENT PLC	2,0580
SSE PLC	1,8494
STANDARD LIFE PLC	1,9926
TAKEDA PHARMACEUTICAL CO LTD	6,3004
TELIASONERA AB	1,9733
UNITED UTILITIES GROUP PLC	2,0053
VODAFONE GROUP PLC	2,2802
WASTE MANAGEMENT INC	1,7861
ZURICH FINANCIAL SERVICE-REG	1,9167
TOTAL	101,36

Performance of the index or basket

Index: **BASKET**

30/06/2011: **101,03**

29/12/2011: **101,36**

Performance since 31/12/2010 or since the launch of the sub-fund: **1,36%**

Performance since 30 June 2011 or since the launch of the sub-fund: **0,33%**

Index at the launch of the sub-fund **100,00**

Minimum guaranteed return in local currency on the maturity date: **10,00**

Local currency: **EUR**

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
03/10/2011	SCOTTISH & SOUTHERN ENERGY	SSE PLC	Change of name

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: I

Risk rating at launch: I

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary		31/12/2011 (in the sub fund's currency)
TOTAL NET ASSETS		4.561.358,20
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds		3.874.490,85
F. Financial derivatives		
e) On shares		
Swaps (+/-)		193.505,16
k) On interest-rates		
Swaps (+/-)		23.400,62
IV. Receivables and payables within one year		
B. Debts		
a) Accounts payable (-)		-23.612,24
V. Deposits and cash at bank and in hand		
A. Demand balances at banks		135.483,97
B. Term accounts at banks		360.119,80
VI. Accruals and deferrals		
B. Accrued income		112,35
C. Accrued expenses (-)		-2.142,31
TOTAL CAPITAL AND RESERVES		4.561.358,20
A. Capital		4.415.763,65
B. Share in the profit		-523,95
D. Result for the financial year		146.118,50

OFF-BALANCE-SHEET ITEMS

IV	Notional amounts of swap contracts (+)	4.500.120,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)
I. Write-downs and capital gains and losses	
A. Bonds and other debt instruments	
a) Bonds	-80.537,76
F. Financial derivatives	
e) On shares	
Swaps (+/-)	193.505,16
j) On interest rates	
Swaps (+/-)	23.400,62
G. Receivables, deposits, cash at bank and in hand, and payables	119,80
H. Foreign-exchange positions and transactions	
b) Other foreign-exchange positions and transactions	1,56
II. Investment income and expenses	
B. Interest	
a) Securities and money market instruments	43.278,37
b) Deposits and cash at bank and in hand	4.079,45
D. Swaps (+/-)	-18.362,49
III. Other income	
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	848,81
IV. Operating expenses	
A. Investment transaction and delivery costs (-)	-0,02
B. Financial expenses (-)	-75,82
D. Manager's fee (-)	
a) Financial management	-17.030,36
b) Administration and accounting management	-559,37
F. Formation and organisation expenses (-)	-240,09
H. Services and sundry goods (-)	-167,05
K. Other expenses (-)	-2.142,31
Income and expenditure for the (interim) period	
Subtotal II + III + IV before tax on the profit	9.629,12
V. Profit (loss) on ordinary activities before tax	146.118,50
VII. Result for the financial year	146.118,50

Profit appropriation statement

	31/12/2011 (in the sub fund's currency)
I. Profit to be allocated (loss to be recognised)	145.594,55
Profit for the period available for appropriation (loss to be recognised)	146.118,50
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-523,95
II. (Appropriations to) Deductions from capital	-145.594,55

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB DUO COUPON 7

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	186.000,00	EUR	97,947	182.238,55		4,45	4,00
AMETHYST STRUCTURED FIN PLC 6E-7 23/12-23/06 1.368%	166.000,00	EUR	97,396	161.728,79		3,95	3,55
BEECHWOOD STRUCTURED FIN PLC 6E-7 23/12-23/06 3.095%	168.000,00	EUR	96,421	162.040,09		3,96	3,55
BROOKFIELDS CAPITAL PLC 6E-7 23/12-23/06 3.095%	167.000,00	EUR	97,687	163.189,93		3,99	3,58
CARMINI PRO BAND PFT 6E-0.07 23/06-23/12	186.000,00	EUR	97,821	182.004,59		4,45	3,99
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	186.000,00	EUR	97,877	182.109,08		4,45	3,99
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	186.000,00	EUR	97,979	182.297,90		4,46	4,00
EPERON FINANCE PLC 6E-7 23/12-23/06 3.095%	167.000,00	EUR	97,299	162.541,74		3,97	3,56
ESPACCIO SECURITIES PLC 6E-7 23/12-23/06 3.095%	169.000,00	EUR	96,442	163.039,25		3,99	3,57
GREENSTREET STRUCT. FIN. PROD. PLC 6E-7 23/12-23/06 3.095%	168.000,00	EUR	96,498	162.169,02		3,96	3,56
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	93.000,00	EUR	98,028	91.194,62		2,23	2,00
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	93.000,00	EUR	97,836	91.015,98		2,23	2,00
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	93.000,00	EUR	97,844	91.024,23		2,23	2,00
NIMROD CAPITAL PLC 6E-7 23/12-23/06 3.095%	166.000,00	EUR	97,567	162.011,99		3,96	3,55
OPAL FINANCIAL PRODUCTS PLC 6E-7 23/12-23/06 3.095%	168.000,00	EUR	96,692	162.495,53		3,97	3,56
PROFILE FINANCE PLC 6E-7 23/12-23/06 3.095%	168.000,00	EUR	97,204	163.354,70		3,99	3,58
RECOLTE SECURITIES PLC 6E-7 23/12-23/06 3.095%	168.000,00	EUR	96,309	161.851,35		3,96	3,55
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	93.000,00	EUR	97,711	90.899,84		2,22	1,99
SILVERSTATE FIN INV PLC 6E-7 23/12-23/06 3.095%	167.000,00	EUR	96,871	161.827,14		3,96	3,55
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	93.000,00	EUR	97,828	91.008,71		2,22	2,00
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	93.000,00	EUR	97,710	90.899,19		2,22	1,99
VESPUCCI STRUCTURED FIN PROD 6E-7 23/12-23/06 3.095%	168.000,00	EUR	97,062	163.116,69		3,99	3,58
VIGADO CAPITAL PLC 6E-7 23/12-23/06 3.095%	169.000,00	EUR	96,356	162.894,52		3,98	3,57
VOYCE INVESTMENTS PLC 6E-7 23/12-23/06 3.095%	166.000,00	EUR	97,815	162.425,23		3,97	3,56
WATERFORD CAPITAL INC PLC 6E-7 23/12-23/06 3.095%	169.000,00	EUR	96,219	162.661,72		3,98	3,57
WAVES FINANCIAL INV PLC 6E-7 23/12-23/06 3.095%	167.000,00	EUR	97,245	162.450,47		3,97	3,56
Total bonds				3.874.490,85		94,70	84,94
Swaps							
<u>Belgium</u>							
KBC SWAPS	2.250.060,00	EUR	8,600	193.505,16		4,73	4,24
<u>Belgium</u>							
BERMSWAP	2.250.060,00	EUR	1,040	23.400,62		0,57	0,51
Total swaps				216.905,78		5,30	4,76
TOTAL SECURITIES PORTFOLIO				4.091.396,63		100,00	89,70

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP EURO	135.483,97	EUR	1,000	135.483,97		2,97
Total demand accounts				135.483,97		2,97
Time deposit accounts						
<u>Belgium</u>						
KBC BANK NV 23/12-22/06/12 KBCBANK 1.640 %	220.000,00	EUR	100,050	220.110,00		4,83
<u>Sweden</u>						
SKANDINAVISKA ENSKILDA 23/12-22/06/12 SKANENSK 1.550 %	140.000,00	EUR	100,007	140.009,80		3,07
Total time deposit accounts				360.119,80		7,90
TOTAL CASH AT BANK AND IN HAND				495.603,77		10,87
OTHER RECEIVABLES AND PAYABLES						
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-23.612,24	EUR	1,000	-23.612,24		-0,52
Total debts				-23.612,24		-0,52
TOTAL OTHER RECEIVABLES AND PAYABLES				-23.612,24		-0,52
OTHER						
Accrued interest		EUR		112,35		0,00
Expenses payable		EUR		-2.142,31		-0,05
TOTAL OTHER				-2.029,96		-0,05
TOTAL NET ASSETS				4.561.358,20		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
BERMSWAP	EUR	2.250.060,00	2.250.060,00	n.a.	06.06.2011
EQLISWAP	EUR	2.250.060,00	2.250.060,00	n.a.	07.06.2011

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2011 - 12		225.006,00		4.125,00		220.881,00	220.881,00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2011 - 12		4.500.120,00		84.880,30

Period	Net asset value At the end of the period (in the currency of the sub fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2011 - 12	4.561.358,20		20,65

2.4.5 RETURNS

The cumulative returns are given if they are available for a period of at least one year.

2.4.6 COSTS

Total expenses ratio (TER): Not applicable.

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% to 60% if the distributor is an entity belonging to KBC Groupe SA, and to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

If the management company invests the UCI's assets in units of undertakings for collective investment that are not managed by an entity belonging to KBC Groupe SA, and receives a fee for doing so, it will pay this fee to the UCI.

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB EXCLUSIVE AIRBAG JUMPER 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 27/05/2011
Initial subscription price: 10 EUR
Maturity date: 30 June 2016
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

The object of this sub-fund is to generate the highest possible return for its unit holders. To this end, an investment strategy has been developed which consists of:

- (1) An investment in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits and liquid assets (including funds placed on a fixed-term deposit account or demand account) (see under *Permitted asset classes*);
- (2) An investment in swaps (exchange contracts). The sub-fund therefore assigns part of its future income from the investments indicated under the point dealing with *Permitted asset classes* to the counterparty(-ies) for the life of the sub-fund. In exchange, the counterparty(-ies) commit to offering a potential return. The different types of swaps in which the sub-fund can invest are explained under the section *Permitted swap transactions*.

No formal guarantee is granted to the sub-fund or its unit holders. No guaranteed return or capital protection is offered by the sub-fund during the period concerned nor on Maturity.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable laws and regulations. These investments may be of various durations and coupon payment dates that are aligned to the expiry dates of the sub-fund's commitments through the use of the swaps described in the point dealing with *Permitted swap transactions (2)*.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

The sub-fund may invest in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

The average long-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

The average short-term bond and other debt instrument credit rating for the duration of the sub-fund is a minimum S&P "A-1" or equivalent with Moody's or Fitch, or without a credit rating, an at least equivalent average credit risk profile according to the management appraisal.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are conducted with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. Under these swaps, the sub-fund transfers a portion of its future earnings from the investments indicated under the section *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The use of swaps in this sub-fund may lead to (full or partial) loss of the initial capital invested.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund risk profile is not influenced by use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the investments referred to under *Permitted asset classes*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The object of the sub-fund is to obtain a potential capital gain that is contingent on the performance of the EURO STOXX 50[®] index and an '*Index Jumper with Decreasing Barrier and Airbag*' structure.

In the 'Index Jumper with Decreasing Barrier and Airbag' structure, the structure is terminated early when the observation value for the respective year is lower than the floor value for that year. In this case, in addition to the initial subscription price case, a gain will be paid corresponding to 8% multiplied by the serial number of the observation value which triggered the early termination. In total, there are 4 observation values.

If the structure is not terminated early by one of the observation values, there are the following 2 possibilities at maturity:

Scenario 1

If the last value is not lower than the final floor value, the net asset value on maturity takes into account both the initial subscription price and a fixed capital gain of 5*8% (6.86% yield to maturity, before charges and taxes).

Scenario 2

If the end value is lower than the final floor value, the full decrease below the final floor value (= (end value less the final floor value) divided by the base value) of the EURO STOXX 50[®] index will be subtracted from the initial subscription value, when the net asset value is calculated on the maturity date.

No guaranteed return or capital protection is offered by this sub-fund during the period concerned nor on maturity.

If the criteria for early termination is met, the ICVC's Board of Directors will take the decision to close the sub-fund on the early termination date.

MATURITY: Thursday 30 June 2016 (payment with value date D + 1 bank business day)

CURRENCY: EUR

BASE VALUE: the average of the prices for the index on the first five valuation dates from Monday 6 June 2011 (inclusive).

LAST VALUE: the average performance of the index on the first five valuation dates in June 2016

EARLY EXERCISE DATE: the last Belgian bank business day in the month when an observation value led to early exercise. (payment with a value date of D + 1 bank business day)

OBSERVATION VALUE: every year from 2012 to 2015 (inclusive) an observation value is calculated by taking the average of the index price on the first valuation dates in June of the year in question. 4 observation values are therefore calculated over the life of the sub-fund. The observation value of the year concerned is compared with the floor value of the year concerned.

Floor value: Floor value June 2012: 100% of the base value
Floor value June 2013: 95% of the base value
Floor value June 2014: 90% of the base value
Floor value June 2015: 85% of the base value

Final floor value: June 2016: 80 % of the base value

PRICE:

Closing price, that is to say, the price of the EURO STOXX 50[®] Index, as calculated on the stockmarket close and published by the competent body (index sponsor), namely Stoxx Limited (or its legal successor).

VALUATION DATE:

A valuation date is a day which is both an official stock-market trading day

- i) for the stock market on which at least 20% of the securities making up the index are traded, and,

- ii) for the stock market with trading activity that has a significant impact on options and forward contracts traded on the securities making up the index,

hereinafter "the Stock Markets Concerned", and where the index sponsor calculates and publishes the index.

If, on the valuation date:

- a) one of the stock markets concerned remains closed unexpectedly; or,
- b) an event occurs which disrupts the market on one of the stock markets concerned; or,
- c) one of the stock markets concerned closes early,

the scheduled valuation date is replaced by the next trading day on which none of the events listed under a), b) and c) above occur. A closure which is out of the ordinary but is announced in good time is not considered to be an early closure.

If a valuation is made on the basis of successive valuation dates, the trading day replacing a scheduled valuation date (i) cannot coincide with another scheduled valuation date, and (ii) cannot be a trading day which already replaces another scheduled valuation date.

If, however, an event under a), b) or c) above occurs on each of the eight trading days which follow the scheduled valuation date:

- (i) the eighth trading day is held to be the scheduled valuation date:
- (ii) the ICVC will estimate, in good faith and in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, the index price that would have been listed on this eighth trading day, and,
- (iii) the ICVC will inform the unit holders of the changes with regard to determination of the base value and/or the last value and the terms and conditions of payment.

If changes are made to the index (e.g. calculation by another sponsor, change to the calculation method, etc.) or if the index sponsor does not calculate or publish the index (although all the data are available), the ICVC will confer with the counterparty with whom the swap contract has been concluded in order to decide how the index is to be determined. If substantial changes are made to the index or if the index is no longer calculated, the index can be replaced by another index, provided this new index is representative of the same geographic and/or economic sectors.

The EURO STOXX 50[®] index is a weighted equity index computed by Stoxx Ltd (or its legal successor), the dividends not being reinvested, in principle.. The main purpose of this index is to provide a continuous indication of market trends on the European stock markets. This index has a base value of 1000, calculated using the underlying prices recorded on 31 December 1991.

The EURO STOXX 50[®] index consists solely of shares from countries participating in the Economic and Monetary Union. The following exchanges are entered in the account line: Austria (Vienna), Belgium (Brussels), Finland (Helsinki), France (Paris), Germany (Frankfurt), Italy (Milan), Ireland (Dublin), Netherlands (Amsterdam), Portugal (Lisbon), Spain (Madrid), Greece (Athens) and Luxembourg (Luxembourg).

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

STOXX Ltd holds all proprietary rights to the index. Stoxx Limited does not provide any guarantee for or subscribe to or have any other involvement in the issue and offer of shares in Horizon CSOB Exclusive Airbag Jumper 1. Stoxx Limited does not accept any liability for the issue and offer of shares in this collective investment undertaking.

The EURO STOXX 50[®] index is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

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- do not recommend that any person invest in Horizon CSOB Exclusive Airbag Jumper 1, or any other securities of any kind;
- do not have any responsibility or liability for, or make any decisions about, the launch date, amount and pricing of Horizon CSOB Exclusive Airbag Jumper 1 units;
- do not have any responsibility or liability for the administration, management or marketing of Horizon CSOB Exclusive Airbag Jumper 1;

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- **STOXX and its licensors do not make any warranty, express or implied, and disclaim any and all warranty as regards:**
 - o **the results to be obtained by Optimum Fund CSOB Exclusive Buffer Jumper 1, the holders of units in Horizon Exclusive Airbag Jumper 1, or any person in connection with the use of the EURO STOXX 50[®] index and the data included in that index;**
 - o **the accuracy or completeness of the EURO STOXX 50[®] Index and its data;**
 - o **the negotiability and fitness for a particular purpose or use of the EURO STOXX 50[®] Index and its data;**
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The licencing agreement between KBC and STOXX is solely for their benefit and not for the benefit of holders of Horizon CSOB Exclusive Airbag Jumper 1 units or any other third parties.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure with a duration of 5 years and 24 days, accepting that the structure can be terminated early if the observation value is not lower than the floor value concerned. This floor value is set at 100% of the base value at the end of the first year, 95% of the base value at the end of the second year, 90% of the base value at the end of the third year, 85% of the base value at the end of the fourth year and 80% of the base value at the end of the fifth year (the latter being the final floor value).

The fixed percentage for calculating the interim gain corresponds to 8% multiplied by the serial number of the observation value that triggered the early termination and the fixed gain on the maturity date is equal to 405 (assuming that no observation value has caused early termination and that the final value is not lower than the floor value).

Any decrease at maturity is taken into account if the final value is lower than the final floor value. In this case, the decrease below the final floor value ((final value less final floor value) divided by the base value) is subtracted from the initial subscription value. In each of the examples, the base value is 100 and the initial subscription value is 10 EUR.

In the event of redemption before maturity, the value of the investments is calculated on the basis of the market value of the underlying assets and not using the formula given in the examples. The investment value calculated using the formula given in the examples may diverge positively or negatively from the value of the underlying assets.

Negative scenario:

Observation moment	Floor value concerned	Observation Last value	value/	Capital gain	Value on the early exercise date/value on maturity
Year1 (June 2012)	100%	89		n.a.	n.a.
Year 2 (June 2013)	95%	86		n.a.	n.a.
Year 3 (June 2014)	90%	82		n.a.	n.a.
Year 4 (June 2015)	85%	75		n.a.	n.a.
Year 5 (June 2016)	Last floor value: 80%	45 (< 80)		-55% +20% = -35%	6,50 EUR

Yield to maturity: -8.15%, before costs and taxes.

Neutral scenario:

Observation moment	Floor value concerned	Observation Last value	value/	Capital gain	Value on the early exercise date/value on maturity
Year1 (June 2012)	100%	80		n.a.	n.a.
Year 2 (June 2013)	95%	85		n.a.	n.a.
Year 3 (June 2014)	90%	87		n.a.	n.a.
Year 4 (June 2015)	85%	81		n.a.	n.a.
Year 5 (June 2016)	Last floor value: 80%	79.5 (<80)		-20.5% +20% = -0.50%	9,95 EUR

Yield to maturity: -0,10%, before costs and taxes.

Positive scenario:

Observation moment	Floor value concerned	Observation Last value	value/	Capital gain	Value on the early exercise date/value on maturity
Year1 (June 2012)	100%	101		8% * 1 = 8%	10,80 EUR

Yield to maturity: 7,48%, before costs and taxes.

Positive scenario:

Observation moment	Floor value concerned	Observation Last value	value/	Capital gain	Value on the early exercise date/value on maturity
Year1 (June 2012)	100%	90		n.a.	n.a.
Year 2 (June 2013)	95%	85		n.a.	n.a.
Year 3 (June 2014)	90%	87		n.a.	n.a.
Year 4 (June 2015)	85%	80		n.a.	n.a.
Year 5 (June 2016)	Last floor value: 80%	85		40% (fixed capital gain)	14.00 EUR

Yield to maturity: 6.86%, before costs and taxes.

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

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax;*
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code;*
- *the Royal Decree of 27 September 2009 concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price pro rata based on the length of time for which the investor has held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 INVESTMENT POLICY

Performance of the index or basket

	Index: EURO STOXX 50 INDEX
	30/06/2011: 2.848,53
	29/12/2011: 2.292,28
Performance since 31/12/2010 or since the launch of the sub-fund:	-16,96%
Performance since 30 June 2011 or since the launch of the sub-fund:	-19,53%
Index at the launch of the sub-fund	2.760,51

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: 4

Risk rating at launch: 4

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary		31/12/2011 (in the sub fund's currency)
TOTAL NET ASSETS		7.600.052,77
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds		6.653.882,13
F. Financial derivatives		
e) On shares		
Swaps (+/-)		-536.537,86
IV. Receivables and payables within one year		
A. Receivables		
c) Collateral		650.325,00
B. Debts		
a) Accounts payable (-)		-7.502,12
V. Deposits and cash at bank and in hand		
A. Demand balances at banks		233.091,78
B. Term accounts at banks		610.296,40
VI. Accruals and deferrals		
B. Accrued income		401,45
C. Accrued expenses (-)		-3.904,01
TOTAL CAPITAL AND RESERVES		7.600.052,77
A. Capital		8.312.034,07
B. Share in the profit		853,91
D. Result for the financial year		-712.835,21

OFF-BALANCE-SHEET ITEMS

I	Security in the form of real property (+/-)	
I.A	Collateral (+/-)	
I.A.B	Deposits and cash at bank and in hand	650.000,00
IV	Notional amounts of swap contracts (+)	8.137.930,00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)
I. Write-downs and capital gains and losses	
A. Bonds and other debt instruments	
a) Bonds	-189.340,82
F. Financial derivatives	
e) On shares	
Swaps (+/-)	-525.692,68
G. Receivables, deposits, cash at bank and in hand, and payables	621,40
H. Foreign-exchange positions and transactions	
b) Other foreign-exchange positions and transactions	1,42
II. Investment income and expenses	
B. Interest	
a) Securities and money market instruments	77.106,23
b) Deposits and cash at bank and in hand	6.072,34
c) Collateral (+/-)	5.549,50
D. Swaps (+/-)	-22.630,71
III. Other income	
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	4.730,55
IV. Operating expenses	
A. Investment transaction and delivery costs (-)	-0,03
B. Financial expenses (-)	-105,44
D. Manager's fee (-)	
a) Financial management	-60.810,23
b) Administration and accounting management	-1.959,69
F. Formation and organisation expenses (-)	-396,43
H. Services and sundry goods (-)	-2.073,02
J. Taxes	-3,64
K. Other expenses (-)	-3.903,96
Income and expenditure for the (interim) period	
Subtotal II + III + IV before tax on the profit	1.575,47
V. Profit (loss) on ordinary activities before tax	-712.835,21
VII. Result for the financial year	-712.835,21

Profit appropriation statement

	31/12/2011 (in the sub fund's currency)
I. Profit to be allocated (loss to be recognised)	-711.981,30
Profit for the period available for appropriation (loss to be recognised)	-712.835,21
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	853,91
II. (Appropriations to) Deductions from capital	711.981,30

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF ASSETS OF HORIZON CSOB EXCLUSIVE AIRBAG JUMPER 1

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	546.000,00	EUR	97,947	534.958,33		8,75	7,04
AMETHYST STRUCTURED FIN PLC 6E-7 23/12-23/06 1.368%	186.000,00	EUR	97,396	181.214,18		2,96	2,38
BEECHWOOD STRUCTURED FIN PLC 6E-7 23/12-23/06 3.095%	189.000,00	EUR	96,421	182.295,09		2,98	2,40
BROOKFIELDS CAPITAL PLC 6E-7 23/12-23/06 3.095%	187.000,00	EUR	97,687	182.733,63		2,99	2,40
CARMINI PRO BAND PFT 6E-0.07 23/06-23/12	546.000,00	EUR	97,821	534.271,55		8,73	7,03
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	546.000,00	EUR	97,877	534.578,27		8,74	7,03
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	546.000,00	EUR	97,979	535.132,56		8,75	7,04
EPERON FINANCE PLC 6E-7 23/12-23/06 3.095%	187.000,00	EUR	97,299	182.007,81		2,98	2,40
ESPACCIO SECURITIES PLC 6E-7 23/12-23/06 3.095%	189.000,00	EUR	96,442	182.333,83		2,98	2,40
GREENSTREET STRUCT. FIN. PROD. PLC 6E-7 23/12-23/06 3.095%	188.000,00	EUR	96,498	181.474,85		2,97	2,39
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	273.000,00	EUR	98,028	267.700,35		4,38	3,52
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	273.000,00	EUR	97,836	267.175,94		4,37	3,52
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	273.000,00	EUR	97,844	267.200,16		4,37	3,52
NIMROD CAPITAL PLC 6E-7 23/12-23/06 3.095%	186.000,00	EUR	97,567	181.531,50		2,97	2,39
OPAL FINANCIAL PRODUCTS PLC 6E-7 23/12-23/06 3.095%	188.000,00	EUR	96,692	181.840,22		2,97	2,39
PROFILE FINANCE PLC 6E-7 23/12-23/06 3.095%	188.000,00	EUR	97,204	182.801,68		2,99	2,41
RECOLTE SECURITIES PLC 6E-7 23/12-23/06 3.095%	189.000,00	EUR	96,309	182.082,76		2,98	2,40
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	273.000,00	EUR	97,711	266.835,02		4,36	3,51
SILVERSTATE FIN INV PLC 6E-7 23/12-23/06 3.095%	187.000,00	EUR	96,871	181.207,63		2,96	2,38
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	273.000,00	EUR	97,828	267.154,60		4,37	3,52
AMBER PRO BOND PTF 6E-0.07 23/06-23/12	273.000,00	EUR	97,710	266.833,12		4,36	3,51
VESPUCCI STRUCTURED FIN PROD 6E-7 23/12-23/06 3.095%	188.000,00	EUR	97,062	182.535,33		2,98	2,40
VIGADO CAPITAL PLC 6E-7 23/12-23/06 3.095%	189.000,00	EUR	96,356	182.171,97		2,98	2,40
VOYCE INVESTMENTS PLC 6E-7 23/12-23/06 3.095%	186.000,00	EUR	97,815	181.994,53		2,98	2,40
WATERFORD CAPITAL INC PLC 6E-7 23/12-23/06 3.095%	189.000,00	EUR	96,219	181.911,62		2,97	2,39
WAVES FINANCIAL INV PLC 6E-7 23/12-23/06 3.095%	187.000,00	EUR	97,245	181.905,60		2,97	2,39
Total bonds				6.653.882,13		108,77	87,55
Swaps							
<u>Belgium</u>							
KBC SWAPS	8.137.930,00	EUR	-6,770	-536.537,86		-8,77	-7,06
Total swaps				-536.537,86		-8,77	-7,06
TOTAL SECURITIES PORTFOLIO				6.117.344,27		100,00	80,49

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP EURO	233.091,78	EUR	1,000	233.091,78		3,07
Total demand accounts				233.091,78		3,07
Time deposit accounts						
<u>Belgium</u>						
KBC BANK NV 23/12-22/06/12 KBCBANK 1.640 %	590.000,00	EUR	100,050	590.295,00		7,77
<u>Sweden</u>						
SKANDINAVISKA ENSKILDA 23/12-22/06/12 SKANENSK 1.550 %	20.000,00	EUR	100,007	20.001,40		0,26
Total time deposit accounts				610.296,40		8,03
TOTAL CASH AT BANK AND IN HAND				843.388,18		11,10
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC BANK NV 23/12-22/06/12 KBCBAN 1.640 % C	650.000,00	EUR	100,050	650.325,00		8,56
Total receivables				650.325,00		8,56
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-7.502,12	EUR	1,000	-7.502,12		-0,10
Total debts				-7.502,12		-0,10
TOTAL OTHER RECEIVABLES AND PAYABLES				642.822,88		8,46
OTHER						
Accrued interest		EUR		401,45		0,01
Expenses payable		EUR		-3.904,01		-0,05
TOTAL OTHER				-3.502,56		-0,05
TOTAL NET ASSETS				7.600.052,77		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
KBCBANK 23/12-22/06/12 KBCBAN 1.640 % C	EUR	650.000,00	650.000,00	n.a.	21.12.2011
EQLISWAP	EUR	8.137.930,00	8.137.930,00	n.a.	30.09.2011

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2011 - 12	834.487,00		2.344,00		832.143,00		832.143,00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2011 - 12	8.334.301,44		21.413,46	

Period	Net asset value At the end of the period (in the currency of the sub fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2011 - 12	7.600.052,77	9,13	

2.4.5 RETURNS

The cumulative returns are given if they are available for a period of at least one year.

2.4.6 COSTS

Total expenses ratio (TER): Not applicable.

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% to 60% if the distributor is an entity belonging to KBC Groupe SA, and to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

If the management company invests the UCI's assets in units of undertakings for collective investment that are not managed by an entity belonging to KBC Groupe SA, and receives a fee for doing so, it will pay this fee to the UCI.

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON ACCESS FUND CSOB CESKY AKCIOVY (PX®)

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 30.09.11
Initial subscription price: CZK 1000
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND

The main object 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 primarily in equities, either directly or indirectly, through equity funds and futures.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

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

PERMITTED DERIVATIVES TRANSACTIONS

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

Changes are made to investments at regular intervals in keeping with the sub-fund's investment strategy. Use of futures is mainly limited to market hedging as a result of affiliations and/or disaffiliations that, due to their size or timing, cannot be executed through investments in other authorised assets. Such futures positions are also to be shifted to other authorised assets as quickly as possible. **In addition, listed and unlisted derivatives may be used by the sub-fund to achieve the objectives:** these may be forward contracts, options or swaps on securities, indexes, 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.** The sub-fund aims to conclude transactions that are as effective as possible, subject to compliance with the relevant legislation and regulations and with the Articles of Association.

STRATEGY SELECTED

The assets are invested mainly, directly or indirectly, in shares of companies traded on the Prague Stock Exchange.

RISK CONCENTRATION

Shares of companies traded on the Prague Stock Exchange.

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: PX Index.

Method used to track the indices: Optimized Sampling; the index is tracked using a smaller selection of its components to hone index replication. In addition we use an optimisation algorithm that weights the risk and return for each security position in the portfolio, thus optimising the selection made.

Between two quarterly revisions, the following index may contain several positions with a weighting of over 20%. Because of tax limits, the fund can contain only one position with a weighting of over 20% (with a maximum 35%). As a result, fund positions are valued daily on the basis of the closing price of the previous bank business day, and all positions with a weighting of over 20% (with the exception of one position) are limited to 20%. As a result, there could be temporary differences between the fund and the index tracked. These differences are best absorbed using an optimisation method, according to which positions with a weight that is too weak are replaced by other similar shares present in the index.

The net asset value may be highly volatile due to the composition of the portfolio.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests no more than 15% of its assets directly, or indirectly, in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:

- the Act 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 the 1992 Income Tax Code on withholding tax;*
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code;*
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

Because this UCITS invests no more than 15% of its assets directly, or indirectly, in debt claims within the meaning of the European Savings Directive, its income does not fall within the scope of the 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 of the 1992 Income Tax Code.)

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management of the portfolio will not be delegated to any other party.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Index tracking:

The main objective of this sub-fund is to track the components of an index in accordance with and circumscribed by the provisions of Article 37 of the Royal Decree of 4 March 2005.

Index (Indices) concerned: PX.

Tracking method:

2.1.7 INVESTMENT POLICY

The global economy emerged from a deep recession in mid-2009, but the recovery was highly dependent on massive government budgetary and monetary stimuli. The effects of these measures waned in 2011, and the US economy had difficulty in continuing to grow under its own steam. Doubts about the sustainability of the economic recovery therefore dominated investment sentiment in 2011. There has also been growing concern about the future of US public finances. In Europe the debt crisis continued to rage unabated. After the Greek, Irish and Portuguese dominoes had fallen, sights were turned on other governments. The continuing existence of the euro was even called into question. For nearly two years now the euro crisis has been holding the financial system in Europe hostage. Fortunately this was offset to some extent by the boom in Asia.

In 2011, the government bonds of most European countries were under pressure. 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 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 restructuring plan, even if implemented in its entirety, was still not enough to stabilise that debt. The plan also ran into problems at the implementation stage. An interim assessment in May 2011 revealed that debt statistics from the past had to be adjusted again and that the budget results for the current year fell far short of the plans, which clearly showed that the emergency fund would be used up sooner than initially foreseen. Europe and the IMF insisted on additional savings, but this was met by ever-increasing opposition from the people of Greece. Against a backdrop of turbulence, the Greek parliament approved the additional austerity measures on 28 June. Europe responded to this show of goodwill by approving an additional aid package of 109 billion euros on 21 July. This had to safeguard Greece's funding until the end of 2014. However, Europe and the IMF no longer wanted to bear the burden alone. A show of solidarity on the part of private holders of Greek debt paper was deemed necessary. However, negotiations with the European banking sector concerning the modalities of a 'voluntary' debt remission failed, with a number of banks indicating they would not be able to cope with the cost of such an operation. In short, it was difficult to keep the unrest under control. When Prime Minister Papandreou threatened to subject the current austerity programme to a referendum (31 October), a Greek bankruptcy was not far off. Fortunately that threat was averted.

2.1.8 FUTURE INVESTMENT POLICY

The year 2012 is expected to be an extension of 2011. Governments need to restructure their finances post haste, implying, among other things, that government stimuli will not only be scaled back but may cease altogether. This immediately increases concern about the sustainability of the economic recovery, particularly in the US. Europe's position is shaky and unlikely to change as long as fears of the euro's failure persist. Today's world is one of two-speed economies. The mature industrialised economies 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. Strong economic growth has already created inflationary pressure in Asia. In China, the year-on-year increase in the consumer price index peaked at 6.5% in August 2011, largely due to a sharp rise in food prices, but prices and costs also began rising more rapidly in other areas as well. The same developments are also occurring elsewhere in Asia.

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 has brought the realisation of the need for economic governance, which involves measures such as supranational supervision of banks, strict monitoring and sanctioning of budgetary policy, monitoring of pay policy and harmonisation of European taxation. Most European countries are thus faced with a delicate balancing act between stimulating growth and reducing debt.

2.1.9 RISK RATING

On a scale from 0 to 6.

Current risk rating: 5

Risk rating at launch: 5

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating:

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

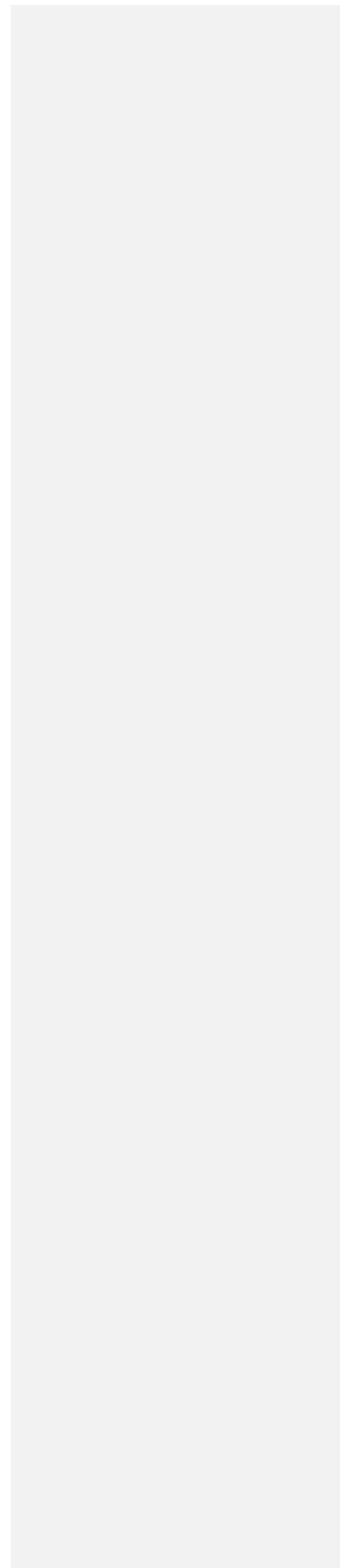
Balance sheet summary		31/12/2011 (in the sub fund's currency)
TOTAL NET ASSETS		111.348.779,36
II. Securities, money market instruments, CIUs and derivative financial instruments		
C. Shares and similar instruments		
a) Bonds		110.535.538,12
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		2.105.041,61
B. Debts		
a) Amounts payable (-)		-1.040.481,03
c) Borrowings (-)		-224.749,82
VI. Accruals and deferrals		
C. Accrued expenses (-)		-26.569,52
TOTAL CAPITAL AND RESERVES		111.348.779,36
A. Capital		110.940.349,65
B. Share in the profit		-61.630,81
D. Result for the financial year		470.060,52

2.3 INCOME STATEMENT

Income statement		31/12/2011 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
C. Equities and similar instruments		
a) Bonds	900.131,95	
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	1.111,67	
II. Investment income and expenses		
A. Dividends	29.616,64	
B. Interest		
b) Deposits and cash at bank and in hand	927,48	
C. Interest on borrowings (-)	-46,42	
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-262.130,86	
B. Financial expenses (-)	-1.037,54	
D. Manager's fee (-)		
a) Financial management	-163.192,64	
b) Administration and accounting management	-17.756,91	
F. Formation and organisation expenses (-)	-977,90	
H. Services and sundry goods (-)	40,70	
K. Other expenses (-)	-16.625,65	
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	-431.183,10	
V. Profit (loss) on ordinary activities before tax	470.060,52	
VII. Result for the financial year	470.060,52	

Profit appropriation statement	31/12/2011 (in the sub fund's currency)
I. Profit available for appropriation (loss to be recognised)	408.429,71
Profit for the period available for appropriation (loss to be recognised)	470.060,52
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-61.630,81
III. Profit (loss) to be carried forward	408.429,71

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES



2.4.1 COMPOSITION OF THE ASSETS OF HORIZON ACCESS FUND CSOB CESKY AKCIOVY (PX®)

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Equities							
Listed shares							
<u>Austria</u>							
ERSTE GROUP BANK AG -	56.625,00	CZK	345,500	19.563.937,50		17,70	17,57
VIENNA INSURANCE GROUP -	18.938,00	CZK	799,900	15.148.506,20		13,71	13,61
<u>US</u>							
KIT DIGITAL INC -	861,00	CZK	168,000	144.648,00		0,13	0,13
<u>Luxembourg</u>							
ORCO PROPERTY GROUP -	2.353,00	CZK	84,000	197.652,00		0,18	0,18
<u>UK</u>							
NEW WORLD RESOURCES PLC -	39.137,00	CZK	135,790	5.314.413,23		4,81	4,77
<u>Czech Republic</u>							
AAA AUTO GROUP NV -	9.348,00	CZK	17,900	167.329,20		0,15	0,15
CENTRAL EUROPEAN MEDIA ENT -	8.427,00	CZK	127,720	1.076.296,44		0,97	0,97
CEZ A.S. -	28.552,00	CZK	786,000	22.441.872,00		20,31	20,16
FORTUNA ENTERTAINMENT GROUP NV -	7.987,00	CZK	91,750	732.807,25		0,66	0,66
KOMERCNI BANKA -	5.621,00	CZK	3.330,000	18.717.930,00		16,93	16,81
PEGAS NONWOVENS SA -	1.438,00	CZK	457,000	657.166,00		0,60	0,59
PHILIP MORRIS CR AS -	283,00	CZK	12.580,000	3.560.140,00		3,22	3,20
TELEFONICA CZECH REPUBLIC -	47.603,00	CZK	383,100	18.236.709,30		16,50	16,38
UNIPETROL -	26.761,00	CZK	171,000	4.576.131,00		4,14	4,11
Total equities				110.535.538,12		100,00	99,27
TOTAL SECURITIES PORTFOLIO				110.535.538,12		100,00	99,27
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	-82.450,99	CZK	1,000	-82.450,99			-0,07
KBC GROUP EURO	-5.579,69	EUR	1,000	-142.298,83			-0,13
Total demand accounts				-224.749,82			-0,20
TOTAL CASH AT BANK AND IN HAND				-224.749,82			-0,20
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP CZK RECEIVABLES	2.105.041,61	CZK	1,000	2.105.041,61			1,89
Total receivables				2.105.041,61			1,89

Debts						
<u>Belgium</u>						
KBC GROUP CZK PAYABLE	-1.040.481,03	CZK	1,000	-1.040.481,03		-0,93
Total debts				-1.040.481,03		-0,93
TOTAL OTHER RECEIVABLES AND PAYABLES				1.064.560,58		0,96
OTHER						
Prepaid expenses		CZK		-26.569,52		-0,02
TOTAL OTHER				-26.569,52		-0,02
TOTAL NET ASSETS				111.348.779,36		100,00

Geographical allocation (as a % of the securities portfolio)

	31/12/20
	11
Austria	31,40
Czech Republic	63,48
UK	4,81
Luxembourg	0,18
US	0,13
Total	100,00

Sector allocation (as a % of the securities portfolio)

	31/12/20
	11
Cyclical sectors	8,95
Consumer discretionary	2,23
Consumer staples	3,37
Financials	48,34
Technology	0,13
Telecommunications	16,50
Utilities	20,30
Property	0,18
Total	100,00

Currency allocation (as a % of net assets)

	31/12/20
	11
CZK	100,13
EUR	-0,13
Total	100,00

**2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF HORIZON ACCESS FUND
CSOB CESKY AKCIOVY (PX®) (IN THE CURRENCY OF THE SUB-FUND)**

	1 st half	2 nd half	Year
Purchases	0,00	239.949.067,52	239.949.067,52
Sales	0,00	30.721.855,41	30.721.855,41
Total 1	0,00	270.670.922,93	270.670.922,93
Subscriptions	0,00	113.701.657,02	113.701.657,02
Redemptions	0,00	2.761.307,37	2.761.307,37
Total 2	0,00	116.462.964,39	116.462.964,39
Monthly average of total assets	0,00	72.785.264,25	72.785.264,25
Turnover rate	0,00 %	211,87 %	211,87 %

	1 st half	2 nd half	Year
Purchases	0,00	239.949.067,52	239.949.067,52
Sales	0,00	30.721.855,41	30.721.855,41
Total 1	0,00	270.670.922,93	270.670.922,93
Subscriptions	0,00	113.701.657,02	113.701.657,02
Redemptions	0,00	2.761.307,37	2.761.307,37
Total 2	0,00	116.462.964,39	116.462.964,39
Monthly average of total assets	0,00	71.857.317,25	71.857.317,25
Adjusted turnover rate	0,00 %	214,60 %	214,60 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take into account the 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 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 ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil.

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Capitalisation	Distribution	Capitalisation	Distribution	Capitalisation	Distribution	Total
2011 - 12	117.432,35	0,00	2.874,71	0,00	114.557,65	0,00	114.557,65

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
Year	Subscriptions		Redemptions	
	Capitalisation	Distribution	Capitalisation	Distribution
2011 - 12	113.634.953,09	0,00	2.756.234,25	0,00

Period	Net asset value At the end of the period (in the sub fund's currency)		
Year	of the sub-fund	of one unit	
		Capitalisation	Distribution
2011 - 12	111.348.779,36	971,99	0,00

2.4.5 PERFORMANCE FIGURES

The cumulative returns are given if they are available for a period of at least one year.

2.4.6 EXPENSES

Total expenses ratio (TER): Not applicable.

SOFT COMMISSIONS

Not applicable.

Comment [1]: Options

Comment [2]: Options

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% to 60% if the distributor is an entity belonging to KBC Group NV, to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

If the management company invests the UCI's assets in units of undertakings for collective investment that are not managed by an entity belonging to KBC Groupe SA, and receives a fee for doing so, it will pay this fee to the UCI.

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Management fee: 1% 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 sub-fund's average total net assets.

Auditor's fee: EUR 1,700 per year. This fee does not include 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 mutual fund 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:

- the security may not be influenced negatively for the shareholders;
- the rules covering corporate governance must be respected, except for those relating to minority shareholders' rights;
- 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 ICVC.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB JUMP START 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 14.10.11
Launch price: EUR 10
Maturity date: 31.10.16
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse the initial subscription price per unit of EUR 10 on maturity (capital protection). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection at maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash (including money in fixed-term deposit or demand accounts). These investments may have different durations and coupon payment dates which are aligned with the expiry dates of the sub-fund's commitments through the use of the swaps referred to in the section *Permitted swap transactions (2)*.

Characteristics to be met by the investments

The deposits, bonds and other debt instruments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area;
- (2) Debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

The investments under (3) may consist of:

- (A) An investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit at maturity (before charges and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and, if appropriate, from any other sub-fund of the ICVC. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, derivatives (financial derivatives), liquid assets and any other instrument permitted under the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

The rating for bonds and other long-term debt instruments when the investment is launched must be equivalent to at least "A-" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent .

The rating for bonds and other short-term debt instruments when the investment is launched must be equivalent to at least "A-1" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent.

All maturities are taken into consideration when selecting bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. As part of these swaps, the sub-fund transfers part of its future income from these investments earmarked for capital protection to these counterparties for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on Maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of 30 shares of top-quality companies (as set out below) with a high market capitalisation.

Where there is no fall in value of the basket of shares (Final Value \geq Initial Value), the best of either a 12% fixed capital gain (actuarial yield: 2.27%, before fees and taxes), or 100% of the increase in value of the basket of shares ($= \frac{\text{Final Value} - \text{Initial Value}}{\text{Initial Value}}$) (with regard to the value of the initial subscription), will be distributed at maturity above 100% of the initial subscription value. The capital gain will be a maximum of 35% with respect to the initial value (actuarial yield: 6.15% before fees and taxes).

Where on the other hand, the basket of shares has fallen in value (Final Value $<$ Initial Value), only 100% of the initial subscription value will be paid at maturity.

MATURITY: Thursday 31.10.16 (Payment with value date D + 1 bank business day)

CURRENCY: EUR; fluctuations of the EUR against the local currencies in which the equities in the basket are issued are not relevant.

BASE VALUE: Value of the basket based on the average of the prices for shares in the basket for the first ten Valuation Dates from 21.10.11 (inclusive).

FINAL VALUE: Value of the basket on the basis of the average price of the shares in the basket on the last appraisal day of the month for the last 6 months before maturity, specifically April 2016 to September 2016 (inclusive).

PRICE:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, namely the price of an equity in the basket as calculated and published on closure of the stock exchange by the competent stock-exchange body (or its legal successor) for the place where the security is listed. For equities listed on the Milan stock exchange, the reference price is used.

VALUATION DATE:

A valuation date is determined separately for each share in the basket.

A valuation date is a day which is both an official stock-market trading day

- i) for the stock market where the share is listed, and,
- ii) for the stock market with trading activity that has a significant impact on options and forward contracts traded on the securities making up the index,

hereinafter "the Stock Markets Concerned",

If, on the valuation date:

- a) one of the Stock Markets Concerned remains closed unexpectedly; or,
- b) an event occurs which disrupts the market on one of the Stock Markets Concerned; or,
- c) one of the Stock Markets Concerned closes early,

the scheduled valuation date is replaced by the next trading day on which none of the events listed under a), b) and c) above occur. A closure which is out of the ordinary but is announced in good time is not considered to be an early closure.

If a valuation is made on the basis of successive valuation dates, the trading day replacing a scheduled valuation date (i) cannot coincide with another scheduled

valuation date, and (ii) cannot be a trading day which already replaces another scheduled valuation date.

If, however, an event under a), b) or c) above occurs on each of the eight trading days which follow the scheduled valuation date:

- (i) the eighth trading day is held to be the scheduled valuation date:
- (ii) the ICVC will estimate, in good faith and in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and,
- (iii) the ICVC will inform the unit holders of the changes with regard to determination of the base value and/or the last value and the terms and conditions of payment.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5 years, 11 days. If the basket of shares has not fallen in value, the higher of either a 12% fixed capital gain and 100% of the increase in value of the basket of shares (with regard to the value of the initial subscription) will be distributed at maturity above 100% of the initial subscription value. The maximum gain is 35%. Where on the other hand, the basket of shares has fallen in value, only 100% of the initial subscription value will be paid at maturity. The initial subscription value is CZK 10 and the Base Value of the basket is 100.

In the event of redemption before maturity, the value of the investments is calculated on the basis of the market value of the underlying assets and not using the formula given in the examples. The investment value calculated using the formula given in the examples may diverge positively or negatively from the value of the underlying assets.

Example	The price of the basket(*) changes by...	Thus the gain (before costs) at maturity is ...	Based on the initial capital of 1,000 EUR, at maturity you will receive ..
Positive scenario	-15%	-15%, BUT is adjusted to 0%	10 - 0 = 10 EUR 0.00% on annualised average, before fees and taxes)
Positive scenario	+8%	+8%, BUT is adjusted to 12%	10 + 1.2 = 11.2 EUR (2.27% on annualised average, before fees and taxes)
Positive scenario	+22%	22%	10 + 2.2 = 12.2 EUR (4.03% on annualised average, before fees and taxes)
Positive scenario	+40%	+40%, BUT is reduced to 35%	10 + 3.5 = 13.5 EUR (6.15% on annualised average, before fees and taxes)
(*) = according to the formula (final value-initial value)/ initial value These examples do not indicate the return obtained and only represent the most probable scenario. The investment value may increase or decrease and the investor may even receive less than the amount initially invested in the event of departure before the renewal date.			

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed (city - ICM) and its initial weighting.

1	ASTELLAS PHARMA INC	4503 JT equity	TOKYO - XTKS	7.00%
2	BANK OF MONTREAL	BMO CT equity	TORONTO - XTSE	2.00%
3	BRISTOL-MYERS SQUIBB CO	BMY UN equity	NEW YORK - XNYS	3.00%
4	CAN IMPERIAL BK OF COMMERCE	CM CT equity	TORONTO - XTSE	5.00%
5	CENTRICA PLC	CNA LN equity	LONDON - XLON	2.00%
6	CONSOLIDATED EDISON INC	ED UN equity	NEW YORK - XNYS	8.00%
7	ENEL SPA	ENEL IM equity	MILANO - MTA	2.00%
8	FRANCE TELECOM SA	FTE FP equity	PARIS - XPAR	2.00%
9	KIMBERLY-CLARK CORP	KMB UN equity	NEW YORK - XNYS	8.00%
10	KONINKLIJKE KPN NV	KPN NA equity	AMSTERDAM - XAM	5.00%
11	KRAFT FOODS INC-CLASS A	KFT UN equity	NEW YORK - XNYS	5.00%
12	LAND SECURITIES GROUP PLC	LAND LN equity	LONDON - XLON	2.00%
13	MERCK & CO. INC.	MRK UN equity	NEW YORK - XNYS	2.00%
14	NATIONAL GRID PLC	NG/ LN equity	LONDON - XLON	5.00%
15	NOVARTIS AG-REG	NOVN VX equity	ZURICH - XVTX	2.00%
16	PEARSON PLC	PERSON LN equity	LONDON - XLON	2.00%
17	REED ELSEVIER PLC	REL LN equity	LONDON - XLON	2.00%
18	ROCHE HOLDING AG-GENUSSCHEIN	ROG VX equity	ZURICH - XVTX	7.00%
19	ROYAL BANK OF CANADA	RY CT equity	TORONTO - XTSE	2.00%
20	RSA INSURANCE GROUP PLC	RSA LN equity	LONDON - XLON	2.00%
21	SCOTTISH & SOUTHERN ENERGY	SSE LN equity	LONDON - XLON	2.00%
22	SEVERN TRENT PLC	SVT LN equity	LONDON - XLON	2.00%
23	STANDARD LIFE PLC	SL/ LN equity	LONDON - XLON	2.00%
24	TAKEDA PHARMACEUTICAL CO LTD	4502 JT equity	TOKYO - XTKS	7.00%
25	GAS NATURAL SDG SA	GAS SQ equity	MADRID - XMCE	2.00%
26	TELIASONERA AB	TLSN SS equity	STOCKHOLM - XSTC	2.00%
27	UNITED UTILITIES GROUP PLC	UU/ LN equity	LONDON - XLON	2.00%
28	VODAFONE GROUP PLC	VOD LN equity	LONDON - XLON	2.00%
29	WASTE MANAGEMENT INC	WM UN equity	NEW YORK - XNYS	2.00%
30	ZURICH FINANCIAL SERVICES AG	ZURN VX equity	ZURICH - XVTX	2.00%

Selection criteria for the basket

A share can only be part of the basket if (i) the share is listed on an exchange, (ii) the share has a significant market capitalisation and a high market/income relationship, and (iv) the ICVC board of directors has approved inclusion of the share in the basket ('Selection criteria').

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition, the shares of the issuers concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, none of the shares concerned by this operation meet the Selection Criteria, the arrangements set out under 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket proceeds with a demerger, the share concerned may be replaced either by one of the shares arising from the demerger and meeting the Selection Criteria or by a basket composed of all such shares. This basket will be treated as one share for the purpose of calculating the number of shares in the basket. If, in the wake of the operation, none of the shares concerned by demerger meet the Selection Criteria, the arrangements set out under 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('Disqualification'), the share is removed from the basket and disposed of at the last price before it is eliminated. The amount realised is then invested until the maturity date of the sub-fund's underlying swap transaction at the interest rate applying at that time on the money or bond market. This amount together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket.

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19 bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor held the units. This tax is levied at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains and losses, from capital contributions invested in debt instruments.

The following information is of a general nature 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 its interpretation 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.

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This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 INVESTMENT POLICY

Composition of the basket on the date of the report

Name	Value
ASTELLAS PHARMA INC	7,5579
BANK OF MONTREAL (CT)	1,8783
BRISTOL-MYERS SQUIBB CO	3,3004
CAN IMPERIAL BK OF COMMERCE (CT)	4,8978
CENTRICA	1,9274
CONSOLIDATED EDISON INC	8,5554
ENEL SPA	1,8146
FRANCE TELECOM SA	1,8440
GAS NATURAL	1,9929
KIMBERLY-CLARK CORP	8,4442
KONINKLIJKE KPN NV	4,8224
KRAFT FOODS INC-CLASS A	5,3605
LAND SECURITIES GROUP PLC	1,8629
MERCK KGAA	4,5007
NATIONAL GRID PLC	5,0016
NOVARTIS AG-REG	2,1246
PEARSON PLC	2,1136
REED ELSEVIER NV	3,2920
ROCHE HOLDING AG-GENUSSCHEIN	7,7838
ROYAL BANK OF CANADA (CT)	2,1408
RSA INSURANCE GROUP PLC	1,8995
SEVERN TRENT PLC	1,9664
SSE PLC	1,9031
STANDARD LIFE PLC	1,9114
TAKEDA CHEM. INDUS (DO NOT USE)	6,6305
TELIASONERA AB	2,0234
UNITED UTILITIES GROUP PLC	1,9771
VODAFONE GROUP PLC	2,0979
WASTE MANAGEMENT INC	1,9743
ZURICH FINANCIAL SERVICE-REG	2,0781
TOTAL	105,68

Performance of the index or basket

Index: **BASKET**

29/12/2011: **105,68**

Performance since 30 June 2011 or since the launch of the sub-fund: **5,68%**

Index at the launch of the sub-fund: **100,00**

Minimum guaranteed return in local currency on the maturity date: **10,00**

Local currency: **EUR**

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks

03/10/2011	SCOTTISH & SOUTHERN ENERGY	SSE PLC	Change of name
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2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: III

Risk rating at launch: III

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating:

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub fund's currency)
TOTAL NET ASSETS	4.978.520,29
II. Securities, money market instruments, CIUs and derivative financial instruments	
A. Bonds and other debt instruments	
a) Bonds	4.363.450,68
F. Financial derivatives	
e) On shares	
Swap contracts (+/-)	106.311,34
V. Deposits and cash at bank and in hand	
A. Demand balances at banks	19.573,27
B. Fixed-term deposits at banks	490.437,80
VI. Accruals and deferrals	
B. Accrued income	1.078,74
C. Accrued expenses (-)	-2.331,54
TOTAL CAPITAL AND RESERVES	4.978.520,29
A. Capital	4.876.457,30
B. Share in the profit	36,75
D. Result for the financial year	102.026,24

OFF-BALANCE-SHEET ITEMS

IV Swap contract notional amounts (+)	4.839.400,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)
I. Write-downs and capital gains and losses	
A. Bonds and other debt instruments	
a) Bonds	-12.755,94
F. Financial derivatives	
e) On shares	
Swap contracts (+/-)	106.311,34
G. Amounts receivable, deposits, cash at bank and in hand, and liabilities	437,80
H. Foreign-exchange positions and transactions	
b) Other foreign-exchange positions and transactions	-0,68
II. Investment income and expenses	
B. Interest	
a) Securities and money market instruments	19.036,76
b) Deposits and cash at bank and in hand	1.450,78
D. Swap contracts (+/-)	-1.729,37
III. Other income	
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	742,35
IV. Operating expenses	
A. Investment transaction and delivery costs (-)	-0,03
B. Financial expenses (-)	-58,36
D. Manager's fee (-)	
a) Financial management	-8.569,75
b) Administration and accounting management	-504,10
F. Formation and organisation expenses (-)	-5,29
H. Services and sundry goods (-)	2,27
K. Other expenses (-)	-2.331,54
Income and expenditure for the (interim) period	
Subtotal II + III + IV before tax on the profit	8.033,72
V. Profit (loss) on ordinary activities before tax	102.026,24
VII. Result for the financial year	102.026,24

**Profit appropriation
statement**

	31/12/2011 (in the sub fund's currency)
I. Profit available for appropriation (loss to be recognised)	102.062,99
Profit for the period available for appropriation (loss to be recognised)	102.026,24
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	36,75
II. (Appropriations to) Deductions from capital	-102.062,99

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB JUMP START 1

Name	Quantity at 31 December 2011	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMBER PRO BOND PTF 6E-0.07 10/05-10/11	366.000,00	EUR	97,994	359.482,50		8,04	7,22
AMETHYST STRUCTURED FIN PLC 6E-7 10/11-10/05	118.000,00	EUR	97,443	115.248,86		2,58	2,32
BEECHWOOD STRUCTURED FIN PLC 6E-7 10/11-10/05	119.000,00	EUR	96,469	115.065,83		2,57	2,31
BROOKFIELDS CAPITAL PLC 6E-7 10/11-10/05	118.000,00	EUR	97,735	115.592,88		2,59	2,32
CARMINI PRO BAND PFT 6E-0.07 10/05-10/11	366.000,00	EUR	97,868	359.022,13		8,03	7,21
CORAL PRO BOND PTF 6E-0.07 10/05-10/11	366.000,00	EUR	97,924	359.227,73		8,04	7,22
EMERALD PRO BOND PTF 6E-0.07 10/05-10/11	366.000,00	EUR	98,026	359.599,29		8,05	7,22
EPERON FINANCE PLC 6E-7 10/11-10/05	119.000,00	EUR	97,347	116.110,59		2,60	2,33
ESPACCIO SECURITIES PLC 6E-7 10/11-10/05	119.000,00	EUR	96,489	115.090,22		2,58	2,31
GREENSTREET STRUCT. FIN. PROD. PLC 6E-7 10/11-10/05	119.000,00	EUR	96,545	115.157,16		2,58	2,31
INDIGO PRO BOND PTF 6E-0.07 10/05-10/11	183.000,00	EUR	98,075	179.889,51		4,03	3,61
IVORY PRO BOND PTF 6E-0.07 10/05-10/11	183.000,00	EUR	97,883	179.537,99		4,02	3,61
MAGENTA PRO BOND PTF 6E-0.07 10/05-10/11	183.000,00	EUR	97,892	179.554,22		4,02	3,61
NIMROD CAPITAL PLC 6E-7 10/11-10/05	118.000,00	EUR	97,614	115.450,17		2,58	2,32
OPAL FINANCIAL PRODUCTS PLC 6E-7 10/11-10/05	119.000,00	EUR	96,740	115.388,43		2,58	2,32
PROFILE FINANCE PLC 6E-7 10/11-10/05	119.000,00	EUR	97,251	115.997,02		2,60	2,33
RECOLTE SECURITIES PLC 6E-7 10/11-10/05	120.000,00	EUR	96,356	115.897,95		2,59	2,33
SEPIA PRO BOND PTF 6E-0.07 10/05-10/11	183.000,00	EUR	97,758	179.309,46		4,01	3,60
SILVERSTATE FIN INV PLC 6E-7 10/11-08/05	119.000,00	EUR	96,919	115.601,39		2,59	2,32
TAUPE PRO BOND PTF 6E-0.07 10/05-10/11	183.000,00	EUR	97,875	179.523,68		4,02	3,61
VERMILION PRO BOND PTF 6E-0.07 10/05-10/11	183.000,00	EUR	97,757	179.308,18		4,01	3,60
VESPUCCI STRUCTURED FIN PROD 6E-7 10/11-10/05	119.000,00	EUR	97,110	115.828,42		2,59	2,33
VIGADO CAPITAL PLC 6E-7 10/11-10/05	119.000,00	EUR	96,404	114.988,31		2,57	2,31
VOYCE INVESTMENTS PLC 6E-7 10/11-10/05	118.000,00	EUR	97,863	115.743,92		2,59	2,33
WATERFORD CAPITAL INC PLC 6E-7 10/11-10/05	120.000,00	EUR	96,266	115.789,29		2,59	2,33
WAVES FINANCIAL INV PLC 6E-7 10/11-10/05	119.000,00	EUR	97,292	116.045,55		2,60	2,33
Total bonds				4.363.450,68		97,62	87,65
Swaps							
<u>Belgium</u>							
KBC SWAPS	4.839.400,00	EUR	2,110	106.311,34		2,38	2,14
Total swaps				106.311,34		2,38	2,14
TOTAL SECURITIES PORTFOLIO				4.469.762,02		100,00	89,78
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	19.573,27	EUR	1,000	19.573,27			0,39
Total demand accounts				19.573,27			0,39

Fixed-term deposit accounts							
<u>Belgium</u>							
KBC BANK NV 10/11-10/05/12 KBCBANK 1.670 %	360.000,00	EUR	100,092	360.331,20			7,24
KBC BANK NV 23/11-10/05/12 KBCBANK 1.620 %	90.000,00	EUR	100,074	90.066,60			1,81
<u>Slovakia</u>							
CALYON BANK 10/11-10/05/12 CALYON 1.690 %	40.000,00	EUR	100,100	40.040,00			0,80
Total fixed-term deposit accounts				490.437,80			9,85
TOTAL CASH AT BANK AND IN HAND				510.011,07			10,24
OTHER							
Accrued interest		EUR		1.078,74			0,02
Prepaid expenses		EUR		-2.331,54			-0,05
TOTAL OTHER				-1.252,80			-0,03
TOTAL NET ASSETS				4.978.520,29			100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
EQLISWAP	EUR	4.839.400,00	4.839.400,00	n.a.	17.10.2011

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

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Capitalisation	Distribution	Capitalisation	Distribution	Capitalisation	Distribution	Total
2011 - 12	489.465,00		1.850,00		487.615,00		487.615,00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
	Subscriptions		Redemptions	
	Capitalisation	Distribution	Capitalisation	Distribution
2011 - 12	4.895.064,55		18.570,50	

Period	Net asset value At the end of the period (in the sub fund's currency)		
	of the sub-fund	of one unit	
		Capitalisation	Distribution
2011 - 12	4.978.520,29	10,21	

2.4.5 RETURNS

The cumulative returns are given if they are available for a period of at least one year.

2.4.6 EXPENSES

Total expenses ratio (TER): Not applicable.

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% to 60% if the distributor is an entity belonging to KBC Group NV, to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

If the management company invests the UCI's assets in units of undertakings for collective investment that are not managed by an entity belonging to KBC Groupe SA, and receives a fee for doing so, it will pay this fee to the UCI.

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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 - 2.1.2. Stock exchange listing
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In the event of discrepancies between the Dutch and the other language versions of the Annual or Interim Report, the Dutch shall prevail.

2 INFORMATION ON HORIZON PRIVATE BANKING ACTIVE STOCK SELECTION

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 02.12.11
Initial subscription price: EUR 1000
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND

The main object 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 primarily in equities, either directly or indirectly, through equity funds and futures.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

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

PERMITTED DERIVATIVES TRANSACTIONS

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

Changes are made to investments at regular intervals in keeping with the sub-fund's investment strategy. Use of futures is mainly limited to market hedging as a result of affiliations and/or disaffiliations that, due to their size or timing, cannot be executed through investments in other authorised assets. Such futures positions are also to be shifted to other authorised assets as quickly as possible. **In addition, listed and unlisted derivatives may be used by the sub-fund to achieve the objectives:** these may be forward contracts, options or swaps on securities, indexes, 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.** The sub-fund aims to conclude transactions that are as effective as possible, subject to compliance with the relevant legislation and regulations and with the Articles of Association.

Strategy selected

The fund invests, either directly or indirectly, at least 70% of its assets in shares. The focus is on companies from various sectors in the euro area. If the manager considers that shares from other regions (worldwide) have better prospects, s/he may decide to include those shares in the portfolio as well. At least 50% of the equities component must, however, always be invested in euro area equities.

The equity portfolio composition must also reflect a sufficient spread. At least 40 different shares will therefore be included, with no single share ever representing more than 4% of the portfolio.

On the basis of (for example) the economic and financial prospects, the manager may decide to invest an element temporarily in deposits and short-term debt instruments. The relative weight of this element of the portfolio may not exceed 30% of the assets.

2.2.2. Characteristics of the bonds and debt instruments

These may be either money market instruments or securities. Debt instruments issued by either government agencies or companies qualify for consideration.

Money market instruments will have a short-term rating of at least A-2 from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is the least equivalent in the manager's judgement.

Securities will have a long-term rating of at least A- from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is the least equivalent in the manager's judgement.

The debt instruments in which investments are made will have a maximum term to maturity of 397 days. If – within a period of 397 days at most – the rate is adjusted to take account of developments on the money market, the remaining term to maturity may be extended. However, this term may never be longer than 2 years.

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

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS may invest some or all of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive. The percentage of debt claims will be determined based on a periodic asset test in which every six months the composition of the portfolio is examined, the percentage of debt claims calculated and the average taken of the debt claim 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.

Please refer to the annex on annually reviewable information for the result of the asset test and the specific tax implications.

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

The European Savings Directive has been implemented in Belgium through:

- the Act 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 the 1992 Income Tax Code on withholding tax;*
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code;*
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

Dividends

If the UCITS has invested more than 15% of its assets directly or indirectly in debt claims, 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 claims, the interest income realised on the sale, redemption or repayment of the shares falls within the scope 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 of the 1992 Income Tax Code.

If the UCITS has invested more than 40% of its assets directly or indirectly in debt claims, both the capitalisation and distribution shares of the UCITS will fall on redemption or full or partial distribution of the equity capital within the scope of Article 19bis of Income Tax Code 1992.

The tax levied under Article 19bis of Income Tax Code 1992 applies only to shareholders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price according to the period in which the investor held the shares. This tax is charged at 15%.

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 of the portfolio will not be delegated to any other party.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 INVESTMENT POLICY

Doubts about the sustainability of the economic recovery dominated investment sentiment in 2011. In Europe the debt crisis continued to rage unabated. After the Greek, Irish and Portuguese dominos had fallen, sights were trained on other governments. The continuing existence of the euro was even called into question.

It was clear by the end of 2010 that fears of a 'double dip' were unjustified. In Europe, growth accelerated but divergence between the different countries remained considerable.

Countries such as Germany, Austria and the Scandinavian region benefited from a rapid expansion of their exports towards Asia, while countries with modest export sectors (such as the European peripheral countries) had too little scope to mitigate the effects of restrictive monetary policy.

An important consequence of this was that government paper, which was previously viewed as wholly risk-free, began to assume an element of credit risk, to such an extent that, after Greece, Ireland and then Portugal were obliged to seek the assistance of Europe and the IMF to be able to go on meeting their payment obligations.

The credit risk aspect meant, therefore, that the pattern of yields in Europe varied sharply. Yields tended to fall in Germany and the 'core countries' (including France, the Netherlands and Austria), while there was more of an upward trend in yields in Southern European countries. What's more, the volatility of rates themselves and that of the spreads between countries was extremely high.

The end of government stimuli in the US, fears about the negative impact of draconian austerity measures on growth in the West – not only on the EMU periphery but also in core countries such as the US and the UK – and the unrelenting fear of a lack of credit created a crisis atmosphere on the stock markets.

Horizon Private Banking Active Stock Selection invests in a selection of shares. The focus is on the euro area, but shares from other regions can also be included. The portfolio was launched with the emphasis on effective risk diversification in terms of both the different sectors and individual stock selection. A robust cash buffer was incorporated at the outset in response to the prevailing uncertainty of the financial markets.

The high exposure of the financial sector, and especially banks, to sovereign debt in the euro area and the uncertainty regarding the new regulatory framework for capital requirements (Basel III) and the European authorities' plans for recapitalising the European banking sector called for caution. Financials were therefore underweighted in the portfolio. Doubts about the sustainability of margins and the lasting nature of the economic recovery globally, and particularly in Asia, resulted in an underweighting of the capital goods sector. We also remained extremely cautious toward more consumer-oriented cyclical stocks because of weak economic growth in the Western world. Within the luxury segment, we were only persuaded by Richemont and LVMH because of persistently strong demand from Southeast Asia.

The problems in the health care sector due to a lack of product innovation, patent expiry and reforms to health insurance in the US made way for a degree of optimism on new challenges: restructuring operations and the sell-off of non-strategic divisions. The sector was overweighted in the portfolio through the likes of Novartis, Roche and Novo Nordisk. Diversification was also key to the food manufacturing sector, with names like BAT, Philip Morris, Nestlé, Kerry and Anheuser-Busch InBev. Energy was viewed as a relatively safe sector in terms of valuation and dividend yield, and with upside potential on any recovery in economic growth. The sector was overweighted in the portfolio. American Tower Corp and Vodafone were invested in within the telecoms sector. We remained cautious about investment in euro area utilities due to political uncertainty about extra taxes as part of the restructuring of public debt.

2.1.8 FUTURE INVESTMENT POLICY

Traditionally economic developments in the US are reflected in Europe. Europe will experience lower economic growth than the US in 2012. 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 tougher 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. We expect the US to record positive, but modest, growth. Budgetary plans will depress growth in Europe. The picture in the 'New World' is entirely different with stronger economic growth in Asia, which has already generated inflationary pressure. In China, monetary policy has been quickly adjusted in response. The tightening of monetary policy is already paying off. The risk of overheating therefore appears to be under control.

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. The recession caused companies to be even more cautious about risks. A combination of debt reduction and low interest rates has resulted in a steep drop in financial charges. There is no question of real wage rises. The S&P 500 is forecast to post earnings growth of 9.5% in the 2012 calendar year. The projected gain for the MSCI Europe index is 8%. However, the period of robust earnings growth is drawing to an end.

As far as interest rates are concerned, we do not foresee any rapid rise in the money market rate and bond yields are close to historical lows. The current valuation of equities discounts very gloomy prospects. Equities are certainly not expensive at the moment.

In our view, the lack of alternatives is not sufficient reason in the short term for higher equity market valuations. Risk aversion could persist for a while yet in a climate of doubt about economic recovery and the crisis in the euro area. Changes to Horizon Private Banking Active Stock Selection's sector allocation will be determined by individual stock valuations.

2.1.9 RISK RATING

On a scale from 0 to 6.

Current risk rating: 5

Risk rating at launch: 5

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating:

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary		31/12/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS		14.500.212,51
II.	Securities, money market instruments, UCIs and derivative financial instruments	
C.	Shares and similar instruments	
a)	Bonds	11.361.437,12
E.	Open-end undertakings for collective investment	1.100.058,90
F.	Financial derivatives	
a)	On bonds	
Options contracts (+/-)		-10.569,43
IV.	Receivables and payables within one year	
A.	Receivables	
a)	Accounts receivable	316.112,33
c)	Collateral	37.188,96
B.	Debts	
a)	Accounts payable (-)	-135.526,36
c)	Borrowings (-)	-159.138,73
V.	Deposits and cash at bank and in hand	
A.	Demand balances at banks	2.007.351,48
VI.	Accruals and deferrals	
B.	Accrued income	2.415,93
C.	Accrued expenses (-)	-19.117,69
TOTAL CAPITAL AND RESERVES		14.500.212,51
A.	Capital	14.374.652,90
B.	Share in the profit	-9.710,66
D.	Result for the financial year	135.270,27

OFF-BALANCE-SHEET ITEMS

I	Security in the form of real property (+/-)	
I.A	Collateral (+/-)	
I.A.B	Deposits and cash at bank and in hand	37.188,96

2.3 INCOME STATEMENT

Income statement

31/12/2011
(in the currency of the sub-fund)

I. Write-downs and capital gains and losses	
C. Equities and similar instruments	
a) Bonds	95.425,40
E. Open-end undertakings for collective investment	367,05
F. Financial derivatives	
e) On shares	
Options (+/-)	4.321,89
H. Foreign-exchange positions and transactions	
b) Other foreign-exchange positions and transactions	85.824,40
II. Investment income and expenses	
A. Dividends	3.434,02
B. Interest	
b) Deposits and cash at bank and in hand	651,12
C. Interest on loans taken out (-)	-58,45
IV. Operating expenses	
A. Investment transaction and delivery costs (-)	-24.777,17
B. Financial expenses (-)	-57,90
D. Manager's fee (-)	
a) Financial management	-10.248,36
b) Administration and accounting management	-1.296,70
F. Formation and organisation expenses (-)	-734,46
H. Services and sundry goods (-)	0,81
J. Taxes	-10.735,42
K. Other expenses (-)	-6.845,96
Income and expenditure for the (interim) period	
Subtotal II + III + IV before tax on the profit	-50.668,47
V. Profit (loss) on ordinary activities before tax	135.270,27
VII. Result for the financial year	135.270,27

Appropriation of retained earnings		31/12/2011 (in the currency of the sub-fund)
I.	Profit to be allocated (loss to be recognised)	125.559,61
	Profit for the period available for appropriation (loss to be recognised)	135.270,27
	Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-9.710,66
III.	Profit (loss) to be carried forward	125.559,61

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON PRIVATE BANKING ACTIVE STOCK SELECTION

Name	Quantity at 31 December 2011	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Open-end funds							
UCITS registered with the FSMA							
<u>Luxembourg</u>							
KBC INSTITUTIONAL CASH SICAV UPPER GRADE EURO INST KAP	365,00	EUR	3.013,860	1.100.058,90	0,08	8,84	7,59
Total investment funds				1.100.058,90		8,84	7,59
Equities							
Listed shares							
<u>Germany</u>							
ALLIANZ AG REG	3.738,00	EUR	73,910	276.275,58		2,22	1,91
BAYER AG -	6.299,00	EUR	49,400	311.170,60		2,50	2,15
BRENTAG AG -	1.849,00	EUR	71,950	133.035,55		1,07	0,92
DAIMLER AG -	8.943,00	EUR	33,920	303.346,56		2,44	2,09
GERRESHEIMER AG -	4.132,00	EUR	32,195	133.029,74		1,07	0,92
SAP AG -	3.019,00	EUR	40,850	123.326,15		0,99	0,85
<u>Belgium</u>							
ACKERMANS VH NV -	5.376,00	EUR	57,640	309.872,64		2,49	2,14
ANHEUSER-BUSCH INBEV NV -	6.723,00	EUR	47,305	318.031,52		2,55	2,19
BELGACOM -	5.721,00	EUR	24,240	138.677,04		1,11	0,96
NYRSTAR -	46.634,00	EUR	6,100	284.467,40		2,29	1,96
TESSENDERLO -	6.328,00	EUR	20,540	129.977,12		1,04	0,90
UMICORE -	4.176,00	EUR	31,870	133.089,12		1,07	0,92
<u>Denmark</u>							
NOVO NORDISK A/S "B"	1.562,00	DKK	660,000	138.706,21		1,11	0,96
<u>Spain</u>							
BANCO BILBAO VIZCAYA ARGENTARIA -	45.882,00	EUR	6,680	306.491,76		2,46	2,11
REPSOL INTL FINANCE -	13.368,00	EUR	23,735	317.289,48		2,55	2,19
<u>US</u>							
AMERICAN TOWER CORP CL A	6.786,00	USD	60,010	313.686,54		2,52	2,16
ANADARKO PETROLEUM -	5.143,00	USD	76,330	302.391,92		2,43	2,09
APPLE INC -	446,00	USD	405,000	139.138,81		1,12	0,96
GOOGLE INC -A-	282,00	USD	645,900	140.304,88		1,13	0,97
PHILIP MORRIS INTERNATIONAL INC. -	5.253,00	USD	78,480	317.559,27		2,55	2,19
QUALCOMM CORP -	3.315,00	USD	54,700	139.678,40		1,12	0,96
<u>Finland</u>							
KONE CORP. -	3.244,00	EUR	40,100	130.084,40		1,05	0,90
<u>France</u>							
AXA -	24.742,00	EUR	10,045	248.533,39		2,00	1,71
BNP PARIBAS -	4.314,00	EUR	30,350	130.929,90		1,05	0,90
DANONE -	2.763,00	EUR	48,570	134.198,91		1,08	0,93

LVMH-MOET H.L.VUIT. -	2.412,00	EUR	109,400	263.872,80		2,12	1,82
RODAMCO UNIBAIL -	2.080,00	EUR	138,900	288.912,00		2,32	1,99
SCHNEIDER ELECTRIC SA -	6.739,00	EUR	40,680	274.142,52		2,20	1,89
SOCIETE GENERALE -	14.747,00	EUR	17,205	253.722,14		2,04	1,75
<u>Ireland</u>							
KERRY GROUP PLC -	10.597,00	EUR	28,285	299.736,15		2,41	2,07
<u>Italy</u>							
ENI -	17.319,00	EUR	16,010	277.277,19		2,23	1,91
<u>Jersey</u>							
BEAZLEY PLC -	83.079,00	GBP	1,343	133.574,88		1,07	0,92
<u>Luxembourg</u>							
ARCELORMITTAL -	19.332,00	EUR	14,130	273.161,16		2,19	1,88
<u>Norway</u>							
STOREBRAND ASA -	33.542,00	NOK	31,100	134.647,71		1,08	0,93
<u>Netherlands</u>							
ING GROEP NV -	78.731,00	EUR	5,560	437.744,36		3,52	3,02
<u>UK</u>							
BAT HOLDINS BV -	8.668,00	GBP	30,555	317.072,60		2,55	2,19
BG GROUP PLC -	18.314,00	GBP	13,765	301.798,41		2,42	2,08
INTERNATIONAL POWER PLC -	73.594,00	GBP	3,372	297.089,63		2,39	2,05
RIO TINTO PLC -	7.076,00	GBP	31,250	264.725,25		2,13	1,83
ROLLS ROYCE GROUP PLC -	15.770,00	GBP	7,465	140.935,05		1,13	0,97
ROYAL DUTCH SHELL PLC -A-	11.927,00	EUR	28,150	335.745,05		2,70	2,32
VODAFONE GROUP PLC -	236.751,00	GBP	1,789	507.060,38		4,07	3,50
<u>Sweden</u>							
ATLAS COPCO AB "A"	18.757,00	SEK	148,000	311.938,69		2,51	2,15
<u>Switzerland</u>							
COMPAGNIE FINANCIERE RICHEMONT "A"	7.705,00	CHF	47,510	301.560,71		2,42	2,08
NESTLE AG REG	3.062,00	CHF	54,000	136.212,21		1,09	0,94
NOVARTIS AG REG	7.273,00	CHF	53,700	321.739,93		2,58	2,22
ROCHE HOLDING GENOTS	1.033,00	CHF	159,200	135.475,41		1,09	0,93
Total equities				11.361.437,12		91,25	78,35
Other securities							
<u>Brazil</u>							
PETROBRAS-PETROLEO BRASILEIRO S.A. P24 21/04/2012	-60,00	USD	1,810	-8.365,43		-0,07	-0,06
<u>France</u>							
GDF SUEZ P19 17/02/2012	-58,00	EUR	0,380	-2.204,00		-0,02	-0,02
Total other securities				-10.569,43		-0,09	-0,07
TOTAL SECURITIES PORTFOLIO				12.450.926,59		100,00	85,87
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CHF	-25.866,21	CHF	1,000	-21.308,35			-0,15
KBC GROUP DKK	146,71	DKK	1,000	19,74			
KBC GROUP EURO	1.996.476,97	EUR	1,000	1.996.476,97			13,77
KBC GROUP GBP	-72.096,49	GBP	1,000	-86.312,09			-0,60
KBC GROUP NOK	132,07	NOK	1,000	17,05			

KBC GROUP SEK	-93.578,15	SEK	1,000	-10.515,23			-0,07
KBC GROUP USD	-53.230,17	USD	1,000	-41.003,06			-0,28
Total demand accounts				1.837.375,03			12,67
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP EURO FUT REK	5.272,23	EUR	1,000	5.272,23			0,04
KBC GROUP USD FUT REK	7.225,12	USD	1,000	5.565,49			0,04
Total managed futures accounts				10.837,72			0,08
TOTAL CASH AT BANK AND IN HAND				1.848.212,75			12,75
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP CHF RECEIVABLES	26.000,00	CHF	1,000	21.418,57			0,15
KBC GROUP EUR RECEIVABLES	180.606,09	EUR	1,000	180.606,09			1,25
KBC GROUP GBP RECEIVABLES	60.000,00	GBP	1,000	71.830,48			0,50
KBC GROUP SEK RECEIVABLES	95.000,00	SEK	1,000	10.675,00			0,07
KBC GROUP USD RECEIVABLES	41.000,00	USD	1,000	31.582,19			0,22
<u>Netherlands</u>							
KBC CLEARING NV DEKKING EUR	9.828,00	EUR	1,000	9.828,00			0,07
KBC CLEARING NV DEKKING USD	35.520,00	USD	1,000	27.360,96			0,19
Total receivables				353.301,29			2,44
Debts							
<u>Belgium</u>							
KBC GROUP EUR PAYABLES	-135.526,36	EUR	1,000	-135.526,36			-0,94
Total debts				-135.526,36			-0,94
TOTAL OTHER RECEIVABLES AND PAYABLES				217.774,93			1,50
OTHER							
Interest receivable		EUR		2.415,93			0,02
Expenses payable		EUR		-19.117,69			-0,13
TOTAL OTHER				-16.701,76			-0,12
TOTAL NET ASSETS				14.500.212,51			100,00

Geographical allocation (as a % of the securities portfolio)

	31/12/20 11
Australia	0,22
Belgium	12,74
Brazil	-0,07
Switzerland	7,37
Germany	11,56
Denmark	1,34
Spain	5,01
Finland	1,21
France	14,01
UK	18,43
Ireland	2,41
Italy	2,23
Jersey	1,07
Luxembourg	2,82
Netherlands	4,19
Norway	1,08
Sweden	3,52
US	10,86
Total	100,00

Sector allocation (as a % of the securities portfolio)

	31/12/20 11
Cyclical sectors	33,24
Consumer discretionary	6,98
Consumer staples	12,27
Pharmaceuticals	4,79
Financials	25,10
Technology	6,88
Telecommunications	5,19
Utilities	2,37
Property	2,32
Government	0,86
Total	100,00

Currency allocation (as a % of net assets)

	31/12/20 11
CHF	6,17
DKK	0,96
EUR	66,95
GBP	13,42
NOK	0,93
SEK	2,15
USD	9,42
Total	100,00

**2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF HORIZON PRIVATE BANKING
ACTIVE STOCK SELECTION (IN SUB-FUND'S CURRENCY)**

	1st half	2nd half	Year
Purchases	0,00	12.274.835,56	12.274.835,56
Sales	0,00	14.891,32	14.891,32
Total 1	0,00	12.289.726,87	12.289.726,87
Subscriptions	0,00	14.402.417,03	14.402.417,03
Redemptions	0,00	27.764,13	27.764,13
Total 2	0,00	14.430.181,16	14.430.181,16
Monthly average of total assets	0,00	11.949.366,26	11.949.366,26
Turnover rate	0,00 %	-17,91 %	-17,91 %

	1st half	2nd half	Year
Purchases	0,00	12.274.835,56	12.274.835,56
Sales	0,00	14.891,32	14.891,32
Total 1	0,00	12.289.726,87	12.289.726,87
Subscriptions	0,00	14.402.417,03	14.402.417,03
Redemptions	0,00	27.764,13	27.764,13
Total 2	0,00	14.430.181,16	14.430.181,16
Monthly average of total assets	0,00	217.305.003,76	217.305.003,76
Adjusted turnover rate	0,00 %	-0,98 %	-0,98 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take into account the 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 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 ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
KBCCLEAR DEKKING EUR	EUR	9.828,00	9.828,00	n.a.	30.12.2011
KBCCLEAR DEKKING USD	USD	35.520,00	27.360,96	n.a.	30.12.2011

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2011 - 12	11.113,00	3.361,00	28,00	0,00	11.085,00	3.361,00	14.446,00

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2011 - 12	11.042.942,37	3.349.717,33	27.717,46	0,00

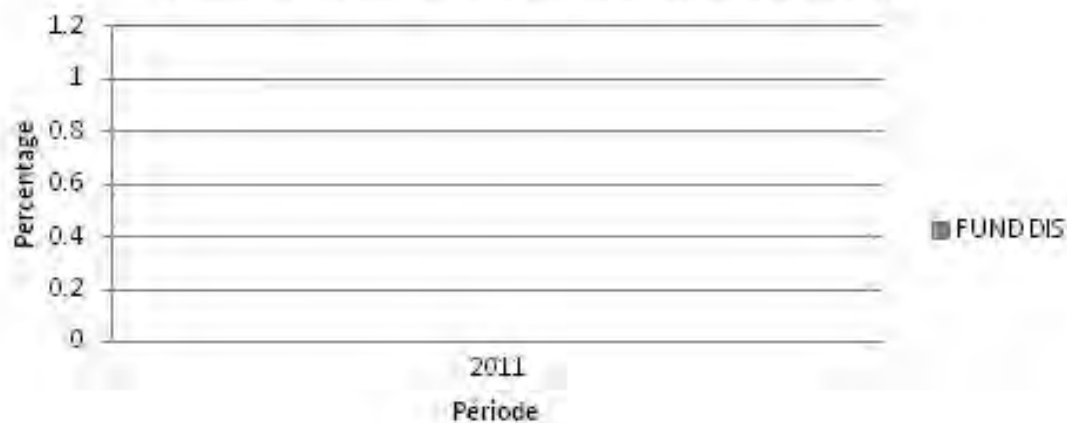
Period	Net asset value At the end of the period (in the currency of the sub-fund)		
Year	Of the sub-fund	of one unit	
		Cap.	Dis.
2011 - 12	14.500.212,51	1.003,70	1.003,94

2.4.5 PERFORMANCE FIGURES

BE6227979943

Horizon - Private Banking Active Stock Selection - DIS:

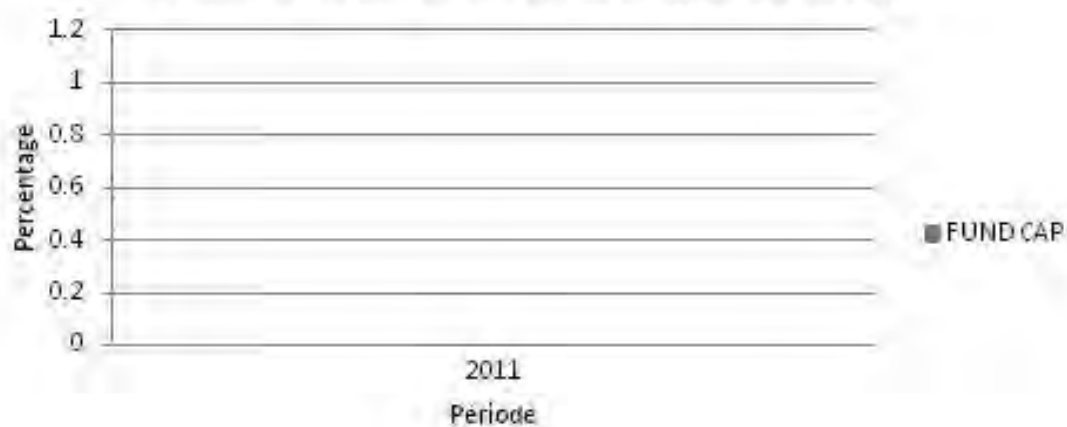
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE6227978937

Horizon - Private Banking Active Stock Selection - CAP:

Performance sur base annuelle en date du 31/12/2011 (en EUR)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE6227978937	EUR									02/12/2011	
DIS	BE6227979943	EUR									02/12/2011	

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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 (DIS)

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

with C a factor that is determined by all of the dividends and from the date of calculating D and the reference date.

For dividend i to date DI with value Wi we apply:

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

$i = 1 \dots N$

where $C = C_0 * \dots * C_N$.

- 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} 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 units.

2.4.6 COSTS

Total expenses ratio (TER): Not applicable.

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% to 60% if the distributor is an entity belonging to KBC Group NV, to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts 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.

In addition: performance fee: the management company receives a performance fee as set out in the prospectus.

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

Auditor's fee: 1,700 EUR per year. This fee does not include 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 mutual fund 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:

- the security may not be influenced negatively for the shareholders;
- the rules covering corporate governance must be respected, except for those relating to minority shareholders' rights;
- 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 ICVC.

Name	Maximum management fee
KBC Institutional Cash-Upper Grade Euro - Institutional Shares-Institutional Shares	0,20
Horizon-Private Banking Active Stock Selection	1,25

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB PRIVATE BANKING EMERGING MARKETS 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 12.05.06

Launch price: 10 CZK

Maturity date: 30.05.12

Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse at least 95% of the initial subscription price per share of CZK 10 at maturity, namely CZK 9.5 through investments described in the section *Authorised asset categories*.
- (2) To offer a potential return through a swap agreement (contrats d'échange). To this end, the sub-fund transfers part of its future revenue described in *Authorised asset categories* to the counterparty/-ies for the duration of the sub-fund. In exchange, the counterparty(ies) undertake(s) to provide a potential yield. The different types of swaps in which the sub-fund can invest are explained in *Authorised swap transactions*.

No formal reimbursement guarantee of at least 95% of the initial subscription price is granted to the sub-fund or its investors. In other words, this objective does not constitute an obligation for the sub-fund to generate a gain, although the achievement of this objective through the investments described above in the *Authorised financial asset categories* remains its absolute priority.

If the objective of reimbursing at least 95% of the initial subscription price per share is not achieved at maturity, KBC Asset Management can decide (but is under no obligation) to allocate the management fee made from SICAV sub-fund and potentially other sub-funds during the current financial year to hedge against this shortfall. This does not constitute a guarantee on the part of KBC Asset Management SA. At its own discretion, it can decide at any time whether or not to use the management fee for this purpose.

This objective of reimbursing at least 95% of the initial subscription price per share does not extend to shareholders selling their shares before maturity.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with provisions of the Royal Decree of 4 March 2005 regarding certain public investment entities, sub-fund investments can consist of negotiable securities, particularly bonds and other debt instruments, money market instruments, shares of collective investment undertakings, deposits, derivatives, liquid assets and all other instruments, provided that this is allowed by the applicable regulations. These investments can have different durations and coupon payment dates which are adjusted to sub-fund commitment renewal dates through swaps described in *Authorised swap transactions (2)*.

Investment limits and restrictions set by the Royal Decree of 4 March 2005 regarding certain mutual funds will be observed at all times.

The sub-fund may invest in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

The rating for bonds and other long-term debt instruments when the investment is launched must be equivalent to at least "A-" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent .

The rating for bonds and other short-term debt instruments when the investment is launched must be equivalent to at least "A-1" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent.

All maturities are taken into considering when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. Under these swaps, the sub-fund transfers a portion of its future earnings from the investments indicated under the section *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the point dealing with the *Strategy selected*.

The use of swaps in this sub-fund may entail a maximum 5% loss of the initial capital invested.

The swaps under (1) are essential to completion of the investment objects of the sub-fund, given that via this method, the goal of reaching a potential return can occur.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the investments referred to under *Permitted asset classes*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the

market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Through such a swap, one or several counterparties resume the risk of non-performing bond or other debt instrument issuers within the sub-fund portfolio in exchange for a premium payable by the sub-fund.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

INVESTMENT OBJECTIVE AND POLICY

The sub-fund has two investment objectives: firstly, to repay 95% of the initial subscription value at maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of share indexes (as set out below). 75% of any rise in the value of the basket of share indexes (= *Last Value less Base Value*) divided by the Base Value) which exceeds 95% of the initial subscription value will be distributed on maturity.

MATURITY: Wednesday 30 May 2012

CURRENCY: CZK; fluctuations of the CZK against the local currencies of the indexes in the basket are not relevant.

BASE VALUE: Value of the basket based on the average of the prices for indexes in the basket for the first ten Valuation Dates from 16.05.06 (inclusive).

LAST VALUE: The value of the basket based on the average price for the indexes in the basket on the last Valuation Date of the month for each of the last 24 months before maturity, namely from May 2010 to April 2012 (inclusive).

PRICE:

For all the indexes in the basket, the closing price, that is to say the price of an index as calculated and published at the stock exchange close by the competent stock-exchange body (or its legal successor).

VALUATION DATE:

For each index in the basket, a trading day on which the competent stock exchange body calculates and publishes the index price. If, however, [A] the competent stock exchange body (i) makes significant changes to the formula and/or method for calculating the index, on or before the Valuation Date, and/or (ii) does not calculate and publish the index (although all the data are available), the ICVC will calculate the index, in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index-calculation method and formula; and/or [B] an event occurs on the Valuation Date which disrupts the market (preventing calculation of the index) or if the market closes early (the competent body has announced that the market will, on that day, close earlier than on other trading days), the original Valuation Date will be replaced by the next trading day on which there is no disruption or early closure, provided that date is not already an original Valuation Date or already replaces an original Reference Date postponed because of disruption or early closure of the market.. However, if the market is disrupted or closes early on each of the eight trading days which follow the original Valuation Date, (i) this eighth trading day will be deemed to be the original Valuation Date, and (ii) the ICVC will estimate the index price, in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index calculation formula and method, and (iii) the ICVC will inform the unit holders of (a) the exceptional circumstances which have arisen, (b) the amended conditions for determining the Base Value and/or Final Value for the Period, and (c) the terms and conditions for distribution of the amounts in the light of the investment objectives achieved.

If changes are made to an index in the basket (e.g. calculation by another sponsor, change to the calculation method, etc.), the ICVC will confer with the prime counterparty(-ies) with whom the swap contract has been concluded in order to decide

how the index is to be determined. In the event of substantial changes to a basket index or if the index ceases to be calculated, it may be replaced by another index, provided this new index is representative of the same geographical and/or economic sectors.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, on the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 6 years, which pays, on maturity, 65% of any rise in value of a basket of shares beyond 95% of the initial subscription value of CZK 10. The base value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	170	65% * 70% = 45.5%	9.5 + 45.5% * 10 = 14.05 CZK (rendement actuariel : 5.83%, avant frais et impôts)
Scénario Neutre	140	65% * 40% = 26%	9.5 + 26% * 10 = 12.1 CZK (rendement actuariel : 3.23%, avant frais et impôts)
Scénario Négatif	85	65% * 0% = 0%	9.5 + 0% * 10 = 9.5 CZK (rendement actuariel : -0.85%, avant frais et impôts)

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the sponsor for the index in the basket and its initial weighting in the basket.

1	MSCI Singapore Cash Index	SGY	Morgan Stanley Capital International	30%
2	Kospi 200 Index	KOSPI2	KRX-Stock Market Division	30%
3	Hang Seng China Enterprises Index	HSCEI	Stock Exchange of Hong Kong	20%
4	FTSE/JSE Africa Top 40	TOP40	Financial Times Ltd.	15%
5	Bovespa Index USD	USIBOV	Sao Paulo Stock Exchange	5%

The **Bovespa USD** is an index weighted by traded volume and, in principle, the dividend is reinvested. The index contains the most traded stocks listed on the Sao Paulo stock exchange in Brazil.

The index price can be consulted daily in all KBC branches.

Sao Paulo Stock Exchange holds all proprietary rights to the index. Sao Paulo Stock Exchange does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Emerging Markets 1. Sao Paulo Stock Exchange Limited does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The **Hang Seng China Enterprises** index is a market capitalization-weighted stock market index made up of shares of Chinese public-sector undertakings (H shares) listed on the Stock Exchange of Hong Kong. The index was launched on 3 January 2000 with a baseline value of 2000.

The index is published daily in L'Echo, De Tijd and The Financial Times.

Stock Exchange of Hong Kong holds all proprietary rights to the index. Stock Exchange of Hong Kong does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Emerging Markets 1. Stock Exchange of Hong Kong does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The **KOSPI 200** index, or the Korean Stock Price Index 200, is a market capitalization-weighted stock market index which is made up of 200 shares listed on the Korean Stock Exchange. The index was launched on 3 January 1990 with a baseline value of 100. The index price can be consulted daily in all KBC branches.

KRX-Stock Market Division holds all proprietary rights to the index. KRX-Stock Market Division does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Emerging Markets 1. KRX-Stock Market Division does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The **MSCI Singapore Cash** index is a market capitalization-weighted stock market index which is made up of corporate shares in Singapore. The index has been published since 1 January 1988.

The index price can be consulted daily in all KBC branches.

MSCI holds all proprietary rights to the index. MSCI does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Emerging Markets 1. MSCI does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The **FTSE/JSE Africa Top 40** index is a market capitalization-weighted stock market index. The index is made up of the shares of the 40 companies in the FTSE/JSE All Shares Index with the greatest capitalisation. The latter index contains shares listed on the Johannesburg stock market in South Africa. The index has been published since 21 June 2002.

The index is published daily in The Financial Times.

Financial Times Ltd holds all ownership rights with regard to the index. Financial Times Ltd does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Emerging Markets 1. Financial Times Ltd does not accept any liability for the issue and offer of shares by this collective investment undertaking.

Waiver for investments in public-sector issuers

The sub-fund has been granted a waiver allowing it to invest up to 100% of assets in different securities and money-market instruments issued or guaranteed by a Member State of the European Economic Area, their regional local governments, non-Member States of the European Economic Area, and public international entities which count one or more member States of the European Economic Area as members. The sub-fund can invest more than 35% of its assets in equities and money market instruments in:

- Italy
- Slovenia
- Sweden
- The Netherlands
- Poland
- United Kingdom
- Germany
- Denmark
- Spain
- Greece
- Hungary
- France
- Slovakia
- Czech Republic
- Belgium

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

The following information is of a general nature 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 its interpretation can change. Investors who wish to have more information about the tax implications – both in Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19 bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor held the units.
This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 INVESTMENT POLICY

Composition of the basket on the date of the report

Name	Value
Bovespa Brazil Ibovespa USD	9,0162
FTSE/JSE AFRICA TOP 40	23,1969
HS CHINA ENTERPRISES INDEX	29,1056
KOSPI 200 INDEX	40,8522
MSCI SINGAPORE FREE	31,1224
TOTAL	133,29

Performance of the index or basket

Index:	BASKET
31/12/2010:	157,96
30/06/2011:	156,01
29/12/2011:	133,29
Performance since 31.12.10 or since the launch of the sub-fund:	-15,62%
Performance since 30/06/2011 or since the launch of the sub-fund:	-14,56%
Index at the launch of the sub-fund:	100,00
Minimum guaranteed return in local currency on the maturity date:	9,50
Local currency:	CZK

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
04/10/2010	MSCI SINGAPORE CASH	MSCI SINGAPORE FREE	Index Discontinued

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: IV

Risk rating at launch: IV

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating:

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary		31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
TOTAL NET ASSETS		35.111.637,81	43.120.409,13
II. Securities, money market instruments, UCIs and derivative financial instruments			
A. Bonds and other debt instruments			
a) Bonds		26.368.533,20	29.925.248,50
a) Collateral received in the form of bonds		6.650.864,92	
F. Financial derivatives			
e) On shares			
Swap contracts (+/-)		7.573.438,90	
m) On financial indexes			
Swap contracts (+/-)			11.116.320,21
IV. Receivables and payables within one year			
A. Receivables			
a) Accounts receivable			8.917,49
B. Debts			
d) Collateral (-)		-6.650.864,92	
V. Deposits and cash at bank and in hand			
A. Demand balances at banks		680.040,92	527.060,10
B. Term accounts at banks		490.034,30	1.540.035,30
VI. Accruals and deferrals			
B. Accrued income		2.224,06	6.061,80
C. Accrued expenses (-)		-2.633,57	-3.234,27
TOTAL CAPITAL AND RESERVES		35.111.637,81	43.120.409,13
A. Capital		37.444.613,13	39.735.540,26
B. Share in the profit		-25.880,84	-2.126,00
D. Result for the financial year		-2.307.094,48	3.386.994,87

OFF-BALANCE-SHEET ITEMS

I	Security in the form of real property (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/money market instruments	6.650.864,92	
IV	Notional amounts of swap contracts (+)	27.439.996,00	33.901.556,00

2.3 INCOME STATEMENT

Income statement

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-569.394,07	71.193,30
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-1.638.546,91	
l) On financial indexes		
Swap contracts (+/-)		3.365.826,84
G. Receivable, deposits, cash at bank and in hand, and payables	-1,00	-84,30
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	3.301,86	-5.993,63
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	432.483,40	534.258,28
b) Deposits and cash at bank and in hand	24.034,93	40.097,72
D. Swap contracts (+/-)	-107.891,70	-316.316,93
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	57.016,73	100.805,73
B. Other	-6.957,50	9.325,45
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-0,07	0,22
B. Financial expenses (-)	-21.347,09	-15.421,31
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-439.212,05	-326.192,11
b) Administration and accounting management	-18.702,52	-21.293,66
F. Formation and organisation expenses (-)	-4.695,30	-5.984,62
H. Services and sundry goods (-)	-8.093,33	-22.088,21
J. Taxes	-455,68	-11.477,33
K. Other expenses (-)	-2.545,93	-3.113,19
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	-102.454,36	-43.947,34
V. Profit (loss) on ordinary activities before tax	-2.307.094,48	3.386.994,87
VII. Result for the financial year	-2.307.094,48	3.386.994,87

Appropriation of retained earnings

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit to be allocated (loss to be recognised)	-2.332.975,32	3.384.868,87
Profit for the period available for appropriation (loss to be recognised)	-2.307.094,48	3.386.994,87
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-25.880,84	-2.126,00
II. (Appropriations to) Deductions from capital	2.332.975,32	-3.384.868,87

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB PRIVATE BANKING EMERGING MARKETS 1

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	2.700.000,00	CZK	97,387	2.647.693,70		7,80	7,54
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	2.700.000,00	CZK	96,412	2.621.380,90		7,72	7,47
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	2.700.000,00	CZK	97,679	2.655.565,25		7,82	7,56
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	2.700.000,00	CZK	97,290	2.645.085,52		7,79	7,53
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	1.350.000,00	CZK	96,433	1.310.967,14		3,86	3,73
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 10/07-10/01 3.10 %	1.350.000,00	CZK	96,489	1.311.726,54		3,87	3,74
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	1.350.000,00	CZK	97,558	1.326.149,98		3,91	3,78
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	1.350.000,00	CZK	96,684	1.314.350,23		3,87	3,74
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	1.350.000,00	CZK	97,195	1.321.254,32		3,89	3,76
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	1.350.000,00	CZK	96,300	1.309.173,77		3,86	3,73
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	1.350.000,00	CZK	96,863	1.316.766,09		3,88	3,75
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	1.350.000,00	CZK	97,053	1.319.341,70		3,89	3,76
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	1.350.000,00	CZK	96,347	1.309.811,04		3,86	3,73
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	1.350.000,00	CZK	97,807	1.329.510,70		3,92	3,79
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	1.350.000,00	CZK	96,210	1.307.951,39		3,85	3,73
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	1.350.000,00	CZK	97,236	1.321.804,93		3,89	3,77
Total bonds				26.368.533,20		77,69	75,10
Swaps							
<u>Belgium</u>							
KBC SWAPS	27.439.996,00	CZK	27,600	7.573.438,90		22,31	21,57
Total swaps				7.573.438,90		22,31	21,57
TOTAL SECURITIES PORTFOLIO				33.941.972,10		100,00	96,67
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	260.787,55	EUR	1,000	6.650.864,92			18,94
TOTAL COLLATERAL RECEIVED				6.650.864,92			18,94
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	636.886,02	CZK	1,000	636.886,02			1,81
KBC GROUP EURO	1.692,15	EUR	1,000	43.154,90			0,12
Total demand accounts				680.040,92			1,94

Time deposit accounts						
<u>France</u>						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	490.000,00	CZK	100,007	490.034,30		1,40
Total time deposit accounts				490.034,30		1,40
TOTAL CASH AT BANK AND IN HAND				1.170.075,22		3,33
OTHER RECEIVABLES AND PAYABLES						
Debts						
<u>Belgium</u>						
KBC GROUP TEGENPOST COLLATERAL EUR	-260.787,55	EUR	1,000	-6.650.864,92		-18,94
Total debts				-6.650.864,92		-18,94
TOTAL OTHER RECEIVABLES AND PAYABLES				-6.650.864,92		-18,94
OTHER						
Accrued interest		CZK		2.224,06		0,01
Expenses payable		CZK		-2.633,57		-0,01
TOTAL OTHER				-409,51		0,00
TOTAL NET ASSETS				35.111.637,81		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
KBC COLLATERAL EUR	EUR	260.787,55	6.650.864,92	n.a.	29.12.2011
EQLISWAP	CZK	27.439.996,00	27.439.996,00	n.a.	16.08.2011

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	400.000,00		659.958,00		4.059.342,00		4.059.342,00
2010 - 12	0,00		815.300,00		3.244.042,00		3.244.042,00
2011 - 12	0,00		444.042,00		2.800.000,00		2.800.000,00

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	3.930.000,00		7.600.957,76	
2010 - 12	0,00		10.080.580,00	
2011 - 12	0,00		5.701.676,84	

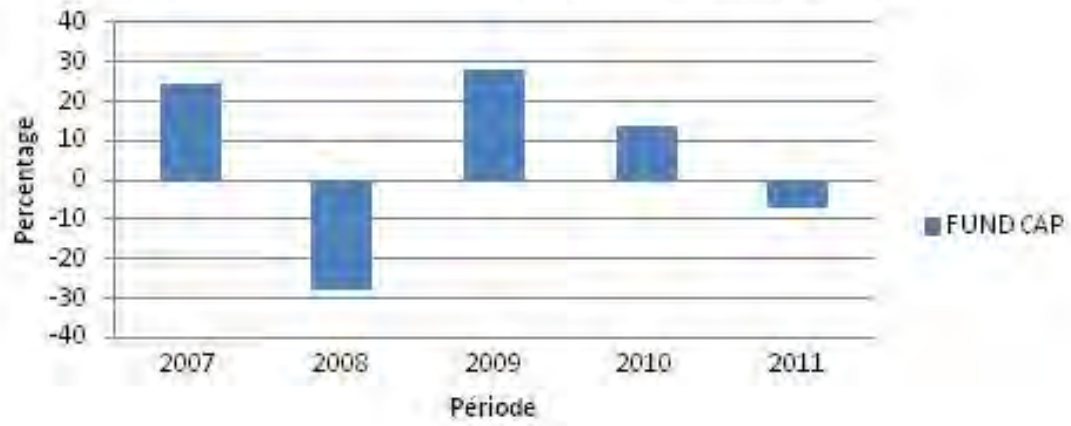
Period	Net asset value At the end of the period (in the currency of the sub-fund)		
Year	Of the sub-fund	of one unit	
		Cap.	Dis.
2009 - 12	49.813.994,26	12,27	
2010 - 12	43.120.409,13	13,29	
2011 - 12	35.111.637,81	12,54	

2.4.5 PERFORMANCE FIGURES

BE0946114734

Horizon - CSOB Private Banking Emerging Markets 1- CAP:

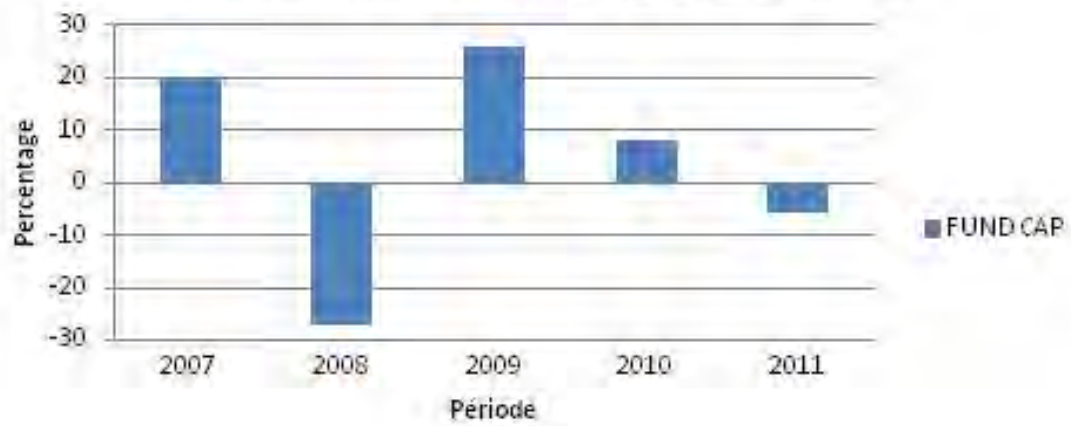
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0946114734

Horizon - CSOB Private Banking Emerging Markets 1- CAP:

Performance sur base annuelle en date du 31/12/2011 (en CZK)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE09461147 34	EUR	-7.17%		10.70%		3.99%				12/05/200 6	6.10%
CAP	BE09461147 34	CZK	-5.64%		8.82%		2.41%				12/05/200 6	4.10%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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.
- 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
- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.273%

- * 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% to 60% if the distributor is an entity belonging to KBC Group NV, to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

Details of the collateral received for financial derivatives

Name	Currency	Nominal	Currency of the portfolio	Value in the currency of the portfolio
FLEMISH COMMUNITY 09/12 2.75% 30/03	EUR	50.000	CZK	1.301.707,55
KFW 02/12 5.25% 04/07	EUR	200.000	CZK	5.349.157,37
			Total	6.650.864,92

The collateral receivable in this list is valued according to indicative prices provided by the Collateral Management Department of KBC Bank.

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In the event of discrepancies between the Dutch and the other language versions of the Annual or Interim Report, the Dutch shall prevail.

2 INFORMATION ON HORIZON ACCESS FUND BRAZIL

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE:

Launch date: 31.05.06
Initial subscription price: 500 EUR
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND:

The main object 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 primarily in equities either directly, or indirectly through financial instruments with a similar performance.

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 specified object.

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

PERMITTED DERIVATIVES TRANSACTIONS

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

Changes are made to investments at regular intervals in keeping with the sub-fund's investment strategy. **In addition, listed and unlisted derivatives may be used by the sub-fund to achieve the objectives:** these may be forward contracts, options or swaps on securities, indexes, 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, directly or indirectly, primarily in shares of companies in various industry sectors in Brazil.

Here depository receipts, including ADRs and GDRs, can be used. Investors should bear in mind that the sub-fund can invest up to 100% of its assets in depository receipts.

RISK CONCENTRATION:

Shares of Brazilian companies.

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

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests no more than 15% of its assets directly, or indirectly, in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:

- the Act 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 the 1992 Income Tax Code on withholding tax;*
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code;*
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

Because this UCITS invests no more than 15% of its assets directly, or indirectly, in debt claims within the meaning of the European Savings Directive, its income does not fall within the scope of the 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 of the 1992 Income Tax Code.

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

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

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

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) concerned: MSCI Brazil.

Method used to track the indices: Optimized Sampling; the index is tracked using a smaller selection of its components to hone index replication. In addition we use an optimisation algorithm that weights the risk and return for each security position in the portfolio, thus optimising the selection made.

2.1.7 INVESTMENT POLICY

KBC Horizon Access Fund Brazil invests directly in the local Brazilian market and where necessary in ADRs and GDRs. In 2011 the fund lost approximately 20% of its value in euros. Nothing was left of the 2010 profit. Brazil was one of the weakest performing countries in the world. On account of the financial crisis in Europe and a possible soft landing in China, investors turned their backs on the Brazilian market. The Brazilian real was already weak against the euro, having lost nearly 10% since the beginning of the year. Investors need to be aware of the major risks and volatility associated with investments in emerging markets such as Brazil.

For the greater part of the year the Brazilian market performed weakly. Exceptions to this were February and March, which saw a modest rally, and the short but very solid positive performance in October. As expected the macroeconomic figures eased in the course of the year, for both the consumer and the producer. At the end of August the Central Bank's interest rate committee surprised the markets when, despite the record inflation, it unexpectedly cut interest rates by 50 basis points. There were two further cuts, taking the key interest rate at the end of the year to 11%. It became particularly clear in the third quarter of 2011 that the economy was slowing. Industrial production fell for the second quarter in a row. The fact that the Brazilian real was strong until the end of June meant that imported products became more competitive. At the same time there was a steady fall in business confidence and capacity utilisation. This did not leave manufacturing industry unscathed. If we compare the various sectors, it may be seen that the more cyclical sectors of Materials and Energy performed the least well, while the more defensive sectors of Utilities, Food, Beverages & Tobacco and Telecom Services performed the best.

2.1.8 FUTURE INVESTMENT POLICY

We still believe Brazil to offer an attractive investment opportunity in the medium term. At macroeconomic level we expect the Central Bank to continue with its policy of monetary easing, although the interest-rate cuts will be more gradual. Inflationary pressures should also ease slightly in the course of 2012, while still remaining high. Unemployment will probably continue to fluctuate around the present low levels. GDP growth is expected to rise from approx. 3% in 2011 to approx. 3.4% in 2012. The current account and the budget should stay under control next year.

In the longer term things look promising for Brazil since the country had only a few structural imbalances in 2008 and 2009, something that was not the case in other countries. The financial market will be able to continue benefiting from a strengthening of the equity market, as regards both liquidity and the supply of new shares, and from an additional inflow of foreign funds. The ever-growing importance of domestic consumption will be a significant factor for Brazilian growth in the medium term. Investors need to be aware of the major risks and volatility associated with investments in **emerging markets** such as Brazil.

2.1.9 RISK RATING

On a scale from 0 to 6.

Current risk rating: 6

Risk rating at launch: 6

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating:

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	30.913.782,08	38.650.753,42
II. Securities, money market instruments, UCIs and derivative financial instruments		
C. Shares and similar instruments		
a) Bonds	30.642.721,71	38.292.078,71
D. Other securities	1,64	9.790,16
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	2.097,40	14.064,94
B. Debts		
a) Accounts payable (-)	-0,08	-60.183,83
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	111.822,70	183.541,79
VI. Accruals and deferrals		
A. Deferred charges	1.438,57	-66,57
B. Accrued income	190.837,11	251.020,71
C. Accrued expenses (-)	-35.136,97	-39.492,49
TOTAL CAPITAL AND RESERVES	30.913.782,08	38.650.753,42
A. Capital	21.259.696,52	19.855.401,96
B. Share in the profit	-41.854,32	-7.117,16
C. Profit (loss) brought forward	18.742.967,39	14.304.826,44
D. Result for the financial year	-9.047.027,51	4.497.642,18

2.3 INCOME STATEMENT

Income statement

	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs and capital gains and losses		
C. Equities and similar instruments		
a) Bonds	-6.598.433,19	126.086,35
D. Other securities	16.853,21	3.503,39
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-3.189.680,14	3.829.992,55
II. Investment income and expenses		
A. Dividends	1.302.783,83	1.096.684,77
B. Interest		
a) Securities and money market instruments	-0,20	
b) Deposits and cash at bank and in hand	59,87	32,82
C. Interest on loans taken out (-)	-1.015,80	-1.516,29
III. Other income		
B. Other	-5.048,44	9.038,31
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-37.289,56	-25.905,31
B. Financial expenses (-)	-2.229,97	-3.954,84
C. Custodian's fee (-)	-29.016,48	-25.807,97
D. Manager's fee (-)		
a) Financial management	-423.561,41	-417.965,32
b) Administration and accounting management	-34.979,49	-35.894,50
E. Administrative expenses (-)	-245,57	-192,96
F. Formation and organisation expenses (-)	-5.027,12	-4.356,13
G. Remuneration, social security charges and pensions (-)	-37,37	-7,96
H. Services and sundry goods (-)	-7.705,65	-5.944,82
J. Taxes	-24.332,04	-39.034,41
K. Other expenses (-)	-8.121,99	-7.115,50
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	724.232,61	538.059,89
V. Profit (loss) on ordinary activities before tax	-9.047.027,51	4.497.642,18
VII. Result for the financial year	-9.047.027,51	4.497.642,18

Appropriation of retained earnings

	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Profit to be allocated (loss to be recognised)	9.654.085,56	18.795.351,46
Profit (loss) brought forward from the previous financial year	18.742.967,39	14.304.826,44
Profit for the period available for appropriation (loss to be recognised)	-9.047.027,51	4.497.642,18
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-41.854,32	-7.117,16
III. Profit (loss) to be carried forward	9.583.692,92	18.742.967,39
IV. (Dividends to be distributed)	-70.392,64	-52.384,07

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF ASSETS OF HORIZON ACCESS FUND BRAZIL

Name	Quantity at 31 December 2011	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Equities							
Listed shares							
<u>Brazil</u>							
AES TIETE SA -	8.300,00	BRL	26,880	92.138,43		0,30	0,30
ALL AMERICA LATINA LOGISTICA -	37.800,00	BRL	9,300	145.180,47		0,47	0,47
AMBEV-CIA DE BEBIDAS DAS AMERICAS PREF	61.614,00	BRL	67,300	1.712.489,55		5,59	5,54
AMIL PARTICIPACOES SA -	9.000,00	BRL	16,430	61.067,98		0,20	0,20
ANHANGUERA EDUCACIONAL PARTICIPACOES -	11.000,00	BRL	20,100	91.310,81		0,30	0,30
BANCO BRADESCO S.A. PREF	156.422,00	BRL	30,750	1.986.444,41		6,48	6,43
BANCO DO BRASIL SA -	46.936,00	BRL	23,700	459.396,71		1,50	1,49
BANCO SANTANDER BRASIL SA -	52.700,00	BRL	14,960	325.593,46		1,06	1,05
BANRISUL -	14.900,00	BRL	20,000	123.069,30		0,40	0,40
BM&F BOVESPA SA -	158.777,00	BRL	9,800	642.609,48		2,10	2,08
BR MALLS PARTICIPACOES SA -	34.000,00	BRL	18,120	254.431,32		0,83	0,82
BRADSPAR S.A. PREF	18.950,00	BRL	31,690	248.007,56		0,81	0,80
BRASIL TELECOM PARTICIPACOES S.A. PREF	21.897,00	BRL	10,880	98.389,10		0,32	0,32
BRASKEM SA PREF	11.800,00	BRL	12,800	62.377,14		0,20	0,20
BRF - BRASIL FOODS SA -	53.500,00	BRL	36,420	804.687,37		2,63	2,60
BROOKFIELD INCORPORACOES SA -	21.021,00	BRL	4,950	42.972,64		0,14	0,14
CEMIG-CIA ENERGETICA DE MINAS GERAIS PREF	31.725,00	BRL	33,270	435.901,03		1,42	1,41
CETIP SA - BALCAO ORGANIZADO DE ATI -	15.611,00	BRL	26,950	173.749,26		0,57	0,56
CIA BRAS DISTRIB GRUPO PAO DE ACUCAR PREF B	8.290,00	BRL	67,000	229.383,83		0,75	0,74
CIA DE CONCESSOES RODOVIARIAS -	72.000,00	BRL	12,220	363.360,04		1,19	1,18
CIA DE TRANSMISSAO DE ENERGIA -	2.809,00	BRL	57,990	67.272,62		0,22	0,22
CIA ENERGETICA DE SP -	12.100,00	BRL	33,050	165.154,46		0,54	0,53
CIA HERING -	10.300,00	BRL	32,460	138.076,32		0,45	0,45
CIA PARANAENSE DE ENERGIA-COPEL PREF	8.500,00	BRL	38,900	136.553,23		0,45	0,44
COMPANHIA BRASILEIRA DE MEIOS -	20.500,00	BRL	48,200	408.069,71		1,33	1,32
COSAN SA INDUSTRIA COMERCIO -	10.300,00	BRL	27,000	114.850,91		0,38	0,37
CPFL ENERGIA SA -	15.800,00	BRL	26,020	169.784,42		0,55	0,55
CSN-CIA SIDERURGICA NACIONAL S.A. -	61.000,00	BRL	14,980	377.376,72		1,23	1,22
CVRD-CIA VALE DO RIO DOCE PREF A	164.300,00	BRL	37,820	2.566.212,11		8,38	8,30
CYRELA BRAZIL REALTY SA -	23.000,00	BRL	14,840	140.959,78		0,46	0,46
DIAGNOSTICOS DA AMERICA -	17.200,00	BRL	15,500	110.101,59		0,36	0,36
DURATEX SA -	20.480,00	BRL	8,920	75.444,62		0,25	0,24
ECORODOVIA INFRASTRUTURA E LOGIS -	13.700,00	BRL	13,950	78.927,48		0,26	0,26
ELETOBRAS-CENTR ELETRICAS BRAS S.A. -	21.491,00	BRL	17,840	158.337,92		0,52	0,51
ELETOBRAS-CENTR ELETRICAS BRAS S.A. PREF "B"	18.300,00	BRL	26,850	202.921,86		0,66	0,66
ELETROPAULO METROPOLITANA S.A. PREF B	8.140,00	BRL	36,500	122.701,74		0,40	0,40
EMBRAER SA -	43.800,00	BRL	11,760	212.723,22		0,69	0,69
ENERGIAS DO BRASIL SA -	7.000,00	BRL	41,500	119.971,92		0,39	0,39
FIBRIA CELULOSE SA -	19.137,00	BRL	13,870	109.618,48		0,36	0,36
GERDAU SA PREF	71.000,00	BRL	14,500	425.167,26		1,39	1,38
GOL LINHAS AEREAS PREF	8.000,00	BRL	12,440	41.100,19		0,13	0,13
HRT PARTICIPACOES EM PETROLEO -	400,00	BRL	568,000	93.830,02		0,31	0,30
HYPERMARCAS SA -	25.700,00	BRL	8,500	90.216,40		0,29	0,29
IKPC-INDS KLABIN DE PAPEL E CELULOSE PREF	34.700,00	BRL	8,000	114.644,42		0,37	0,37

ITAU UNIBANCO HOLDINGS SA PREF PREF	191.900,00	BRL	33,990	2.693.764,35		8,79	8,71
ITAUSA-INVESTIMENTOS ITAU SA -	192.483,00	BRL	11,280	896.674,75		2,93	2,90
JBS SA -	64.704,00	BRL	6,080	162.468,13		0,53	0,53
LIGHT SA -	6.000,00	BRL	28,800	71.363,67		0,23	0,23
LOCALIZA RENT A CAR -	9.000,00	BRL	25,600	95.151,57		0,31	0,31
LOJAS AMERICANAS SA -PREF-	25.980,00	BRL	14,300	153.429,42		0,50	0,50
LOJAS RENNER SA -	10.300,00	BRL	48,410	205.923,43		0,67	0,67
METALURGICA GERDAU SA -	21.582,00	BRL	17,910	159.632,29		0,52	0,52
MMX MINERACAO E METALICOS SA -	19.000,00	BRL	6,670	52.337,49		0,17	0,17
MRV ENGENHARIA E PARTICIPACOES SA -	24.600,00	BRL	10,700	108.705,71		0,36	0,35
MULTIPLAN EMPREENDIMENTOS IMOB -	6.000,00	BRL	38,270	94.829,44		0,31	0,31
NATURA COSMETICOS SA -	14.200,00	BRL	36,260	212.642,27		0,69	0,69
ODONTOPREV SA -	7.100,00	BRL	26,600	77.996,20		0,26	0,25
OGX PETROLEO E GAS PARTICIPACO -	105.300,00	BRL	13,620	592.296,19		1,93	1,92
PDG REALTY SA EMPREENDIMENTOS -	95.000,00	BRL	5,900	231.477,66		0,76	0,75
PETROBRAS-PETROLEO BRASILEIRO S.A. -	244.385,00	BRL	23,000	2.321.324,44		7,58	7,51
PETROBRAS-PETROLEO BRASILEIRO S.A. PREF	344.828,00	BRL	21,490	3.060.359,18		9,99	9,91
PORTO SEGURO SA -	9.800,00	BRL	21,300	86.206,33		0,28	0,28
RAIA DROGASIL SA -	15.300,00	BRL	12,970	81.953,00		0,27	0,27
REDECARD SA -	26.900,00	BRL	29,190	324.279,76		1,06	1,05
ROSSI RESIDENCIAL SA -	14.000,00	BRL	8,000	46.254,23		0,15	0,15
SABESP-CIA SANEAM. BASICO SAO PAULO -	9.600,00	BRL	52,030	206.280,66		0,67	0,67
SOUZA CRUZ S.A. -	31.800,00	BRL	22,910	300.874,70		0,98	0,97
SUL AMERICA SA -	9.000,00	BRL	15,100	56.124,56		0,18	0,18
SUZANO PAPEL E CELULOSE SA -	14.750,00	BRL	6,740	41.056,83		0,13	0,13
TAM SA -	261,00	BRL	35,000	3.772,61		0,01	0,01
TAM SA -	6.300,00	BRL	35,700	92.884,28		0,30	0,30
TELEF BRASIL PREF	24.317,00	BRL	51,900	521.207,69		1,70	1,69
TELEMAR-TELE NORTE LESTE PARTICIP SA -	3.100,00	BRL	44,780	57.329,64		0,19	0,19
TELEMAR-TELE NORTE LESTE PARTICIP SA -	5.100,00	BRL	21,460	45.199,47		0,15	0,15
TELEMAR-TELE NORTE LESTE PARTICIP SA PREF	18.800,00	BRL	17,560	136.337,66		0,45	0,44
TIM PARTICIPACOES SA -	66.050,00	BRL	9,240	252.045,10		0,82	0,82
TOTVS SA -	9.000,00	BRL	33,260	123.622,70		0,40	0,40
TRACTEBEL ENERGIA SA -	10.800,00	BRL	29,960	133.628,48		0,44	0,43
ULTRAPAR PARTICIPACOES SA -	26.800,00	BRL	32,010	354.285,95		1,16	1,15
USIMINAS-USINAS SIDER. MINAS GERAIS PREF	35.150,00	BRL	10,150	147.341,41		0,48	0,48
USINAS SIDERURGICAS DE MINAS GERAIS -	15.400,00	BRL	17,150	109.073,26		0,36	0,35
VALE SA -	106.800,00	BRL	39,450	1.740.009,91		5,68	5,63
Total equities				30.642.721,71		100,00	99,12
Rights							
<u>Brazil</u>							
GOL LINHAS AEREAS CP 27/12/11	398,00	BRL	0,010	1,64			
Total rights				1,64			
TOTAL SECURITIES PORTFOLIO				30.642.723,35		100,00	99,12
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	83.040,26	EUR	1,000	83.040,26			0,27
KBC GROUP GBP	408,38	GBP	1,000	488,90			0,00
KBC GROUP USD	36.730,67	USD	1,000	28.293,54			0,09
Total demand accounts				111.822,70			0,36
TOTAL CASH AT BANK AND IN HAND				111.822,70			0,36

OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLES	2.097,40	EUR	1,000	2.097,40		0,01
Total receivables				2.097,40		0,01
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-0,08	EUR	1,000	-0,08		
Total debts				-0,08		
TOTAL OTHER RECEIVABLES AND PAYABLES				2.097,32		0,01
OTHER						
Interest receivable		EUR		190.837,11		0,62
Expenses payable		EUR		-35.136,97		-0,11
Deferred charges		EUR		1.438,57		0,01
TOTAL OTHER				157.138,71		0,51
TOTAL NET ASSETS				30.913.782,08		100,00

Geographical allocation (as a % of the securities portfolio)

	30/06/20 10	31/12/20 10	30/06/20 11	31/12/20 11
Brazil	99,27	98,12	100,00	100,00
Luxembourg	0,73	1,88	0,00	0,00
Total	100,00	100,00	100,00	100,00

Sector allocation (as a % of the securities portfolio)

	30/06/20 10	31/12/2 010	30/06/20 11	31/12/20 11
Cyclical sectors	48,36	47,10	45,86	42,04
Consumer discretionary	3,83	4,25	4,43	4,26
Consumer staples	8,22	8,11	8,75	11,54
Pharmaceuticals	0,73	1,38	1,47	1,11
Financials	25,76	27,42	25,98	26,43
Technology	1,04	0,98	1,12	1,46
Telecommunications	2,98	2,27	3,29	3,62
Utilities	5,95	5,17	5,98	6,99
Property	3,13	3,32	3,12	2,55
Total	100,00	100,0 0	100,00	100,00

Currency allocation (as a % of net assets)

	30/06/20 10	31/12/20 10	30/06/20 11	31/12/20 11
BRC	43,01	43,64	0,00	0,00
BRL	56,38	54,13	100,45	99,63
EUR	-0,25	2,20	-0,17	0,28
USD	0,86	0,03	-0,28	0,09
Total	100,00	100,00	100,00	100,00

**2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF HORIZON ACCESS FUND
BRAZIL (IN THE CURRENCY OF THE SUB-FUND)**

	1st half	2nd half	Year
Purchases	9.748.520,29	3.678.599,12	13.427.119,41
Sales	5.507.666,67	5.977.722,99	11.485.389,66
Total 1	15.256.186,96	9.656.322,11	24.912.509,07
Subscriptions	9.873.526,98	4.574.656,37	14.448.183,35
Redemptions	5.952.400,11	7.082.178,67	13.034.578,78
Total 2	15.825.927,09	11.656.835,04	27.482.762,13
Monthly average of total assets	38.212.150,09	32.290.748,35	35.214.594,02
Turnover rate	-1,49 %	-6,20 %	-7,30 %

	1st half	2nd half	Year
Purchases	9.748.520,29	3.678.599,12	13.427.119,41
Sales	5.507.666,67	5.977.722,99	11.485.389,66
Total 1	15.256.186,96	9.656.322,11	24.912.509,07
Subscriptions	9.873.526,98	4.574.656,37	14.448.183,35
Redemptions	5.952.400,11	7.082.178,67	13.034.578,78
Total 2	15.825.927,09	11.656.835,04	27.482.762,13
Monthly average of total assets	42.486.213,94	33.735.462,60	38.517.204,57
Adjusted turnover rate	-1,34 %	-5,93 %	-6,67 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take into account the 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 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 ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil.

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

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	13.622,40	2.748,60	5.124,44	520,00	31.805,07	3.814,60	35.619,67
2010 - 12	9.474,77	1.866,71	7.820,13	1.798,13	33.459,71	3.883,18	37.342,89
2011 - 12	14.399,83	1.474,18	13.768,44	1.328,01	34.091,11	4.029,34	38.120,45

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	10.074.029,56	2.040.169,37	3.884.749,75	384.811,49
2010 - 12	8.889.396,11	1.652.499,20	7.428.483,68	1.543.332,74
2011 - 12	13.270.179,14	1.256.951,72	12.043.234,22	1.119.932,03

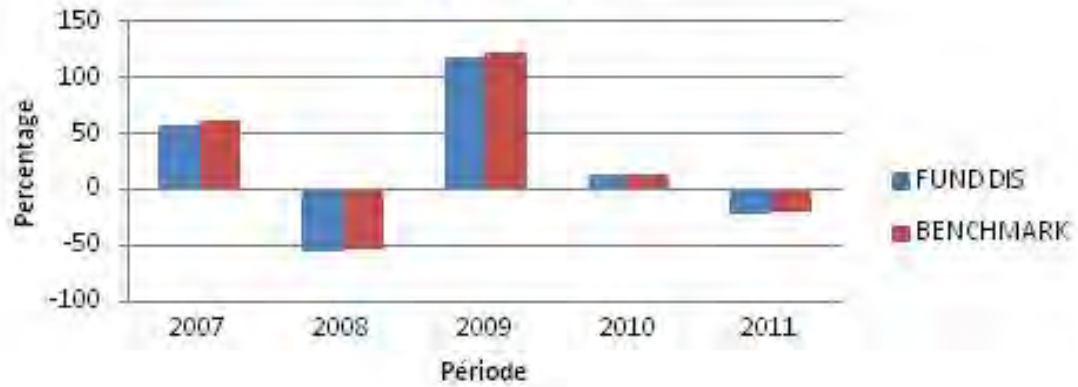
Period	Net asset value At the end of the period (in the currency of the sub-fund)		
	Of the sub-fund	of one unit	
		Cap.	Dis.
2009 - 12	32.625.244,92	921,63	868,45
2010 - 12	38.650.753,42	1.042,53	970,37
2011 - 12	30.913.782,08	818,11	750,39

2.4.5 PERFORMANCE FIGURES

BE0946252179

Horizon - Access Fund Brazil - DIS:

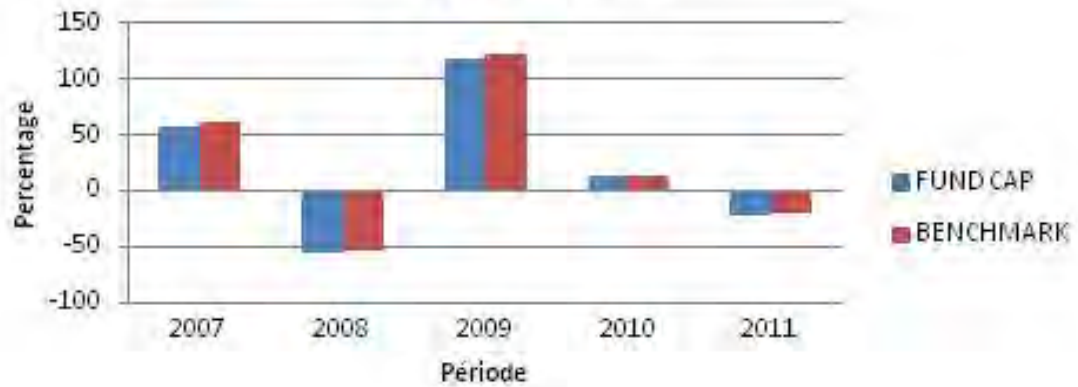
Performance sur base annuelle par rapport au benchmark en date du 31/12/2011 (en EUR)



BE0946254191

Horizon - Access Fund Brazil - CAP:

Performance sur base annuelle par rapport au benchmark en date du 31/12/2011 (en EUR)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0946254191	EUR	-21.18%	-19.24%	24.66%	26.69%	6.69%	8.69%			31/05/2006	9.30%
DIS	BE0946252179	EUR	-21.19%	-19.24%	24.64%	26.69%	6.68%	8.69%			31/05/2006	9.29%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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 (DIS)

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

with C a factor that is determined by all of the dividends and from the date of calculating D and the reference date.

For dividend i to date Di with value Wi we apply:

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

i = 1 ... N

where C = C₀ * ... * 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 nth 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 units.

Dividend at ex-dividend date 30.03.12: 13.80 EUR Net (17.47 EUR Gross).

In accordance with the Royal Decree of 10 November 2006 on the accounting and the annual accounts of certain public undertakings for collective investment, investors are informed that the General Meeting of the fund will decide to pay a dividend despite the fact that a negative result available for appropriation was recorded in the corresponding financial year.

Investors should likewise note that the dividend to be paid out derives directly from interest, dividends and realised capital gains received on investments made in the financial year to which the dividend to be distributed relates.

2.4.6 COSTS

Total expenses ratio (TER): * 1.534%

* 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% to 60% if the distributor is an entity belonging to KBC Group NV, to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.2% 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 a maximum 1.2% calculated on that part of the portfolio that 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 sub-fund's average total net assets.

Auditor's fee: 1,700 EUR per year. This fee does not include 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 mutual fund 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:

- the security may not be influenced negatively for the shareholders;
- the rules covering corporate governance must be respected, except for those relating to minority shareholders' rights;
- 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 ICVC (Investment Company with Variable Capital).

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 - 2.1.3. Goal and key principles of investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy pursued during the financial year
 - 2.1.8. Future investment policy
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In the event of discrepancies between the Dutch and the other language versions of the Annual or Interim Report, the Dutch shall prevail.

2 INFORMATION ON HORIZON ACCESS FUND RUSSIA

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE:

Launch date: 31.05.06
Initial subscription price: 500 EUR
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF INVESTMENT POLICY AS SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND:

The main object 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 primarily in equities either directly, or indirectly through financial instruments with a similar performance.

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 specified object.

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

PERMITTED DERIVATIVES TRANSACTIONS

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

Changes are made to investments at regular intervals in keeping with the sub-fund's investment strategy. **In addition, listed and unlisted derivatives may be used by the sub-fund to achieve the objectives:** these may be forward contracts, options or swaps on securities, indexes, 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, directly or indirectly, primarily in shares of companies in various industry sectors in Russia.

Here depository receipts, including ADRs and GDRs, can be used. Investors should bear in mind that the sub-fund can invest up to 100% of its assets in depository receipts.

RISK CONCENTRATION:

Shares of Russian companies.

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

The following information is of a general nature 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 may 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.

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.

This UCITS invests no more than 15% of its assets directly, or indirectly, in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:

- the Act 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 the 1992 Income Tax Code on withholding tax;*
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code;*
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

Because this UCITS invests no more than 15% of its assets directly, or indirectly, in debt claims within the meaning of the European Savings Directive, its income does not fall within the scope of the 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 of the 1992 Income Tax Code.)

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

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 SA, 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

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 Russia.

Method used to track the indices: Optimized Sampling; the index is tracked using a smaller selection of its components to hone index replication. In addition we use an optimisation algorithm that weights the risk and return for each security position in the portfolio, thus optimising the selection made.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

The Russian economy was strong in 2011. Economic growth reached an annualised 4.8% in the third quarter and GDP growth for the year as a whole should top 4%, thus exceeding that in the previous year. Russian economic growth is being driven by domestic demand. Retail sales growth remains strong, while investment activity is picking up again. Furthermore, the weak rouble means that more things that would otherwise have been imported are now being produced in Russia itself. During the course of the year the growth of industrial production slowed, from 6.7% in January to 3.9% in November. Even so, industrial production is roughly back to where it was before the crisis.

Inflation was well below the long-term average. In the first half of the year inflation remained stable at around 9.5%, but began to ease in the second half. The rate of inflation at the end of the year should be just above 6%, in accordance with the Central Bank's target of 6-7%. The fall in inflation was attributable to the high base effect of the previous year, when the harvest was hit by drought and fires and food prices rose. At the end of February the Russian Central Bank was the last of the BRIC countries to start increasing interest rates, doing so in two steps, from 7.75% to 8.25%. At the end of the year the bank unexpectedly cut the basic refinancing rate by 25 basis points. Unemployment is also coming down. In November it amounted to 6.3%, whereas in January it had been 7.8%. In September it fell to as little as 6%, the lowest level in three years. Higher real income due to the fall in inflation, lower unemployment and strong credit growth resulted in an annualised 8.6% increase in retail sales in November.

The extremely high average price of oil resulted in a budget surplus of 1.34 billion RUB in November, whereas initially a small budget deficit had been anticipated. Although government revenues rose more strongly than expected, the amounts in the reserve fund and the welfare fund did not, staying at around 25 bn USD and 90 bn USD respectively. The Central Bank's gold and currency reserves rose from 479 bn USD to 503 bn USD.

At political level the elections to the Duma in early December threw up an interesting surprise. Although the elections were said to have been rigged in favour of the United Russia governing party, the latter just failed to obtain 50% of the votes and so lost its absolute parliamentary majority. Independent electors throughout Russia organised mass protests. Political tensions mounted in the run-up to the presidential elections. Vladimir Putin remains tipped to win as he remains the most popular politician. After 18 years of negotiations, Russia managed to conclude the negotiations for access to the WTO. The immediate impact of the membership will be minimal, but in the longer term it will have a positive effect.

The healthy macroeconomic situation failed to boost the Russian equity market as the external and political risks were perceived to have deteriorated. In the Central and East European region, however, the Russian MICEX was the best performing index (in EUR). The gains made by the Russian shares were fuelled by the increase in oil prices resulting from the political unrest in the Middle East and North Africa. It therefore comes as no surprise that Oil & Gas was the best performing sector, despite ending up on average in negative territory. The worst performing sector was Materials. This was also the sector with the worst performing company, Mechel, which lost over 70% of its value.

Between the beginning of the year and early April the equity market rose by over 10%. For the rest of the year, however, it was a different story. Investors grew worried about a recession and began to withdraw their money from the Russian market. The MICEX lost nearly 17% in 2011 and even the high average price of oil throughout the year did not provide sufficient support for Russian shares. The MSCI Russia lost 18.5% (in EUR). The rouble depreciated against the dollar and the euro by 5.24% and 2.20% respectively. Horizon Access Fund Russia lost 20.35% in 2011. The difference in relation to the MSCI is attributable to companies that are solely listed in the local share market, in which the fund is unable to invest.

2.1.8 FUTURE INVESTMENT POLICY

Economic growth should be higher in 2011 than in 2010, when it amounted to 4%. We expect the economic fundamentals in Russia to remain strong in 2012, even if Europe slows appreciably. Russia will however also feel that slowdown. Economic growth will be sluggish and unemployment will rise no more than slightly. We do not anticipate a recession in Russia. There will be continuing pressure on oil supplies in 2012. The average price will remain high, even if demand drops. Even so, sentiment and expectations concerning worldwide demand will play a dominant role in the worldwide equity market. In that respect the American consumer, prudent budgetary policy in Europe and Chinese demand will be critically important.

2.1.9 RISK RATING

On a scale from 0 to 6.

Current risk rating: 6

Risk rating at launch: 6

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	52.835.273,57	33.478.829,58
II. Securities, money market instruments, CIUs and derivative financial instruments		
C. Shares and similar instruments		
a) Bonds	52.859.753,84	33.059.059,95
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable	21.814,96	135.641,07
B. Debts		
a) Accounts payable (-)	-20.874,69	-23.613,04
c) Borrowings (-)	-77.846,33	-4.278,94
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	40.211,38	337.300,51
VI. Accruals and deferrals		
A. Deferred charges	997,13	-93,49
B. Accrued income	92.718,87	6.632,28
C. Accrued expenses (-)	-81.501,59	-31.818,76
TOTAL CAPITAL AND RESERVES	52.835.273,57	33.478.829,58
A. Capital	52.923.251,06	15.762.579,97
B. Share in the profit	-4.221,52	10.649,57
C. Profit (loss) brought forward	17.716.249,61	10.287.200,80
D. Result for the financial year	-17.800.005,58	7.418.399,24

2.3 INCOME STATEMENT

Income statement

	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs and capital gains and losses		
C. Equities and similar instruments		
a) Bonds	-21.537.562,31	6.006.223,06
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	3.437.075,34	1.514.060,32
II. Investment income and expenses		
A. Dividends	1.199.286,70	323.156,49
B. Interest		
a) Securities and money market instruments	117.252,63	
b) Deposits and cash at bank and in hand	49.366,23	190,34
C. Interest on borrowings (-)	-1.738,00	-901,99
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	1,00	
B. Other	-3.867,26	14.489,26
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-92.933,97	-17.876,79
B. Financial expenses (-)	-9.441,33	-2.937,71
C. Custodian's fee (-)	-25.446,62	-17.649,19
D. Manager's fee (-)		
a) Financial management	-772.015,57	-327.269,90
b) Administration and accounting management	-67.484,26	-29.046,03
E. Administrative expenses (-)		-188,77
F. Formation and organisation expenses (-)	-8.636,58	-3.510,84
G. Remuneration, social security charges and pensions (-)	-76,67	-2,70
H. Services and sundry goods (-)	-12.725,46	-4.691,81
J. Taxes	-35.596,76	-26.401,98
K. Other expenses (-)	-35.462,69	-9.242,52
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	300.481,39	-101.884,14
V. Profit (loss) on ordinary activities before tax	-17.800.005,58	7.418.399,24
VII. Result for the financial year	-17.800.005,58	7.418.399,24

Appropriation of retained earnings

	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Profit to be allocated (loss to be recognised)	-87.977,49	17.716.249,61
Profit (loss) brought forward from the previous financial year	17.716.249,61	10.287.200,80
Profit for the period available for appropriation (loss to be recognised)	-17.800.005,58	7.418.399,24
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-4.221,52	10.649,57
II. (Appropriations to) Deductions from capital	87.977,49	
III. Profit (loss) to be carried forward		17.716.249,61

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF ASSETS OF HORIZON ACCESS FUND RUSSIA

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Equities							
Listed shares							
<u>Russia</u>							
AFK SISTEMA -	45.000,00	USD	16,810	582.691,42		1,10	1,10
FEDERAL HYDROGENERATING CO -	680.000,00	USD	3,050	1.597.596,67		3,02	3,02
GAZPROM ADR NEW	1.795.000,00	USD	10,660	14.739.408,41		27,89	27,90
JSC MMC NORILSK NICKEL ADR NEW	165.000,00	USD	15,310	1.945.886,61		3,68	3,68
LSR GROUP -	70.000,00	USD	3,372	181.820,98		0,34	0,34
LUKOIL -	170.000,00	USD	52,950	6.933.831,46		13,12	13,12
MAGNIT OSJC -	78.000,00	USD	21,160	1.271.360,35		2,41	2,41
MECHEL OAO - ADR	53.000,00	USD	8,500	347.018,95		0,66	0,66
MOBILE TELESYSTEMS ADR	175.000,00	USD	14,680	1.978.893,85		3,74	3,75
NOVATEK OAO -	31.500,00	USD	125,200	3.037.898,63		5,75	5,75
NOVOLIPETSK STEEL -	23.000,00	USD	19,640	347.958,71		0,66	0,66
OGK-5 OJSC -	17.429,00	USD	0,000	1,34			
RENFIN LTD -	5.818,00	USD	75,000	336.119,24		0,64	0,64
ROSNEFT OIL COMPANY -	540.000,00	USD	6,600	2.745.339,70		5,19	5,20
ROSTELECOM SPON ADR NEW	76.000,00	USD	28,210	1.651.486,67		3,12	3,13
SBERBANK OF RUSSIA ADR	800.000,00	USD	9,920	6.113.079,65		11,57	11,57
SEVERSTAL -	72.000,00	USD	11,390	631.705,44		1,20	1,20
SURGUTNEFTEGAZ OIL ADR NEW	400.000,00	USD	7,830	2.412.571,25		4,56	4,57
TATNEFT -	82.000,00	USD	29,600	1.869.665,69		3,54	3,54
TGK-5 REG S -	7.191,00	USD	0,000	0,55			
TMK OAO -	28.000,00	USD	9,000	194.114,93		0,37	0,37
URALKALI -	96.000,00	USD	36,000	2.662.147,59		5,04	5,04
VTB BANK OSJC-GDR-REG SWI -	460.000,00	USD	3,610	1.279.155,75		2,42	2,42
Total equities				52.859.753,84		100,00	100,05
TOTAL SECURITIES PORTFOLIO				52.859.753,84		100,00	100,05
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	-77.846,33	EUR	1,000	-77.846,33			-0,15
KBC GROUP SEK	4.435,76	SEK	1,000	498,44			0,00
KBC GROUP USD	51.555,34	USD	1,000	39.712,94			0,08
Total demand accounts				-37.634,95			-0,07
TOTAL CASH AT BANK AND IN HAND				-37.634,95			-0,07
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLES	21.814,96	EUR	1,000	21.814,96			0,04
Total receivables				21.814,96			0,04

Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-20.874,69	EUR	1,000	-20.874,69		-0,04
Total debts				-20.874,69		-0,04
TOTAL OTHER RECEIVABLES AND PAYABLES				940,27		0,00
OTHER						
Interest receivable		EUR		46.323,42		0,09
Accrued interest		EUR		46.395,45		0,09
Expenses payable		EUR		-81.501,59		-0,15
Deferred charges		EUR		997,13		0,00
TOTAL OTHER				12.214,41		0,02
TOTAL NET ASSETS				52.835.273,57		100,00

Geographical allocation (as a % of the securities portfolio)

	30/06/20 10	31/12/20 10	30/06/20 11	31/12/20 11
Russia	100,00	100,00	100,00	100,00
Total	100,00	100,00	100,00	100,00

Sector allocation (as a % of the securities portfolio)

	30/06/20 10	31/12/2 010	30/06/20 11	31/12/20 11
Cyclical sectors	74,46	73,56	76,11	74,66
Consumer staples	2,51	3,48	2,64	2,41
Financials	13,90	15,92	15,27	13,98
Telecommunications	7,08	5,71	4,74	7,97
Property	0,00	0,00	0,64	0,34
Investment funds	2,05	1,33	0,60	0,64
Total	100,00	100,0 0	100,00	100,00

Currency allocation (as a % of net assets)

	30/06/20 10	31/12/20 10	30/06/20 11	31/12/20 11
EUR	11,99	13,97	12,10	-0,15
SEK	0,01	0,00	0,00	0,00
USD	88,00	86,03	87,90	100,15
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF HORIZON ACCESS FUND RUSSIA (IN THE CURRENCY OF THE SUB-FUND)

	1st half	2nd half	Year
Purchases	57.945.961,86	11.920.927,19	69.866.889,05
Sales	10.139.118,46	21.590.298,37	31.729.416,83
Total 1	68.085.080,32	33.511.225,56	101.596.305,88
Subscriptions	66.200.149,11	12.557.302,90	78.757.452,01
Redemptions	18.704.811,55	22.837.013,93	41.541.825,48
Total 2	84.904.960,66	35.394.316,83	120.299.277,49
Monthly average of total assets	69.197.209,23	59.745.360,69	64.354.113,28
Turnover rate	-24,31 %	-3,15 %	-29,06 %

	1st half	2nd half	Year
Purchases	57.945.961,86	11.920.927,19	69.866.889,05
Sales	10.139.118,46	21.590.298,37	31.729.416,83
Total 1	68.085.080,32	33.511.225,56	101.596.305,88
Subscriptions	66.200.149,11	12.557.302,90	78.757.452,01
Redemptions	18.704.811,55	22.837.013,93	41.541.825,48
Total 2	84.904.960,66	35.394.316,83	120.299.277,49
Monthly average of total assets	70.579.834,41	59.272.624,33	64.194.170,63
Adjusted turnover rate	-23,83 %	-3,18 %	-29,14 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take into account the 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 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 ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil.

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

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	35.837,27	1.427,00	27.265,81	1.468,00	53.580,54	4.203,00	57.783,54
2010 - 12	38.804,72	1.869,46	29.589,24	1.181,00	62.796,02	4.891,46	67.687,47
2011 - 12	142.920,43	16.673,26	90.114,25	2.251,77	115.602,20	19.312,95	134.915,15

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	10.747.994,15	451.120,42	7.717.960,47	483.679,44
2010 - 12	16.019.215,99	808.544,75	12.512.772,29	501.005,68
2011 - 12	70.415.901,89	8.363.423,15	40.672.390,35	950.485,12

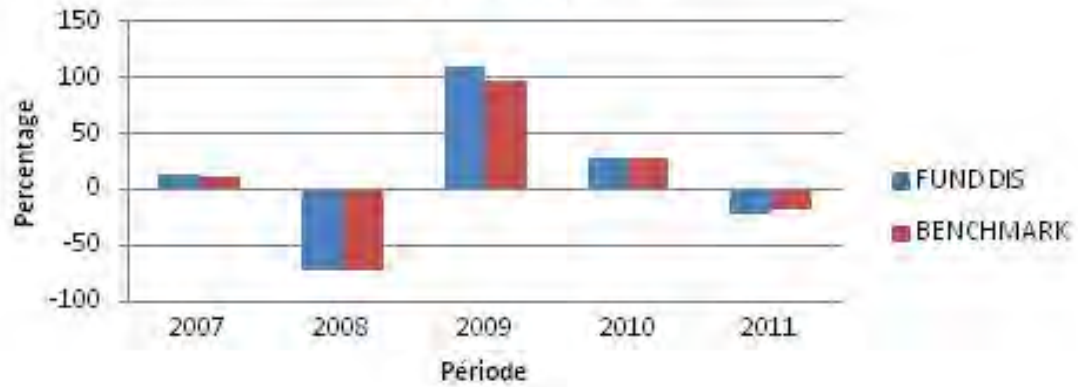
Period	Net asset value At the end of the period (in the currency of the sub-fund)		
	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	22.286.665,60	385,69	385,69
2010 - 12	33.478.829,58	495,42	484,17
2011 - 12	52.835.273,57	394,59	373,85

2.4.5 PERFORMANCE FIGURES

BE0946255206

Horizon - Access Fund Russia - DIS:

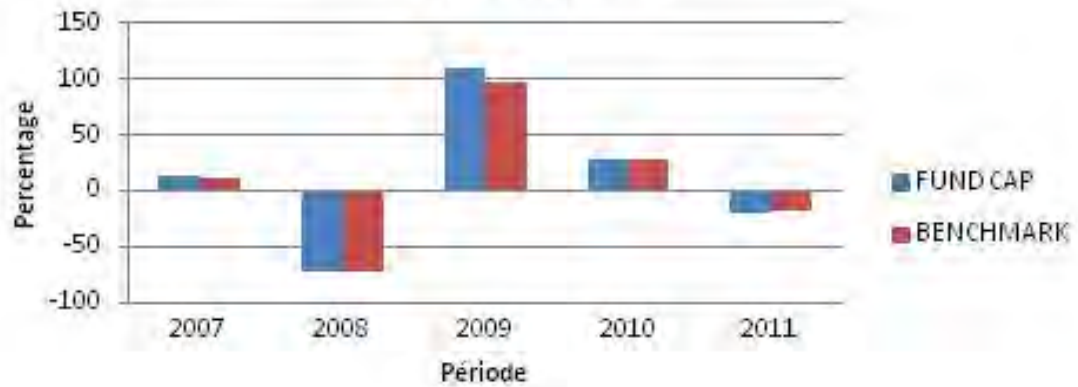
Performance sur base annuelle par rapport au benchmark en date du 31/12/2011 (en EUR)



BE0946256212

Horizon - Access Fund Russia - CAP:

Performance sur base annuelle par rapport au benchmark en date du 31/12/2011 (en EUR)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE09462562 12	EUR	-20.35%	-16.86%	28.97%	27.95%	-7.24%	-8.36%			31/05/200 6	-4.15%
DIS	BE09462552 06	EUR	-22.79%	-16.86%	27.63%	27.95%	-7.82%	-8.36%			31/05/200 6	-4.68%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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 (DIS)

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

with C a factor that is determined by all of the dividends and from the date of calculating D and the reference date.

For dividend i to date DI with value Wi we apply:

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

i = 1 ... N

where C = C₀ * ... * 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.436%

* 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.2% 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 AS. receives a fee from the management company of a maximum 1.2% 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 sub-fund's average total net assets.

Auditor's fee: EUR 1,700 per year. This fee does not include VAT and will be indexed 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 mutual fund 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:

- the security may not be influenced negatively for the shareholders;
- the rules covering corporate governance must be respected, except for those relating to minority shareholders' rights;
- 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 ICVC.

Securities lending

In accordance with the Royal Decree of 7 March 2006 on securities lending, the collective investment undertaking has concluded a securities lending agreement with a Principal, to which ownership of the securities lent is transferred, this transfer of ownership not being expressed in terms of book values.

For the period from 01/01/2011 to 31/12/2011, the remuneration on the securities lent amounts to EUR 117.252,63. KBC Asset Management SA receives half of the net remuneration paid for the securities lent.

The detailed list of transactions involving securities lending is available for consultation at the registered office of the collective investment undertaking, Avenue du Port 2, 1080 Brussels, Belgium.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB PRIVATE BANKING WORLD JUMPER 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 19.01.07
Initial subscription price: CZK 10
Maturity date: 29.02.12
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF INVESTMENT POLICY AS SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse the initial subscription price per unit of CZK 10 on maturity, or, where relevant, on the Early Exercise Date (capital protection). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date or, where applicable, before the Early Exercise Date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). The different types of 'swaps' in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection on maturity or, where applicable, on the Early Exercise Date, entails investing the total subscribed amounts in bonds and other debt instruments, deposits and/or liquid assets (including money placed on a fixed-term deposit or demand accounts). These investments may be of different durations and coupon payment dates, being aligned with the expiry dates of the sub-fund's commitments through the use of the 'swaps' referred to in the section *Permitted swap transactions(2)*.

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes and Characteristics of the bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be viewed on the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

(B) an investment in:

- deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and other debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a shortcoming in the financial mechanism, the amount to be paid per unit on maturity or, where relevant, on the Early Exercise Date (before charges and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged to do so) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and potentially from other of the ICVC's sub-funds. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

This capital protection does not extend, however, to unit holders who sell their units before the maturity date or, where applicable, before the Early Exercise Date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if not rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into considering when selecting the bonds and other debt instruments.

PERMITTED 'SWAP' TRANSACTIONS

The 'swaps' set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To achieve a potential return, the sub-fund concludes 'swaps'. As part of these swaps, the sub-fund transfers part of its future income from these investments earmarked for capital protection to these counterparties for the duration of the sub-fund. In exchange, the counterparty/-ies undertake/s to offer a potential return described in the section *Strategy selected*.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that via this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These 'swaps' are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(3) The sub-fund may also conclude 'swaps' to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The 'swaps' under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on maturity, and on the Early Exercise Date if the ICVC Board of Directors decides to close the sub-fund on the Early Exercise Date, and secondly, to generate a potential capital gain contingent on any rise in value of the basket of 30 shares in top-quality companies (as set out below) with high market capitalisation and a low price/earnings ratio through a '*Basket Jumper*' structure.

The 'Basket Jumper' structure entails early exercise if one of the Observation Values meets the criterion set out below. In the event of such early exercise, the capital gain, defined below, is paid in addition to the initial subscription value. There are 3 Observation Moments in total.

Observation Moment	Observation Value	Early exercise criterion	Capital gain
1)	Average of the prices for shares in the basket for the first ten Valuation Dates for the month of February 2009	The Observation Value is equal to or more than 110% of the Base Value. THUS: $(\text{Observation Value} - \text{Base Value}) / \text{Base Value} \geq 10\%$	14.00 %
2)	Average of the prices for shares in the basket for the first ten Valuation Dates for the month of February 2010	The Observation Value is equal to or more than 115% of the Base Value. THUS: $(\text{Observation Value} - \text{Base Value}) / \text{Base Value} \geq 15\%$	21.00 %
3)	Average of the prices for shares in the basket for the first ten Valuation Dates for the month of February 2011	The Observation Value is equal to or more than 120% of the Base Value. THUS: $(\text{Observation Value} - \text{Base Value}) / \text{Base Value} \geq 20\%$	28.00 %

These conditions correspond to a yield to maturity of 6.77% in the event of early exercise following Observation Moment 1; 6.56% in the event of early exercise following Observation Moment 2, and 6.37% in the event of early exercise following Observation Moment 3. (In all cases, before deduction of costs and taxes.).

If the criterion for early exercise is met, the ICVC's Board of Directors will take the decision to close the sub-fund on the Early Exercise Date.

If no Observation Value triggers early exercise, there are two other 2 possibilities at Maturity:

Scenario 1:

If the Last Value is equal to or more than 125% of the Base Value, a 35% fixed capital gain will be distributed on maturity in addition to the full initial subscription value (yield to maturity: . 6.14%, before costs and taxes).

Scenario 2:

If the Last Value is less than 125% of the Base Value, the full amount of any rise in value of the basket of shares (= *Last Value less Base Value*) divided by the *Base Value*) which exceeds the full initial subscription value will be distributed on maturity. No account is taken of negative performances by the basket.

MATURITY: 29.02.12 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against the local currencies of the equities in the basket are not relevant.

BASE VALUE: Value of the basket based on the average stock market price of shares in the basket on the first ten valuation dates from Friday 23.01.07 (inclusive).

LAST VALUE: Value of the basket based on the average of the prices for shares in the basket for the first ten Valuation Dates in February 2012.

EARLY EXERCISE DATE: the last Belgian bank business day in the month in which an Observation Value triggers early exercise. ((Payment with a value date of D + 1 bank business day).

PRICE:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of a share in the basket as calculated and published at the stock exchange close by the competent stock-exchange entity (or its legal successor) where the security is listed. For equities listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each share in the basket, this is a trading day for the stock exchange on which the share is listed and which is the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market for that share (suspension or limitation of trading in that security) or early close of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market in a share in the basket is disrupted or closes early, the original valuation date for this equity is replaced by the next trading day on which there is no disruption or early closure, provided that date is not already a scheduled valuation date or already replaces a scheduled valuation date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled valuation date, (i) this eighth trading day will be deemed to be the scheduled valuation date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which occurred with regard to one or more shares, (b) the change in the conditions for determining the base value and/or last value, and (c) the terms and conditions for distribution subject to the investment objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, on the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5 years and three Observation Moments (end of year 2, end of year 3 and end of year 4). The structure entails early exercise if one of the Observation Values meets the criterion set out below. In the event of such early exercise, the capital gain, defined below, is paid in addition to the initial subscription value.

Observation Moment	Early exercise criterion	Capital gain
End of year 2	The Observation Value is equal to or more than 110% of the Base Value.	15%
End of year 3	The Observation Value is equal to or more than 115% of the Base Value.	22.5%
End of year 4	The Observation Value is equal to or more than 120% of the Base Value.	30%

If no Observation Value triggers early exercise, there are two other possibilities at maturity:

Scenario 1: If the Last Value is equal to or more than 125% of the Base Value, a 37.5% fixed capital gain will be distributed on maturity in addition to the full initial subscription value.

Scenario 2: If the Last Value is less than 125% of the Base Value, the full amount of any rise in value of the basket of shares which exceeds the full initial subscription value will be distributed on maturity.

The Base Value of the basket is 100 in each of the examples and the initial subscription value is CZK 10.

Positive scenario:

Observation Moment	Observation Value	Criterion met?	Payment
End of year 2	112	Yes	$10 + 15\% * 10 = \text{CZK } 11.5$
End of year 3	n.a.	n.a.	n.a.
End of year 4	n.a.	n.a.	n.a.
Maturity	n.a.	n.a.	n.a.

Yield to maturity: 7.23%, before costs and taxes.

Neutral scenario :

Observation Moment	Observation Value	Criterion met?	Payment
End of year 2	108	No	/
End of year 3	114	No	/
End of year 4	119	No	/
Maturity	122	No	$10 + 22\% * 10 = \text{CZK } 12.2$

Yield to maturity: 4.00%, before costs and taxes.

Negative scenario:

Observation Moment	Observation Value	Criterion met?	Payment(*)
End of year 2	105	No	/
End of year 3	110	No	/
End of year 4	100	No	/
Maturity	90	No	$10 + 0\% * 10 = \text{CZK } 10$

Yield to maturity: 0%, before costs and taxes.

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share's serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	Aegon	AGN NA Equity	Amsterdam	3.00%
2	Altadis	ALT SM Equity	Madrid	2.00%
3	Altria	MO UN Equity	New York	3.00%
4	Bank of Ireland	BKIR ID Equity	Dublin	3.00%
5	BNP Paribas	BNP FP Equity	Paris	2.00%
6	Citigroup	C UN Equity	New York	3.00%
7	DaimlerChrysler	DCX GY Equity	Frankfurt	3.00%
8	Diageo	DGE LN Equity	London	4.00%
9	E.ON	EOA GY Equity	Frankfurt	4.00%
10	Enel	ENEL IM Equity	Milan	5.00%
11	Fortis	FORB BB Equity	Brussels	5.00%
12	GlaxoSmithKline	GSK LN Equity	London	5.00%
13	HSBC	HSBA LN Equity	London	4.00%
14	Iberdrola	IBE SM Equity	Madrid	3.00%
15	ING	INGA NA Equity	Amsterdam	2.00%
16	KBC	KBC BB Equity	Brussels	3.00%
17	Novartis	NOVN VX Equity	Virt-X	2.00%
18	Reynolds	RAI UN Equity	New York	4.00%
19	Roche	ROG VX Equity	Virt-X	3.00%
20	RWE	RWE GY Equity	Frankfurt	3.00%
21	Scottish & Southern Energy	SSE LN Equity	London	3.00%
22	Severn Trent	SVT LN Equity	London	3.00%
23	Stora Enso	STERV FH Equity	Helsinki	2.00%
24	Telecom Italia	TIT IM Equity	Milan	5.00%
25	Telefonica	TEF SM Equity	Madrid	5.00%
26	Total	FP FP Equity	Paris	4.00%
27	UBS	UBSN VX Equity	Virt-X	2.00%
28	Unilever	UNA NA Equity	Amsterdam	5.00%
29	Vivendi	VIV FP Equity	Paris	2.00%
30	Volvo	VOLVB SS Equity	Stockholm	3.00%

Criteria for selection for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) the share has a major market capitalisation and a low price/earnings ratio, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the Maturity Date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket on the maturity date.

Waiver for investments in public-sector issuers

The sub-fund has been granted a waiver allowing it to invest up to 100% of assets in different securities and money-market instruments issued or guaranteed by a Member State of the European Economic Area, their regional local governments, non-Member States of the European Economic Area, and public international entities which count one or more member States of the European Economic Area as members. The sub-fund can invest more than 35% of its assets in equities and money market instruments in:

- Italy
- Slovenia
- Sweden
- The Netherlands
- Poland
- United Kingdom
- Germany
- Denmark
- Spain
- Greece
- Hungary
- France
- Slovakia
- Czech Republic
- Belgium

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

The following information is of a general nature 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 may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units. This tax is levied at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
AEGON NV	0,6107
AGEAS	0,2214
ALTRIA GROUP INC	1,3603
BANK OF IRELAND	0,0217
BNP PARIBAS	0,7333
CITIGROUP INC	0,1472
DAIMLER CHRYSLER	2,0719
DIAGEO PLC	5,6532
E.ON AG	1,9191
ENEL SPA	2,1597
GLAXOSMITHKLINE PLC	5,2886
HSBC HOLDINGS PLC (LONDON)	2,4197
IBERDROLA SA (SM)	1,7546
IMPERIAL TOBACCO GROUP PLC	2,8154
ING GROEP NV-CVA	0,4193
KBC GROEP NV	0,2935
NOVARTIS AG-REG	1,4727
PHILIP MORRIS INTERNATIONAL	3,6118
REYNOLDS AMERICAN INC	5,2049
ROCHE HOLDING AG- GENUSSCHEIN	2,0272
RWE AG	1,0020
SEVERN TRENT PLC	3,1631
SSE PLC	2,5228
STORA ENSO OYJ-R SHS	0,7169
TELECOM ITALIA SPA	1,7687
TELEFONICA SA (SM)	3,9441
TOTAL SA	3,0104
UBS AG-REG	0,3038
UNILEVER NV-CVA	6,4546
VIVENDI	1,0532
VOLVO AB-B SHS	2,2905
TOTAL	66,44

Performance of the index or basket

Index:	BASKET
31/12/2010:	70,25
30/06/2011:	71,75
29/12/2011:	66,44
Performance since 31.12.10 or since the launch of the sub-fund:	-5,42%
Performance since 30.06.11 or since the launch of the sub-fund:	-7,40%
Index at the launch of the sub-fund	100,00
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	CZK

Fixings

Period	Last date	Last value	Cap
1	16/02/2009	57,019	0,00%
2	16/02/2010	65,744	0,00%
3	16/02/2011	72,658	0,00%

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
25/01/2008	Altadis	Imperial Tobacco	Acquisition
31/03/2008		Philip Morris International	Spin off Altria
30/04/2010	FORTIS (BRUSSELS)	AGEAS	Change of name
03/10/2011	SCOTTISH & SOUTHERN ENERGY	SSE PLC	Change of name

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary		31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS		466.823.647,00	572.265.618,83
II. Securities, money market instruments, CIUs and derivative financial instruments			
A. Bonds and other debt instruments			
a) Bonds		428.875.005,87	508.132.049,33
F. Financial derivatives			
e) On shares			
Swap contracts (+/-)		-1.839.549,68	-5.769.602,36
IV. Receivables and payables within one year			
A. Receivables			
a) Amounts receivable			121.023,37
c) Collateral		4.430.044,30	9.271.019,70
V. Deposits and cash at bank and in hand			
A. Demand balances at banks		3.067.822,68	2.792.051,10
B. Fixed-term deposits at banks		32.190.416,70	57.443.933,40
VI. Accruals and deferrals			
B. Accrued income		134.921,43	318.067,33
C. Accrued expenses (-)		-35.014,30	-42.923,04
TOTAL CAPITAL AND RESERVES		466.823.647,00	572.265.618,83
A. Capital		472.675.203,27	562.292.491,51
B. Share in the profit		-24.715,22	164.413,60
D. Result for the financial year		-5.826.841,05	9.808.713,72

OFF-BALANCE-SHEET ITEMS

I	Security in the form of real property (+/-)		
I.A	Collateral (+/-)		
I.A.B	Deposits and cash at bank and in hand	4.430.000,00	9.270.000,00
IV	Swap contract notional amounts (+)	486.503.367,00	569.556.037,00

2.3 INCOME STATEMENT

Income statement

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-8.682.170,85	592.915,38
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	3.340.774,96	10.290.044,03
G. Amounts receivable, deposits, cash at bank and in hand, and liabilities	-4.492,10	-2.751,90
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-10.422,50	-8.068,74
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	7.293.933,97	8.684.321,27
b) Deposits and cash at bank and in hand	395.974,88	750.279,77
c) Collateral (+/-)	78.833,58	325.868,47
C. Interest on borrowings (-)	-60,50	-34,62
D. Swap contracts (+/-)	-2.471.212,93	-5.977.157,64
F. Other investment income		-156.367,48
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	684.024,66	515.819,51
B. Other	-101.137,69	126.847,78
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-0,04	
B. Financial expenses (-)	-35.933,72	-80.834,00
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-5.847.058,46	-4.522.600,14
b) Administration and accounting management	-247.158,43	-291.951,06
F. Formation and organisation expenses (-)	-64.433,44	-86.687,98
G. Remuneration, social security charges and pensions (-)	-544,70	-1.210,58
H. Services and sundry goods (-)	-109.475,10	-145.730,32
J. Taxes	-6.344,32	-155.700,38
K. Other expenses (-)	-33.850,07	-41.740,27
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	-470.530,56	-1.063.425,05
V. Profit (loss) on ordinary activities before tax	-5.826.841,05	9.808.713,72
VII. Result for the financial year	-5.826.841,05	9.808.713,72

Appropriation of retained earnings

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit to be allocated (loss to be recognised)	-5.851.556,27	9.973.127,32
Profit for the period available for appropriation (loss to be recognised)	-5.826.841,05	9.808.713,72
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-24.715,22	164.413,60
II. (Appropriations to) Deductions from capital	5.851.556,27	-9.973.127,32

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB PRIVATE BANKING WORLD JUMPER 1

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	43.650.000,00	CZK	97,387	42.804.381,39		10,02	9,17
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	44.050.000,00	CZK	96,412	42.767.343,90		10,02	9,16
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	43.900.000,00	CZK	97,679	43.177.523,83		10,11	9,25
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	43.950.000,00	CZK	97,290	43.056.114,31		10,08	9,22
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	21.950.000,00	CZK	96,433	21.315.354,69		4,99	4,57
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 10/07-10/01 3.10 %	21.900.000,00	CZK	96,489	21.279.119,54		4,98	4,56
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	21.900.000,00	CZK	97,558	21.513.099,79		5,04	4,61
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	22.100.000,00	CZK	96,684	21.516.400,08		5,04	4,61
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	22.050.000,00	CZK	97,195	21.580.487,24		5,05	4,62
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	22.050.000,00	CZK	96,300	21.383.171,71		5,01	4,58
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	21.900.000,00	CZK	96,863	21.360.872,24		5,00	4,58
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	22.000.000,00	CZK	97,053	21.500.383,39		5,04	4,61
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	21.950.000,00	CZK	96,347	21.296.557,37		4,99	4,56
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	21.850.000,00	CZK	97,807	21.518.376,96		5,04	4,61
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	22.050.000,00	CZK	96,210	21.363.206,10		5,00	4,58
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	21.900.000,00	CZK	97,236	21.442.613,33		5,02	4,59
Total bonds				428.875.005,87		100,43	91,87
Swaps							
<u>Belgium</u>							
KBC SWAPS	486.503.367,00	CZK	-0,090	-1.839.549,68		-0,43	-0,40
Total swaps				-1.839.549,68		-0,43	-0,39
TOTAL SECURITIES PORTFOLIO				427.035.456,19		100,00	91,48
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	2.476.280,08	CZK	1,000	2.476.280,08			0,53
KBC GROUP EURO	23.195,02	EUR	1,000	591.542,60			0,13
Total demand accounts				3.067.822,68			0,66
Fixed-term deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	30.610.000,00	CZK	100,001	30.610.306,10			6,56

<u>France</u>							
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	1.580.000,00	CZK	100,007	1.580.110,60			0,34
Total fixed-term deposit accounts				32.190.416,70			6,90
TOTAL CASH AT BANK AND IN HAND				35.258.239,38			7,55
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBAN 0.750 % C	4.430.000,00	CZK	100,001	4.430.044,30			0,95
Total receivables				4.430.044,30			0,95
TOTAL OTHER RECEIVABLES AND PAYABLES				4.430.044,30			0,95
OTHER							
Accrued interest		CZK		134.921,43			0,03
Expenses payable		CZK		-35.014,30			-0,01
TOTAL OTHER				99.907,13			0,02
TOTAL NET ASSETS				466.823.647,00			100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
KBCBANK 08/07-10/01/12 KBCBAN 0.750 % C	CZK	4.430.000,00	4.430.000,00	n.a.	06.07.2011
EQLISWAP	CZK	486.503.367,00	486.503.367,00	n.a.	09.06.2011

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		1.000.000,00		63.128.803,00		63.128.803,00
2010 - 12	0,00		5.236.840,00		57.891.963,00		57.891.963,00
2011 - 12	0,00		9.999.882,00		47.892.081,00		47.892.081,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		9.226.442,00	
2010 - 12	0,00		51.581.990,80	
2011 - 12	0,00		99.615.130,78	

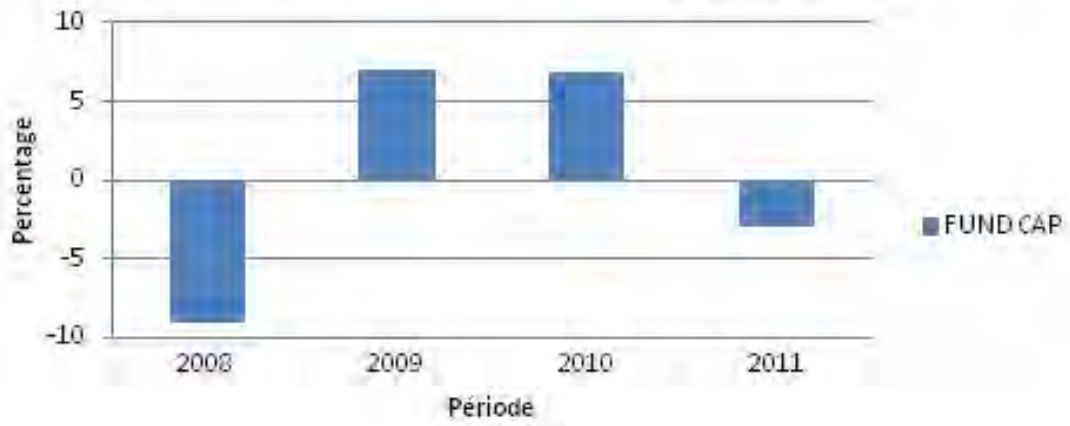
Period	Net asset value At the end of the period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	614.038.895,91	9,73	
2010 - 12	572.265.618,83	9,89	
2011 - 12	466.823.647,00	9,75	

2.4.5 RETURNS

BE0946693703

Horizon - CSOB Private Banking World Jumper 1 - CAP:

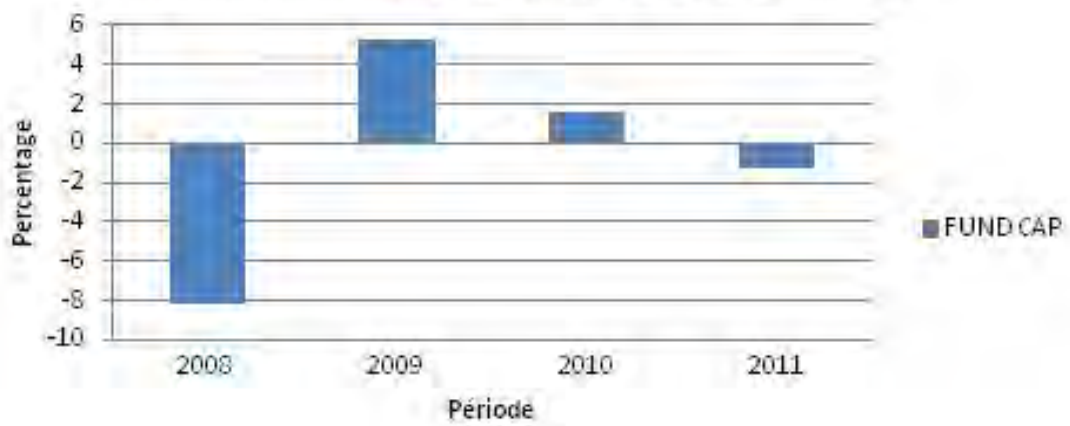
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0946693703

Horizon - CSOB Private Banking World Jumper 1 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en CZK)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0946693703	EUR	-2.91%		3.56%						19/01/2007	1.40%
CAP	BE0946693703	CZK	-1.32%		1.81%						19/01/2007	-0.51%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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.
- 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
- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.261%

- * 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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- 2. Information on Horizon CSOB Spectrum 1
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 - 2.1.1. Launch date, initial subscription price and maturity date
 - 2.1.2. Stock exchange listing
 - 2.1.3. Goal and key principles of investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
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 - 2.1.7. Policy pursued during the financial year
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 - 2.4.1. Composition of the assets
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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB SPECTRUM 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 30.03.07
Initial subscription price: CZK 10
Maturity date: 30.10.12
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF INVESTMENT POLICY AS SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse the initial subscription price per unit of CZK 10 at maturity (capital protection). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). The different types of 'swaps' in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection at maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash (including money in fixed-term deposit or demand accounts). These investments may be of different durations and coupon payment dates, being aligned with the expiry dates of the sub-fund's commitments through the use of the 'swaps' referred to in the section *Permitted swap transactions(2)*.

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and

derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be viewed on the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

(B) an investment in:

- deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and other debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit at maturity (before charges and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and, if appropriate, from any other sub-fund of the ICVC. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable

securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED 'SWAP' TRANSACTIONS

The 'swaps' set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To achieve a potential return, the sub-fund concludes 'swaps'. As part of these swaps, the sub-fund transfers part of its future income from these investments earmarked for capital protection to these counterparties for the duration of the sub-fund. In exchange, the counterparty/-ies undertake/s to offer a potential return described in the section *Strategy selected*.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that via this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These 'swaps' are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(3) The sub-fund may also conclude 'swaps' to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The 'swaps' under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on maturity, and secondly, to generate a potential capital gain contingent on any rise in the value of a basket that includes a stock market index, a commodity index and exchange rates (as set out below). 90% of any rise in the value of the basket (= *(Last Value less Base Value) divided by the Base Value*) which exceeds the full initial subscription value will be distributed on Maturity.

MATURITY: 30.10.12 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against the local currencies of the indexes in the basket are not relevant.

BASE VALUE: For the stock index, the commodity index and each exchange rate in the basket, the average price of the first ten valuation days beginning Tuesday 3 April 2007 (inclusive).

LAST VALUE: For the stock index, the commodity index and each exchange rate in the basket, the average price of the last valuation day of the month for the last 18 months prior to maturity, more specifically April 2011 to September 2012 (inclusive).

PRICE:

For the stock index in the basket, the closing price, that is to say the price of an index as calculated and published at the stock exchange close by the competent stock-exchange body (or its legal successor).

For the commodity index in the basket, the closing price as calculated and published by the competent body, namely TIJDBeursmedia (or its legal successor).

For the exchange rates in the basket, the exchange rate as calculated and published daily by the competent central bank (or its legal successor) (as indicated in the basket below)

VALUATION DATE:

For each **stock index** in the basket, a trading day on which the competent stock exchange body calculates and publishes the index price. If, however, [A] the competent stock exchange body (i) makes significant changes to the formula and/or method for calculating the index, on or before the Valuation Date, and/or (ii) does not calculate and publish the index (although all the data are available), the ICVC will calculate the index, in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index-calculation method and formula; and/or [B] an event occurs on the Valuation Date which disrupts the market (preventing calculation of the index) or if the market closes early (the competent body has announced that the market will, on that day, close earlier than on other trading days), the original Valuation Date will be replaced by the next trading day on which there is no disruption or early closure, provided that date is not already an original Valuation Date or already replaces an original Reference Date postponed because of disruption or early closure of the market.. However, if the market is disrupted or closes early on each of the eight trading days which follow the original Valuation Date, (i) this eighth trading day will be deemed to be the original Valuation Date, and (ii) the ICVC will estimate the index price, in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index calculation formula and method, and (iii) the ICVC will inform the unit holders of (a) the exceptional circumstances which have arisen, (b) the amended conditions for determining the Base Value and/or Final Value for the Period, and (c) the terms and conditions for distribution of the amounts in the light of the investment objectives achieved.

If changes are made to an index in the basket (e.g. calculation by another sponsor, change to the calculation method, etc.), the ICVC will confer with the prime counterparty(-ies) with whom the swap contract has been concluded in order to decide how the index is to be determined. In the event of substantial changes to a basket index or if the index ceases to be calculated, it may be replaced by another index, provided this new index is representative of the same geographical and/or economic sectors.

For the **commodity index** in the basket, a trading day on which the competent stock exchange body calculates and publishes the index price. If, however, [A] the competent stock exchange body (i) makes significant changes to the formula and/or method for calculating the index, on or before the Valuation Date, and/or (ii) does not calculate and publish the index (although all the data are available), the ICVC will calculate the index, in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index-calculation method and formula; and/or [B] an event occurs on the Valuation Date which disrupts the market (preventing calculation of the index) or if the market closes early (the competent body has announced that the market will, on that day, close earlier than on other trading days), the original Valuation Date will be replaced by the next trading day on which there is no disruption or early closure. However, if the market is disrupted or closes early on each of the eight trading days which follow the original Valuation Date, (i) the ICVC will estimate the index price, in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index calculation formula and method, and (ii) the ICVC will inform the unit holders of (a) the exceptional circumstances which have arisen, (b) the amended conditions for determining the Base Value and/or Final Value for the Period, and (c) the terms and conditions for distribution of the amounts in the light of the investment objectives achieved.

If changes are made to an index (e.g. calculation by another sponsor, change to the calculation method, etc.), the ICVC will confer with the prime counterparty(-ies) with whom the swap contract has been concluded in order to decide how the index is to be determined. In the event of substantial changes to the index or if the index ceases to be calculated, it may be replaced by another index, provided this new index is representative of the same geographical and/or economic sectors.

For each **exchange rate** in the basket, a day on which the central bank of the country concerned (as indicated in the basket below) calculates and publishes the exchange rate

If one of the currencies – other than the EUR – among the exchange rates joins the EMU (and if the monetary unit ceases to exist as a national currency and is replaced by the EUR), the value of the exchange rate will be based on the official conversion rate for the national monetary unit against the EUR.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, on the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5.5 years, which pays, on maturity, 50% of any rise in value of a basket beyond 100% of the initial subscription value of CZK 10. The base value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	170	50% * 70% = 35%	10 + 35% * 10 = 13.5 CZK (rendement actuariel : 5.61%, avant frais et impôts)
Scénario Neutre	145	50% * 45% = 22.5%	10 + 22.5% * 10 = 12.25 CZK (rendement actuariel : 3.76%, avant frais et impôts)
Scénario Négatif	90	50% * 0% = 0%	10 + 0% * 10 = 10 CZK (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET

The table below sets out, in columns running from left to right:

for the commodity index: the index's serial number, its name, the sponsor for the index in the basket and its initial weighting in the basket

for the stock index: the index's serial number, its name, its Bloomberg code, the sponsor for the index in the basket and its initial weighting in the basket.

for the exchange rates: the serial number of the exchange rate, its name, the central bank that publishes the exchange rate in the basket and its initial weighting in the basket.

1	EUR/SKK (EUR par SKK)	voire ci-dessous*	National Bank of Slovakia	11.33%
2	EUR/PLN (EUR par PLN)	voire ci-dessous**	National Bank of Poland	11.33%
3	EUR/CZK (EUR par CZK)	voire ci-dessous***	National Bank of the Czech Republic	11.33%
4	Commodity Index	publié sur website de KBC	TJJD Beursmedia	33.00%
5	S&P BRIC 40 Price EUR Index	SPPRBRIE Index	Standard & Poor's	33.00%

***EUR/SKK (EUR par SKK) :** L' INVERSE du cours de change SKK / EUR (SKK par EUR)
(Bloomberg : SKK Currency NBSK – Official SKK Foreign Exchange Fixings)
Foreign Exchange Fixing comme publié par la Banque Nationale de Slovaquie

****EUR/PLN (EUR par PLN) :** L' INVERSE du cours de change PLN / EUR (PLN par EUR)
Fixing Rate comme publié par la Banque Nationale de Pologne
(Bloomberg: PLN Currency NBP – Official PLN Fixing Rates)

*****EUR/CZK (EUR par CZK) :** L' INVERSE du cours de change CZK / EUR (CZK par EUR)
Foreign Exchange Fixing comme publié par la Banque Nationale de Tchéquie
(Bloomberg: CZK Currency CNB – Official CZK Foreign Exchange Fixings)

The Commodity index is a weighted commodity index calculated by TJJD Beursmedia. The goal of the index is to be a steady indicator of the trend in the basket of commodity prices, as defined below.

	Name	Bloomberg code	Stock market	Currency	initial weighting
1	Aluminium	LOAHDY cmdty	London Metal Exchange	USD	15%
2	Copper	LOCADY cmdty	London Metal Exchange	USD	19%
3	Zinc	LOZSDY cmdty	London Metal Exchange	USD	19%
4	Nickel	LONIDY cmdty	London Metal Exchange	USD	15%
5	Lead	LOPBDY cmdty	London Metal Exchange	USD	15%
6	WTI – crude oil	CL1 cmdty	Nymex	USD	17%

This index has a base value of 100, calculated using the underlying prices and initial weighting recorded on 14 July 2006.

The index is published on each valuation day on the KBC website.

S&P BRIC 40 (EURO) CME Index (Bloomberg code: SPPRBRIE) is a weighted equity index computed by Standard & Poor's, the dividend not being reinvested. The index follows the performance of 40 shares of leading companies in Brazil, Russia, India and China. The index is rebalanced once a year on the basis of market capitalisation and liquidity. The index is expressed in EUR.

Standard & Poor's holds all proprietary rights to the index. Standard & Poor's does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Spectrum 1. Standard & Poor's does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The index price can be consulted daily in all KBC branches.

The following information is of a general nature 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 may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units.
This tax is levied at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
COMMODITY INDEX	26,2011
Inverse CZK/EUR	12,3138
Inverse PLN/EUR	9,8674
Inverse SKK/EUR	12,5805
S&P BRIC 40 EUR	34,9266
TOTAL	95,89

Performance of the index or basket

Index:	BASKET
31/12/2010:	110,45
30/06/2011:	107,99
29/12/2011:	95,89
Performance since 31.12.10 or since the launch of the sub-fund:	-13,18%
Performance since 30.06.11 or since the launch of the sub-fund:	-11,20%
Index at the launch of the sub-fund	100,00
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	CZK

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: III

Risk rating at launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary		31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS		206.925.147,02	254.541.087,69
II. Securities, money market instruments, CIUs and derivative financial instruments			
A. Bonds and other debt instruments			
a) Bonds		186.433.056,98	220.150.895,73
F. Financial derivatives			
e) On shares			
Swap contracts (+/-)		3.380.652,91	25.720.091,47
IV. Receivables and payables within one year			
A. Receivables			
a) Amounts receivable			54.446,81
B. Debts			
a) Accounts payable (-)		-218.783,07	-150.155,57
V. Deposits and cash at bank and in hand			
A. Demand balances at banks		1.066.484,25	2.179.180,28
B. Fixed-term deposits at banks		16.210.862,50	6.580.131,60
VI. Accruals and deferrals			
B. Accrued income		68.393,50	25.588,88
C. Accrued expenses (-)		-15.520,05	-19.091,51
TOTAL CAPITAL AND RESERVES		206.925.147,02	254.541.087,69
A. Capital		231.537.397,73	242.492.540,31
B. Share in the profit		-109.669,97	-151.442,17
D. Result for the financial year		-24.502.580,74	12.199.989,55

OFF-BALANCE-SHEET ITEMS

IV	Swap contract notional amounts (+)	207.402.019,00	225.812.919,00
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2.3 INCOME STATEMENT

Income statement

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-3.913.057,64	270.066,73
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-21.018.905,18	12.747.967,95
G. Amounts receivable, deposits, cash at bank and in hand, and liabilities	730,90	-1.167,90
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-3.645,79	-7.938,27
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	3.041.386,37	3.758.901,21
b) Deposits and cash at bank and in hand	192.554,86	282.296,13
C. Interest on borrowings (-)	-12,34	
D. Swap contracts (+/-)	-378.230,40	-1.813.840,83
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	231.133,44	357.481,92
B. Other	-45.423,31	56.860,28
IV. Operating expenses		
B. Financial expenses (-)	-31.869,14	-43.298,69
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-2.358.321,26	-3.071.883,95
b) Administration and accounting management	-113.078,03	-132.867,38
F. Formation and organisation expenses (-)	-29.139,20	-37.220,36
G. Remuneration, social security charges and pensions (-)	-233,44	-399,49
H. Services and sundry goods (-)	-52.570,54	-69.819,26
J. Taxes	-2.809,26	-70.047,36
K. Other expenses (-)	-15.002,53	-18.553,80
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	432.296,97	-808.938,96
V. Profit (loss) on ordinary activities before tax	-24.502.580,74	12.199.989,55
VII. Result for the financial year	-24.502.580,74	12.199.989,55

Appropriation of retained earnings

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit to be allocated (loss to be recognised)	-24.612.250,71	12.048.547,38
Profit for the period available for appropriation (loss to be recognised)	-24.502.580,74	12.199.989,55
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-109.669,97	-151.442,17
II. (Appropriations to) Deductions from capital	24.612.250,71	-12.048.547,38

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB SPECTRUM 1

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	18.950.000,00	CZK	97,387	18.582.887,22		9,79	8,98
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	19.150.000,00	CZK	96,412	18.592.386,74		9,80	8,99
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	19.100.000,00	CZK	97,679	18.785.665,26		9,90	9,08
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	19.100.000,00	CZK	97,290	18.711.530,91		9,86	9,04
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	9.550.000,00	CZK	96,433	9.273.878,70		4,89	4,48
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 10/07-10/01 3.10 %	9.500.000,00	CZK	96,489	9.230.668,30		4,86	4,46
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	9.500.000,00	CZK	97,558	9.332.166,58		4,92	4,51
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	9.600.000,00	CZK	96,684	9.346.490,53		4,92	4,52
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	9.600.000,00	CZK	97,195	9.395.586,28		4,95	4,54
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	9.600.000,00	CZK	96,300	9.309.680,20		4,91	4,50
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	9.550.000,00	CZK	96,863	9.314.900,91		4,91	4,50
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	9.550.000,00	CZK	97,053	9.333.120,98		4,92	4,51
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	9.550.000,00	CZK	96,347	9.265.700,36		4,88	4,48
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	9.500.000,00	CZK	97,807	9.355.816,07		4,93	4,52
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	9.600.000,00	CZK	96,210	9.300.987,68		4,90	4,50
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	9.500.000,00	CZK	97,236	9.301.590,26		4,90	4,50
Total bonds				186.433.056,98		98,22	90,10
Swaps							
<u>Belgium</u>							
KBC SWAPS	207.402.019,00	CZK	1,630	3.380.652,91		1,78	1,63
Total swaps				3.380.652,91		1,78	1,63
TOTAL SECURITIES PORTFOLIO				189.813.709,89		100,00	91,73
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	928.499,50	CZK	1,000	928.499,50			0,45
KBC GROUP EURO	5.410,53	EUR	1,000	137.984,75			0,07
Total demand accounts				1.066.484,25			0,52
Fixed-term deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	2.350.000,00	CZK	100,001	2.350.023,50			1,14
KBC BANK NV 25/07-10/01/12 KBCBANK 0.820 %	3.280.000,00	CZK	100,003	3.280.098,40			1,59

<u>France</u>						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	10.580.000,00	CZK	100,007	10.580.740,60		5,11
Total fixed-term deposit accounts				16.210.862,50		7,83
TOTAL CASH AT BANK AND IN HAND				17.277.346,75		8,35
OTHER RECEIVABLES AND PAYABLES						
Debts						
<u>Belgium</u>						
KBC GROUP CZK PAYABLE	-218.783,07	CZK	1,000	-218.783,07		-0,11
Total debts				-218.783,07		-0,11
TOTAL OTHER RECEIVABLES AND PAYABLES				-218.783,07		-0,11
OTHER						
Accrued interest		CZK		68.393,50		0,03
Expenses payable		CZK		-15.520,05		-0,01
TOTAL OTHER				52.873,45		0,03
TOTAL NET ASSETS				206.925.147,02		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
EQLISWAP	CZK	207.402.019,00	207.402.019,00	n.a.	16.08.2011

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	41.929,00		955.017,00		26.366.011,00		26.366.011,00
2010 - 12	0,00		3.337.602,00		23.028.409,00		23.028.409,00
2011 - 12	0,00		2.143.509,00		20.884.900,00		20.884.900,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	404.195,56		9.222.034,87	
2010 - 12	0,00		35.748.225,66	
2011 - 12	0,00		23.113.359,93	

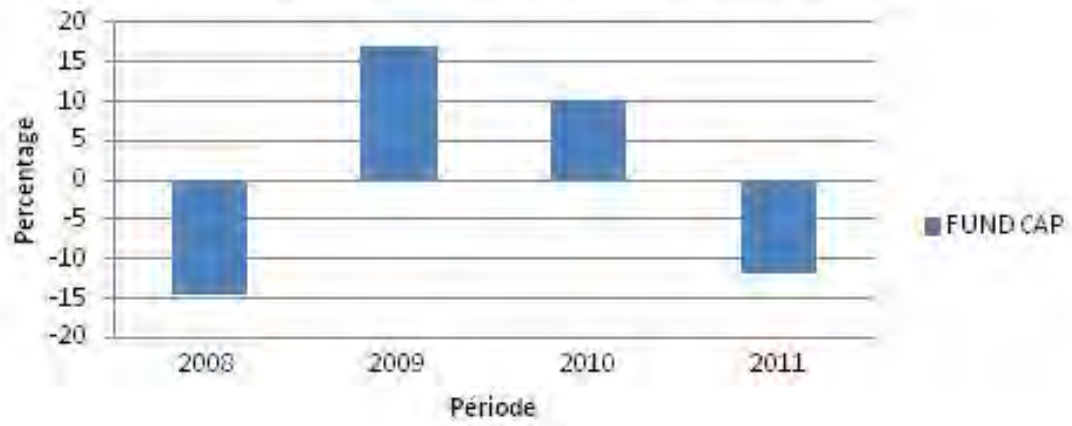
Period	Net asset value At the end of the period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	278.089.323,80	10,55	
2010 - 12	254.541.087,69	11,05	
2011 - 12	206.925.147,02	9,91	

2.4.5 RETURNS

BE0946887701

Horizon - CSOB Spectrum 1 - CAP:

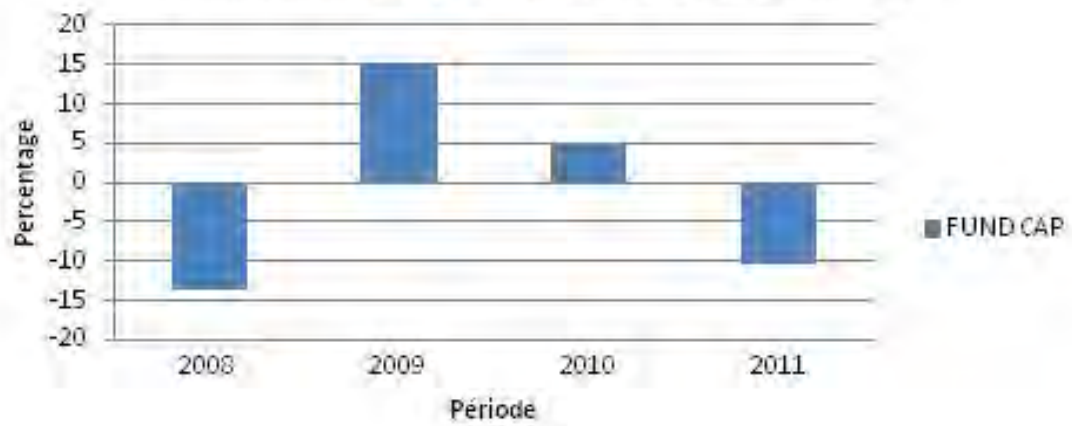
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0946887701

Horizon - CSOB Spectrum 1 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en CZK)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0946887701	EUR	-11.77%		4.43%						30/03/2007	2.00%
CAP	BE0946887701	CZK	-10.32%		2.66%						30/03/2007	-0.19%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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.
- 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
- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.153%

* 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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 - 2.1.2. Stock exchange listing
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 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB PRIVATE BANKING ASIAN CLICK 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 16.03.07
Initial subscription price: CZK 10
Maturity date: 29.06.12
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF INVESTMENT POLICY AS SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse the initial subscription price per unit of CZK 10 at maturity (capital protection). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). The different types of 'swaps' in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection at maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash (including money in fixed-term deposit or demand accounts). These investments may be of different durations and coupon payment dates, being aligned with the expiry dates of the sub-fund's commitments through the use of the 'swaps' referred to in the section *Permitted swap transactions*(2).

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes and Characteristics of the bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be viewed on the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

(B) an investment in:

- deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and other debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit at maturity (before charges and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and, if appropriate, from any other sub-fund of the ICVC. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if not rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into considering when selecting the bonds and other debt instruments.

PERMITTED 'SWAP' TRANSACTIONS

The 'swaps' set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To achieve a potential return, the sub-fund concludes 'swaps'. As part of these swaps, the sub-fund transfers part of its future income from these investments earmarked for capital protection to these counterparties for the duration of the sub-fund. In exchange, the counterparty/-ies undertake/s to offer a potential return described in the section *Strategy selected*.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that via this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These 'swaps' are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(3) The sub-fund may also conclude 'swaps' to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The 'swaps' under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY:

The sub-fund has two investment objectives: on the one hand, to maintain the initial subscription value on the renewal date, and on the other a potential increase in value in conjunction with the trend in the basket of Asian indices(as defined below) per period through a '*Large Cliquet*' structure. Any rise in the value of the basket of indices per period (= *(Last Value for the Period minus the Base Value for the Period) divided by the Base Value for the Period*) is paid at maturity with a maximum 7.5% per period (maximum yield to maturity 6.23%, before fees and taxes). Any fall in the value of the basket of indices by period (= *(Last Value for the Period minus the Base Value for the Period) divided by the Base Value for the Period*) is taken into account up to a maximum decline of 3%. The sum of the developments (gains and/or losses) applicable to the basket of indices per period is paid out as a capital gain at maturity.

MATURITY: 29.06.12 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against the local currencies of the indexes in the basket are not relevant.

RATCHET PERIODS:

Period	Base value:	Last value
1) 03/2007 - 03/2008	Average of the closing prices for the first ten Valuation Dates from 20 March 2007 (inclusive).	Average of the closing prices for the first ten Valuation Dates from April 2008
2) 04/2008 - 03/2009	Average of the closing prices for the first ten Valuation Dates from April 2008	Average of the closing prices for the first ten Valuation Dates from April 2009
3) 04/2009 - 03/2010	Average of the closing prices for the first ten Valuation Dates from April 2009	Average of the closing prices for the first ten Valuation Dates from April 2010
4) 04/2010 - 03/2011	Average of the closing prices for the first ten Valuation Dates from April 2010	Average of the closing prices for the first ten Valuation Dates from April 2011
5) 04/2011 - 05/2012	Average of the closing prices for the first ten Valuation Dates from April 2011	Average of the closing prices for the first ten Valuation Dates from June 2012

PRICE:

Closing price, i.e. the price of the index as calculated at closure of the stock exchanges and notified by the authority responsible (index sponsor) (or its legal successor).

VALUATION DATE:

For each index in the basket, a trading day on which the competent stock exchange body calculates and publishes the index price.

If, however, **[A]** the competent stock exchange body (i) makes significant changes to the formula and/or method for calculating the index, on or before the Valuation Date, and/or (ii) does not calculate and publish the index (although all the data are available), the ICVC will calculate the index, in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index-calculation method and formula; and/or **[B]** an event occurs on the Valuation Date which disrupts the market (preventing calculation of the index) or if the market closes early (the competent body has announced that the market will, on that day, close earlier than on other trading days), the original Valuation Date will be replaced by the next trading day on which there is no disruption or early closure, provided that date is not already an original Valuation Date or already replaces an original Reference Date postponed because of disruption or early closure of the market.. However, if the market is disrupted or closes early on each of the eight trading days which follow the original Valuation Date, (i) this eighth trading day will be deemed to be the original Valuation Date, and (ii) the ICVC will estimate the index price, in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index calculation formula and method, and

(iii) the ICVC will inform the unit holders of (a) the exceptional circumstances which have arisen, (b) the amended conditions for determining the Base Value and/or Final Value for the Period, and (c) the terms and conditions for distribution of the amounts in the light of the investment objectives achieved.

If changes are made to an index (e.g. calculation by another sponsor, change to the calculation method, etc.), the ICVC will confer with the prime counterparty(-ies) with whom the swap contract has been concluded in order to decide how the index is to be determined. In the event of substantial changes to the index or if the index ceases to be calculated, it may be replaced by another index, provided this new index is representative of the same geographical and/or economic sectors.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, on the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of investment policy".

Take a structure of 5 years and 2 months that includes payment at maturity of a potential capital gain in conjunction with developments in the basket per period. Any rise in the value of the basket per period is paid out at maturity with a maximum 6%. Any fall in the value of the basket per period is taken into account only up to a maximum loss of 3%.

Scénario Positif

Période	Evolution du panier			Pourcentage retenu pour la plus-value finale
	Valeur de Départ	Valeur Finale	Evolution	
1	1000	1100	10.00%	6.00%
2	1100	1221	11.00%	6.00%
3	1221	1343	9.99%	6.00%
4	1343	1504	11.99%	6.00%
5	1504	1640	9.04%	6.00%
Sommaton des pourcentages à l'Echéance : 30%				
Plus-value finale à l'Echéance : 30%				
Rendement actuariel : 5.21%, avant frais et impôts				

Scénario Neutre

Période	Evolution du panier			Pourcentage retenu pour la plus-value finale
	Valeur de Départ	Valeur Finale	Evolution	
1	1000	1060	6.00%	6.00%
2	1060	1113	5.00%	5.00%
3	1113	1090	-2.07%	-2.07%
4	1090	1135	4.13%	4.13%
5	1135	1330	17.18%	6.00%
Sommaton des pourcentages à l'Echéance : 19.06%				
Plus-value finale à l'Echéance : 19.06%				
Rendement actuariel : 3.43%, avant frais et impôts				

Scénario Négatif

Période	Evolution du panier			Pourcentage retenu pour la plus-value finale
	Valeur de Départ	Valeur Finale	Evolution	
1	1000	965	-3.50%	-3.00%
2	965	931	-3.52%	-3.00%
3	931	885	-4.94%	-3.00%
4	885	832	-5.99%	-3.00%
5	832	794	-4.57%	-3.00%
Sommaton des pourcentages à l'Echéance : -15%				
Plus-value finale à l'Echéance : 0%				
Rendement actuariel : 0%, avant frais et impôts				

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the sponsor for the index in the basket and its initial weighting in the basket.

1	MSCI Singapore	SGY	Morgan Stanley Capital International	25%
2	Hang Seng Index	HSI	HSI Services Limited	25%
3	Hang Seng China Enterprises	HSCEI	HSI Services Limited	25%
4	Nikkei 225	NKY	Nihon Keizai Shimbun	25%

The **Hang Seng China Enterprises** index is a market capitalization-weighted stock market index made up of shares of Chinese public-sector undertakings (H shares) listed on the Stock Exchange of Hong Kong. The index was launched on 3 January 2000 with a baseline value of 2000.

The index is published daily in L'Echo, De Tijd and The Financial Times.

Stock Exchange of Hong Kong holds all proprietary rights to the index. Stock Exchange of Hong Kong does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Asian Click 1. Stock Exchange of Hong Kong does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The **Hang Seng** index is a market capitalization-weighted stock market index which follows corporate shares listed on the Stock Exchange of Hong Kong. The index was launched on 31 July 1964 with a value of 100.

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

Hang Seng holds all proprietary rights to the index. Hang Seng in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon CSOB Private Banking Asian Click 1. Hang Seng disclaims any responsibility for the issuing and offering of the units of this institution for collective investment.

The **MSCI Singapore Cash** index is a market capitalization-weighted stock market index which is made up of corporate shares in Singapore. The index has been published since 1 January 1988.

The index price can be consulted daily in all KBC branches.

MSCI holds all proprietary rights to the index. MSCI does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Asian Click 1. MSCI does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The **NIKKEI 225** index is a share index computed by Nikkei Inc.; in principle, the dividend is not reinvested for protection. It is made up of 225 equities. The main purpose of this index is to provide a continuous indication of the market trend on the Japanese stock market. This index is based on the market value of 225 corporate shares. The index covers the 225 leading and most liquid stocks listed on the first section of the Tokyo Stock Exchange. It was launched on 16 May 1949 with a baseline value of 176.21. The price for this index is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

Nikkei Inc. holds all proprietary rights to the index. Nikkei, Inc. does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Asian Click 1. Nikkei, Inc. does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The following information is of a general nature 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 may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units.
This tax is levied at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
HANG SENG INDEX (HONG KONG)	23,3814
HS CHINA ENTERPRISES INDEX	26,1915
MSCI SINGAPORE FREE	19,3118
NIKKEI 225 (JAPAN)	12,1351
TOTAL	81,02

Performance of the index or basket

Index: **BASKET**

31/12/2010: **101,55**

30/06/2011: **98,62**

29/12/2011: **81,02**

Performance since 31.12.10 or since the launch of the sub-fund: **-20,22%**

Performance since 30.06.11 or since the launch of the sub-fund: **-17,85%**

Index at the launch of the sub-fund **100,00**

Minimum guaranteed return in local currency on the maturity date: **11,29**

Local currency: **CZK**

Fixings

Period	Last date	Last value	Cap
1	15/04/2008	108,229	7,50%
2	16/04/2009	68,685	-3,00%
3	15/04/2010	100,207	7,50%
4	15/04/2011	104,080	3,86%

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
04/10/2010	MSCI SINGAPORE CASH	MSCI SINGAPORE FREE	Index Discontinued

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at launch: I

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary		31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS		182.605.415,57	189.229.845,51
II. Securities, money market instruments, CIUs and derivative financial instruments			
A. Bonds and other debt instruments			
a) Bonds		145.512.952,41	160.349.920,34
a) Collateral received in the form of bonds		14.318.783,12	
F. Financial derivatives			
e) On shares			
Swap contracts (+/-)		20.060.897,28	21.328.402,08
IV. Receivables and payables within one year			
A. Receivables			
a) Amounts receivable			39.514,24
B. Debts			
d) Collateral (-)		-14.318.783,12	
V. Deposits and cash at bank and in hand			
A. Demand balances at banks		1.189.804,44	767.247,68
B. Fixed-term deposits at banks		15.790.726,70	6.730.288,50
VI. Accruals and deferrals			
B. Accrued income		64.731,17	28.665,97
C. Accrued expenses (-)		-13.696,43	-14.193,30
TOTAL CAPITAL AND RESERVES		182.605.415,57	189.229.845,51
A. Capital		185.965.795,51	185.920.659,63
B. Share in the profit		-950,00	97.650,00
D. Result for the financial year		-3.359.429,94	3.211.535,88

OFF-BALANCE-SHEET ITEMS

I	Security in the form of real property (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/money market instruments	14.318.783,12	
IV	Swap contract notional amounts (+)	162.861.185,00	170.162.185,00

2.3 INCOME STATEMENT

Income statement	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-3.108.842,29	193.786,18
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-410.367,40	4.325.452,78
G. Amounts receivable, deposits, cash at bank and in hand, and liabilities	438,20	-668,30
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	6.234,27	-3.710,30
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	2.295.978,17	2.717.986,08
b) Deposits and cash at bank and in hand	179.152,43	183.900,96
C. Interest on borrowings (-)	-16,70	
D. Swap contracts (+/-)	-514.769,35	-1.509.405,25
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	32.649,97	228.833,31
B. Other	-31.933,90	41.393,44
IV. Operating expenses		
B. Financial expenses (-)	-30.848,91	-35.132,98
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-1.602.031,92	-2.676.644,77
b) Administration and accounting management	-89.075,15	-98.913,88
F. Formation and organisation expenses (-)	-23.572,41	-28.053,38
G. Remuneration, social security charges and pensions (-)	-185,98	-300,07
H. Services and sundry goods (-)	-40.620,90	-55.886,78
J. Taxes	-2.218,35	-50.819,67
K. Other expenses (-)	-13.311,47	-13.734,11
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	153.107,28	-1.303.324,48
V. Profit (loss) on ordinary activities before tax	-3.359.429,94	3.211.535,88
VII. Result for the financial year	-3.359.429,94	3.211.535,88

Appropriation of retained earnings

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit to be allocated (loss to be recognised)	-3.360.379,94	3.309.185,88
Profit for the period available for appropriation (loss to be recognised)	-3.359.429,94	3.211.535,88
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-950,00	97.650,00
II. (Appropriations to) Deductions from capital	3.360.379,94	-3.309.185,88

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB PRIVATE BANKING ASIAN
CLICK 1

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	14.800.000,00	CZK	97,387	14.513.283,95		8,77	7,95
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	14.950.000,00	CZK	96,412	14.514.683,12		8,77	7,95
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	14.900.000,00	CZK	97,679	14.654.786,00		8,85	8,03
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	14.900.000,00	CZK	97,290	14.596.953,43		8,82	7,99
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	7.450.000,00	CZK	96,433	7.234.596,46		4,37	3,96
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 10/07-10/01 3.10 %	7.450.000,00	CZK	96,489	7.238.787,24		4,37	3,96
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	7.400.000,00	CZK	97,558	7.269.266,60		4,39	3,98
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	7.500.000,00	CZK	96,684	7.301.945,73		4,41	4,00
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	7.500.000,00	CZK	97,195	7.340.301,78		4,43	4,02
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	7.500.000,00	CZK	96,300	7.273.187,66		4,39	3,98
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	7.450.000,00	CZK	96,863	7.266.598,09		4,39	3,98
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	7.450.000,00	CZK	97,053	7.280.811,64		4,40	3,99
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	7.450.000,00	CZK	96,347	7.228.216,51		4,37	3,96
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	7.400.000,00	CZK	97,807	7.287.688,31		4,40	3,99
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	7.500.000,00	CZK	96,210	7.266.396,63		4,39	3,98
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	7.400.000,00	CZK	97,236	7.245.449,26		4,38	3,97
Total bonds				145.512.952,41		87,88	79,69
Swaps							
<u>Belgium</u>							
KBC SWAPS	162.861.185,00	CZK	12,260	20.060.897,28		12,12	10,99
Total swaps				20.060.897,28		12,12	10,99
TOTAL SECURITIES PORTFOLIO				165.573.849,69		100,00	90,67
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	561.454,85	EUR	1,000	14.318.783,12			7,84
TOTAL COLLATERAL RECEIVED				14.318.783,12			7,84
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	1.075.428,84	CZK	1,000	1.075.428,84			0,59
KBC GROUP EURO	4.484,79	EUR	1,000	114.375,60			0,06
Total demand accounts				1.189.804,44			0,65

Fixed-term deposit accounts						
<u>Belgium</u>						
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	3.790.000,00	CZK	100,001	3.790.037,90		2,08
KBC BANK NV 25/07-10/01/12 KBCBANK 0.820 %	3.780.000,00	CZK	100,003	3.780.113,40		2,07
<u>France</u>						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	8.220.000,00	CZK	100,007	8.220.575,40		4,50
Total fixed-term deposit accounts				15.790.726,70		8,65
TOTAL CASH AT BANK AND IN HAND				16.980.531,14		9,30
OTHER RECEIVABLES AND PAYABLES						
Debts						
<u>Belgium</u>						
KBC GROUP TEGENPOST COLLATERAL EUR	-561.454,85	EUR	1,000	-14.318.783,12		-7,84
Total debts				-14.318.783,12		-7,84
TOTAL OTHER RECEIVABLES AND PAYABLES				-14.318.783,12		-7,84
OTHER						
Accrued interest		CZK		64.731,17		0,04
Expenses payable		CZK		-13.696,43		-0,01
TOTAL OTHER				51.034,74		0,03
TOTAL NET ASSETS				182.605.415,57		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
KBC COLLATERAL EUR	EUR	561.454,85	14.318.783,12	n.a.	29.12.2011
EQLISWAP	CZK	162.861.185,00	162.861.185,00	n.a.	16.12.2011

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	890.000,00		1.174.800,00		18.968.488,00		18.968.488,00
2010 - 12	0,00		2.055.000,00		16.913.488,00		16.913.488,00
2011 - 12	0,00		295.000,00		16.618.488,00		16.618.488,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	8.945.400,00		12.029.380,00	
2010 - 12	0,00		22.883.350,00	
2011 - 12	0,00		3.265.000,00	

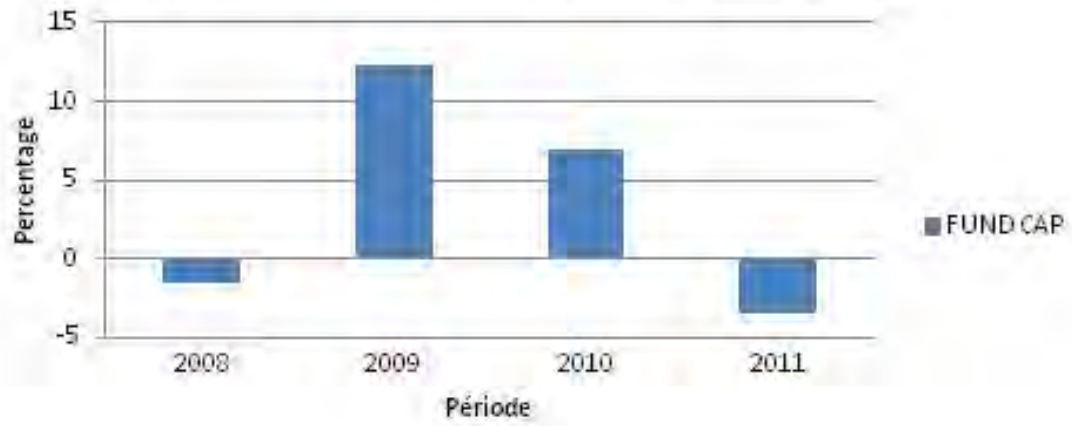
Period	Net asset value At the end of the period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	208.901.659,63	11,01	
2010 - 12	189.229.845,51	11,19	
2011 - 12	182.605.415,57	10,99	

2.4.5 RETURNS

BE0946990760

Horizon - CSOB Private Banking Asian Click 1 - CAP:

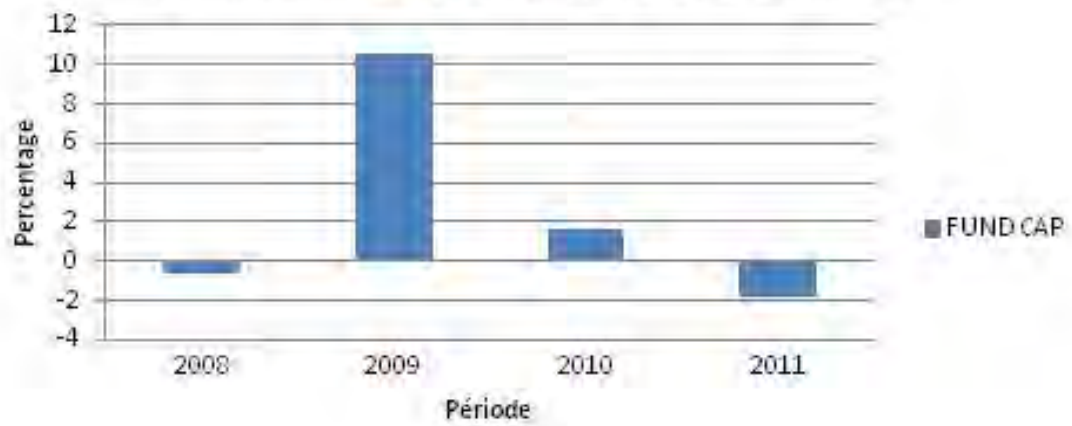
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0946990760

Horizon - CSOB Private Banking Asian Click 1 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en CZK)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0946990760	EUR	-3.38%		5.12%						16/03/2007	4.20%
CAP	BE0946990760	CZK	-1.79%		3.33%						16/03/2007	1.99%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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.
- 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
- 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} 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 0.98%

- * 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

Details of the collateral received for financial derivatives

Name	Currency	Nominal	Currency of the portfolio	Value in the currency of the portfolio
FLEMISH COMMUNITY 09/12 2.75% 30/03	EUR	550.000	CZK	14.318.783,12
			Total	14.318.783,12

The collateral receivable in this list is valued according to indicative prices provided by the Collateral Management Department of KBC Bank.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB PRIVATE BANKING EUROPE ENTRY OPTIMIZER 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 1 June 2007
Initial subscription price: CZK 10
Maturity date: 29.06.12
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF INVESTMENT POLICY AS SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

The object of this sub-fund is to generate the highest possible return for its unit holders. To this end, an investment strategy has been developed which consists of:

- (1) an investment in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits and liquid assets (including funds placed on a fixed-term deposit account or demand account) (see under *Permitted asset classes*);
- (2) An investment in 'swaps' (exchange contracts). The sub-fund therefore assigns part of its future income from the investments indicated under the point dealing with *Permitted asset classes* to the counterparty(-ies) for the life of the sub-fund. In exchange, the counterparty(-ies) commit to offering a potential return. The different types of swaps in which the sub-fund can invest are explained under the section *Permitted swap transactions*.

No formal guarantee is granted to the sub-fund or its unit holders. No guaranteed return or capital protection is offered by the sub-fund during the period concerned or at Maturity.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public undertakings for collective investment, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable laws and regulations. These investments may be of various durations and coupon payment dates that are aligned to the expiry dates of the sub-fund's commitments through the use of the swaps described in the point dealing with *Permitted swap transactions (2)*.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

The sub-fund may invest in stock-exchange-listed bonds issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of

diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be viewed on the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if not rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into considering when selecting the bonds and other debt instruments.

PERMITTED 'SWAP' TRANSACTIONS

The swaps set out below are conducted with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To achieve a potential return, the sub-fund concludes 'swaps'. Under these swaps, the sub-fund transfers a portion of its future earnings from the investments indicated under the section *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty/-ies undertake/s to offer a potential return described in the section *Strategy selected*.

The use of swaps in this sub-fund may lead to (full or partial) loss of the initial capital invested.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that via this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the investments referred to under *Permitted asset classes*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(3) The sub-fund may also conclude 'swaps' to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in

return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The 'swaps' under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The object of the sub-fund is to generate a possible capital gain that is contingent on the performance of the EURO STOXX 50 Index[®] (as set out below) through a "Best Timing" structure.

This Best Timing structure means that account is taken, in calculating the net asset value on maturity, firstly, of the initial subscription value and, secondly, of the trend in the EURO STOXX 50 Index[®]. The net asset value on maturity depends on the occurrence of one of the two scenarios below:

Scenario 1: the final value is greater than or equal to the minimum base value. In this case any rise in the value (= *(Last Value less Minimum Base Value) divided by the Base Value*) is taken into account, with no ceiling up to 95%.

Scenario 2: the final value is less than the minimum base value. In this case any decline in the value (= *(Last Value less Minimum Base Value) divided by the Base Value*) is taken into account, with no ceiling up to 100%. If such a scenario occurs, redemption at maturity will be lower than the initial subscription value.

The method for calculating the potential rise in scenario 1 is thus different from the method for calculating the potential loss in scenario 2.

If scenario 1 takes place, the calculation of the potential rise does not take the base value into account but rather the minimum base value.

The minimum base value is the lowest price recorded during the Initial Observation Dates. It is always less than or equal to the Base Value. Consequently, if scenario 1 occurs, it is in the interests of investors for the index to fall in value during the initial period of the duration of the sub-fund (notably on the Initial Observation Dates) given that the lowest price recorded during the Initial Observation Dates and the Base Value are taken into consideration in calculating any rise in the value of the basket

Thus this sub-fund does not offer a guaranteed return or protection of capital, either during the term or at the renewal date.

MATURITY: 29.06.12 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK

BASE VALUE: price on 8 June 2007.(inclusive)

LAST VALUE: The average price of the index on the last valuation day of the month for the last 12 months before the maturity date, more precisely June 2011 to May 2012 (inclusive).

MINIMUM BASE VALUE: the lowest price for all the Initial Observation Dates.

INITIAL OBSERVATION DATES: 8 June 2007 and the first Valuation Date of each month, from July 2007 (inclusive) until June 2009 (inclusive).

PRICE:

Closing price, i.e. the price on the EURO STOXX 50[®] index, as calculated at closure of the stock exchanges and notified by the authority responsible (index sponsor), namely Stoxx Limited (or its legal successor).

VALUATION DATE:

A trading day on which the competent stock exchange body calculates and publishes the index price.

If, however, **[A]** the competent stock exchange body (i) makes significant changes to the formula and/or method for calculating the index, on or before the Valuation Date, and/or (ii) does not calculate and publish the index (although all the data are available), the ICVC will calculate the index, in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last

known index-calculation method and formula; and/or **[B]** an event occurs on the Valuation Date which disrupts the market (preventing calculation of the index) or if the market closes early (the competent body has announced that the market will, on that day, close earlier than on other trading days), the original Valuation Date will be replaced by the next trading day on which there is no disruption or early closure, provided that date is not already an original Valuation Date or already replaces an original Reference Date postponed because of disruption or early closure of the market.. However, if the market is disrupted or closes early on each of the eight trading days which follow the original Valuation Date, (i) this eighth trading day will be deemed to be the original Valuation Date, and (ii) the ICVC will estimate the index price, in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index calculation formula and method, and (iii) the ICVC will inform the unit holders of (a) the exceptional circumstances which have arisen, (b) the amended conditions for determining the Base Value and/or Final Value for the Period, and (c) the terms and conditions for distribution of the amounts in the light of the investment objectives achieved.

If changes are made to an index (e.g. calculation by another sponsor, change to the calculation method, etc.), the ICVC will confer with the prime counterparty(-ies) with whom the swap contract has been concluded in order to decide how the index is to be determined. In the event of substantial changes to the index or if the index ceases to be calculated, it may be replaced by another index, provided this new index is representative of the same geographical and/or economic sectors.

The EURO STOXX 50[®] is a weighted equity index computed by Stoxx Ltd, the dividend not protected by being reinvested, in principle. The main purpose of the EURO STOXX 50[®] index is to provide a continuous indication of market trends on the European stock markets. This index has a base value of 1000, calculated using the underlying prices recorded on 31 December 1991.

The EURO STOXX 50[®] index 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), Netherlands (Amsterdam), Portugal (Lisbon) and Spain (Madrid). The index consists of the 50 largest European shares in terms of freely negotiable equities, and the shares are accordingly weighted on the basis of this criterion.

Stoxx Limited retains all proprietary rights over the index. Stoxx Limited does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Europe Index Entry Optimizer 1. Stoxx Limited does not accept any liability for the issue and offer of shares by this undertaking for collective investment.

The EURO STOXX 50[®] index is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

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- **STOXX and its licensors do not make any warranty, express or implied, and disclaim any and all warranties as regards:**
 - **the results to be obtained by Horizon CSOB Private Banking Europe Entry Optimizer 1, the holders of units in Horizon CSOB Private Banking Europe Entry Optimizer 1 or any other person in connection with the use of the EURO STOXX 50[®] index and the data included in the EURO STOXX 50[®] index;**
 - **the accuracy or completeness of the EURO STOXX 50[®] index and its data;**
 - **the negotiability and fitness for a particular purpose or use of the EURO STOXX 50[®] index and its data;**
- **STOXX and its licensors shall not be held liable for any errors, omissions or interruptions whatsoever in the EURO STOXX 50[®] index or its data;**
- **Under no circumstances shall STOXX or its Licensors be held liable for any loss of earnings whatsoever, nor for any consequential damages or losses, even if STOXX or its licensors is aware that they might occur.**

The license contract between KBC and STOXX has been entered into in their sole interest and not in that of the holders of units in Horizon CSOB Private Banking Europe Entry Optimizer 1 or third parties.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, on the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5 years and 6 months, which pays, on Maturity, 75% of any rise in value (= (Last Value less the Minimum Base Value) divided by the Base Value) beyond the full initial subscription value (of CZK 10). The Base Value of the index is 100.

	Base value:	Last value	Minimum Base Value:	Capital gain at maturity	Value at maturity
Positive scenario	100	140	80	$100\% * (140 - 80) / 100 = 60\%$	10 + 60% * 10 = 16 CZK (yield to maturity: 9.85% before costs and taxes)
Neutral scenario	100	110	90	$100\% * (110 - 90) / 100 = 20\%$	10 + 20% * 10 = 12 CZK (yield to maturity: 3.71% before costs and taxes)
Negative scenario	100	60	80	$100\% * (60 - 100) / 100 = -40\%$	10 - 40% * 10 = 6 CZK (yield to maturity: -9.72% before costs and taxes)

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

The following information is of a general nature 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 may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units.
This tax is levied at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Performance of the index or basket

Index:	EURO STOXX 50 INDEX
31/12/2010:	2.792,82
30/06/2011:	2.848,53
29/12/2011:	2.292,28
Performance since 31.12.10 or since the launch of the sub-fund:	-17,92%
Performance since 30.06.11 or since the launch of the sub-fund:	-19,53%
Index at the launch of the sub-fund	4.376,42

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
01/01/2011	DOW JONES EUROSTOXX 50	EURO STOXX 50 INDEX	Change of name

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: 5

Risk rating at launch: 5

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary		31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS		21.895.284,74	53.190.022,73
II. Securities, money market instruments, CIUs and derivative financial instruments			
A. Bonds and other debt instruments			
a) Bonds		16.406.674,17	44.938.018,37
a) Collateral received in the form of bonds		829.119,37	
F. Financial derivatives			
e) On shares			
Swap contracts (+/-)		1.819.495,97	
m) On financial indexes			
Swap contracts (+/-)			5.413.770,48
IV. Receivables and payables within one year			
A. Receivables			
a) Amounts receivable			11.107,09
c) Collateral			250.027,50
B. Debts			
d) Collateral (-)		-829.119,37	
V. Deposits and cash at bank and in hand			
A. Demand balances at banks		145.359,79	742.211,68
B. Fixed-term deposits at banks		3.510.216,20	1.830.059,10
VI. Accruals and deferrals			
B. Accrued income		15.180,88	8.818,06
C. Accrued expenses (-)		-1.642,27	-3.989,55
TOTAL CAPITAL AND RESERVES		21.895.284,74	53.190.022,73
A. Capital		21.968.840,73	51.962.110,47
B. Share in the profit		26.550,00	12.500,00
D. Result for the financial year		-100.105,99	1.215.412,26

OFF-BALANCE-SHEET ITEMS

I	Security in the form of real property (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/money market instruments	829.119,37	
I.A.B	Deposits and cash at bank and in hand		250.000,00
IV	Swap contract notional amounts (+)	20.060.595,00	47.076.265,00

2.3 INCOME STATEMENT

Income statement

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-266.973,04	48.844,63
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-84.925,29	
l) On financial indexes		
Swap contracts (+/-)		1.332.657,47
G. Amounts receivable, deposits, cash at bank and in hand, and liabilities	129,60	-414,80
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	3.281,48	-1.427,02
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	481.699,32	736.976,88
b) Deposits and cash at bank and in hand	41.003,96	60.504,07
c) Collateral (+/-)	1.413,19	2.464,58
D. Swap contracts (+/-)	-224.497,14	-505.821,16
F. Other investment income		-1.019,44
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	311.946,10	31.929,98
B. Other	-9.304,83	12.078,16
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-0,08	0,06
B. Financial expenses (-)	-26.463,52	-17.208,33
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-280.467,80	-402.136,00
b) Administration and accounting management	-23.520,61	-26.304,38
F. Formation and organisation expenses (-)	-4.782,50	-7.092,32
G. Remuneration, social security charges and pensions (-)		-73,67
H. Services and sundry goods (-)	-10.473,25	-23.826,50
J. Taxes	-549,32	-14.289,40
K. Other expenses (-)	-1.534,01	-3.883,17
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	248.381,26	-164.248,02
V. Profit (loss) on ordinary activities before tax	-100.105,99	1.215.412,26
VII. Result for the financial year	-100.105,99	1.215.412,26

Appropriation of retained earnings

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit to be allocated (loss to be recognised)	-73.555,99	1.227.912,26
Profit for the period available for appropriation (loss to be recognised)	-100.105,99	1.215.412,26
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	26.550,00	12.500,00
II. (Appropriations to) Deductions from capital	73.555,99	-1.227.912,26

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF ASSETS OF HORIZON CSOB PRIVATE BANKING EUROPE ENTRY OPTIMIZER 1

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	1.650.000,00	CZK	97,387	1.618.035,04		8,88	7,39
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	1.650.000,00	CZK	96,412	1.601.955,00		8,79	7,32
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	1.650.000,00	CZK	97,679	1.622.845,43		8,90	7,41
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	1.650.000,00	CZK	97,290	1.616.441,15		8,87	7,38
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	850.000,00	CZK	96,433	825.423,76		4,53	3,77
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 10/07-10/01 3.10 %	850.000,00	CZK	96,489	825.901,90		4,53	3,77
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	850.000,00	CZK	97,558	834.983,32		4,58	3,81
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	850.000,00	CZK	96,684	827.553,85		4,54	3,78
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	850.000,00	CZK	97,195	831.900,87		4,56	3,80
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	850.000,00	CZK	96,300	824.294,60		4,52	3,77
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	850.000,00	CZK	96,863	829.074,95		4,55	3,79
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	850.000,00	CZK	97,053	830.696,63		4,56	3,79
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	850.000,00	CZK	96,347	824.695,84		4,53	3,77
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	850.000,00	CZK	97,807	837.099,33		4,59	3,82
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	850.000,00	CZK	96,210	823.524,95		4,52	3,76
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	850.000,00	CZK	97,236	832.247,55		4,57	3,80
Total bonds				16.406.674,17		90,02	74,93
Swaps							
<u>Belgium</u>							
KBC SWAPS	20.060.595,00	CZK	9,070	1.819.495,97		9,98	8,31
Total swaps				1.819.495,97		9,98	8,31
TOTAL SECURITIES PORTFOLIO				18.226.170,14		100,00	83,24
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	32.510,66	EUR	1,000	829.119,37			3,79
TOTAL COLLATERAL RECEIVED				829.119,37			3,79
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	105.386,13	CZK	1,000	105.386,13			0,48
KBC GROUP EURO	1.567,41	EUR	1,000	39.973,66			0,18
Total demand accounts				145.359,79			0,66

Fixed-term deposit accounts						
<u>Belgium</u>						
KBC BANK NV 05/08-10/01/12 KBCBANK 0.800 %	590.000,00	CZK	100,002	590.011,80		2,70
<u>France</u>						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	2.920.000,00	CZK	100,007	2.920.204,40		13,34
Total fixed-term deposit accounts				3.510.216,20		16,03
TOTAL CASH AT BANK AND IN HAND				3.655.575,99		16,70
OTHER RECEIVABLES AND PAYABLES						
Debts						
<u>Belgium</u>						
KBC GROUP TEGENPOST COLLATERAL EUR	-32.510,66	EUR	1,000	-829.119,37		-3,79
Total debts				-829.119,37		-3,79
TOTAL OTHER RECEIVABLES AND PAYABLES				-829.119,37		-3,79
OTHER						
Accrued interest		CZK		15.180,88		0,07
Expenses payable		CZK		-1.642,27		-0,01
TOTAL OTHER				13.538,61		0,06
TOTAL NET ASSETS				21.895.284,74		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
KBC COLLATERAL EUR	EUR	32.510,66	829.119,37	n.a.	29.12.2011
EQLISWAP	CZK	20.060.595,00	20.060.595,00	n.a.	16.08.2011

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		330.000,00		5.103.700,00		5.103.700,00
2010 - 12	0,00		300.000,00		4.803.700,00		4.803.700,00
2011 - 12	0,00		2.756.700,00		2.047.000,00		2.047.000,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		3.241.160,64	
2010 - 12	0,00		3.193.000,00	
2011 - 12	0,00		31.194.632,00	

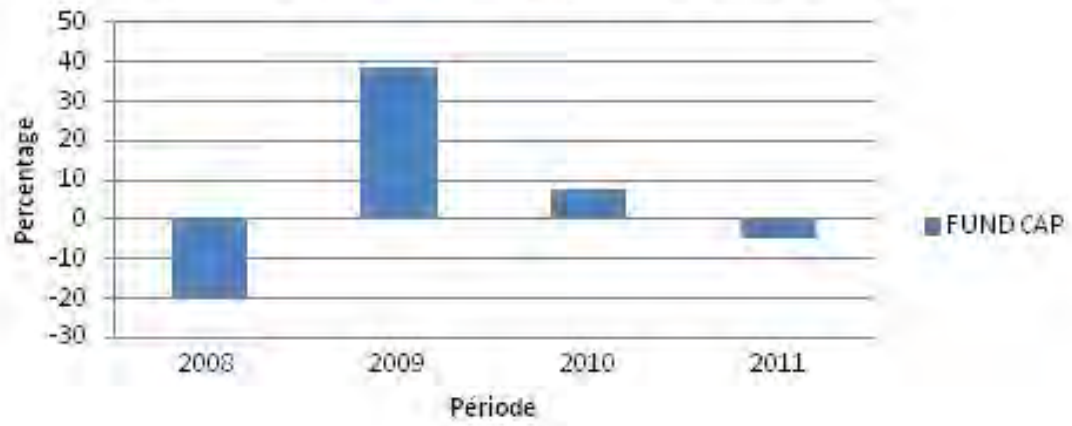
Period	Net asset value At the end of the period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	55.167.610,47	10,81	
2010 - 12	53.190.022,73	11,07	
2011 - 12	21.895.284,74	10,70	

2.4.5 RETURNS

BE0947207024

Horizon - CSOB Private Banking Europe Entry Optimizer 1 - CAP:

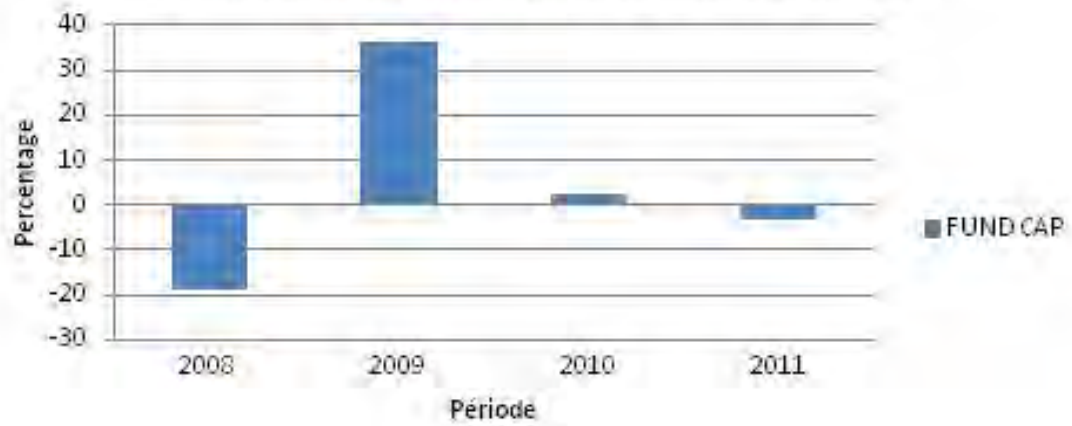
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0947207024

Horizon - CSOB Private Banking Europe Entry Optimizer 1 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en CZK)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0947207024	EUR	-4.91%		12.45%						01/06/2007	3.60%
CAP	BE0947207024	CZK	-3.34%		10.55%						01/06/2007	1.49%

* Performance figures shown are annualised.

Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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.
- 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
- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 0.939%

* 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

Details of the collateral received for financial derivatives

Name	Currency	Nominal	Currency of the portfolio	Value in the currency of the portfolio
KFW 02/12 5.25% 04/07	EUR	31.000	CZK	829.119,37
Total				829.119,37

The collateral receivable in this list is valued according to indicative prices provided by the Collateral Management Department of KBC Bank.

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 - 2.4.1. Composition of the assets
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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB EUROPE REAL ESTATE GROWTH 3

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 31.08.07
Initial subscription price: CZK 10
Maturity date: 30.09.13
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF INVESTMENT POLICY AS SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse the initial subscription price per unit of CZK 10 at maturity (capital protection). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). The different types of 'swaps' in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection at maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash (including money in fixed-term deposit or demand accounts). These investments may be of different durations and coupon payment dates, being aligned with the expiry dates of the sub-fund's commitments through the use of the 'swaps' referred to in the section *Permitted swap transactions*(2).

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes and Characteristics of the bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be viewed on the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

(B) an investment in:

- deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and other debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit at maturity (before charges and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and, if appropriate, from any other sub-fund of the ICVC. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if not rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into considering when selecting the bonds and other debt instruments.

PERMITTED 'SWAP' TRANSACTIONS

The 'swaps' set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To achieve a potential return, the sub-fund concludes 'swaps'. As part of these swaps, the sub-fund transfers part of its future income from these investments earmarked for capital protection to these counterparties for the duration of the sub-fund. In exchange, the counterparty/-ies undertake/s to offer a potential return described in the section *Strategy selected*.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that via this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These 'swaps' are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(3) The sub-fund may also conclude 'swaps' to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The 'swaps' under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on maturity, and secondly, to generate a potential capital gain contingent on any rise in value of the EPRA Index (as set out below). 70% of any rise in the value of this index ($= \frac{\text{Last Value} - \text{Base Value}}{\text{Base Value}}$) which exceeds the full initial subscription value will be distributed on maturity.

MATURITY: 30.09.13 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against the currency of the EPRA Index are not relevant.

BASE VALUE: the average prices of the index on the first ten Valuation Dates from 07.09.07 (inclusive).

LAST VALUE: The value of the Index based on the average price on the last Valuation Date of the month in each of the last 24 months before maturity, more precisely from September 2011 to August 2013 (inclusive).

PRICE:

Closing price, i.e. the price of the EPRA Index as calculated at closure of the stock exchanges and notified by the authority responsible (index sponsor), namely the Financial Times Ltd. (or its legal successor).

VALUATION DATE:

A trading day on which the competent stock exchange body calculates and publishes the index price.

If, however, **[A]** the competent stock exchange body (i) makes significant changes to the formula and/or method for calculating the index, on or before the Valuation Date, and/or (ii) does not calculate and publish the index (although all the data are available), the ICVC will calculate the index, in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index-calculation method and formula; and/or **[B]** an event occurs on the Valuation Date which disrupts the market (preventing calculation of the index) or if the market closes early (the competent body has announced that the market will, on that day, close earlier than on other trading days), the original Valuation Date will be replaced by the next trading day on which there is no disruption or early closure, provided that date is not already an original Valuation Date or already replaces an original Reference Date postponed because of disruption or early closure of the market.. However, if the market is disrupted or closes early on each of the eight trading days which follow the original Valuation Date, (i) this eighth trading day will be deemed to be the original Valuation Date, and (ii) the ICVC will estimate the index price, in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index calculation formula and method, and (iii) the ICVC will inform the unit holders of (a) the exceptional circumstances which have arisen, (b) the amended conditions for determining the Base Value and/or Final Value for the Period, and (c) the terms and conditions for distribution of the amounts in the light of the investment objectives achieved.

If changes are made to an index (e.g. calculation by another sponsor, change to the calculation method, etc.), the ICVC will confer with the prime counterparty(-ies) with whom the swap contract has been concluded in order to decide how the index is to be determined. In the event of substantial changes to the index or if the index ceases to be calculated, it may be replaced by another index, provided this new index is representative of the same geographical and/or economic sectors.

The **EPRA** Index (European Public Real Estate Index) is a weighted index that includes the most traded real estate shares in Europe. The index was launched on 31 December 1999 with a baseline value of 1000.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, on the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 6 years, which pays, on maturity, the full amount of any rise in value of the index beyond the full initial subscription value of CZK 10. The Base Value of the index is 100.

	Valeur Finale de l'indice	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	163	100% * 63% = 63%	10 + 63% * 10 = 16.3 CZK (rendement actuariel : 8.48%, avant frais et impôts)
Scénario Neutre	128	100% * 28% = 28%	10 + 28% * 10 = 12.8 CZK (rendement actuariel : 4.2%, avant frais et impôts)
Scénario Négatif	90	100% * 0% = 0%	10 + 0% * 10 = 10 CZK (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances by the index are not taken into account.

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

The following information is of a general nature 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 may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19*bis* of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units. This tax is levied at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Performance of the index or basket

	Index: EPRA EUROPE INDEX
31/12/2010:	1.403,24
30/06/2011:	1.472,39
29/12/2011:	1.202,75
Performance since 31.12.10 or since the launch of the sub-fund:	-14,29%
Performance since 30.06.11 or since the launch of the sub-fund:	-18,31%
Index at the launch of the sub-fund	2.341,06
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	CZK

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary		31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS		40.816.390,70	46.022.333,23
II. Securities, money market instruments, CIUs and derivative financial instruments			
A. Bonds and other debt instruments			
a) Bonds		38.136.425,44	42.942.977,37
F. Financial derivatives			
e) On shares			
Swap contracts (+/-)		121.967,32	
m) On financial indexes			
Swap contracts (+/-)			-804.834,19
IV. Receivables and payables within one year			
A. Receivables			
a) Amounts receivable			9.917,83
V. Deposits and cash at bank and in hand			
A. Demand balances at banks		182.047,17	411.379,47
B. Fixed-term deposits at banks		2.370.045,90	3.450.235,50
VI. Accruals and deferrals			
B. Accrued income		8.971,06	16.114,58
C. Accrued expenses (-)		-3.066,19	-3.457,33
TOTAL CAPITAL AND RESERVES		40.816.390,70	46.022.333,23
A. Capital		40.752.601,63	45.090.332,45
B. Share in the profit		-43.022,90	-17.888,18
D. Result for the financial year		106.811,97	949.888,96

OFF-BALANCE-SHEET ITEMS

IV	Swap contract notional amounts (+)	42.057.697,00	47.906.797,00
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2.3 INCOME STATEMENT

Income statement

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-793.652,22	51.194,83
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	832.837,24	
l) On financial indexes		
Swap contracts (+/-)		1.066.634,33
G. Amounts receivable, deposits, cash at bank and in hand, and liabilities	-189,60	-479,10
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	5.430,02	-3.158,53
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	629.060,03	722.399,74
b) Deposits and cash at bank and in hand	32.504,94	60.467,52
C. Interest on borrowings (-)	-8,71	
D. Swap contracts (+/-)	22.271,80	-236.450,59
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	53.127,49	34.619,24
B. Other	-8.322,55	10.408,13
IV. Operating expenses		
B. Financial expenses (-)	-19.614,55	-18.186,29
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-600.400,33	-661.630,77
b) Administration and accounting management	-22.091,18	-23.413,63
F. Formation and organisation expenses (-)	-5.115,29	-6.569,39
G. Remuneration, social security charges and pensions (-)		-71,09
H. Services and sundry goods (-)	-9.495,54	-23.199,07
J. Taxes	-473,53	-12.770,60
K. Other expenses (-)	-2.967,80	-3.358,39
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	62.386,53	-164.302,57
V. Profit (loss) on ordinary activities before tax	106.811,97	949.888,96
VII. Result for the financial year	106.811,97	949.888,96

Appropriation of retained earnings

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit to be allocated (loss to be recognised)	63.789,07	932.000,78
Profit for the period available for appropriation (loss to be recognised)	106.811,97	949.888,96
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-43.022,90	-17.888,18
II. (Appropriations to) Deductions from capital	-63.789,07	-932.000,78

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB EUROPE REAL ESTATE GROWTH 3

Name	Quantity at 31.12.11	Curren- cy	Price In foreign currency	Valuation (in the currency of the sub-fund)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	3.900.000,00	CZK	97,387	3.824.446,45		10,00	9,37
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	3.950.000,00	CZK	96,412	3.834.983,17		10,02	9,40
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	3.900.000,00	CZK	97,679	3.835.816,47		10,03	9,40
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	3.900.000,00	CZK	97,290	3.820.679,08		9,99	9,36
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	1.950.000,00	CZK	96,433	1.893.619,21		4,95	4,64
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 10/07-10/01 3.10 %	1.950.000,00	CZK	96,489	1.894.716,12		4,95	4,64
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	1.950.000,00	CZK	97,558	1.915.549,98		5,01	4,69
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	1.950.000,00	CZK	96,684	1.898.505,89		4,96	4,65
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	1.950.000,00	CZK	97,195	1.908.478,46		4,99	4,68
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	1.950.000,00	CZK	96,300	1.891.028,79		4,94	4,63
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	1.950.000,00	CZK	96,863	1.901.995,47		4,97	4,66
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	1.950.000,00	CZK	97,053	1.905.715,80		4,98	4,67
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	1.950.000,00	CZK	96,347	1.891.949,29		4,95	4,64
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	1.950.000,00	CZK	97,807	1.920.404,35		5,02	4,71
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	1.950.000,00	CZK	96,210	1.889.263,12		4,94	4,63
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	1.950.000,00	CZK	97,236	1.909.273,79		4,99	4,68
Total bonds				38.136.425,44		99,68	93,43
Swaps							
<u>Belgium</u>							
KBC SWAPS	42.057.697,00	CZK	0,290	121.967,32		0,32	0,30
Total swaps				121.967,32		0,32	0,30
TOTAL SECURITIES PORTFOLIO				38.258.392,76		100,00	93,73
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	162.819,95	CZK	1,000	162.819,95			0,40
KBC GROUP EURO	753,92	EUR	1,000	19.227,22			0,05
Total demand accounts				182.047,17			0,45
Fixed-term deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	2.000.000,00	CZK	100,001	2.000.020,00			4,90

<u>France</u>						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	370.000,00	CZK	100,007	370.025,90		0,91
Total fixed-term deposit accounts				2.370.045,90		5,81
TOTAL CASH AT BANK AND IN HAND				2.552.093,07		6,25
OTHER						
Accrued interest		CZK		8.971,06		0,02
Expenses payable		CZK		-3.066,19		-0,01
TOTAL OTHER				5.904,87		0,01
TOTAL NET ASSETS				40.816.390,70		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
EQLISWAP	CZK	42.057.697,00	42.057.697,00	n.a.	14.10.2011

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

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		109.706,00		5.086.712,00		5.086.712,00
2010 - 12	0,00		353.170,00		4.733.542,00		4.733.542,00
2011 - 12	0,00		543.152,00		4.190.390,00		4.190.390,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		1.013.154,07	
2010 - 12	0,00		3.461.928,01	
2011 - 12	0,00		5.312.754,50	

Period	Net asset value At the end of the period (in the currency of the sub-fund)		
	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	48.534.372,28	9,54	

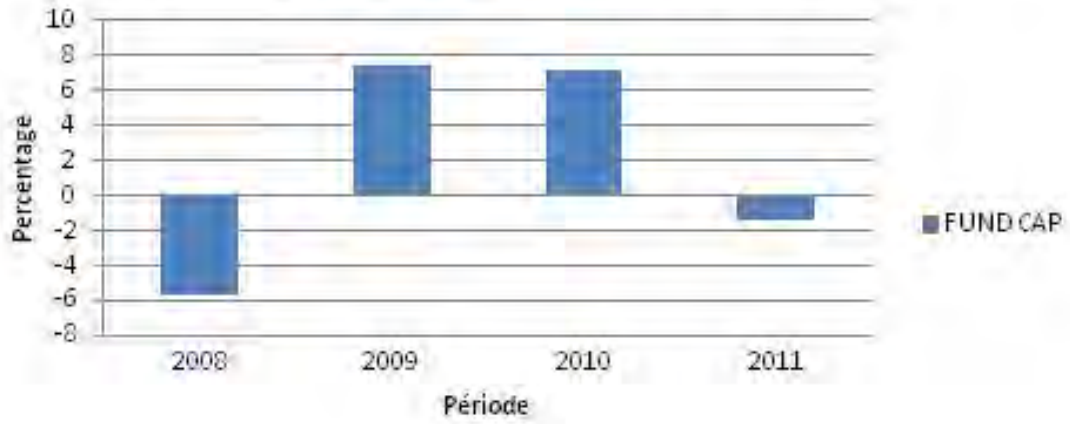
2010 - 12	46.022.333,23	9,72	
2011 - 12	40.816.390,70	9,74	

2.4.5 RETURNS

BE0947312105

Horizon - CSOB Europe Real Estate Growth 3 - CAP:

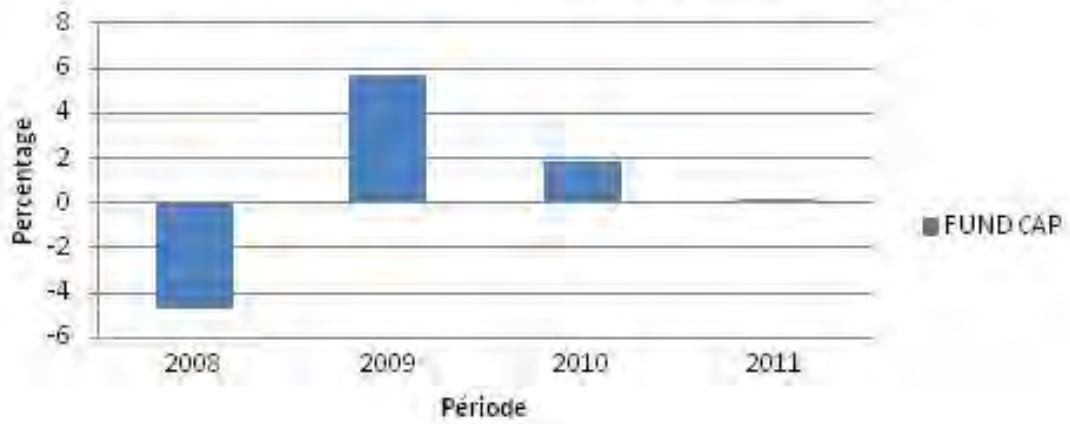
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0947312105

Horizon - CSOB Europe Real Estate Growth 3 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en CZK)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0947312105	EUR	-1.42%		4.32%						31/08/2007	1.91%
CAP	BE0947312105	CZK	0.21%		2.56%						31/08/2007	-0.61%

* Performance figures shown are annualised.

Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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.
- 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
- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.548%

* 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB PRIVATE BANKING CENTRAL EUROPE WINNERS2

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 22.06.07
Initial subscription price: CZK 10
Maturity date: 31.07.12
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF INVESTMENT POLICY AS SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse at least 95% of the initial subscription price per share of CZK 10 at maturity, namely CZK 9.5 through investments described in the section *Authorised asset categories*.
- (2) To offer a potential return through a swap agreement (contrats d'échange). To this end, the sub-fund transfers part of its future revenue described in *Authorised asset categories* to the counterparty/-ies for the duration of the sub-fund. In exchange, the counterparty(ies) undertake(s) to provide a potential yield. The different types of swaps in which the sub-fund can invest are explained in *Authorised swap transactions*.

No formal reimbursement guarantee of at least 95% of the initial subscription price is granted to the sub-fund or its investors. In other words, this objective does not constitute an obligation for the sub-fund to generate a gain, although the achievement of this objective through the investments described above in the *Authorised financial asset categories* remains its absolute priority.

If the objective of reimbursing at least 95% of the initial subscription price per share is not achieved at maturity, KBC Asset Management can decide (but is under no obligation) to allocate the management fee made from SICAV sub-fund and potentially other sub-funds during the current financial year to hedge against this shortfall. This does not constitute a guarantee on the part of KBC Asset Management SA. At its own discretion, it can decide at any time whether or not to use the management fee for this purpose.

This objective of reimbursing at least 95% of the initial subscription price per share does not extend to shareholders selling their shares before maturity.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with provisions of the Royal Decree of 4 March 2005 regarding certain public investment entities, sub-fund investments can consist of negotiable securities, particularly bonds and other debt instruments, money market instruments, shares of collective investment undertakings, deposits, derivatives, liquid assets and all other instruments, provided that this is allowed by the applicable regulations. These investments can have different durations and coupon payment dates which are adjusted to sub-fund commitment renewal dates through swaps described in *Authorised swap transactions (2)*.

Investment limits and restrictions set by the Royal Decree of 4 March 2005 regarding certain mutual funds will be observed at all times.

The sub-fund may invest in stock-exchange-listed bonds issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be viewed on the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into considering when selecting the bonds and other debt instruments.

PERMITTED 'SWAP' TRANSACTIONS

The 'swaps' set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To achieve a potential return, the sub-fund concludes 'swaps'. Under these swaps, the sub-fund transfers a portion of its future earnings from the investments indicated under the section *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty/-ies undertake/s to offer a potential return described in the section *Strategy selected*.

The use of swaps in this sub-fund may entail a maximum 5% loss of the initial capital invested.

The swaps under (1) are essential to completion of the investment objects of the sub-fund, given that via this method, the goal of reaching a potential return can occur.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the investments referred to under *Permitted asset classes*.

These 'swaps' are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(3) The sub-fund may also conclude 'swaps' to hedge the credit risk on issuers of bonds and other debt instruments. Through such a swap, one or several counterparts resume the risk of non-performing bond or other debt instrument issuers within the sub-fund portfolio in exchange for a premium payable by the sub-fund.

The 'swaps' under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to repay 95% of the initial subscription value on maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of 30 shares in companies with a high sales turnover within Central Europe and which can therefore be expected to benefit from an economic expansion in that region. 105% of any rise in value of the basket of 30 shares (= *Last Value minus the Base Value*) divided by the *Base Value*, which exceed the full initial subscription value will be distributed on maturity.

MATURITY: 31.07.12 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against the local currencies of the equities in the basket are not relevant.

BASE VALUE: Value of the basket based on the average stock market price of shares in the basket on the first ten valuation dates from Friday 29.06.07 (inclusive).

LAST VALUE: The value of the basket based on the average price of the shares in the basket on the last Valuation Date of the month in each of the last 12 months before Maturity, namely from July 2011 to June 2012 (inclusive).

PRICE:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of a share in the basket as calculated and published at the stock exchange close by the competent stock-exchange entity (or its legal successor) where the security is listed. For equities listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each share in the basket, this is a trading day for the stock exchange on which the share is listed and which is the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market for that share (suspension or limitation of trading in that security) or early close of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market in a share in the basket is disrupted or closes early, the original

valuation date for this equity is replaced by the next trading day on which there is no disruption or early closure, provided that date is not already a scheduled valuation date or already replaces a scheduled valuation date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled valuation date, (i) this eighth trading day will be deemed to be the scheduled valuation date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which occurred with regard to one or more shares, (b) the change in the conditions for determining the base value and/or last value, and (c) the terms and conditions for distribution subject to the investment objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, on the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5 years, which pays, at maturity, the full amount of any rise in value of a basket of shares beyond 95% of the initial subscription value of 10 CZK. The base value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	150	100% * 50% = 50%	9.5 + 50% * 10 = 14.5 CZK (rendement actuariel : 7.71%, avant frais et impôts)
Scénario Neutre	125	100% * 25% = 25%	9.5 + 25% * 10 = 12 CZK (rendement actuariel : 3.71%, avant frais et impôts)
Scénario Négatif	85	100% * 0% = 0%	9.5 + 0% * 10 = 9.5 CZK (rendement actuariel : -1.02%, avant frais et impôts)

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share's serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	BRITISH AMERICAN TOBACCO PLC	BATS LN EQUITY	London	5%
2	CARREFOUR SA	CA FP Equity	Paris	2%
3	DELHAIZE GROUP	DELB BB EQUITY	Brussels	3%
4	DIAGEO PLC	DGE LN equity	London	5%
5	E.ON AG	EOA GY Equity	Frankfurt	3%
6	ENEL SPA	ENEL IM equity	Milan	7%
7	ERSTE BANK DER OESTER SPARK	EBS AV EQUITY	Vienna	2%
8	GROUPE DANONE	BN FP EQUITY	Paris	2%
9	HELLENIC TELECOMMUN ORGANIZA	HTO GA EQUITY	Athens	2%
10	INDITEX	ITX SM EQUITY	Madrid	2%
11	INTESA SANPAOLO	ISP IM Equity	Milan	5%
12	KBC GROEP	KBC BB Equity	Brussels	5%
13	KINGFISHER PLC	KGF LN Equity	London	6%
14	L'OREAL	OR FP equity	Paris	2%
15	MAN AG	MAN GY equity	Frankfurt	2%
16	METRO AG	MEO GY Equity	Frankfurt	3%
17	NESTLE SA-REG	NESN VX Equity	Virt-X	4%
18	PPR	PP FP EQUITY	Paris	3%
19	PROCTER & GAMBLE CO	PG UN EQUITY	New York	3%
20	RAUTARUUKKI OYJ	RTRKS FH Equity	Helsinki	2%
21	RWE AG	RWE GY Equity	Frankfurt	6%
22	SCANIA AB-B SHS	SCVB SS EQUITY	Stockholm	2%
23	SOCIETE GENERALE	GLE FP Equity	Paris	3%
24	SSAB SVENSKT STAL AB-SER A	SSABA SS equity	Stockholm	2%
25	SUEZ SA	SZE FP Equity	Paris	3%
26	TELEKOM AUSTRIA	TKA AV EQUITY	Vienna	2%
27	TELENOR ASA	TEL NO Equity	Oslo	3%
28	TESCO PLC	TSCO LN Equity	London	4%
29	UNICREDITO ITALIANO SPA	UC IM Equity	Milan	5%
30	VEOLIA ENVIRONNEMENT	VIE FP EQUITY	Paris	2%

Criteria for selection for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) the issuer derives a significant proportion of its sales revenue from Central Europe, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the Maturity Date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket on the maturity date.

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

The following information is of a general nature 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 may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units.
This tax is levied at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the

sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
BRITISH AMERICAN TOBACCO PLC	9,1255
CARREFOUR SA	0,7331
DANONE	1,7003
DELHAIZE GROUP	1,7842
DIAGEO PLC	6,7738
E.ON AG	1,2044
ENEL SPA	3,0859
ERSTE GROUP BANK AG	0,4645
GDF SUEZ	1,6346
HELLENIC TELECOMMUN ORGANIZA	0,2346
INDITEX (SM)	2,8663
INTESA SANPAOLO	1,2698
KBC GROEP NV	0,4782
KINGFISHER PLC	6,6649
L'OREAL	1,8473
MAN AG	1,2262
METRO AG	1,3639
NESTLE SA-REG	4,5352
PPR	2,5206
PROCTER & GAMBLE CO/THE	3,2532
RAUTARUUKKI OYJ	0,2876
RWE AG	2,0513
SCANIA AB-B SHS	1,0709
SOCIETE GENERALE	0,4134
SSAB SVENSKT STAL AB-SER A	0,4448
TELEKOM AUSTRIA AG	0,9985
TELENOR ASA	2,5943
TESCO PLC	3,8536
UNICREDIT SPA	0,5712
VEOLIA ENVIRONNEMENT	0,2904
TOTAL	65,34

Performance of the index or basket

Index:	BASKET
31/12/2010:	74,60
30/06/2011:	74,15
29/12/2011:	65,34
Performance since 31.12.10 or since the launch of the sub-fund:	-12,41%
Performance since 30.06.11 or since the launch of the sub-fund:	-11,88%
Index at the launch of the sub-fund	100,00
Minimum guaranteed return in local currency on the maturity date:	9,50
Local currency:	CZK

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
02/01/2007	Banca Intesa	Intesa Sanpaolo	Change of name
22/07/2008	SUEZ SA (PARIS)	GDF SUEZ	Acquisition
30/04/2009	GROUPE DANONE	DANONE	Change of name

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary		31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS		361.239.413,69	425.178.369,37
II. Securities, money market instruments, CIUs and derivative financial instruments			
A. Bonds and other debt instruments			
a) Bonds		332.483.522,78	405.538.104,05
F. Financial derivatives			
e) On shares			
Swap contracts (+/-)		-20.804.762,76	-26.436.196,22
IV. Receivables and payables within one year			
A. Receivables			
a) Amounts receivable			93.434,41
c) Collateral		23.030.230,30	29.343.227,40
B. Debts			
a) Accounts payable (-)			-460.350,00
V. Deposits and cash at bank and in hand			
A. Demand balances at banks		2.504.985,98	3.522.758,43
B. Fixed-term deposits at banks		23.880.318,60	13.400.268,90
VI. Accruals and deferrals			
B. Accrued income		172.213,78	209.013,17
C. Accrued expenses (-)		-27.094,99	-31.890,77
TOTAL CAPITAL AND RESERVES		361.239.413,69	425.178.369,37
A. Capital		365.983.732,57	421.892.279,63
B. Share in the profit		-278.009,60	-241.554,67
D. Result for the financial year		-4.466.309,28	3.527.644,41

OFF-BALANCE-SHEET ITEMS

I	Security in the form of real property (+/-)		
I.A	Collateral (+/-)		
I.A.B	Deposits and cash at bank and in hand	23.030.000,00	29.340.000,00
IV	Swap contract notional amounts (+)	401.321.025,00	460.588.875,00

2.3 INCOME STATEMENT

Income statement

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-6.859.782,20	1.092.174,16
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	1.960.969,61	5.073.705,40
G. Amounts receivable, deposits, cash at bank and in hand, and liabilities	-2.947,40	-10.513,00
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-4.988,42	-27.695,75
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	5.551.815,58	7.328.228,26
b) Deposits and cash at bank and in hand	181.165,60	684.276,32
c) Collateral (+/-)	340.914,50	727.802,83
C. Interest on borrowings (-)	-46,96	-69,56
D. Swap contracts (+/-)	-831.196,76	-4.178.164,86
F. Other investment income		-397.113,95
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	594.725,88	1.194.479,77
B. Other	-75.832,75	99.655,50
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	0,12	
B. Financial expenses (-)	-33.066,29	-71.983,91
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-4.914.087,27	-7.414.266,63
b) Administration and accounting management	-199.511,81	-224.704,26
F. Formation and organisation expenses (-)	-48.978,78	-69.671,57
G. Remuneration, social security charges and pensions (-)	-382,81	-699,30
H. Services and sundry goods (-)	-88.099,18	-120.207,03
J. Taxes	-4.661,81	-120.288,55
K. Other expenses (-)	-26.229,88	-30.752,08
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	440.439,13	-2.600.026,40
V. Profit (loss) on ordinary activities before tax	-4.466.309,28	3.527.644,41
VII. Result for the financial year	-4.466.309,28	3.527.644,41

Appropriation of retained earnings

	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Profit to be allocated (loss to be recognised)		
Profit for the period available for appropriation (loss to be recognised)	-4.744.318,88	3.286.089,74
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-4.466.309,28	3.527.644,41
	-278.009,60	-241.554,67
II. (Appropriations to) Deductions from capital	4.744.318,88	-3.286.089,74

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF ASSETS OF HORIZON CSOB PRIVATE BANKING CENTRAL EUROPE WINNERS 2

Name	Quantity at 31.12.11	Curren- cy	Price In foreign currency	Valuation (in the currency of the sub-fund)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	33.850.000,00	CZK	97,387	33.194.233,90		10,65	9,19
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	34.150.000,00	CZK	96,412	33.155.613,95		10,64	9,18
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	34.000.000,00	CZK	97,679	33.440.451,26		10,73	9,26
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	34.050.000,00	CZK	97,290	33.357.467,40		10,70	9,23
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	17.050.000,00	CZK	96,433	16.557.029,50		5,31	4,58
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 10/07-10/01 3.10 %	16.950.000,00	CZK	96,489	16.469.455,53		5,28	4,56
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	16.950.000,00	CZK	97,558	16.650.549,84		5,34	4,61
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	17.150.000,00	CZK	96,684	16.697.115,90		5,36	4,62
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	17.100.000,00	CZK	97,195	16.735.888,06		5,37	4,63
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	17.100.000,00	CZK	96,300	16.582.867,85		5,32	4,59
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	17.000.000,00	CZK	96,863	16.581.499,00		5,32	4,59
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	17.050.000,00	CZK	97,053	16.662.797,13		5,35	4,61
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	17.050.000,00	CZK	96,347	16.542.428,39		5,31	4,58
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	16.950.000,00	CZK	97,807	16.692.745,51		5,36	4,62
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	17.100.000,00	CZK	96,210	16.567.384,31		5,32	4,59
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	16.950.000,00	CZK	97,236	16.595.995,25		5,33	4,59
Total bonds				332.483.522,78		106,68	92,04
Swaps							
<u>Belgium</u>							
KBC SWAPS	401.321.025,00	CZK	-5,060	-20.804.762,76		-6,68	-5,76
Total swaps				-20.804.762,76		-6,68	-5,76
TOTAL SECURITIES PORTFOLIO				311.678.760,02		100,00	86,28
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	2.303.254,44	CZK	1,000	2.303.254,44			0,64
KBC GROUP EURO	7.910,11	EUR	1,000	201.731,54			0,06
Total demand accounts				2.504.985,98			0,69
Fixed-term deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	22.550.000,00	CZK	100,001	22.550.225,50			6,24

<u>France</u>						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	1.330.000,00	CZK	100,007	1.330.093,10		0,37
Total fixed-term deposit accounts				23.880.318,60		6,61
TOTAL CASH AT BANK AND IN HAND				26.385.304,58		7,30
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC BANK NV 08/07-10/01/12 KBCBAN 0.750 % C	23.030.000,00	CZK	100,001	23.030.230,30		6,38
Total receivables				23.030.230,30		6,38
TOTAL OTHER RECEIVABLES AND PAYABLES				23.030.230,30		6,38
OTHER						
Accrued interest		CZK		172.213,78		0,05
Expenses payable		CZK		-27.094,99		-0,01
TOTAL OTHER				145.118,79		0,04
TOTAL NET ASSETS				361.239.413,69		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
KBCBANK 08/07-10/01/12 KBCBAN 0.750 % C	CZK	23.030.000,00	23.030.000,00	n.a.	06.07.2011
EQLISWAP	CZK	401.321.025,00	401.321.025,00	n.a.	30.06.2011

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		2.636.378,00		63.893.705,00		63.893.705,00
2010 - 12	0,00		18.169.840,00		45.723.865,00		45.723.865,00
2011 - 12	0,00		6.372.740,00		39.351.125,00		39.351.125,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		23.467.571,16	
2010 - 12	0,00		169.472.673,55	
2011 - 12	0,00		59.472.646,40	

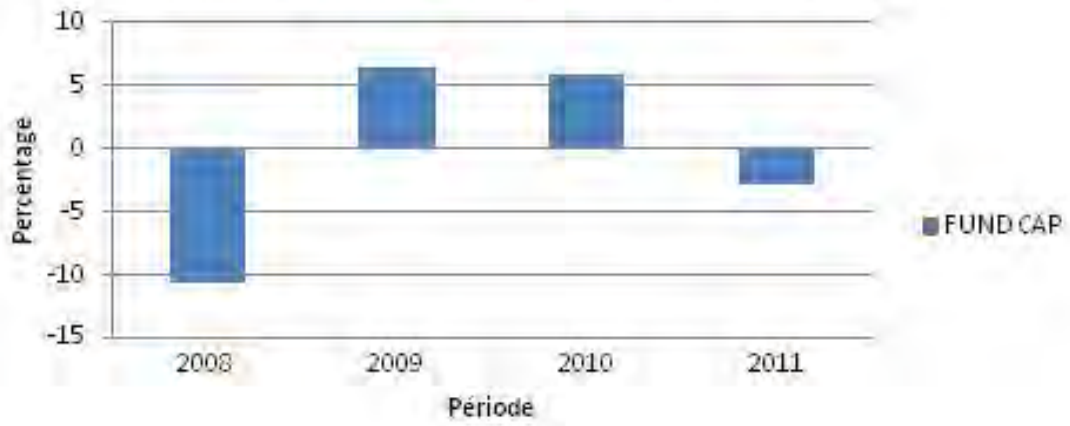
Period	Net asset value At the end of the period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	591.123.398,51	9,25	
2010 - 12	425.178.369,37	9,30	
2011 - 12	361.239.413,69	9,18	

2.4.5 RETURNS

BE0947262573

Horizon - CSOB Private Banking Central Europe Winners 2 - CAP:

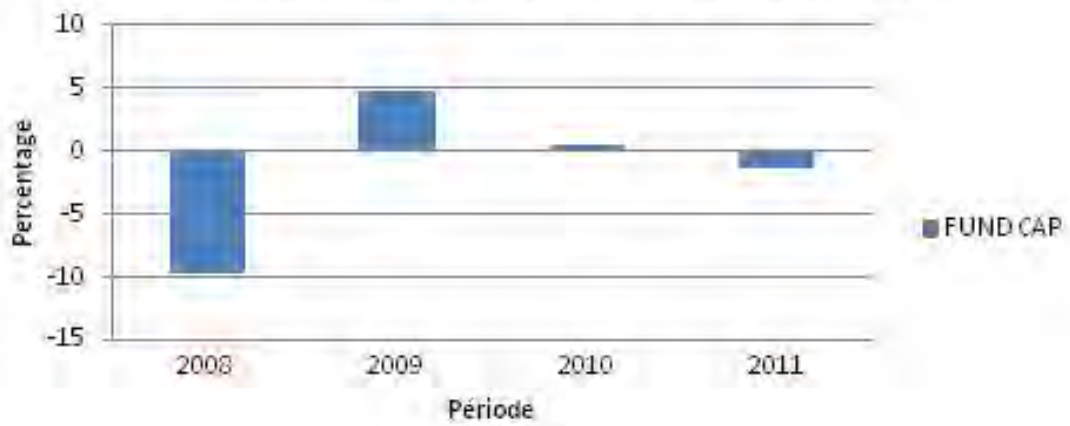
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0947262573

Horizon - CSOB Private Banking Central Europe Winners 2 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en CZK)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE09472625 73	EUR	-2.89%		3.05%						22/06/200 7	0.30%
CAP	BE09472625 73	CZK	-1.29%		1.30%						22/06/200 7	-1.87%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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.
- 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
- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.396%

- * 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB COMMODITY 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 27.09.07

Initial subscription price: CZK 10

Maturity date: 30.04.12

Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF INVESTMENT POLICY AS SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse the initial subscription price per unit of CZK 10 at maturity (capital protection). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). The different types of 'swaps' in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection at maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash (including money in fixed-term deposit or demand accounts). These investments may be of different durations and coupon payment dates, being aligned with the expiry dates of the sub-fund's commitments through the use of the 'swaps' referred to in the section *Permitted swap transactions(2)*.

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

The investments under (3) may consist of:

(A) an investment in stock-exchange-listed bonds issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and

derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be viewed on the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

(B) an investment in:

- deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and other debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit at maturity (before charges and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and, if appropriate, from any other sub-fund of the ICVC. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable

securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if not rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into considering when selecting the bonds and other debt instruments.

PERMITTED 'SWAP' TRANSACTIONS

The 'swaps' set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To achieve a potential return, the sub-fund concludes 'swaps'. As part of these swaps, the sub-fund transfers part of its future income from these investments earmarked for capital protection to these counterparties for the duration of the sub-fund. In exchange, the counterparty/-ies undertake/s to offer a potential return described in the section *Strategy selected*.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that via this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These 'swaps' are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(3) The sub-fund may also conclude 'swaps' to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The 'swaps' under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on maturity, and secondly, to generate a potential capital gain contingent on any rise in value of the Broad Commodity Index (as set out below). 120% of any rise in the value of this index (*= (Last Value less Base Value) divided by the Base Value*) which exceeds the full initial subscription value will be distributed on maturity.

Warning:

Capital gains are dependent on the trend in a financial index that, due to the limited diversification on the commodity market, has a limited composition. This index is composed of 10 constituent elements. The trend in one of the index's constituent elements can have a substantial effect on the trend in the index and as a result on any capital gain realised by the sub-fund without endangering capital protection.

The Broad Commodity Index is a weighted commodity index calculated by TIJD Beursmedia. The goal of the index is to be a steady indicator of the trend in the basket of commodities, as set out below.

	Nom	Code Bloomberg	Bourse	Devises	Pondération Initiale
1	Aluminium	LOAHDY comdty	London Metal Exchange	USD	10%
2	Cuivre	LOCADY comdty	London Metal Exchange	USD	10%
3	Zinc	LOZSDY comdty	London Metal Exchange	USD	10%
4	Nickel	LONIDY comdty	London Metal Exchange	USD	10%
5	Plomb	LOPBDY comdty	London Metal Exchange	USD	10%
6	WTI – Pétrole	CL1 comdty	Nymex	USD	10%
7	Gaz Naturel	NG1 comdty	Nymex	USD	10%
8	Grain	W 1 comdty	CBT	USD	10%
9	Maïs	C 1 comdty	CBT	USD	10%
10	Soya	S 1 comdty	CBT	USD	10%

Cet indice a une valeur de départ de 100, calculée sur la base des cours sous-jacents et la pondération initiale, enregistrés le mercredi 17 octobre 2007. (Si ce jour n'est pas un Jour d'Evaluation, le Jour d'Evaluation suivant).

La composition de l'indice est observée chaque Jour d'Evaluation. Si la pondération d'au minimum un élément de l'indice est plus élevée ou égal à 20%, la pondération de chaque élément dans l'indice est remis à la pondération initiale au Jour d'Evaluation suivant.

L'indice est publié chaque Jour d'Evaluation sur le site de KBC

MATURITY: 30.04.12 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against the currency of the Broad Commodity Index are not relevant.

BASE VALUE: the price of the index as at 17 October 2007 (if this day was not a valuation date, the next valuation date).

LAST VALUE: the price of the index on the last valuation date in March 2012.

PRICE: THE CLOSING PRICE OF THE BROAD COMMODITY INDEX AS IT IS CALCULATED AND PUBLISHED BY THE INDEX SPONSOR, NAMELY TIJD BEURSMEDIA (OR ITS LEGAL SUCCESSOR).

VALUATION DATE:

A trading day on which the competent body calculates and publishes the index price. If, however, [A] the competent stock exchange body (i) makes significant changes to the formula and/or method for calculating the index, on or before the Valuation Date, and/or (ii) does not calculate and publish the index (although all the data are available), the ICVC will calculate the index, in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index-calculation method and formula; and/or [B] an event occurs on the Valuation Date which disrupts the market (preventing calculation of the index) or if the market closes early (the competent body has announced that the market will, on that day, close earlier than on other trading days), the original Valuation Date will be replaced by the next trading day on which there is no disruption or early closure. However, if the market is disrupted or closes early on each of the eight trading days which follow the original Valuation Date, (i) the ICVC will estimate the index price, in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index calculation formula and method, and (ii) the ICVC will inform the unit holders of (a) the exceptional circumstances which have arisen, (b) the amended conditions for determining the Base Value and/or Final Value

for the Period, and (c) the terms and conditions for distribution of the amounts in the light of the investment objectives achieved.

If changes are made to an index (e.g. calculation by another sponsor, change to the calculation method, etc.), the ICVC will confer with the prime counterparty(-ies) with whom the swap contract has been concluded in order to decide how the index is to be determined. In the event of substantial changes to the index or if the index ceases to be calculated, it may be replaced by another index, provided this new index is representative of the same geographical and/or economic sectors.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, on the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 4 years and 6 months, which pays, on Maturity, 100% of any rise in value of the Basket beyond the full initial subscription value of CZK 10. The Base Value of the index is 100.

	Valeur Finale de l'indice	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	145	100% * 45% = 45%	10 + 45% * 10 = 14.5 CZK (rendement actuariel : 8.6%, avant frais et impôts)
Scénario Neutre	115	100% * 15% = 15%	10 + 15% * 10 = 11.5 CZK (rendement actuariel : 3.15%, avant frais et impôts)
Scénario Négatif	90	100% * 0% = 0%	10 + 0% * 10 = 10 CZK (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances by the index are not taken into account.

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

The following information is of a general nature 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 may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax;*
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code;*
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units. This tax is levied at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Performance of the index or basket

Index:	BROAD COMMODITY INDEX
31/12/2010:	104,02
30/06/2011:	101,66
29/12/2011:	88,42
Performance since 31.12.10 or since the launch of the sub-fund:	-15,00%
Performance since 30.06.11 or since the launch of the sub-fund:	-13,02%
Index at the launch of the sub-fund	100,00
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	CZK

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: IV

Risk rating at launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary		31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS		216.856.356,49	268.756.960,34
II. Securities, money market instruments, CIUs and derivative financial instruments			
A. Bonds and other debt instruments			
a) Bonds		194.245.568,64	220.698.870,50
F. Financial derivatives			
e) On shares			
Swap contracts (+/-)		-438.026,94	
m) On financial indexes			
Swap contracts (+/-)			22.900.791,59
IV. Receivables and payables within one year			
A. Receivables			
a) Amounts receivable			53.872,25
B. Debts			
a) Accounts payable (-)			-215.820,00
V. Deposits and cash at bank and in hand			
A. Demand balances at banks		1.284.530,66	4.799.623,37
B. Fixed-term deposits at banks		21.691.249,70	20.441.719,20
VI. Accruals and deferrals			
B. Accrued income		90.063,21	100.722,21
C. Accrued expenses (-)		-17.028,78	-22.818,78
TOTAL CAPITAL AND RESERVES		216.856.356,49	268.756.960,34
A. Capital		242.002.552,67	270.578.038,65
B. Share in the profit		-62.626,34	10.312,02
D. Result for the financial year		-25.083.569,84	-1.831.390,33

OFF-BALANCE-SHEET ITEMS

IV	Swap contract notional amounts (+)	219.013.471,00	243.108.191,00
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2.3 INCOME STATEMENT

Income statement

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-4.077.187,12	268.300,03
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-21.313.655,89	
l) On financial indexes		
Swap contracts (+/-)		-987.262,00
G. Amounts receivable, deposits, cash at bank and in hand, and liabilities	-469,50	412,80
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-1.344,43	-3.207,49
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	3.229.945,40	3.690.135,60
b) Deposits and cash at bank and in hand	209.268,93	314.511,39
C. Interest on borrowings (-)	-15,97	
D. Swap contracts (+/-)	-1.229.956,30	-2.650.024,44
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	304.860,69	227.210,18
B. Other	-44.021,28	57.144,59
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-0,04	
B. Financial expenses (-)	-32.105,59	-42.814,99
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-1.896.411,72	-2.359.356,85
b) Administration and accounting management	-119.242,11	-131.235,02
F. Formation and organisation expenses (-)	-30.738,10	-35.985,28
G. Remuneration, social security charges and pensions (-)	-245,25	-374,25
H. Services and sundry goods (-)	-56.781,96	-80.815,51
J. Taxes	-2.974,57	-69.293,34
K. Other expenses (-)	-16.406,78	-22.188,37
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	309.087,10	-1.109.633,67
V. Profit (loss) on ordinary activities before tax	-25.083.569,84	-1.831.390,33
VII. Result for the financial year	-25.083.569,84	-1.831.390,33

Appropriation of retained earnings

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit to be allocated (loss to be recognised)	-25.146.196,18	-1.821.078,31
Profit for the period available for appropriation (loss to be recognised)	-25.083.569,84	-1.831.390,33
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-62.626,34	10.312,02
II. (Appropriations to) Deductions from capital	25.146.196,18	1.821.078,31

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB COMMODITY 1

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	19.800.000,00	CZK	97,387	19.416.420,42		10,02	8,95
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	20.000.000,00	CZK	96,412	19.417.636,28		10,02	8,95
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	19.900.000,00	CZK	97,679	19.572.499,42		10,10	9,03
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	19.950.000,00	CZK	97,290	19.544.243,01		10,08	9,01
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	9.950.000,00	CZK	96,433	9.662.313,40		4,99	4,46
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 10/07-10/01 3.10 %	9.900.000,00	CZK	96,489	9.619.328,02		4,96	4,44
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	9.900.000,00	CZK	97,558	9.725.099,91		5,02	4,49
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	10.000.000,00	CZK	96,684	9.735.927,64		5,02	4,49
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	9.950.000,00	CZK	97,195	9.738.133,69		5,03	4,49
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	10.000.000,00	CZK	96,300	9.697.583,54		5,00	4,47
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	9.900.000,00	CZK	96,863	9.656.284,72		4,98	4,45
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	9.950.000,00	CZK	97,053	9.724.037,03		5,02	4,48
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	9.950.000,00	CZK	96,347	9.653.792,52		4,98	4,45
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	9.850.000,00	CZK	97,807	9.700.504,03		5,01	4,47
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	10.000.000,00	CZK	96,210	9.688.528,84		5,00	4,47
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	9.900.000,00	CZK	97,236	9.693.236,17		5,00	4,47
Total bonds				194.245.568,64		100,23	89,57
Swaps							
<u>Belgium</u>							
KBC SWAPS	219.013.471,00	CZK	-0,200	-438.026,94		-0,23	-0,20
Total swaps				-438.026,94		-0,23	-0,20
TOTAL SECURITIES PORTFOLIO				193.807.541,70		100,00	89,37
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	1.165.669,59	CZK	1,000	1.165.669,59			0,54
KBC GROUP EURO	4.660,67	EUR	1,000	118.861,07			0,06
Total demand accounts				1.284.530,66			0,59
Fixed-term deposit accounts							
<u>Belgium</u>							
KBC BANK NV 07/10-10/01/12 KBCBANK 0.850 %	1.760.000,00	CZK	100,004	1.760.070,40			0,81
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	2.290.000,00	CZK	100,001	2.290.022,90			1,06
KBC BANK NV 25/07-10/01/12 KBCBANK 0.820 %	1.960.000,00	CZK	100,003	1.960.058,80			0,90

<u>France</u>						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	15.680.000,00	CZK	100,007	15.681.097,60		7,23
Total fixed-term deposit accounts				21.691.249,70		10,00
TOTAL CASH AT BANK AND IN HAND				22.975.780,36		10,60
OTHER						
Accrued interest		CZK		90.063,21		0,04
Expenses payable		CZK		-17.028,78		-0,01
TOTAL OTHER				73.034,43		0,03
TOTAL NET ASSETS				216.856.356,49		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
EQLISWAP	CZK	219.013.471,00	219.013.471,00	n.a.	31.08.2011

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

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	809.418,00		2.208.128,00		25.572.540,00		25.572.540,00
2010 - 12	613.614,00		1.527.151,00		24.659.003,00		24.659.003,00
2011 - 12	164.542,00		2.630.450,00		22.193.095,00		22.193.095,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	8.379.589,69		22.419.698,90	
2010 - 12	6.558.706,35		16.162.331,00	
2011 - 12	1.834.529,84		28.651.563,85	

Period	Net asset value At the end of the period (in the currency of the sub-fund)		
	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	280.191.975,32	10,96	

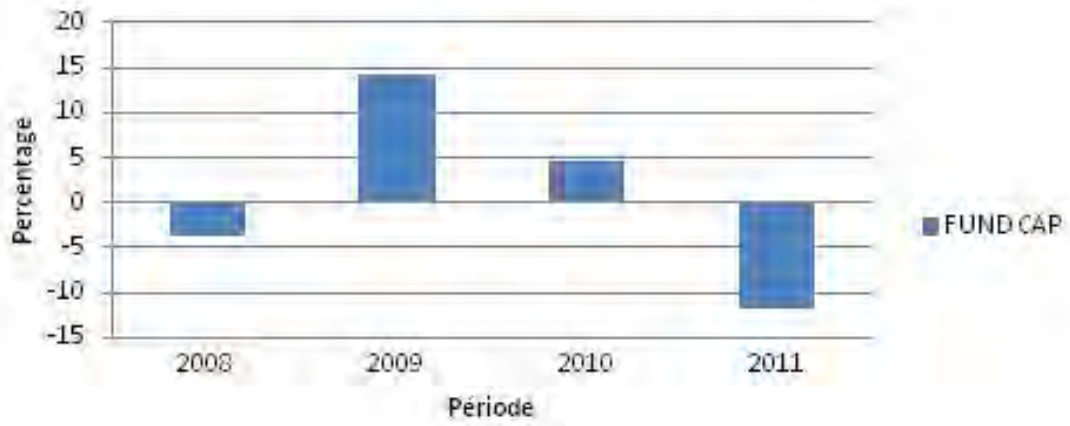
2010 - 12	268.756.960,34	10,90	
2011 - 12	216.856.356,49	9,77	

2.4.5 RETURNS

BE0947438397

Horizon - CSOB Commodity 1 - CAP:

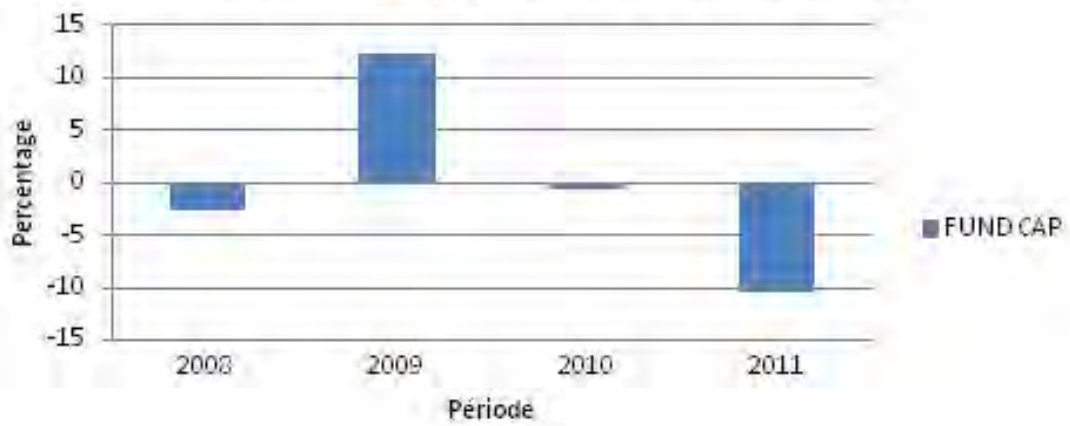
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0947438397

Horizon - CSOB Commodity 1 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en CZK)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0947438397	EUR	-11.82%		1.76%						27/09/2007	1.31%
CAP	BE0947438397	CZK	-10.37%		0.03%						27/09/2007	-0.54%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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.
- 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
- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 0.904%

* 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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 - 2.1.1. Launch date, initial subscription price and maturity date
 - 2.1.2. Stock exchange listing
 - 2.1.3. Goal and key principles of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy pursued during the financial year
 - 2.1.8. Risk rating
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 - 2.3. Income statement
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Changes in the composition of the assets
 - 2.4.3. Commitments in respect of financial derivatives positions
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 - 2.4.7. Notes to the financial statements and other data

In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB EUROPE REAL ESTATE GROWTH 4

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 31.10.07
Initial subscription price: 10 CZK
Maturity date: 29.11.13
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF INVESTMENT POLICY AS SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse the initial subscription price per unit of CZK 10 at maturity (capital protection). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection at maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash (including money in fixed-term deposit or demand accounts). These investments may have different durations and coupon payment dates which are aligned with the expiry dates of the sub-fund's commitments through the use of the swaps referred to in the section *Permitted swap transactions (2)*.

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area;
- (2) Debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

The investments under (3) may consist of:

(A) An investment in stock-exchange-listed bonds issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit at maturity (before charges and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and, if appropriate, from any other sub-fund of the ICVC. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund conducts swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, derivatives (financial derivatives), liquid assets and any other instrument permitted under the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

The rating for bonds and other long-term debt instruments when the investment is launched must be equivalent to at least "A-" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent .

The rating for bonds and other short-term debt instruments when the investment is launched must be equivalent to at least "A-1" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are conducted with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. As part of these swaps, the sub-fund transfers part of its future income from these investments earmarked for capital protection to these counterparties for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on maturity, and secondly, to generate a potential capital gain contingent on any rise in value of the EPRA Index (as set out below). 65% of any rise in the value of this index (= *Last Value less Base Value*) divided by the *Base Value* which exceeds the full initial subscription value will be distributed on maturity.

MATURITY: 29.11.13 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against the currency of the EPRA Index are not relevant.

BASE VALUE: the average prices of the index on the first ten Valuation Dates from 08.11.07 (inclusive).

LAST VALUE: The value of the Index based on the average price on the last Valuation Date of the month in each of the last 24 months before maturity, more precisely from November 2011 to October 2013 (inclusive).

PRICE:

Closing price, i.e. the price of the EPRA Index as calculated at closure of the stock exchanges and notified by the authority responsible (index sponsor), namely the Financial Times Ltd. (or its legal successor).

VALUATION DATE:

A trading day on which the competent stock exchange body calculates and publishes the index price.

If, however, **[A]** the competent stock exchange body (i) makes significant changes to the formula and/or method for calculating the index, on or before the Valuation Date, and/or (ii) does not calculate and publish the index (although all the data are available), the ICVC will calculate the index, in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index-calculation method and formula; and/or **[B]** an event occurs on the Valuation Date which disrupts the market (preventing calculation of the index) or if the market closes early (the competent body has announced that the market will, on that day, close earlier than on other trading days), the original Valuation Date will be replaced by the next trading day on which there is no disruption or early closure, provided that date is not already an original Valuation Date or already replaces an original Reference Date postponed because of disruption or early closure of the market.. However, if the market is disrupted or closes early on each of the eight trading days which follow the original Valuation Date, (i) this eighth trading day will be deemed to be the original Valuation Date, and (ii) the ICVC will estimate the index price, in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index calculation formula and method, and (iii) the ICVC will inform the unit holders of (a) the exceptional circumstances which have arisen, (b) the amended conditions for determining the Base Value and/or Final Value for the Period, and (c) the terms and conditions for distribution of the amounts in the light of the investment objectives achieved.

If changes are made to an index (e.g. calculation by another sponsor, change to the calculation method, etc.), the ICVC will confer with the prime counterparty(-ies) with whom the swap contract has been concluded in order to decide how the index is to be determined. In the event of substantial changes to the index or if the index ceases to be calculated, it may be replaced by another index, provided this new index is representative of the same geographical and/or economic sectors.

The **EPRA** Index (European Public Real Estate Index) is a weighted index that includes the most traded real estate shares in Europe. The index was launched on 31 December 1999 with a baseline value of 1000. The index price can be consulted daily in all KBC branches.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-

fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, on the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 6 years, which pays, on maturity, 70% of any rise in value of the index beyond the full initial subscription value of CZK 10. The Base Value of the index is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	180	70% * 80% = 56%	10 + 56% * 10 = 15.6 CZK (rendement actuariel : 7.69%, avant frais et impôts)
Scénario Neutre	135	70% * 35% = 24.5%	10 + 24.5% * 10 = 12.45 CZK (rendement actuariel : 3.71%, avant frais et impôts)
Scénario Négatif	90	70% * 0% = 0%	10 + 0% * 10 = 10 CZK (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances by the index are not taken into account.

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

The following information is of a general nature 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 its interpretation can change. Investors who wish to have more information about the tax implications – both in Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Performance of the index or basket

	Index: EPRA EUROPE INDEX
	31/12/2010: 1.403,24
	30/06/2011: 1.472,39
	29/12/2011: 1.202,75
Performance since 31.12.10 or since the launch of the sub-fund:	-14,29%
Performance since 30 June 2011 or since the launch of the sub-fund:	-18,31%
Index at the launch of the sub-fund:	2.027,94
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	CZK

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary		31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS		26.790.502,50	31.333.067,75
II. Securities, money market instruments, UCIs and derivative financial instruments			
A. Bonds and other debt instruments			
a) Bonds		25.391.920,93	29.925.614,36
F. Financial derivatives			
e) On shares			
Swaps (+/-)		-32.271,23	
m) On financial indexes			
Swaps (+/-)			-679.814,91
IV. Receivables and payables within one year			
A. Receivables			
a) Accounts receivable			6.942,90
B. Debts			
a) Accounts payable (-)		-47.025,38	
V. Deposits and cash at bank and in hand			
A. Demand balances at banks		185.056,48	275.075,08
B. Term accounts at banks		1.290.038,30	1.800.073,80
VI. Accruals and deferrals			
B. Accrued income		4.850,28	7.612,50
C. Accrued expenses (-)		-2.066,88	-2.435,98
TOTAL CAPITAL AND RESERVES		26.790.502,50	31.333.067,75
A. Capital		26.733.673,00	30.706.291,49
B. Share in the profit		-29.345,54	-14.104,39
D. Result for the financial year		86.175,04	640.880,65

OFF-BALANCE-SHEET ITEMS

IV	Notional amounts of swap contracts (+)	29.337.482,00	31.767.052,00
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2.3 INCOME STATEMENT

Income statement		31/12/2011	31/12/2010
		(in the currency of the sub-fund)	(in the currency of the sub-fund)
I. Write-downs and capital gains and losses			
A. Bonds and other debt instruments			
a) Bonds		-527.458,83	36.131,70
F. Financial derivatives			
e) On shares			
Swaps (+/-)		581.459,38	
l) On financial indexes			
Swaps (+/-)			843.916,53
G. Receivables, deposits, cash at bank and in hand, and payables		-35,50	-290,10
H. Foreign-exchange positions and transactions			
b) Other foreign-exchange positions and transactions		-761,32	-466,25
II. Investment income and expenses			
B. Interest			
a) Securities and money market instruments		421.005,66	496.840,17
b) Deposits and cash at bank and in hand		21.642,33	42.672,19
D. Swaps (+/-)		-36.339,17	-222.659,16
III. Other income			
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs		48.890,70	25.477,83
B. Other		-5.842,84	7.268,99
IV. Operating expenses			
B. Financial expenses (-)		-17.992,16	-12.120,82
C. Custodian's fee (-)		-6.088,25	-6.547,38
D. Manager's fee (-)			
a) Financial management		-365.610,37	-517.047,55
b) Administration and accounting management		-14.603,00	-16.401,30
F. Formation and organisation expenses (-)		-3.398,41	-4.531,38
H. Services and sundry goods (-)		-6.392,66	-20.050,72
J. Taxes		-304,11	-8.946,36
K. Other expenses (-)		-1.996,41	-2.365,74
Income and expenditure for the (interim) period			
Subtotal II + III + IV before tax on the profit		32.971,31	-238.411,23
V. Profit (loss) on ordinary activities before tax		86.175,04	640.880,65
VII. Result for the financial year		86.175,04	640.880,65

**Profit appropriation
statement**

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit to be allocated (loss to be recognised)	56.829,50	626.776,26
Profit for the period available for appropriation (loss to be recognised)	86.175,04	640.880,65
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-29.345,54	-14.104,39
II. (Appropriations to) Deductions from capital	-56.829,50	-626.776,26

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB EUROPE REAL ESTATE GROWTH 4

Name	Quantity at 31 December 2011	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	2.600.000,00	CZK	97,387	2.549.630,96		10,05	9,52
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	2.600.000,00	CZK	96,412	2.524.292,71		9,95	9,42
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	2.600.000,00	CZK	97,679	2.557.210,97		10,09	9,55
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	2.600.000,00	CZK	97,290	2.547.119,39		10,04	9,51
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	1.300.000,00	CZK	96,433	1.262.412,81		4,98	4,71
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 10/07-10/01 3.10 %	1.300.000,00	CZK	96,489	1.263.144,09		4,98	4,72
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	1.300.000,00	CZK	97,558	1.277.033,32		5,04	4,77
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	1.300.000,00	CZK	96,684	1.265.670,60		4,99	4,72
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	1.300.000,00	CZK	97,195	1.272.318,98		5,02	4,75
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	1.300.000,00	CZK	96,300	1.260.685,86		4,97	4,71
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	1.300.000,00	CZK	96,863	1.267.996,99		5,00	4,73
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	1.300.000,00	CZK	97,053	1.270.477,20		5,01	4,74
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	1.300.000,00	CZK	96,347	1.261.299,53		4,97	4,71
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	1.300.000,00	CZK	97,807	1.280.269,57		5,05	4,78
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	1.300.000,00	CZK	96,210	1.259.508,75		4,97	4,70
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	1.300.000,00	CZK	97,236	1.272.849,20		5,02	4,75
Total bonds				25.391.920,93		100,13	94,78
Swaps							
<u>Belgium</u>							
KBC SWAPS	29.337.482,00	CZK	-0,110	-32.271,23		-0,13	-0,12
Total swaps				-32.271,23		-0,13	-0,12
TOTAL SECURITIES PORTFOLIO				25.359.649,70		100,00	94,66
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	160.239,00	CZK	1,000	160.239,00			0,60
KBC GROUP EURO	973,12	EUR	1,000	24.817,48			0,09
Total demand accounts				185.056,48			0,69
Time deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	420.000,00	CZK	100,001	420.004,20			1,57
KBC BANK NV 25/07-10/01/12 KBCBANK 0.820 %	670.000,00	CZK	100,003	670.020,10			2,50

<u>France</u>						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	200.000,00	CZK	100,007	200.014,00		0,75
Total time deposit accounts				1.290.038,30		4,82
TOTAL CASH AT BANK AND IN HAND				1.475.094,78		5,51
OTHER RECEIVABLES AND PAYABLES						
Debts						
<u>Belgium</u>						
KBC GROUP CZK PAYABLE	-47.025,38	CZK	1,000	-47.025,38		-0,18
Total debts				-47.025,38		-0,18
TOTAL OTHER RECEIVABLES AND PAYABLES				-47.025,38		-0,18
OTHER						
Accrued interest		CZK		4.850,28		0,02
Expenses payable		CZK		-2.066,88		-0,01
TOTAL OTHER				2.783,40		0,01
TOTAL NET ASSETS				26.790.502,50		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
EQLISWAP	CZK	29.337.482,00	29.337.482,00	n.a.	15.04.2011

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	5.534,00		133.178,00		3.463.486,00		3.463.486,00
2010 - 12	20.308,00		242.258,00		3.241.536,00		3.241.536,00
2011 - 12	13.481,00		490.291,00		2.764.726,00		2.764.726,00

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	48.588,52		1.222.642,39	
2010 - 12	198.403,00		2.349.382,07	
2011 - 12	130.167,70		4.758.907,99	

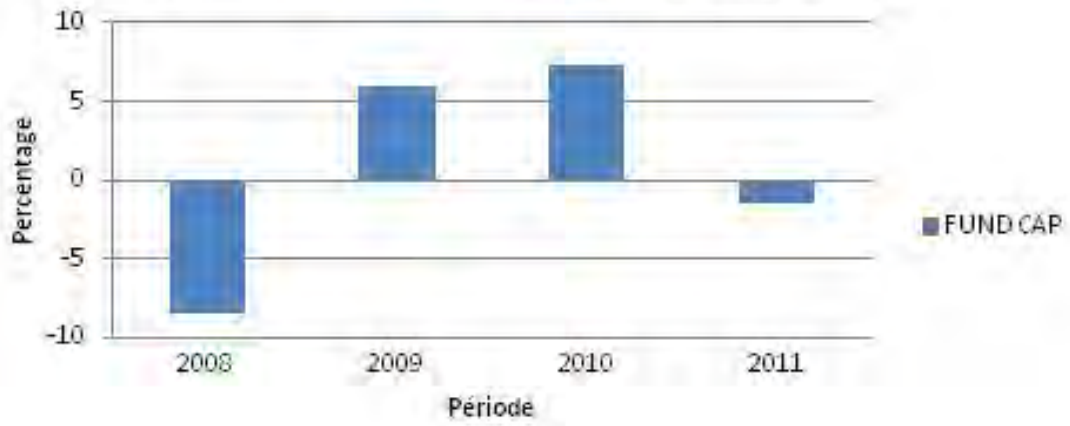
Period	Net asset value At the end of the period (in the currency of the sub fund)		
Year	Of the sub-fund	of one unit	
		Cap.	Dis.
2009 - 12	32.843.166,17	9,48	
2010 - 12	31.333.067,75	9,67	
2011 - 12	26.790.502,50	9,69	

2.4.5 PERFORMANCE FIGURES

BE0947440419

Horizon - CSOB Europe Real Estate Growth 4 - CAP:

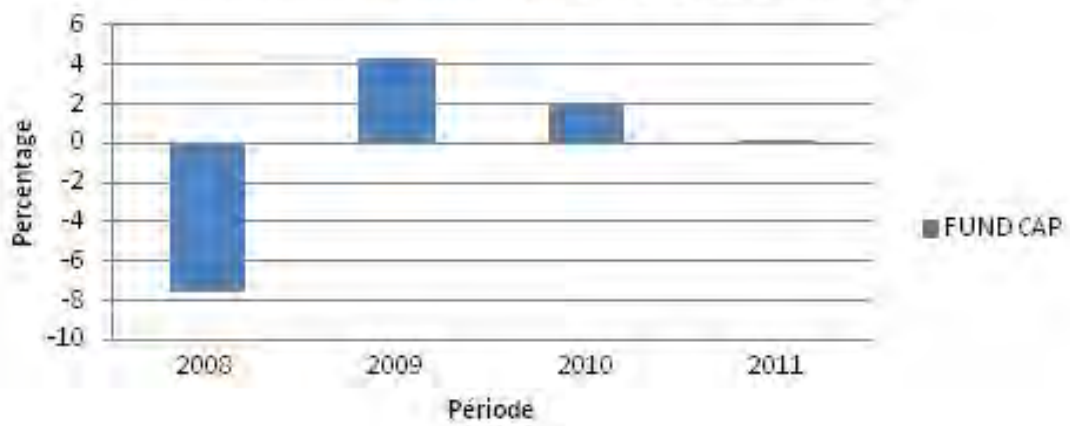
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0947440419

Horizon - CSOB Europe Real Estate Growth 4 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en CZK)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0947440419	EUR	-1.42%		3.91%						31/10/2007	0.64%
CAP	BE0947440419	CZK	0.21%		2.15%						31/10/2007	-0.75%

* Performance figures shown are annualised.

Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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.
- 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
- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.458%

* 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% to 60% if the distributor is an entity belonging to KBC Group NV, to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of investment policy" in this report.

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 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
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 - 2.4.1. Composition of the assets
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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB GLOBAL GROWTH PLUS 6

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 05.09.07
Initial subscription price: 10 CZK
Maturity date: 11.04.12
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF INVESTMENT POLICY AS SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse the initial subscription price per unit of CZK 10 at maturity (capital protection). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection at maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash (including money in fixed-term deposit or demand accounts). These investments may have different durations and coupon payment dates which are aligned with the expiry dates of the sub-fund's commitments through the use of the swaps referred to in the section *Permitted swap transactions (2)*.

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area;
- (2) Debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

The investments under (3) may consist of:

- (A) An investment in stock-exchange-listed bonds issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit at maturity (before charges and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and, if appropriate, from any other sub-fund of the ICVC. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund conducts swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, derivatives (financial derivatives), liquid assets and any other instrument permitted under the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

The rating for bonds and other long-term debt instruments when the investment is launched must be equivalent to at least "A-" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent .

The rating for bonds and other short-term debt instruments when the investment is launched must be equivalent to at least "A-1" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are conducted with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. As part of these swaps, the sub-fund transfers part of its future income from these investments earmarked for capital protection to these counterparties for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on Maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of 30 top-quality corporate shares (as defined below) with a high market capitalisation and a low price/earnings ratio. 140% of any rise in value of the basket of 30 shares (= *Last Value after deduction of the Base Value*) divided by the *Base Value*, which exceed the full initial subscription value will be distributed on Maturity..

MATURITY: 11.04.12 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against the local currencies of the equities in the basket are not relevant.

BASE VALUE: Value of the basket based on the average stock market price of shares in the basket on the first ten Valuation Dates from Friday , 12 September 2007 (inclusive).

LAST VALUE: The value of the basket based on the average of the prices for the equities in the basket on the last Valuation Date of the quarter in each of the last 18 quarters before Maturity, more precisely from November 2007 to February 2012 (inclusive).

PRICE:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of a share in the basket as calculated and published at the stock exchange close by the competent stock-exchange entity (or its legal successor) where the security is listed. For equities listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each share in the basket, this is a trading day for the stock exchange on which the share is listed and which is the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market for that share (suspension or limitation of trading in that security) or early close of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market in a share in the basket is disrupted or closes early, the original valuation date for this equity is replaced by the next trading day on which there is no disruption or early closure, provided that date is not already a scheduled valuation date or already replaces a scheduled valuation date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled valuation date, (i) this eighth trading day will be deemed to be the scheduled valuation date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which occurred with regard to one or more shares, (b) the change in the conditions for determining the base value and/or last value, and (c) the terms and conditions for distribution subject to the investment objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, on the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 4 years and 7 months, which pays, at maturity, the full amount of any rise

in value of a basket of shares beyond the full initial subscription value of 10 CZK. The Base Value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	140	100% * 40% = 40%	10 + 40% * 10 = 14 CZK (rendement actuariel : 7.61%, avant frais et impôts)
Scénario Neutre	117	100% * 17% = 17%	10 + 17% * 10 = 11.7 CZK (rendement actuariel : 3.48%, avant frais et impôts)
Scénario Négatif	90	100% * 0% = 0%	10 + 0% * 10 = 10 CZK (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share's serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ALTRIA GROUP INC	MO UN Equity	New York	4.00%
2	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	4.00%
3	BANCO SANTANDER CENTRAL HISP	SAN SM Equity	Madrid	3.00%
4	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.00%
5	CITIGROUP INC	C UN Equity	New York	3.00%
6	CREDIT SUISSE GROUP-REG	CSGN VX Equity	Virt-x	2.00%
7	DEUTSCHE BANK AG-REGISTERED	DBK GY Equity	Frankfurt	3.00%
8	DIAGEO PLC	DGE LN Equity	London	2.00%
9	DOMINION RESOURCES INC/VA	D UN equity	New York	5.00%
10	E.ON AG	EOA GY Equity	Frankfurt	2.00%
11	ELI LILLY & CO	LLY UN equity	New York	4.00%
12	ENEL SPA	ENEL IM Equity	Milan	6.00%
13	FORTUM OYJ	FUM1V FH Equity	Helsinki	3.00%
14	HSBC HOLDINGS PLC	HSBA LN Equity	London	4.00%
15	ING GROEP NV-CVA	INGA NA Equity	Amsterdam	6.00%
16	JPMORGAN CHASE & CO	JPM UN Equity	New York	2.00%
17	MANULIFE FINANCIAL CORP	MFC CT Equity	Toronto	5.00%
18	NOVARTIS AG-REG	NOVN VX Equity	Virt-x	2.00%
19	PFIZER INC	PFE UN Equity	New York	4.00%
20	REED ELSEVIER NV	REN NA Equity	Amsterdam	2.00%
21	REYNOLDS AMERICAN INC	RAI UN Equity	New York	4.00%
22	RWE AG	RWE GY Equity	Frankfurt	3.00%
23	SANOFI-AVENTIS	SAN FP Equity	Paris	3.00%
24	SUN LIFE FINANCIAL INC	SLF CT Equity	Toronto	2.00%
25	SUNTRUST BANKS INC	STI UN Equity	New York	2.00%
26	SVENSKA CELLULOSA AB-B SHS	SCAB SS Equity	Stockholm	2.00%
27	TELECOM ITALIA	TIT IM equity	Milan	4.00%
28	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
29	TOTAL SA	FP FP equity	Paris	4.00%
30	UPM-KYMMENE OYJ	UPM1V FH equity	Helsinki	4.00%

Selection criteria for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) the share has a major market capitalisation and a low price/earnings ratio, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the Maturity Date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket on the maturity date.

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

The following information is of a general nature 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 its interpretation can change. Investors who wish to have more information about the tax implications – both in Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
ALTRIA GROUP INC	1,7542
BANCO BILBAO VIZCAYA ARGENTA	1,6680
BANCO SANTANDER SA	1,4242
BRITISH AMERICAN TOBACCO PLC	5,4154
CITIGROUP INC	0,1711
CREDIT SUISSE GROUP AG-REG	0,5645
DEUTSCHE BANK AG-REGISTERED	1,0625
DIAGEO PLC	2,6474
DOMINION RESOURCES INC/VA	6,2249
E.ON AG	0,7822
ELI LILLY & CO	2,9066
ENEL SPA	2,6811
FORTUM OYJ	2,0678
HSBC HOLDINGS PLC (LONDON)	2,5143
ING GROEP NV-CVA	1,4016
JPMORGAN CHASE & CO	1,4442
MANULIFE FINANCIAL CORP	1,3167
NOVARTIS AG-REG	1,6428
PFIZER INC	3,5586
PHILIP MORRIS INTERNATIONAL	4,6578
REED ELSEVIER NV	1,3294
REYNOLDS AMERICAN INC	5,2666
RWE AG	0,9604
SANOFI	2,7614
SUN LIFE FINANCIAL INC	0,7007
SUNTRUST BANKS INC	0,4599
SVENSKA CELLULOSA AB-B SHS	1,6814
TELECOM ITALIA SPA	1,5121
TELEFONICA SA (SM)	2,0695
TOTAL SA	2,7494
UPM-KYMMENE OYJ	2,0127
TOTAL	67,41

Performance of the index or basket

Index: **BASKET**

31/12/2010: **70,08**

30/06/2011: **72,76**

29/12/2011: **67,41**

Performance since 31.12.10 or since the launch of the sub-fund: **-3,81%**

Performance since 30 June 2011 or since the launch of the sub-fund: **-7,35%**

Index at the launch of the sub-fund: **100,00**

Minimum guaranteed return in local currency on the maturity date: **10,00**

Local currency: **CZK**

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
24/08/2007	Banco Santander Central Hispanoamericano	Banco Santander	Change of name
31/03/2008		Philip Morris International	Spin off Altria
10/05/2011	SANOFI-AVENTIS	SANOFI	Change of name

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary		31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS		203.304.251,12	211.982.820,62
II. Securities, money market instruments, UCIs and derivative financial instruments			
A. Bonds and other debt instruments			
a) Bonds		180.866.613,28	189.128.019,53
F. Financial derivatives			
e) On shares			
Swaps (+/-)		-288.080,50	-1.713.474,45
IV. Receivables and payables within one year			
A. Receivables			
a) Accounts receivable			44.768,59
c) Collateral		3.370.033,70	3.370.370,70
V. Deposits and cash at bank and in hand			
A. Demand balances at banks		1.262.669,31	1.726.180,45
B. Term accounts at banks		18.030.286,90	19.331.507,10
VI. Accruals and deferrals			
B. Accrued income		77.977,39	111.348,60
C. Accrued expenses (-)		-15.248,96	-15.899,90
TOTAL CAPITAL AND RESERVES		203.304.251,12	211.982.820,62
A. Capital		205.655.961,38	208.449.023,65
B. Share in the profit		-38.783,43	-14.236,15
D. Result for the financial year		-2.312.926,83	3.548.033,12

OFF-BALANCE-SHEET ITEMS

I	Security in the form of real property (+/-)		
I.A	Collateral (+/-)		
I.A.B	Deposits and cash at bank and in hand	3.370.000,00	3.370.000,00
IV	Notional amounts of swap contracts (+)	209.682.932,00	218.914.892,00

2.3 INCOME STATEMENT

Income statement

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-3.849.485,76	240.859,03
F. Financial derivatives		
e) On shares		
Swaps (+/-)	1.283.221,77	4.022.095,72
G. Receivables, deposits, cash at bank and in hand, and payables	-1.557,20	-1.365,20
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	140,99	-6.111,03
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	2.846.434,25	3.038.984,70
b) Deposits and cash at bank and in hand	208.523,26	330.683,87
c) Collateral (+/-)	39.157,53	148.843,14
C. Interest on loans taken out (-)	-10,65	
D. Swaps (+/-)	-485.203,39	-1.645.886,66
F. Other investment income		-107.992,10
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	63.656,38	45.312,15
B. Other	-37.684,89	46.761,09
IV. Operating expenses		
B. Financial expenses (-)	-27.971,99	-36.543,35
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-2.154.850,08	-2.252.543,43
b) Administration and accounting management	-105.472,31	-106.791,42
F. Formation and organisation expenses (-)	-26.268,85	-29.659,06
G. Remuneration, social security charges and pensions (-)	-207,18	-317,07
H. Services and sundry goods (-)	-41.959,93	-58.663,80
J. Taxes	-2.482,89	-57.596,42
K. Other expenses (-)	-14.817,64	-15.489,66
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	254.753,37	-707.445,40
V. Profit (loss) on ordinary activities before tax	-2.312.926,83	3.548.033,12
VII. Result for the financial year	-2.312.926,83	3.548.033,12

**Profit appropriation
statement**

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit to be allocated (loss to be recognised)	-2.351.710,26	3.533.796,97
Profit for the period available for appropriation (loss to be recognised)	-2.312.926,83	3.548.033,12
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-38.783,43	-14.236,15
II. (Appropriations to) Deductions from capital	2.351.710,26	-3.533.796,97

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF ASSETS OF HORIZON CSOB GLOBAL GROWTH PLUS 6

Name	Quantity at 31 December 2011	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	18.400.000,00	CZK	97,387	18.043.542,21		9,99	8,88
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	18.550.000,00	CZK	96,412	18.009.857,65		9,97	8,86
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	18.500.000,00	CZK	97,679	18.195.539,65		10,08	8,95
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	18.500.000,00	CZK	97,290	18.123.734,12		10,04	8,92
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	9.250.000,00	CZK	96,433	8.982.552,66		4,97	4,42
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 10/07-10/01 3.10 %	9.250.000,00	CZK	96,489	8.987.755,97		4,98	4,42
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	9.250.000,00	CZK	97,558	9.086.583,25		5,03	4,47
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	9.350.000,00	CZK	96,684	9.103.092,35		5,04	4,48
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	9.300.000,00	CZK	97,195	9.101.974,21		5,04	4,48
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	9.300.000,00	CZK	96,300	9.018.752,69		4,99	4,44
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	9.250.000,00	CZK	96,863	9.022.286,22		5,00	4,44
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	9.300.000,00	CZK	97,053	9.088.798,43		5,03	4,47
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	9.250.000,00	CZK	96,347	8.974.631,24		4,97	4,41
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	9.200.000,00	CZK	97,807	9.060.369,24		5,02	4,46
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	9.300.000,00	CZK	96,210	9.010.331,82		4,99	4,43
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	9.250.000,00	CZK	97,236	9.056.811,57		5,02	4,46
Total bonds				180.866.613,28		100,16	88,96
Swaps							
<u>Belgium</u>							
KBC SWAPS	209.682.932,00	CZK	0,030	-288.080,50		-0,16	-0,14
Total swaps				-288.080,50		-0,16	-0,14
TOTAL SECURITIES PORTFOLIO				180.578.532,78		100,00	88,82
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	1.238.005,36	CZK	1,000	1.238.005,36			0,61
KBC GROUP EURO	967,10	EUR	1,000	24.663,95			0,01
Total demand accounts				1.262.669,31			0,62
Time deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	13.100.000,00	CZK	100,001	13.100.131,00			6,44
KBC BANK NV 25/07-10/01/12 KBCBANK 0.820 %	4.730.000,00	CZK	100,003	4.730.141,90			2,33

<u>France</u>						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	200.000,00	CZK	100,007	200.014,00		0,10
Total time deposit accounts				18.030.286,90		8,87
TOTAL CASH AT BANK AND IN HAND				19.292.956,21		9,49
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC BANK NV 08/07-10/01/12 KBCBAN 0.750 % C	3.370.000,00	CZK	100,001	3.370.033,70		1,66
Total receivables				3.370.033,70		1,66
TOTAL OTHER RECEIVABLES AND PAYABLES				3.370.033,70		1,66
OTHER						
Accrued interest		CZK		77.977,39		0,04
Expenses payable		CZK		-15.248,96		-0,01
TOTAL OTHER				62.728,43		0,03
TOTAL NET ASSETS				203.304.251,12		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
KBCBANK 08/07-10/01/12 KBCBAN 0.750 % C	CZK	3.370.000,00	3.370.000,00	n.a.	06.07.2011
EQLISWAP	CZK	209.682.932,00	209.682.932,00	n.a.	14.01.2011

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		502.381,00		21.984.620,00		21.984.620,00
2010 - 12	0,00		460.792,00		21.523.828,00		21.523.828,00
2011 - 12	0,00		645.209,00		20.878.619,00		20.878.619,00

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		4.608.186,76	
2010 - 12	0,00		4.531.218,84	
2011 - 12	0,00		6.365.642,67	

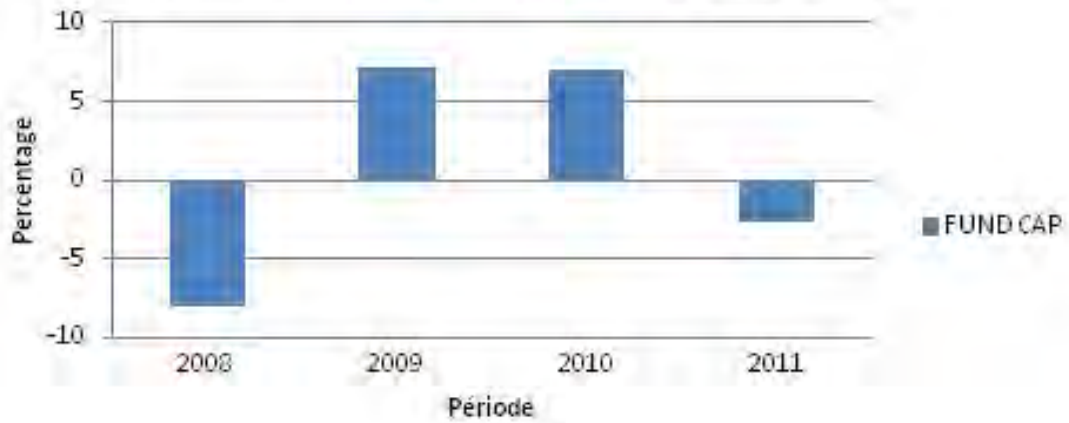
Period	Net asset value At the end of the period (in the currency of the sub fund)		
Year	Of the sub-fund	of one unit	
		Cap.	Dis.
2009 - 12	212.966.006,34	9,69	
2010 - 12	211.982.820,62	9,85	
2011 - 12	203.304.251,12	9,74	

2.4.5 PERFORMANCE FIGURES

BE0947381795

Horizon - CSOB Global Growth Plus 6 - CAP:

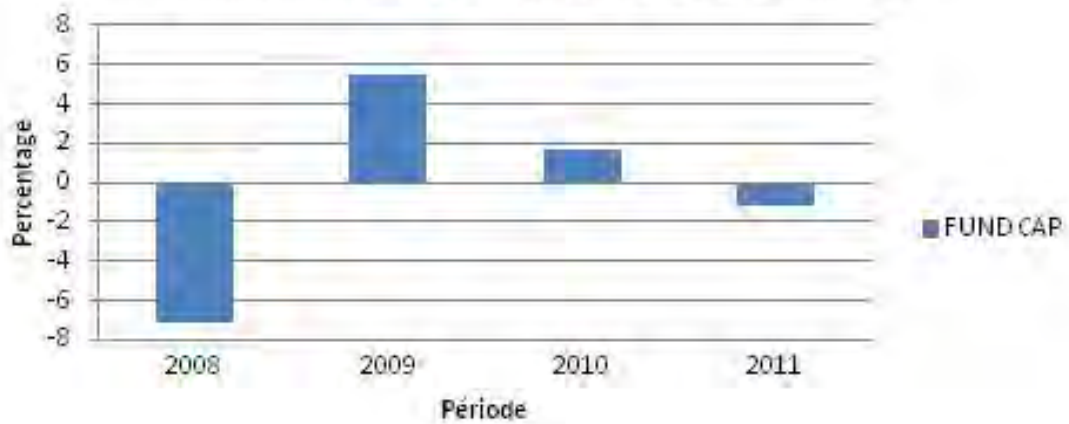
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0947381795

Horizon - CSOB Global Growth Plus 6 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en CZK)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0947381795	EUR	-2.72%		3.71%						05/09/2007	1.38%
CAP	BE0947381795	CZK	-1.12%		1.96%						05/09/2007	-0.61%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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.
- 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
- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.158%

* 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% to 60% if the distributor is an entity belonging to KBC Group NV, to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB PRIVATE BANKING WORLD LOOKBACK 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 14.09.07
Initial subscription price: 10 CZK
Maturity date: 29.03.13
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF INVESTMENT POLICY AS SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse at least 95% of the initial subscription price per share of CZK 10 at maturity, namely CZK 9.5 through investments described in the section *Authorised asset categories*.
- (2) To offer a potential return through a swap agreement (contrats d'échange). To this end, the sub-fund transfers part of its future revenue described in *Authorised asset categories* to the counterparty/-ies for the duration of the sub-fund. In exchange, the counterparty(ies) undertake(s) to provide a potential yield. The different types of swaps in which the sub-fund can invest are explained in *Authorised swap transactions*.

No formal reimbursement guarantee of at least 95% of the initial subscription price is granted to the sub-fund or its investors. In other words, this objective does not constitute an obligation for the sub-fund to generate a gain, although the achievement of this objective through the investments described above in the *Authorised financial asset categories* remains its absolute priority.

If the objective of reimbursing at least 95% of the initial subscription price per share is not achieved at maturity, KBC Asset Management can decide (but is under no obligation) to allocate the management fee made from SICAV sub-fund and potentially other sub-funds during the current financial year to hedge against this shortfall. This does not constitute a guarantee on the part of KBC Asset Management SA. At its own discretion, it can decide at any time whether or not to use the management fee for this purpose.

This objective of reimbursing at least 95% of the initial subscription price per share does not extend to shareholders selling their shares before maturity.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with provisions of the Royal Decree of 4 March 2005 regarding certain public investment entities, sub-fund investments can consist of negotiable securities, particularly bonds and other debt instruments, money market instruments, shares of collective investment undertakings, deposits, derivatives, liquid assets and all other instruments, provided that this is allowed by the applicable regulations. These investments can have different durations and coupon payment dates which are adjusted to sub-fund commitment renewal dates through swaps described in *Authorised swap transactions (2)*.

Investment limits and restrictions set by the Royal Decree of 4 March 2005 regarding certain mutual funds will be observed at all times.

The sub-fund may invest in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

The rating for bonds and other long-term debt instruments when the investment is launched must be equivalent to at least "A-" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent .

The rating for bonds and other short-term debt instruments when the investment is launched must be equivalent to at least "A-1" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are conducted with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. Under these swaps, the sub-fund transfers a portion of its future earnings from the investments indicated under the section *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The use of swaps in this sub-fund may entail a maximum 5% loss of the initial capital invested.

The swaps under (1) are essential to completion of the investment objects of the sub-fund, given that via this method, the goal of reaching a potential return can occur.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the investments referred to under *Permitted asset classes*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the

market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Through such a swap, one or several counterparts resume the risk of non-performing bond or other debt instrument issuers within the sub-fund portfolio in exchange for a premium payable by the sub-fund.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to repay 95% of the initial subscription value on maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of 30 shares in top-quality companies (as set out below) with major market capitalisation and a low price/earnings ratio (as set out below) through a "Best Timing" structure.

This Best Timing structure means that account is taken, in calculating the net asset value on maturity, firstly, of the initial subscription value and, secondly, of the performance of the basket as compared with the Minimum Base Value. The net asset value on maturity depends on the occurrence of one of the two scenarios below:

Scenario 1: the final value is greater than or equal to the minimum base value. In this case any increase in the value (= *(Last Value less Minimum Base Value) divided by the Base Value*) is taken into account with no ceiling up to 110% and will be distributed on Maturity above 95% of the initial subscription value.

Scenario 2: the final value is less than the minimum base value. In this case 95% of the initial subscription value will be distributed at maturity.

The Minimum Base Value is whichever is the lowest of the Base Value and the lowest value of the basket recorded during the Initial Observation Dates. It is always less than or equal to the Base Value. Consequently, if Scenario 1 occurs, it is in the interests of investors for the basket to fall in value during the initial period of the duration of the sub-fund (notably on the Initial Observation Dates) given that the lowest price recorded during the Initial Observation Dates and the Base Value are taken into consideration in calculating any rise in the value of the basket.

Thus this sub-fund does not offer a guaranteed return or protection of capital, either during the term or at the renewal date.

MATURITY: 29.03.13 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against the local currencies of the equities in the basket are not relevant.

BASE VALUE: value of the basket based on the average of the prices for shares in the basket for the first ten Valuation Dates from 21.09.07 (inclusive).

LAST VALUE: the value of the basket based on the average price for the equities in the basket on the last Valuation Date of the month in each of the last 18 months before maturity, more precisely from September 2011 to February 2013 (inclusive).

MINIMUM BASE VALUE: whichever is the lowest of the Base Value and the lowest value of the basket for all the Initial Observation Dates.

INITIAL OBSERVATION DATES: the first Valuation Date of each month, from October 2007 until September 2008 (inclusive).

PRICE:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of a share in the basket as calculated and

published at the stock exchange close by the competent stock-exchange entity (or its legal successor) where the security is listed. For equities listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each share in the basket, this is a trading day for the stock exchange on which the share is listed and which is the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market for that share (suspension or limitation of trading in that security) or early close of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market in a share in the basket is disrupted or closes early, the original valuation date for this equity is replaced by the next trading day on which there is no disruption or early closure, provided that date is not already a scheduled valuation date or already replaces a scheduled valuation date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled valuation date, (i) this eighth trading day will be deemed to be the scheduled valuation date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which occurred with regard to one or more shares, (b) the change in the conditions for determining the base value and/or last value, and (c) the terms and conditions for distribution subject to the investment objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, on the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5 years and 6 months, which pays, on Maturity, 80% of any rise in value (= (Last Value less the Minimum Base Value) divided by the Base Value) beyond 95% of the initial subscription value (of CZK 10). The Base Value of the basket is 100.

	Base value	Last value	Minimum Base Value:	Relevant capital gain (*)	Value at maturity
Positive scenario	100	140	80	$80\% * (140 - 80) / 100 = 48\%$	$9.5 + 48\% * 10 = 14.3$ CZK (yield to maturity: 6.71% before costs and taxes)
Neutral scenario	100	120	90	$80\% * (120 - 90) / 100 = 24\%$	$9.5 + 24\% * 10 = 11.9$ CZK (yield to maturity: 3.21% before costs and taxes)
Negative scenario	100	60	80	0% (*)	$9.5 - 0\% * 10 = 9.5$ CZK (yield to maturity: -0.93% before costs and taxes)

(*) Negative performances are not taken into account.

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share's serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ALTRIA GROUP INC	MO UN Equity	New York	4.00%
2	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	4.00%
3	BANCO SANTANDER CENTRAL HISP	SAN SM Equity	Madrid	3.00%
4	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.00%
5	CITIGROUP INC	C UN Equity	New York	3.00%
6	CREDIT SUISSE GROUP-REG	CSGN VX Equity	Virt-x	2.00%
7	DEUTSCHE BANK AG-REGISTERED	DBK GY Equity	Frankfurt	3.00%
8	DIAGEO PLC	DGE LN Equity	London	2.00%
9	DOMINION RESOURCES INC/VA	D UN Equity	New York	5.00%
10	E.ON AG	EOA GY Equity	Frankfurt	2.00%
11	ELI LILLY & CO	LLY UN Equity	New York	4.00%
12	ENEL SPA	ENEL IM Equity	Milan	6.00%
13	FORTUM OYJ	FUM1V FH Equity	Helsinki	3.00%
14	HSBC HOLDINGS PLC	HSBA LN Equity	London	4.00%
15	ING GROEP NV-CVA	INGA NA Equity	Amsterdam	6.00%
16	JPMORGAN CHASE & CO	JPM UN Equity	New York	2.00%
17	MANULIFE FINANCIAL CORP	MFC CT Equity	Toronto	5.00%
18	NOVARTIS AG-REG	NOVN VX Equity	Virt-x	2.00%
19	PFIZER INC	PFE UN Equity	New York	4.00%
20	REED ELSEVIER NV	REN NA Equity	Amsterdam	2.00%
21	REYNOLDS AMERICAN INC	RAI UN Equity	New York	4.00%
22	RWE AG	RWE GY Equity	Frankfurt	3.00%
23	SANOFI-AVENTIS	SAN FP Equity	Paris	3.00%
24	SUN LIFE FINANCIAL INC	SLF CT Equity	Toronto	2.00%
25	SUNTRUST BANKS INC	STI UN Equity	New York	2.00%
26	SVENSKA CELLULOSA AB-B SHS	SCAB SS Equity	Stockholm	2.00%
27	TELECOM ITALIA	TIT IM Equity	Milan	4.00%
28	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
29	TOTAL SA	FP FP Equity	Paris	4.00%
30	UPM-KYMMENE OYJ	UPM1V FH Equity	Helsinki	4.00%

Selection criteria for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) the share has a major market capitalisation and a low price/earnings ratio, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the Maturity Date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket on the maturity date.

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

The following information is of a general nature 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 its interpretation can change. Investors who wish to have more information about the tax implications – both in Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the

sub-fund, 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

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
ALTRIA GROUP INC	1,7217
BANCO BILBAO VIZCAYA ARGENTA	1,6317
BANCO SANTANDER SA	1,3699
BRITISH AMERICAN TOBACCO PLC	5,3101
CITIGROUP INC	0,1702
CREDIT SUISSE GROUP AG-REG	0,5569
DEUTSCHE BANK AG-REGISTERED	1,0515
DIAGEO PLC	2,5956
DOMINION RESOURCES INC/VA	6,2341
E.ON AG	0,7696
ELI LILLY & CO	2,8689
ENEL SPA	2,6335
FORTUM OYJ	1,9748
HSBC HOLDINGS PLC (LONDON)	2,4648
ING GROEP NV-CVA	1,3623
JPMORGAN CHASE & CO	1,4345
MANULIFE FINANCIAL CORP	1,3010
NOVARTIS AG-REG	1,6560
PFIZER INC	3,5132
PHILIP MORRIS INTERNATIONAL	4,5715
REED ELSEVIER NV	1,3288
REYNOLDS AMERICAN INC	5,2914
RWE AG	0,9290
SANOFI	2,8057
SUN LIFE FINANCIAL INC	0,6983
SUNTRUST BANKS INC	0,4609
SVENSKA CELLULOSA AB-B SHS	1,7111
TELECOM ITALIA SPA	1,5235
TELEFONICA SA (SM)	2,0430
TOTAL SA	2,7677
UPM-KYMMENE OYJ	1,9916
TOTAL	66,74

Performance of the index or basket

Index:	BASKET
31/12/2010:	69,30
30/06/2011:	71,96
29/12/2011:	66,74
Performance since 31.12.10 or since the launch of the sub-fund:	-3,69%
Performance since 30 June 2011 or since the launch of the sub-fund:	-7,25%
Index at the launch of the sub-fund:	79,01
Minimum guaranteed return in local currency on the maturity date:	9,50
Local currency:	CZK

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
24/08/2007	Banco Santander Central Hispanoamericano	Banco Santander	Change of name
31/03/2008		Philip Morris International	Spin off Altria
10/05/2011	SANOFI-AVENTIS	SANOFI	Change of name

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary		31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS		185.267.585,48	205.604.943,89
II. Securities, money market instruments, UCIs and derivative financial instruments			
A. Bonds and other debt instruments			
a) Bonds		174.518.384,62	195.511.818,93
F. Financial derivatives			
e) On shares			
Swaps (+/-)		-11.069.652,65	-11.889.782,88
IV. Receivables and payables within one year			
A. Receivables			
a) Accounts receivable			46.819,45
c) Collateral		12.329.623,30	12.330.856,25
B. Debts			
a) Accounts payable (-)		-2.720.520,03	
V. Deposits and cash at bank and in hand			
A. Demand balances at banks		1.328.271,60	1.433.120,17
B. Term accounts at banks		10.810.166,90	8.090.162,70
VI. Accruals and deferrals			
B. Accrued income		85.237,95	97.404,26
C. Accrued expenses (-)		-13.926,21	-15.454,99
TOTAL CAPITAL AND RESERVES		185.267.585,48	205.604.943,89
A. Capital		188.665.803,89	207.120.939,77
B. Share in the profit		-121.000,00	-85.917,80
D. Result for the financial year		-3.277.218,41	-1.430.078,08

OFF-BALANCE-SHEET ITEMS

I	Security in the form of real property (+/-)		
I.A	Collateral (+/-)		
I.A.B	Deposits and cash at bank and in hand	12.329.500,00	12.329.500,00
IV	Notional amounts of swap contracts (+)	204.981.115,00	216.118.815,00

2.3 INCOME STATEMENT

Income statement		31/12/2011	31/12/2010
		(in the currency of the sub-fund)	(in the currency of the sub-fund)
I. Write-downs and capital gains and losses			
A. Bonds and other debt instruments			
a) Bonds		-3.692.795,05	291.574,91
F. Financial derivatives			
e) On shares			
Swaps (+/-)		209.784,27	-614.494,52
G. Receivables, deposits, cash at bank and in hand, and payables		-1.228,75	-4.233,35
H. Foreign-exchange positions and transactions			
b) Other foreign-exchange positions and transactions		-4.309,86	-9.550,51
II. Investment income and expenses			
B. Interest			
a) Securities and money market instruments		2.800.507,66	3.284.496,41
b) Deposits and cash at bank and in hand		151.591,61	330.991,18
c) Collateral (+/-)		143.261,94	308.790,80
C. Interest on loans taken out (-)		-6.383,54	-12,36
D. Swaps (+/-)		-610.464,24	-2.035.629,21
F. Other investment income			-169.696,41
III. Other income			
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs		170.601,25	348.113,31
B. Other		-39.043,77	52.030,93
IV. Operating expenses			
B. Financial expenses (-)		-28.724,43	-38.877,28
C. Custodian's fee (-)		-6.088,25	-6.547,38
D. Manager's fee (-)			
a) Financial management		-2.178.469,47	-2.888.956,41
b) Administration and accounting management		-103.924,58	-108.892,57
F. Formation and organisation expenses (-)		-24.968,84	-31.707,97
G. Remuneration, social security charges and pensions (-)		-199,96	-339,48
H. Services and sundry goods (-)		-40.460,45	-61.973,27
J. Taxes		-2.426,27	-60.209,26
K. Other expenses (-)		-13.477,68	-14.955,64
Income and expenditure for the (interim) period			
Subtotal II + III + IV before tax on the profit		211.330,98	-1.093.374,61
V. Profit (loss) on ordinary activities before tax		-3.277.218,41	-1.430.078,08
VII. Result for the financial year		-3.277.218,41	-1.430.078,08

**Profit appropriation
statement**

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit to be allocated (loss to be recognised)		
Profit for the period available for appropriation (loss to be recognised)	-3.398.218,41	-1.515.995,88
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-3.277.218,41	-1.430.078,08
	-121.000,00	-85.917,80
II. (Appropriations to) Deductions from capital	3.398.218,41	1.515.995,88

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB PRIVATE BANKING WORLD LOOKBACK 1

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	17.750.000,00	CZK	97,387	17.406.134,47		10,65	9,40
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	17.950.000,00	CZK	96,412	17.427.328,56		10,66	9,41
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	17.850.000,00	CZK	97,679	17.556.236,91		10,74	9,48
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	17.900.000,00	CZK	97,290	17.535.937,34		10,73	9,47
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	8.950.000,00	CZK	96,433	8.691.226,63		5,32	4,69
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 10/07-10/01 3.10 %	8.900.000,00	CZK	96,489	8.647.678,72		5,29	4,67
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	8.900.000,00	CZK	97,558	8.742.766,58		5,35	4,72
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	9.000.000,00	CZK	96,684	8.762.334,88		5,36	4,73
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	8.950.000,00	CZK	97,195	8.759.426,79		5,36	4,73
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	9.000.000,00	CZK	96,300	8.727.825,19		5,34	4,71
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	8.900.000,00	CZK	96,863	8.680.902,42		5,31	4,69
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	8.950.000,00	CZK	97,053	8.746.746,88		5,35	4,72
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	8.950.000,00	CZK	96,347	8.683.562,12		5,31	4,69
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	8.900.000,00	CZK	97,807	8.764.922,42		5,36	4,73
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	8.950.000,00	CZK	96,210	8.671.233,31		5,31	4,68
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	8.900.000,00	CZK	97,236	8.714.121,40		5,33	4,70
Total bonds				174.518.384,62		106,77	94,20
Swaps							
<u>Belgium</u>							
KBC SWAPS	204.981.115,00	CZK	-5,910	-11.069.652,65		-6,77	-5,98
Total swaps				-11.069.652,65		-6,77	-5,98
TOTAL SECURITIES PORTFOLIO				163.448.731,97		100,00	88,22
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	1.314.467,59	CZK	1,000	1.314.467,59			0,71
KBC GROUP EURO	541,27	EUR	1,000	13.804,01			0,01
Total demand accounts				1.328.271,60			0,72
Time deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	9.830.000,00	CZK	100,001	9.830.098,30			5,31

<u>France</u>						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	980.000,00	CZK	100,007	980.068,60		0,53
Total time deposit accounts				10.810.166,90		5,84
TOTAL CASH AT BANK AND IN HAND				12.138.438,50		6,55
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC BANK NV 08/07-10/01/12 KBCBAN 0.750 % C	12.329.500,00	CZK	100,001	12.329.623,30		6,66
Total receivables				12.329.623,30		6,66
Debts						
<u>Belgium</u>						
KBC GROUP CZK PAYABLE	-2.720.520,03	CZK	1,000	-2.720.520,03		-1,47
Total debts				-2.720.520,03		-1,47
TOTAL OTHER RECEIVABLES AND PAYABLES				9.609.103,27		5,19
OTHER						
Accrued interest		CZK		85.237,95		0,05
Expenses payable		CZK		-13.926,21		-0,01
TOTAL OTHER				71.311,74		0,04
TOTAL NET ASSETS				185.267.585,48		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
KBCBANK 08/07-10/01/12 KBCBAN 0.750 % C	CZK	12.329.500,00	12.329.500,00	n.a.	06.07.2011
EQLISWAP	CZK	204.981.115,00	204.981.115,00	n.a.	30.09.2011

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		1.503.000,00		25.777.940,00		25.777.940,00
2010 - 12	0,00		3.725.000,00		22.052.940,00		22.052.940,00
2011 - 12	0,00		1.836.500,00		20.216.440,00		20.216.440,00

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		12.874.210,00	
2010 - 12	0,00		34.811.359,40	
2011 - 12	0,00		17.060.140,00	

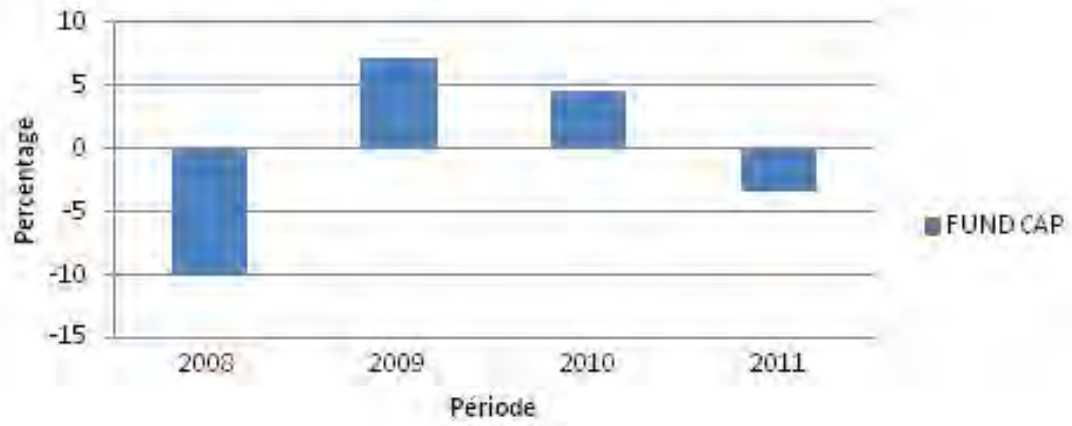
Period	Net asset value At the end of the period (in the currency of the sub fund)		
Year	Of the sub-fund	of one unit	
		Cap.	Dis.
2009 - 12	241.846.381,37	9,38	
2010 - 12	205.604.943,89	9,32	
2011 - 12	185.267.585,48	9,16	

2.4.5 PERFORMANCE FIGURES

BE0947382801

Horizon - CSOB Private Banking World Lookback 1 - CAP:

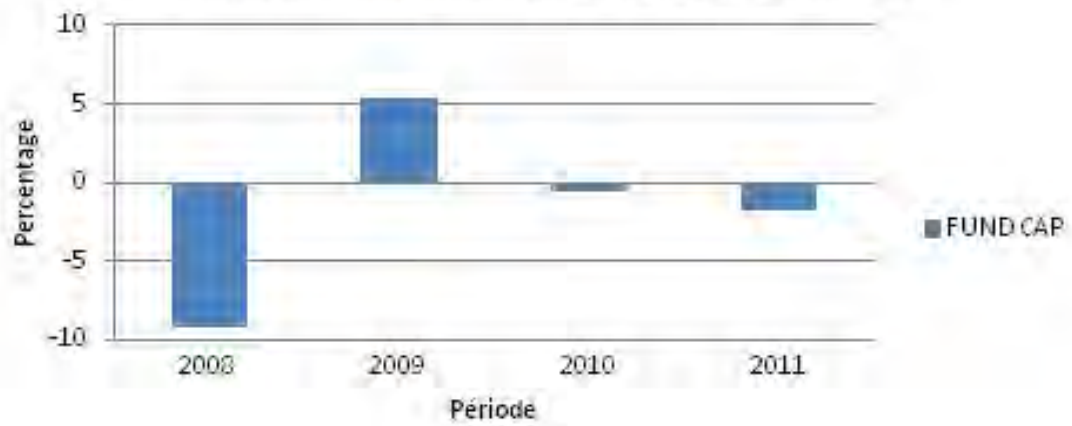
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0947382801

Horizon - CSOB Private Banking World Lookback 1 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en CZK)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0947382801	EUR	-3.31%		2.71%						14/09/2007	-0.05%
CAP	BE0947382801	CZK	-1.72%		0.96%						14/09/2007	-2.02%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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.
- 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
- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.229%

- * 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% to 60% if the distributor is an entity belonging to KBC Group NV, to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of investment policy" in this report.

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 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
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 - 2.4.1. Composition of the assets
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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON KREDYT BANK CE CHAMPIONS 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 25.01.08
Initial subscription price: PLN 100
Maturity date: 28.02.13
Currency: PLN

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF INVESTMENT POLICY AS SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse on maturity the initial subscription price per unit of PLN 100. The objective is secured by an official guarantee issued by KBC Bank SA, Avenue du Port 2, B-1080 Brussels in favour of the sub-fund unit holders. Further information concerning guarantee procedures is available in the additional information document on the sub-fund.
This capital guarantee does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts), which is why the sub-fund transfers a portion of the future earnings from the investments indicated under the point dealing with *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake to offer a potential return. This objective does not form part of the guarantee.
The different types of swaps in which the sub-fund can invest are explained under the section *Permitted swap transactions*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable laws and regulations. These investments may be of different durations and coupon payment dates, being aligned to the expiry dates of the sub-fund's commitments through the use of the 'swaps' set out in the section *Permitted swap transactions*(2).

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

The sub-fund may invest in stock-exchange-listed bonds issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

The rating for bonds and other long-term debt instruments when the investment is launched must be equivalent to at least "A-" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent .

The rating for bonds and other short-term debt instruments when the investment is launched must be equivalent to at least "A-1" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are conducted with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. Under these swaps, the sub-fund transfers a portion of its future earnings from the investments indicated under the section *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the investments referred to under *Permitted asset classes*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to repay 95% of the initial subscription value on maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of 30 shares in companies with a high sales turnover within Central Europe and which can therefore be expected to benefit from an economic expansion in that region. 105% of any rise in value of the basket of 30 shares (*= Last Value minus the Base Value) divided by the Base Value*), which exceed 95% of the initial subscription value will be distributed on maturity.

MATURITY: 28.02.13 (Payment with a value date of D + 1 bank business day)

CURRENCY: PLN, changes to the local currency exchange rates for shares in the basket with respect to the PLN are not relevant.

BASE VALUE: Value of the basket based on the average stock market price of shares in the basket on the first ten Valuation Dates from Friday 1 February 2008 (inclusive).

LAST VALUE: Value of the basket on the basis of the average price of the shares in the basket on the last appraisal day of the month for the last 12 months before the renewal date, specifically February 2012 to January 2013 (inclusive).

PRICE:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of a share in the basket as calculated and published at the stock exchange close by the competent stock-exchange entity (or its legal successor) where the security is listed. For equities listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each share in the basket, this is a trading day for the stock exchange on which the share is listed and which is the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market for that share (suspension or limitation of trading in that security) or early close of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market in a share in the basket is disrupted or closes early, the original valuation date for this equity is replaced by the next trading day on which there is no disruption or early closure, provided that date is not already a scheduled valuation date or already replaces a scheduled valuation date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled valuation date, (i) this eighth trading day will be deemed to be the scheduled valuation date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which occurred with regard to one or more shares, (b) the change in the conditions for determining the base value and/or last value, and (c) the terms and conditions for distribution subject to the investment objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, on the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5 years, which pays, on Maturity, 90% of any rise in value (= (Last Value less the Minimum Base Value) divided by the Base Value) beyond 95% of the initial subscription value (of PLN 100). The Base Value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	150	90% * 50% = 45%	100 + 45% * 100 = 145 PLN (rendement actuariel : 7.71%, avant frais et impôts)
Scénario Neutre	120	90% * 20% = 18%	100 + 18% * 100 = 118 PLN (rendement actuariel : 3.36%, avant frais et impôts)
Scénario Négatif	90	90% * 0% = 0%	100 + 0% * 100 = 100 PLN (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances are not taken into account.

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share's serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	AGFA GEVAERT NV	AGFB BB EQUITY	BRUSSELS	4.00%
2	ALLIED IRISH BANKS PLC	ALBK LN EQUITY	LONDON	5.00%
3	ALTRIA GROUP	MO UN EQUITY	NEW YORK	5.00%
4	ARCELOR MITTAL	MT NA EQUITY	AMSTERDAM	4.00%
5	CARLSBERG AS-B	CARLB DC EQUITY	COPENHAGEN	1.00%
6	CARREFOUR SA	CA FP EQUITY	PARIS	3.00%
7	DIAGEO PLC	DGE LN EQUITY	LONDON	4.00%
8	GRUPA KETY SA	KTY PW EQUITY	WARSAW	1.00%
9	KRAFT FOODS INC-A	KFT UN EQUITY	NEW YORK	4.00%
10	MASTERCARD INC-CLASS A	MA UN EQUITY	NEW YORK	1.00%
11	METRO AG	MEO GY EQUITY	FRANKFURT	3.00%
12	NESTLE	NESN VX EQUITY	VIRT-X	4.00%
13	NIKE INC -CL B	NKE UN EQUITY	NEW YORK	2.00%
14	ORBIS SA	ORB PW EQUITY	WARSAW	1.00%
15	OUTOKUMPU OYJ	OUT1V FH EQUITY	HELSINKI	5.00%
16	PEPSICO INC	PEP UN EQUITY	NEW YORK	3.00%
17	PERNOD-RICARD SA	RI FP Equity	PARIS	3.00%
18	PHILIPS ELECTRONICS NV	PHIA NA EQUITY	AMSTERDAM	3.00%
19	PPR	PP FP EQUITY	PARIS	4.00%
20	PUBLICIS GROUPE	PUB FP EQUITY	PARIS	3.00%
21	RAUTARUUKKI OYJ	RTRKS FH EQUITY	HELSINKI	5.00%
22	RWE AG	RWE GY EQUITY	FRANKFURT	5.00%
23	RYANAIR HOLDINGS PLC	RYA ID EQUITY	DUBLIN	1.00%
24	SUEZ SA	SZE FP Equity	PARIS	5.00%
25	TELEKOMUNIKACJA POLSKA S.A.	TPS PW EQUITY	WARSAW	3.00%
26	TESCO PLC	TSCO LN EQUITY	LONDON	4.00%
27	THE SWATCH GROUP AG-BR	UHR VX EQUITY	VIRT-X	2.00%
28	UNICREDITO ITALIANO SPA	UC IM EQUITY	MILAN	5.00%
29	UNILEVER	ULVR LN EQUITY	LONDON	4.00%
30	WPP GROUP PLC	WPP LN EQUITY	LONDON	3.00%

Selection criteria for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) the issuer derives a significant proportion of its sales revenue from Central Europe, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the Maturity Date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket on the maturity date.

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

The following information is of a general nature 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 its interpretation can change. Investors who wish to have more information about the tax implications – both in Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
AGFA GEVAERT NV	0,6567
ALLIED IRISH BANKS PLC	0,0218
ALTRIA GROUP INC	2,0293
ARCELORMITTAL (AMSTERDAM)	1,2601
CARLSBERG AS-B	0,9275
CARREFOUR SA	1,2755
DIAGEO PLC	5,4447
GDF SUEZ	2,7434
GRUPA KETY SA	0,8380
KRAFT FOODS INC-CLASS A	5,1482
MASTERCARD INC-CLASS A	1,8303
METRO AG	1,5260
NESTLE SA-REG	4,5134
NIKE INC -CL B	3,1883
ORBIS SA	0,6668
OUTOKUMPU OYJ	1,0800
PEPSICO INC	2,8555
PERNOD-RICARD SA	3,2443
PHILIP MORRIS INTERNATIONAL	5,3884
PHILIPS ELECTRONICS NV	1,8190
PPR	4,7336
PUBLICIS GROUPE	4,5196
RAUTARUUKKI OYJ	1,3497
RWE AG	1,5879
RYANAIR HOLDINGS PLC	1,0294
SWATCH GROUP AG/THE-BR	2,3690
TELEKOMUNIKACJA POLSKA SA	2,2510
TESCO PLC	4,0338
UNICREDIT SPA	0,7799
UNILEVER PLC	5,3292
WPP PLC	3,3088
TOTAL	77,75

Performance of the index or basket

Index:	BASKET
31/12/2010:	87,74
30/06/2011:	85,38
29/12/2011:	77,75
Performance since 31.12.10 or since the launch of the sub-fund:	-11,39%
Performance since 30 June 2011 or since the launch of the sub-fund:	-8,94%
Index at the launch of the sub-fund:	100,00
Minimum guaranteed return in local currency on the maturity date:	100,00
Local currency:	PLN

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
31/03/2008		Philip Morris International	Spin off Altria
22/07/2008	SUEZ SA (PARIS)	GDF SUEZ	Acquisition
26/01/2011	ALLIED IRISH BANKS PLC (UK)	ALLIED IRISH BANKS PLC	Change in stock market

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: IV

Risk rating at launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary		31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS		21.727.494,79	24.137.378,36
II. Securities, money market instruments, UCIs and derivative financial instruments			
A. Bonds and other debt instruments			
a) Bonds		19.994.063,12	21.954.227,86
F. Financial derivatives			
e) On shares			
Swaps (+/-)		-1.026.666,59	-932.597,17
IV. Receivables and payables within one year			
A. Receivables			
a) Accounts receivable			5.030,72
c) Collateral		1.399.776,00	1.399.916,00
B. Debts			
a) Accounts payable (-)		-18.191,10	-285.981,30
V. Deposits and cash at bank and in hand			
A. Demand balances at banks		107.860,15	220.445,73
B. Term accounts at banks		1.239.754,90	1.749.809,60
VI. Accruals and deferrals			
B. Accrued income		49.926,52	47.665,62
C. Accrued expenses (-)		-19.028,21	-21.138,70
TOTAL CAPITAL AND RESERVES		21.727.494,79	24.137.378,36
A. Capital		22.231.058,25	23.265.738,95
B. Share in the profit		-6.630,86	-4.917,27
D. Result for the financial year		-496.932,60	876.556,68

OFF-BALANCE-SHEET ITEMS

I	Security in the form of real property (+/-)		
I.A	Collateral (+/-)		
I.A.B	Deposits and cash at bank and in hand	1.400.000,00	1.400.000,00
IV	Notional amounts of swap contracts (+)	22.947.600,00	25.064.300,00

2.3 INCOME STATEMENT

Income statement		31/12/2011	31/12/2010
		(in the currency of the sub-fund)	(in the currency of the sub-fund)
I. Write-downs and capital gains and losses			
A. Bonds and other debt instruments			
a) Bonds		-413.344,41	29.430,49
F. Financial derivatives			
e) On shares			
Swaps (+/-)		-187.752,50	993.193,50
G. Receivables, deposits, cash at bank and in hand, and payables		-194,70	-724,40
H. Foreign-exchange positions and transactions			
b) Other foreign-exchange positions and transactions		622,04	-1.799,47
II. Investment income and expenses			
B. Interest			
a) Securities and money market instruments		923.707,55	876.898,41
b) Deposits and cash at bank and in hand		69.639,25	95.043,09
c) Collateral (+/-)		48.110,14	82.560,68
C. Interest on loans taken out (-)		-3,42	-6,77
D. Swaps (+/-)		-538.526,67	-673.174,62
F. Other investment income			-39.641,80
III. Other income			
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs		19.129,51	13.689,65
B. Other		-4.593,29	7.541,63
IV. Operating expenses			
A. Investment transaction and delivery costs (-)			-0,25
B. Financial expenses (-)		-3.340,17	-4.144,58
C. Custodian's fee (-)		-959,50	-1.016,05
D. Manager's fee (-)			
a) Financial management		-370.694,52	-431.980,10
b) Administration and accounting management		-11.689,47	-12.254,62
F. Formation and organisation expenses (-)		-2.872,22	-3.384,75
G. Remuneration, social security charges and pensions (-)		-23,35	-35,77
H. Services and sundry goods (-)		-4.616,33	-7.274,09
J. Taxes		-17.884,48	-44.580,60
K. Other expenses (-)		-1.646,06	-1.782,90
Income and expenditure for the (interim) period			
Subtotal II + III + IV before tax on the profit		103.736,97	-143.543,44
V. Profit (loss) on ordinary activities before tax		-496.932,60	876.556,68
VII. Result for the financial year		-496.932,60	876.556,68

**Profit appropriation
statement**

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit to be allocated (loss to be recognised)	-503.563,46	871.639,41
Profit for the period available for appropriation (loss to be recognised)	-496.932,60	876.556,68
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-6.630,86	-4.917,27
II. (Appropriations to) Deductions from capital	503.563,46	-871.639,41

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON KREDYT BANK CE CHAMPIONS 1

Name	Quantity at 31 December 2011	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6W-15 10/01-10/07 6.66%	2.005.000,00	PLN	97,363	1.997.053,73		10,53	9,19
BEECHWOOD STRUCTURED FIN PLC 6W-15 10/01-10/07 5.84%	2.025.000,00	PLN	96,388	1.997.239,87		10,53	9,19
BROOKFIELDS CAPITAL PLC 6W-15 10/01-10/07 6.66%	2.020.000,00	PLN	97,654	2.017.883,37		10,64	9,29
EPERON FINANCE PLC 6W-15 10/01-10/07 6.66%	2.020.000,00	PLN	97,266	2.010.042,98		10,60	9,25
ESPACCIO SECURITIES PLC 6W-15 10/01-10/07 5.84%	1.005.000,00	PLN	96,409	991.428,73		5,23	4,56
GREENSTREET STRUCT. FIN. PROD. PLC 6W-15 10/01-10/07 5.84%	1.005.000,00	PLN	96,465	991.994,07		5,23	4,57
NIMROD CAPITAL PLC 6W-15 10/01-10/07 5.84%	1.005.000,00	PLN	97,533	1.002.731,52		5,29	4,62
OPAL FINANCIAL PRODUCTS PLC 6W-15 10/01-10/07 5.84	1.015.000,00	PLN	96,659	1.003.837,28		5,29	4,62
PROFILE FINANCE PLC 6W-15 10/01-10/07 5.84%	1.010.000,00	PLN	97,171	1.004.057,55		5,29	4,62
RECOLTE SECURITIES PLC 6W-15 10/01-10/07 6.66%	1.010.000,00	PLN	96,276	995.019,51		5,25	4,58
SILVERSTATE FIN INV PLC 6W-15 10/01-10/07 6.66%	1.005.000,00	PLN	96,838	995.745,73		5,25	4,58
VESPUCCI STRUCTURED FIN PROD 6W-15 10/01-10/07 6.66%	1.010.000,00	PLN	97,029	1.002.626,63		5,29	4,62
VIGADO CAPITAL PLC 6W-15 10/01-10/07 6.66%	1.005.000,00	PLN	96,323	990.568,08		5,22	4,56
VOYCE INVESTMENTS PLC 6W-15 10/01-10/07 6.66%	1.000.000,00	PLN	97,782	1.000.232,22		5,27	4,60
WATERFORD CAPITAL INC PLC 6W-15 10/01-10/07 5.84%	1.010.000,00	PLN	96,185	994.104,99		5,24	4,58
WAVES FINANCIAL INV PLC 6W-15 10/01-10/07 5.84%	1.005.000,00	PLN	97,211	999.496,86		5,27	4,60
Total bonds				19.994.063,12		105,41	92,02
Swaps							
<u>Belgium</u>							
KBC SWAPS	22.947.600,00	PLN	-4,430	-1.026.666,59		-5,41	-4,73
Total swaps				-1.026.666,59		-5,41	-4,73
TOTAL SECURITIES PORTFOLIO				18.967.396,53		100,00	87,30
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	1.467,19	EUR	1,000	6.540,44			0,03
KBC GROUP PLN	101.319,71	PLN	1,000	101.319,71			0,47
Total demand accounts				107.860,15			0,50
Time deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	710.000,00	PLN	99,984	709.886,40			3,27
KBC BANK NV 25/07-10/01/12 KBCBANK 3.980 %	340.000,00	PLN	99,982	339.938,80			1,57

<u>UK</u>						
STANDARD CHARTERED 08/07-10/01/12 STANDCHA 3.400 %	190.000,00	PLN	99,963	189.929,70		0,87
Total time deposit accounts				1.239.754,90		5,71
TOTAL CASH AT BANK AND IN HAND				1.347.615,05		6,20
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC BANK NV 08/07-10/01/12 KBCBAN 4.050 % C	1.400.000,00	PLN	99,984	1.399.776,00		6,44
Total receivables				1.399.776,00		6,44
Debts						
<u>Belgium</u>						
KBC GROUP PLN PAYABLES	-18.191,10	PLN	1,000	-18.191,10		-0,08
Total debts				-18.191,10		-0,08
TOTAL OTHER RECEIVABLES AND PAYABLES				1.381.584,90		6,36
OTHER						
Accrued interest		PLN		49.926,52		0,23
Expenses payable		PLN		-19.028,21		-0,09
TOTAL OTHER				30.898,31		0,14
TOTAL NET ASSETS				21.727.494,79		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
KBCBANK 08/07-10/01/12 KBCBAN 4.050 % C	PLN	1.400.000,00	1.400.000,00	n.a.	06.07.2011
EQLISWAP	PLN	22.947.600,00	22.947.600,00	n.a.	31.08.2011

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		14.600,00		265.040,00		265.040,00
2010 - 12	0,00		14.423,00		250.617,00		250.617,00
2011 - 12	0,00		20.068,00		230.549,00		230.549,00

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		1.291.417,87	
2010 - 12	0,00		1.368.964,37	
2011 - 12	0,00		1.912.950,97	

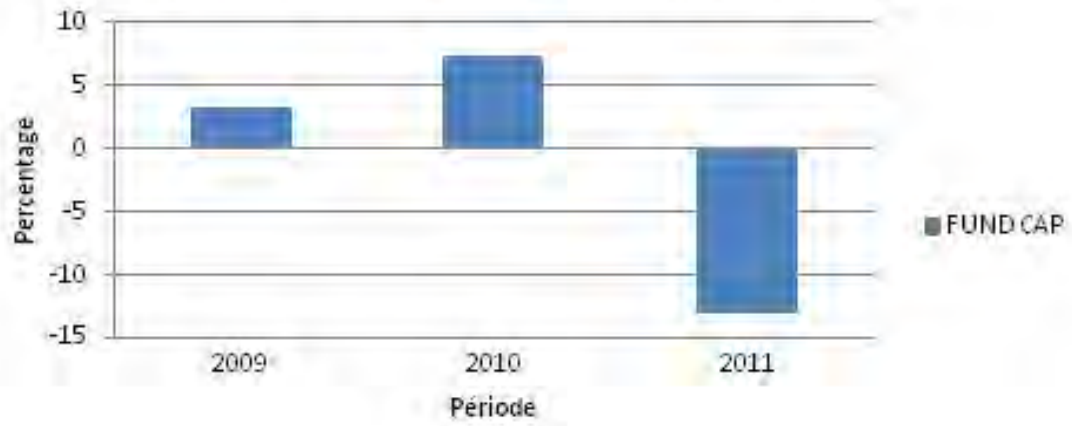
Period	Net asset value At the end of the period (in the currency of the sub fund)		
Year	Of the sub-fund	of one unit	
		Cap.	Dis.
2009 - 12	24.629.786,05	92,93	
2010 - 12	24.137.378,36	96,31	
2011 - 12	21.727.494,79	94,24	

2.4.5 PERFORMANCE FIGURES

BE0947758687

HOR.CSOB KREDYT BANK CE CHAMPIONS 1 - CAP:

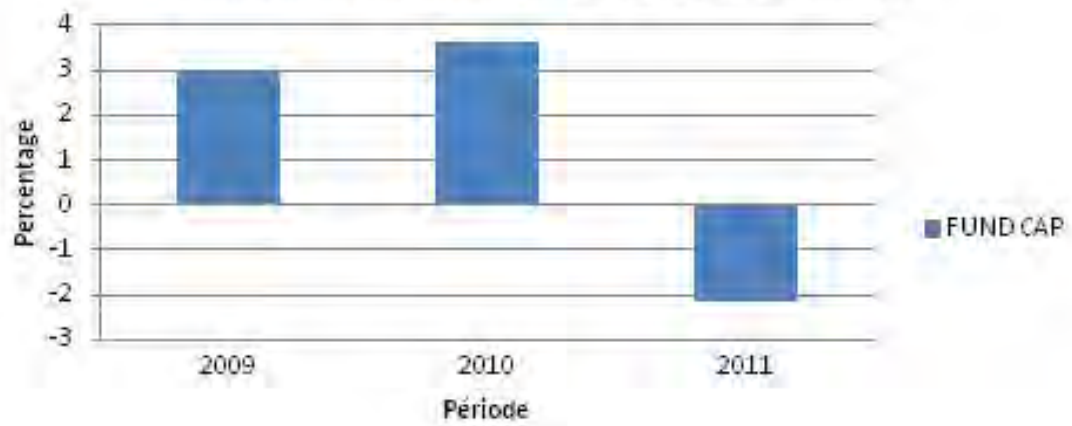
Performance sur base annuelle en date du 31/12/2011 (en EUR)



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HOR.CSOB KREDYT BANK CE CHAMPIONS 1 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en PLN)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0947758687	EUR	-12.99%		-1.18%						25/01/2008	-6.59%
CAP	BE0947758687	PLN	-2.14%		1.46%						25/01/2008	-1.50%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible restructuring.
- Calculated in PLN and 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1/X} - 1$$
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
- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.837%

- * 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% to 60% if the distributor is an entity belonging to KBC Group NV, to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of investment policy" in this report.

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 - 2.1.3. Goal and key principles of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
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 - 2.4.1. Composition of the assets
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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB WORLD JUMPER 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 31.10.07
Initial subscription price: CZK 10
Maturity date: 29.11.13
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse the initial subscription price per unit of CZK 10 on maturity, or, where relevant, on the Early Exercise Date (capital protection). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date or, where applicable, before the Early Exercise Date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection on maturity or, where applicable, on the Early Exercise Date, entails investing the total subscribed amounts in bonds and other debt instruments, deposits and/or liquid assets (including money placed on a fixed-term deposit or demand accounts). These investments may have different durations and coupon payment dates which are aligned with the expiry dates of the sub-fund's commitments through the use of the swaps referred to in the section *Permitted swap transactions (2)*.

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) An investment made in a similar investment strategy and identical risk to a direct investment in deposits and/or debt instruments covered by points (1) and (2) above.

The investments under (3) may consist of:

(A) An investment in stock-exchange-listed bonds issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports are also available electronically at <http://www.kbc.be/>.

(B) an investment in:

- deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a shortcoming in the financial mechanism, the amount to be paid per unit on maturity or, where relevant, on the Early Exercise Date (before charges and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged to do so) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and potentially from other of the ICVC's sub-funds. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

This capital protection does not extend, however, to unit holders who sell their units before the maturity date or, where applicable, before the Early Exercise Date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

The average bond and other debt instrument credit rating for the duration of the sub-fund is a minimum of "A-" for Standard&Poor's or an equivalent for Moody's or Fitch, or in the absence of a credit rating, a credit risk profile that according to the management appraisal is at least average.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if not rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into considering when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies), subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. As part of these swaps, the sub-fund transfers part of its future income from these investments earmarked for capital protection to these counterparties for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that using this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conclude swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on maturity, and on the Early Exercise Date if the ICVC Board of Directors decides to close the sub-fund on the Early Exercise Date, and secondly, to generate a potential capital gain contingent on any rise in value of the basket of 30 shares in top-quality companies (as set out below) with high market capitalisation and a low price/earnings ratio through a '*Basket Jumper*' structure.

The 'Basket Jumper' structure entails early exercise if one of the Observation Values meets the criterion set out below. In the event of such early exercise, the capital gain, defined below, is paid in addition to the initial subscription value. There are 4 Observation Moments in total.

Observation Moment	Observation Value	Early exercise criterion	Capital gain
1)	Average of the prices for shares in the basket for the first ten Valuation Dates for the month of November 2009	The Observation Value is equal to or more than 110% of the Base Value. THUS: $(\text{Observation Value} - \text{Base Value}) / \text{Base Value} \geq 10\%$	16.00 %
2)	Average of the prices for shares in the basket for the first ten Valuation Dates for the month of November 2010	The Observation Value is equal to or more than 115% of the Base Value. THUS: $(\text{Observation Value} - \text{Base Value}) / \text{Base Value} \geq 15\%$	24.00 %
3)	Average of the prices for shares in the basket for the first ten Valuation Dates for the month of November 2011	The Observation Value is equal to or more than 120% of the Base Value. THUS: $(\text{Observation Value} - \text{Base Value}) / \text{Base Value} \geq 20\%$	32.00 %
4)	Average of the prices for shares in the basket for the first ten Valuation Dates for the month of November 2012	The Observation Value is equal to or more than 125% of the Base Value. THUS: $(\text{Observation Value} - \text{Base Value}) / \text{Base Value} \geq 25\%$	40.00 %

These conditions correspond to a yield to maturity of 7.44% in the event of early exercise following Observation Moment 1; 7.26% in the event of early exercise following Observation Moment 2, and 7.06% in the event of early exercise following Observation Moment 3. (In all cases, before deduction of costs and taxes.). 6.85 in the event of early exercise following Observation Moment 4. (In all cases, before deduction of costs and taxes.).

If the criterion for early exercise is met, the ICVC's Board of Directors will take the decision to close the sub-fund on the Early Exercise Date.

If no Observation Value triggers early exercise, there are two other 2 possibilities at Maturity:

Scenario 1

If the Last Value is equal to or more than 130% of the Base Value, a 48% fixed capital gain will be distributed on maturity in addition to the full initial subscription value (yield to maturity: . 6.67%, before costs and taxes).

Scenario 2

If the Last Value is less than 130% of the Base Value, the full amount of any rise in value of the basket of shares (= *(Last Value less Base Value) divided by the Base*

Value) which exceeds the full initial subscription value will be distributed on maturity. No account is taken of negative performances by the basket.

MATURITY: 29.11.13 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against the local currencies of the equities in the basket are not relevant.

BASE VALUE: Value of the basket based on the average stock market price of shares in the basket on the first ten Valuation Dates from Friday , 07.11.07 (inclusive).

LAST VALUE: Value of the basket based on the average of the prices for shares in the basket for the first ten Valuation Dates in November 2013.

EARLY EXERCISE DATE: the last Belgian bank business day in the month in which an Observation Value triggers early exercise. ((Payment with a value date of D + 1 bank business day).

PRICE:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of an equity in the basket as calculated and published at the stock market close by the stock-exchange body (or its legal successor) competent for the place where the security is listed. For equities listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each share in the basket, this is a trading day for the stock exchange on which the share is listed and which is the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market for that share (suspension or limitation of trading in that security) or early close of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market in a share in the basket is disrupted or closes early, the original valuation date for this equity is replaced by the next trading day on which there is no disruption or early closure, provided that date is not already a scheduled valuation date or already replaces a scheduled valuation date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled Valuation Date, (i) this eighth trading day will be deemed to be the scheduled Valuation Date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which occurred with regard to one or more shares, (b) the change in the conditions for determining the Base Value and/or Last Value, and (c) the terms and conditions for the distribution of amounts in the light of the objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 6 years and four Observation Moments (end of year 2, end of year 3, end of year 4 and end of year 5). The structure entails early exercise if one of the Observation Values meets the criterion set out below. In the event of such early exercise, the capital gain, defined below, is paid in addition to the initial subscription value.

Observation Moment	Early exercise criterion	Capital gain
End of year 2	The Observation Value is equal to or more	15%

	than 110% of the Base Value.	
End of year 3	The Observation Value is equal to or more than 115% of the Base Value.	22.5%
End of year 4	The Observation Value is equal to or more than 120% of the Base Value.	30%
End of year 5	The Observation Value is equal to or more than 125% of the Base Value.	37.5%

If no Observation Value triggers early exercise, there are two other possibilities at maturity:

Scenario 1: If the Last Value is equal to or more than 130% of the Base Value, a 45% fixed capital gain will be distributed on maturity in addition to the full initial subscription value.

Scenario 2: If the Last Value is less than 130% of the Base Value, the full amount of any rise in value of the basket of shares which exceeds the full initial subscription value will be distributed on maturity.

The Base Value of the basket is 100 in each of the examples and the initial subscription value is CZK 10.

Positive scenario:

Observation Moment	Observation Value	Criterion met?	Payment
End of year 2	112	Yes	$10 + 15\% * 10 = \text{CZK } 11.50$
End of year 3	n.a.	n.a.	n.a.
End of year 4	n.a.	n.a.	n.a.
End of year 5	n.a.	n.a.	n.a.
Maturity	n.a.	n.a.	n.a.

Yield to maturity: 7.23%, before costs and taxes.

Neutral scenario:

Observation Moment	Observation Value	Criterion met?	Payment
End of year 2	108	No	/
End of year 3	114	No	/
End of year 4	119	No	/
End of year 5	122	No	/
Maturity	127	No	$10 + 27\% * 10 = \text{CZK } 12.7$

Yield to maturity: 4.06%, before costs and taxes.

Negative scenario:

Observation Moment	Observation Value	Criterion met?	Payment(*)
End of year 2	105	No	/
End of year 3	110	No	/
End of year 4	100	No	/
End of year 5	100	No	/
Maturity	90	No	$10 + 0\% * 10 = \text{CZK } 10$

Yield to maturity: 0%, before costs and taxes.

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ALTRIA GROUP INC	MO UN Equity	New York	4.00%
2	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	4.00%
3	BANCO SANTANDER CENTRAL HISP	SAN SM Equity	Madrid	3.00%
4	BASF AG	BAS GY Equity	Frankfurt	5.00%
5	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.00%
6	CITIGROUP INC	C UN Equity	New York	3.00%
7	CREDIT SUISSE GROUP-REG	CSGN VX Equity	Virt-x	2.00%
8	DIAGEO PLC	DGE LN Equity	London	2.00%
9	DUKE ENERGY CORP	DUK UN Equity	New York	3.00%
10	E.ON AG	EOA GY Equity	Frankfurt	2.00%
11	ELI LILLY & CO	LLY UN Equity	New York	4.00%
12	ENEL SPA	ENEL IM Equity	Milan	6.00%
13	FORTUM OYJ	FUM1V FH Equity	Helsinki	3.00%
14	GENERAL ELECTRIC CO	GE UN Equity	New York	4.00%
15	HSBC HOLDINGS PLC	HSBA LN Equity	London	4.00%
16	ING GROEP NV-CVA	INGA NA Equity	Amsterdam	6.00%
17	JPMORGAN CHASE & CO	JPM UN Equity	New York	2.00%
18	NISSAN MOTOR CO LTD	7201 JT Equity	Tokyo	4.00%
19	NOVARTIS AG-REG	NOVN VX Equity	Virt-x	2.00%
20	PFIZER INC	PFE UN Equity	New York	4.00%
21	REED ELSEVIER NV	REN NA Equity	Amsterdam	2.00%
22	REYNOLDS AMERICAN INC	RAI UN Equity	New York	4.00%
23	ROCHE HOLDING AG-GENUSSCHEIN	ROG VX Equity	Virt-x	3.00%
24	RWE AG	RWE GY Equity	Frankfurt	3.00%
25	SANOFI-AVENTIS	SAN FP Equity	Paris	3.00%
26	SUNTRUST BANKS INC	STI UN Equity	New York	2.00%
27	SVENSKA CELLULOSA AB-B SHS	SCAB SS Equity	Stockholm	2.00%
28	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
29	TOTAL SA	FP FP Equity	Paris	4.00%
30	UPM-KYMMENE OYJ	UPM1V FH Equity	Helsinki	4.00%

Criteria for selection for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) it has a high market capitalisation and a low price/earnings ratio, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the maturity date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket on maturity.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 this information to the tax authorities in the beneficial owner's country 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 of the 1992 Income Tax Code).

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code only applies to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price pro rata based on the length of time for which the investor has held the units.
This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
ALTRIA GROUP INC	1,6367
BANCO BILBAO VIZCAYA ARGENTA	1,6372
BANCO SANTANDER SA	1,2645
BASF SE	5,8028
BRITISH AMERICAN TOBACCO PLC	5,1994
CITIGROUP INC	0,2383
CREDIT SUISSE GROUP AG-REG	0,6471
DIAGEO PLC	2,6105
DUKE ENERGY CORP	3,4054
E.ON AG	0,7283
ELI LILLY & CO	3,2057
ENEL SPA	2,5746
FORTUM OYJ	1,6955
GENERAL ELECTRIC CO	1,8720
HSBC HOLDINGS PLC (LONDON)	2,6816
ING GROEP NV-CVA	1,5811
JPMORGAN CHASE & CO	1,5567
NISSAN MOTOR CO LTD	2,3596
NOVARTIS AG-REG	1,8001
PFIZER INC	3,7504
PHILIP MORRIS INTERNATIONAL	4,3459
REED ELSEVIER NV	1,4289
REYNOLDS AMERICAN INC	5,2536
ROCHE HOLDING AG-GENUSSCHEIN	2,4362
RWE AG	0,8822
SANOFI	2,7539
SUNTRUST BANKS INC	0,5169
SVENSKA CELLULOSA AB-B SHS	1,8772
TELEFONICA SA (SM)	1,7378
TOTAL SA	2,8385
UPM-KYMMENE OYJ	2,3268
TOTAL	72,65

Performance of the index or basket

Index:	BASKET
31/12/2010:	74,85
30/06/2011:	78,23
29/12/2011:	72,65
Performance since 31.12.10 or since the launch of the sub-fund:	-2,94%
Performance since 30/06/2011 or since the launch of the sub-fund:	-7,13%
Index at the launch of the sub-fund	100,00
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	CZK

Fixings

Period	Last date	Last value	Cap
1	13/11/2009	70,180	0,00%
2	12/11/2010	75,038	0,00%
3	14/11/2011	69,828	0,00%

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
24/08/2007	Banco Santander Central Hispanoamericano	Banco Santander	Change of name
31/03/2008		Philip Morris International	Spin off Altria
10/05/2011	SANOFI-AVENTIS	SANOFI	Change of name

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at the launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary		31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS		234.151.390,40	270.763.190,29
II. Securities, money market instruments, CIUs and derivative financial instruments			
A. Bonds and other debt instruments			
a) Bonds		218.661.264,27	249.127.733,25
F. Financial derivatives			
e) On shares			
Swap contracts (+/-)		884.046,79	-3.674.878,96
IV. Receivables and payables within one year			
A. Receivables			
a) Amounts receivable			58.881,21
c) Collateral			4.400.484,00
B. Debts			
a) Amounts payable (-)		-1.150.677,01	-286.846,56
V. Deposits and cash at bank and in hand			
A. Demand balances at banks		1.058.894,65	1.428.531,05
B. Fixed-term deposits at banks		14.660.261,80	19.620.937,80
VI. Accruals and deferrals			
B. Accrued income		55.162,57	108.665,27
C. Accrued expenses (-)		-17.562,67	-20.316,77
TOTAL CAPITAL AND RESERVES		234.151.390,40	270.763.190,29
A. Capital		236.624.865,18	266.694.869,59
B. Share in the profit		-209.543,35	-100.252,48
D. Result for the financial year		-2.263.931,43	4.168.573,18

OFF-BALANCE-SHEET ITEMS

I	Security in the form of real property (+/-)		
I.A	Collateral (+/-)		
I.A.B	Deposits and cash at bank and in hand		4.400.000,00
IV	Swap contracts - notional amounts (+)	238.051.758,00	272.786.238,00

2.3 INCOME STATEMENT

Income statement

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-4.560.035,65	302.442,43
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	4.082.718,54	4.376.475,35
G. Receivables, deposits, cash at bank and in hand, and payables	-1.160,00	-2.258,20
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-8.329,46	367,11
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	3.594.377,58	4.151.694,89
b) Deposits and cash at bank and in hand	179.178,57	375.476,10
c) Collateral (+/-)	51.125,55	180.159,78
C. Interest on loans taken out (-)	-18,39	
D. Swap contracts (+/-)	-491.945,54	-2.117.733,89
F. Other investment income		-90.326,21
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	343.478,38	248.139,86
B. Other	-49.346,14	61.702,93
IV. Operating expenses		
B. Financial expenses (-)	-30.995,66	-45.028,74
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-5.003.749,33	-2.848.268,95
b) Administration and accounting management	-254.211,06	-208.154,35
F. Formation and organisation expenses (-)	-31.895,33	-39.693,07
G. Remuneration, social security costs and pensions (-)	-253,20	-429,11
H. Services and sundry goods (-)	-56.743,95	-73.937,27
J. Taxes	-3.026,35	-75.752,72
K. Other expenses (-)	-17.011,74	-19.755,38
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	-1.777.124,86	-508.453,51
V. Profit (loss) on ordinary activities before tax	-2.263.931,43	4.168.573,18
VII. Result for the financial year	-2.263.931,43	4.168.573,18

**Profit appropriation
statement**

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit available for appropriation (loss to be recognised)	-2.473.474,78	4.068.320,70
Profit for the year available for appropriation (Loss to be recognised)	-2.263.931,43	4.168.573,18
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-209.543,35	-100.252,48
II. Appropriation to capital/Transfers from capital	2.473.474,78	-4.068.320,70

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB WORLD JUMPER 1

Name	Quantity at 31 December 2011	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% Owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	22.250.000,00	CZK	97,387	21.818.957,29		9,94	9,32
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	22.450.000,00	CZK	96,412	21.796.296,72		9,93	9,31
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	22.400.000,00	CZK	97,679	22.031.356,13		10,04	9,41
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	22.400.000,00	CZK	97,290	21.944.413,21		10,00	9,37
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	11.200.000,00	CZK	96,433	10.876.171,87		4,95	4,65
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 10/07-10/01 3.10 %	11.150.000,00	CZK	96,489	10.833.889,63		4,94	4,63
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	11.150.000,00	CZK	97,558	10.953.016,57		4,99	4,68
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	11.250.000,00	CZK	96,684	10.952.918,60		4,99	4,68
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	11.250.000,00	CZK	97,195	11.010.452,67		5,02	4,70
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	11.250.000,00	CZK	96,300	10.909.781,48		4,97	4,66
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	11.200.000,00	CZK	96,863	10.924.281,69		4,98	4,67
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	11.200.000,00	CZK	97,053	10.945.649,72		4,99	4,68
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	11.200.000,00	CZK	96,347	10.866.580,52		4,95	4,64
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	11.150.000,00	CZK	97,807	10.980.773,60		5,00	4,69
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	11.250.000,00	CZK	96,210	10.899.594,95		4,97	4,66
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	11.150.000,00	CZK	97,236	10.917.129,62		4,97	4,66
Total bonds				218.661.264,27		99,60	93,39
Swaps							
<u>Belgium</u>							
KBC SWAPS	238.051.758,00	CZK	0,530	884.046,79		0,40	0,38
Total swaps				884.046,79		0,40	0,38
TOTAL SECURITIES PORTFOLIO				219.545.311,06		100,00	93,76
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	859.023,81	CZK	1,000	859.023,81			0,37
KBC GROUP EURO	7.837,15	EUR	1,000	199.870,84			0,09
Total demand accounts				1.058.894,65			0,45
Time deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	12.740.000,00	CZK	100,001	12.740.127,40			5,44
<u>France</u>							
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	1.920.000,00	CZK	100,007	1.920.134,40			0,82
Total time deposit accounts				14.660.261,80			6,26
TOTAL CASH AT BANK AND IN HAND				15.719.156,45			6,71

OTHER RECEIVABLES AND PAYABLES							
Debts							
<u>Belgium</u>							
KBC GROUP CZK PAYABLE	-1.150.677,01	CZK	1,000	-1.150.677,01			-0,49
Total debts				-1.150.677,01			-0,49
TOTAL OTHER RECEIVABLES AND PAYABLES				-1.150.677,01			-0,49
OTHER							
Accrued interest		CZK		55.162,57			0,02
Expenses payable		CZK		-17.562,67			-0,01
TOTAL OTHER				37.599,90			0,02
TOTAL NET ASSETS				234.151.390,40			100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port/Havenlaan 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
EQLISWAP	CZK	238.051.758,00	238.051.758,00	n.a.	14.10.2011

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	2.000,00		812.813,00		29.696.982,00		29.696.982,00
2010 - 12	2.000,00		2.486.701,00		27.212.281,00		27.212.281,00
2011 - 12	0,00		3.452.532,00		23.759.749,00		23.759.749,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	19.620,00		7.614.581,31	
2010 - 12	20.020,00		24.793.988,09	
2011 - 12	0,00		34.347.868,46	

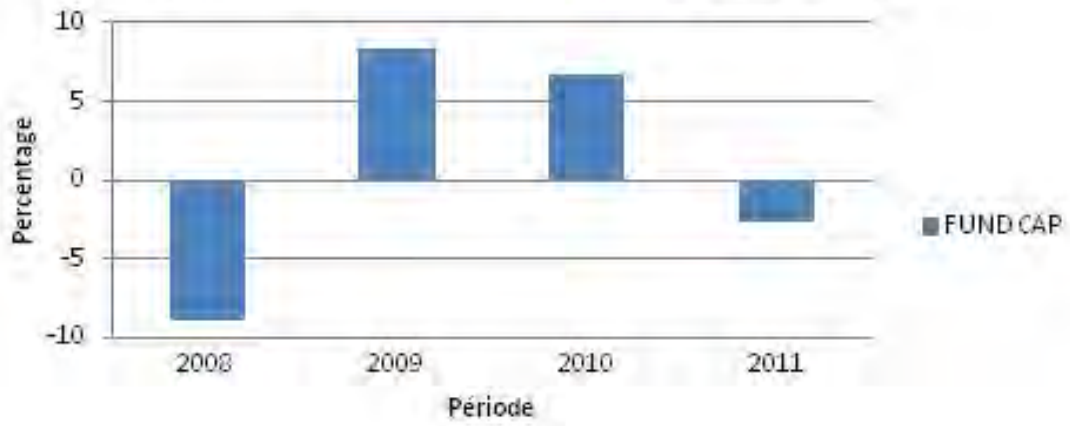
Period	Net asset value At the end of the period (in the currency of the sub fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	291.368.585,20	9,81	
2010 - 12	270.763.190,29	9,95	
2011 - 12	234.151.390,40	9,85	

2.4.5 PERFORMANCE FIGURES

BE0947511151

Horizon - CSOB World Jumper 1 - CAP:

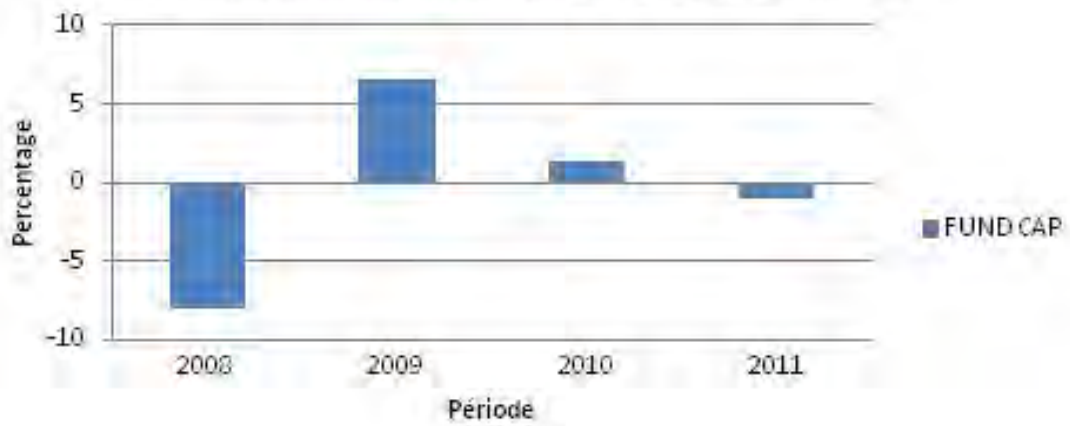
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0947511151

Horizon - CSOB World Jumper 1 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en CZK)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE09475111 51	EUR	-2.61%		4.07%						31/10/200 7	1.04%
CAP	BE09475111 51	CZK	-1.01%		2.30%						31/10/200 7	-0.36%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no 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.
- 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

- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 2.163%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and is indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of investment policy" in this report.

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- 2. Information on Horizon CSOB World Growth Plus 18
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 - 2.1.3. Objective and key principles of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
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 - 2.4.1. Composition of the assets
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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB WORLD GROWTH PLUS 18

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE AT LAUNCH

Launch date: 31 December 2007
Subscription price at launch: 10 CZK
Maturity date: 31 January 2012
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY AS STATED IN THE PROSPECTUS

OBJECTIVE OF THE SUB-FUND

INVESTMENT POLICY

The sub-fund has two objectives(before costs and taxes):

- (1) To reimburse the initial per-share subscription price of 10 CZK at Maturity (capital protection). This capital protection is granted by the establishment of a financial mechanism that is further explained in Section *Capital protection*. This capital protection is not applicable in the event the shareholder sells his shares before the Maturity date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). The different types of swaps in which the fund may invest are explained in Section *Potential Return*.

CAPITAL PROTECTION

The financial mechanism used to achieve capital protection

The financial mechanism used to achieve the capital protection at Maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash. (including funds placed in a deposit account or current account). These investments may have different terms and coupon payment dates that are adapted to sub-fund commitment periods by means of 'swap' transactions described in Section *Permitted Swap Transactions (2)*.

Investment criteria

The investments must meet the following criteria:

- (1) An investment in deposits and/or debt securities placed with or issued by financial institutions under prudential supervision and established in a Member State of the European Economic Area.
- (2) An investment in debt securities issued or guaranteed by a Member State of the European Economic Area..
- (3) An investment included in an investment strategy with a similar structure and identical counter risk to a direct investment in deposits and/or debt securities referred to in paragraphs (1) and (2) above.

Investments referred to in (3) may consist of:

- (A) An investment in publicly traded bonds issued by 'Special Purpose Vehicles' (SPV).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

Bonds issued by the SPV are underlying a diversified portfolio of deposits issued by financial institutions, bonds and other debt securities and derivatives (financial derivatives). The selection of these underlying investments is based on criteria related to allocation and solvency (See under *Permitted Asset Classes and Criteria of bonds and other debt obligations* to reduce counterparty risk.

Other specifications that such underlying deposits, bonds, other debt securities and derivatives (financial derivatives) must meet are listed in the SPV base prospectus.. These base prospectus are available on the site <http://www.kbc.be/prospectus/spv/>.

Investments like the SPVs sub-fund are explained to the investor in the sub-fund in the annual and interim report of the fund in which the fund is a part. The annual and interim report are also available on the site <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada, Australia and/or
- Debt securities issued by financial institutions subject to prudential supervision in the United States, Japan, Canada, Australia and/or
- Debt securities issued or guaranteed by the United States, Japan, Canada or Australia.

Prudential supervision of financial institutions in the United States, Japan, Canada and Australia may be considered equivalent to the prudential supervision of financial institutions in Member States of the European Economic Area.

Investments in debt securities issued by financial institutions subject to prudential supervision in the United States, Japan, Canada and Australia or issued or guaranteed by the United States, Japan, Canada or Australia have a minimum solvency score as stated in the Section *Characteristics of bonds and other debt securities*.

(C) The investments may also combine investments in (A) and in (B).

No formal guarantee

No formal guarantee of repayment of the initial subscription price is provided for the sub-fund or its shareholders. In other words, capital protection does not constitute a performance obligation for the sub-fund, although the achievement of this goal by the financial mechanism remains the highest priority.

If, due to the impairment of the financial mechanism, the amount payable per share at Maturity (before costs and taxes) is less than the initial subscription price, KBC Asset Management SA may decide (but is not obliged) to cover the management commission received from the fund and possibly other funds during the current financial year to reduce this deficit. This is not a guarantee from KBC Asset Management SA, which may decide according to its own vision to use the management fee for this purpose or not.

This capital protection is not applicable in the event the shareholder sells his shares before the Maturity date.

POTENTIAL RETURN

To achieve a potential return, the sub-fund enters into swap agreements with one or more prime counterparties. This is the reason why the sub-fund sells part of its future investment income to preserve the capital in this/these sub-fund(s) for the duration of the sub-fund. In exchange, the counterparty(ies) agree to provide the potential returns described in the Section *Strategy Defined*.

SUB-FUND INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations.

The limits and investment restrictions laid down by the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be respected at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The mean solvency score (rating) of bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Long-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Short-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

All durations are taken into consideration in the selection of bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The 'swaps' described below are made with a prime counterparty(ies) within the limits defined by law.

(1) To achieve a potential return, the sub-fund enters into 'swaps'. Through these swaps, the sub-fund sells part of its future investment income to preserve the capital in this/these fund(s) for the duration of the sub-fund. In exchange, the counterparty(ies) agree to provide the potential returns described in *Strategy defined*.

The 'swaps' in (1) are essential to achieving the investment objectives of the sub-fund, given that using this technique follows the goal of achieving a potential return.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

(2) The sub-fund concludes, if necessary, 'swaps' to match the durations of those sub-fund commitments and those of the flow of money resulting from deposits, bonds and other debt instruments described in the *Investment criteria*.

These 'swaps' are essential to achieving the investment objectives of the sub-fund, given that there are not bonds and other debt instruments sufficiently on the market whose coupons and maturities coincide perfectly with the maturities of the sub-fund commitments.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

(3) The sub-fund may also enter into 'swaps' to protect itself from the credit risk of issuers of bonds and other debt instruments. Through such a 'swap', one or more counterparty(ies) recovers, in exchange for a premium payable by the sub-fund, the risk of an issuer of a bond or other debt instrument that is found in the sub-fund's portfolio remains in default.

The 'swaps' in (3) serve to cover credit risk.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

STRATEGY DEFINED

OBJECTIVES AND INVESTMENT POLICY:

The sub-fund follows two investment objectives: firstly to maintain 100% of the initial subscription value to Maturity and secondly, to generate capital gains as much as possible depending upon any increase in the basket of 30 shares in quality companies (as defined below), which are characterised by a large market capitalisation and low price/earnings ratio. Thus 140% of any increase in the

basket of 30 stocks (calculated as $(= (Final\ Value\ less\ Initial\ Value),\ divided\ by\ the\ Initial\ Value)$), will be distributed at Maturity above 100% of the initial subscription price.

MATURITY: Tuesday 31 January 2012 (Value date payment D + 1 business day)

CURRENCY: CZK, the change in the local currency exchange rate for shares in the basket compared to CZK is not relevant.

INITIAL VALUE: Value of the basket based on 1 the average Price of shares in the basket during the first ten Value Dates starting from Tuesday 8 January 2008 (included).

FINAL VALUE: Value of the basket based on 1 the average Price of shares in the basket on the last Value Date of the quarter for the last 16 quarters prior to Maturity, more precisely, from March 2008 to December 2011 (included).

PRICE:

For all shares, except those listed on the Milan Stock Exchange, the closing price, namely the price of a share in the basket as calculated and reported at the close by the trading by body responsible for the exchange on which the security is listed (or its legal successor). The benchmark price is applied to shares listed on the Milan Stock Exchange.

VALUE DATE:

For each share in the basket on an exchange trading day in which the share is quoted and for the exchange the highest trading day where the share's options are noted, unless a Market Disruption Event (suspension or limitation of trading on this share) occurs on this day or there is an early closing (the responsible body announced an early market close). If a Market Disruption Event or an Early Closure occurs as regards a share in the basket, the original Value Date for this share is replaced by the first following trading day in which there was no Market Disruption Event and no early closing and that is not itself already an original Value Date and does not itself replace an original Value Date due to a Market Disruption Event or an early closing.

However, if a Market Disruption Event or an early closure occurs during each of the eight trading days following the original Value Date, (i) that eighth trading day will be considered the original Value Date, and (ii) the fund may consider in good faith, in consultation with the prime counterparties with whom a swap agreement was reached, the share price as it would have been listed at the eighth trading day and (iii) the fund will notify shareholders of (a) the Market Disruption Event or early closing that has occurred with regard to one or several shares, (b) the modified conditions to determine the Initial and/or Final Value and (c) the procedures for the distribution of amounts in accordance with the investment objectives achieved.

The explanations below are intended to describe the workings of the structure of the sub-fund. The examples provided do not indicate the expected return. The actual return of the sub-fund depends, on the one hand, upon the actual market developments during the duration of the structure and, secondly, the specific methods of the sub-fund and, in particular, the change in underlying values, the duration and participation rate, as described under "Objectives and Investment Policy."

The following examples illustrate the aforementioned investment objectives for a structure of 4 years that pays at Maturity 100% of any increase in the basket of shares above 100% of the initial subscription price of 10 CZK. The Initial Value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	135	100% * 35% = 35%	10 + 35% * 10 = 13.5 czk (rendement actuariel : 7.79%, avant frais et impôts)
Scénario Neutre	115	100% * 15% = 15%	10 + 15% * 10 = 11.5 czk (rendement actuariel : 3.55%, avant frais et impôts)
Scénario Négatif	90	100% * 0% = 0%	10 + 0% * 10 = 10 czk (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performance of the Basket is not taken into account.

APPLICABLE BASKET:

The table below shows, successively, in columns from left to right, the sequence number of the share, its name, Bloomberg code, the exchange on which it is listed and its initial weight.

1	ALTRIA GROUP INC	MO UN Equity	New York	4.00%
2	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	4.00%
3	BANCO SANTANDER CENTRAL HISP	SAN SM Equity	Madrid	3.00%
4	BASF AG	BAS GY Equity	Frankfurt	5.00%
5	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.00%
6	CITIGROUP INC	C UN Equity	New York	3.00%
7	CREDIT SUISSE GROUP-REG	CSGN VX Equity	Virt-x	2.00%
8	DIAGEO PLC	DGE LN Equity	London	2.00%
9	DUKE ENERGY CORP	DUK UN Equity	New York	3.00%
10	E.ON AG	EOA GY Equity	Frankfurt	2.00%
11	ELI LILLY & CO	LLY UN Equity	New York	4.00%
12	ENEL SPA	ENEL IM Equity	Milan	6.00%
13	FORTUM OYJ	FUM1V FH Equity	Helsinki	3.00%
14	GENERAL ELECTRIC CO	GE UN Equity	New York	4.00%
15	HSBC HOLDINGS PLC	HSBA LN Equity	London	4.00%
16	ING GROEP NV-CVA	INGA NA Equity	Amsterdam	6.00%
17	JPMORGAN CHASE & CO	JPM UN Equity	New York	2.00%
18	MERCK & CO INC	MRK UN Equity	New York	3.00%
19	NISSAN MOTOR CO LTD	7201 JT Equity	Tokyo	4.00%
20	NOVARTIS AG-REG	NOVN VX Equity	Virt-x	2.00%
21	PFIZER INC	PFE UN Equity	New York	4.00%
22	REED ELSEVIER NV	REN NA Equity	Amsterdam	2.00%
23	REYNOLDS AMERICAN INC	RAI UN Equity	New York	4.00%
24	ROCHE HOLDING AG-GENUSSCHEIN	ROG VX Equity	Virt-x	3.00%
25	RWE AG	RWE GY Equity	Frankfurt	3.00%
26	SUNTRUST BANKS INC	STI UN Equity	New York	2.00%
27	SVENSKA CELLULOSA AB-B SHS	SCAB SS Equity	Stockholm	2.00%
28	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
29	TOTAL SA	FP FP Equity	Paris	4.00%
30	UPM-KYMMENE OYJ	UPM1V FH Equity	Helsinki	4.00%

Selection criteria for inclusion in the basket:

A share may not be included in the basket unless (i) the share is listed on an exchange (ii) the share is part of a major stock index, (iii) the share has a large market capitalisation and a low price/earnings ratio and (iv) the Board of the Fund has approved the inclusion of the share in the basket (the 'Selection Criteria').

Changes to the basket following a merger, acquisition, split, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition during the life of the sub-fund, a weight in the basket equal to the sum of the weights of the shares of all issuers involved in the transaction will be attributed to the shares of issuers involved in the transaction and that still meet the Selection Criteria after the transaction. If, after the transaction, none of the issuers concerned by the transaction meet the Selection Criteria any longer, such will be as specified under 'Nationalisation, Bankruptcy or Disqualification'.

Split

If an issuer of a share in the basket carries out a split, the weight of the share in question will be divided evenly between the shares of all issuers by fractions and who still meet the selection criteria. If, after the transaction, none of the issuers concerned by the split meet the Selection Criteria any longer, such will be as specified under 'Nationalisation, Bankruptcy or Disqualification'.

Nationalisation, Bankruptcy or Disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer meets the Selection Criteria ('Disqualification'), the share is valued at the last known price before disqualification. The value is then invested until Maturity of the underlying swap market transaction at the market rate in effect on the money market or bond market at the time of disqualification for a period equal to the time remaining until the Maturity of the underlying swap market transaction of the sub-fund. The value increased by interest is carried to Maturity as a result of the share for the calculation of the final increase of the basket at Maturity.

Volatility of the net asset value may increase due to the composition of the basket.

The following information is general in nature and does not purport to address all aspects of investing in UCITS. In specific cases, other rules may be applicable. In addition, tax laws and their interpretation may change. Investors who would like more information about the tax consequences – both in Belgium and abroad – concerning the acquisition, retention and transfer of share rights must seek advice from their financial and tax advisor.

The European Savings Directive and taxes on investment returns obtains at the time through the redemption of shares or equity in the event of a full or partial distribution of equity.

This UCITS invests no more than 40% of its assets directly or indirectly in such instruments within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented through:
the Act of 17 May 2004; *transposing into Belgian law the 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 the 1992 Income Tax Code on withholding tax*
- the Royal Decree of 27 September 2009 *implementing Article 338bis § 2 of the 1992 Income Tax Code.*
- *the Royal Decree of 27 September 2009 regarding the entry into effect of Article 338bis § 2, paragraphs 1-3, of the 1992 Income Tax Code;*

A paying agent established in Belgium who pays a rent-income related to the UCITS in the form of dividend payment (coupon) or through the sale, repayment or amortisation of shares to a natural person (share owner) residing in another EU country (or an independent or associated territory) is required to send information about this payment to the Belgian authorities, who will forward such to the tax authority of the holder's country of residence.

B. Tax on investment returns obtained following the purchase of share holdings or in the event of a total or partial distribution of equity. (Art. 19bis CIR 92).

The shares of these UCITS are capitalised as giving rights to dividends falling under the scope of Article 19bis CIR 92 upon the total or partial redemption or distribution of equity. .

Article 19bis CIR 92 applies only to shareholders who are subject to personal income tax. Based on this article, tax will be charged on investment returns between the purchase or redemption price depending upon the period during which the investor was a holder of shares. The rate is 15%.

The investment return consists of an income total which, directly or indirectly, as interest, capital gains or losses from the contributions of assets, was invested in investment instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company delegates the intellectual management of portfolio, with the exception of the formation and maintenance of the sub-fund from a technical and legal perspective, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTOR

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 INVESTMENT POLICY FOLLOWED DURING THE FINANCIAL YEAR

Composition of the basket at reporting date

Name	Value
ALTRIA GROUP INC	1,5353
BANCO BILBAO VIZCAYA ARGENTA	1,8299
BANCO SANTANDER SA	1,4286
BASF SE	5,4584
BRITISH AMERICAN TOBACCO PLC	4,7627
CITIGROUP INC	0,3003
CREDIT SUISSE GROUP AG-REG	0,7245
DIAGEO PLC	2,7666
DUKE ENERGY CORP	3,3348
E.ON AG	0,6760
ELI LILLY & CO	2,9793
ENEL SPA	2,6231
FORTUM OYJ	1,7474
GENERAL ELECTRIC CO	2,0747
HSBC HOLDINGS PLC (LONDON)	2,8752
ING GROEP NV-CVA	1,7133
JPMORGAN CHASE & CO	1,6523
MERCK & CO. INC.	1,9619
NISSAN MOTOR CO LTD	2,6470
NOVARTIS AG-REG	1,7189
PFIZER INC	3,7102
PHILIP MORRIS INTERNATIONAL	4,0766
REED ELSEVIER NV	1,4226
REYNOLDS AMERICAN INC	4,9695
ROCHE HOLDING AG-GENUSSCHEIN	2,3586
RWE AG	0,8524
SUNTRUST BANKS INC	0,5881
SVENSKA CELLULOSA AB-B SHS	2,0054
TELEFONICA SA (SM)	1,8071
TOTAL SA	2,8206
UPM-KYMMENE OYJ	2,6804
Total	72,10

Change in the index or basket

	Index:	Basket
	31/12/2010:	75,49
	30/06/2011:	78,29
	29/12/2011:	72,10
Change since 31/12/2010 or since the launch of the sub-fund:		-4,49%
Change since 30/06/2011 or since the launch of the sub-fund:		-7,91%
Index at the start of the sub-fund:		100,00
Minimum guarantee in local currency at maturity date:		10,00
Local currency:		CZK

Changes in the basket since the launch of the sub-fund:

Date	Redemptions	Purchases	Comments
24/08/2007	Banco Central Hispanoamericano	Banco Santander	Name change
31/03/2008		Philip Morris International	Spin off Altria

2.1.8 RISK RATING

On a scale from 0 to VI.

Current risk rating: II.

Risk rating at launch: IV

This is a risk indicator for an investment in UCI or sub-fund. Seven risk ratings have been defined. The zero class represents the lowest risk rating and the six the highest risk.

Adaptation of the risk rating:

The risk rating is calculated according to the FSMA UCI Circular 3/2007 of 8 June 2007.

The risk rating may change over time. Thus, a change in the level of market volatility can affect the risk profile.

The risk rating should be changed when, for two consecutive six-month calculation periods, the risk rating of a UCI is different from that initially attributed.

The adapted risk rating is the risk rating at the time of the launch must be stated in the Annual (Interim) Reports.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011	31/12/2010
	(in the currency of the sub-fund)	(in the currency of the sub-fund)
Total net assets	172.850.856,81	183.453.193,20
II. Securities, money market instruments, UCI and derivative financial instruments		
A. Bonds and similar instruments		
a) Bonds	154.420.507,67	166.630.602,36
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	-25.738,81	-581.697,59
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		39.181,80
B. Debts		
a) Accounts payable (-)	-334.811,83	-87.424,76
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	3.901.183,35	848.858,51
B. Current account balances at banks	14.862.229,00	16.562.801,40
VI. Accruals and deferrals		
B. Expenses to be carried forward	40.452,22	54.631,50
C. Accrued expenses (-)	-12.964,79	-13.760,02
Total shareholders' equity	172.850.856,81	183.453.193,20
A. Capital	175.657.973,46	180.801.513,91
B. Share in profit	-49.424,88	-79.092,21
D. Result for the financial year	-2.757.691,77	2.730.771,50

OFF-BALANCE-SHEET ITEMS

IV Swap contract totals (+)	176.603.998,00	183.871.438,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs, capital gains and losses		
A. Bonds and similar instruments		
a) Bonds	-3.262.339,63	163.849,62
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	510.900,65	2.904.064,81
G. Receivables, deposits, cash and debts	-572,40	5.359,80
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	-2.026,96	-5.930,82
II. Investment income and expenses		
B. Interest		
a) Property values and money market instruments	2.533.801,36	2.864.357,14
b) Deposits and cash at bank and in hand	191.800,70	254.370,97
C. Interest on loans (-)	-65,65	
D. Swap contracts (+/-)	-135.869,90	-867.268,60
III. Other income		
A. Fees to cover the costs for renewal and disposal of assets, to discourage redemption and to cover delivery costs	78.446,39	148.773,60
B. Other	-32.805,34	41.110,79
IV. Operating expenses		
B. Financial expenses (-)	-18.401,35	-35.409,17
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-2.447.724,85	-2.497.807,56
b) Administration and accounting management	-90.317,98	-93.596,31
F. Formation and organisation expenses (-)	-22.263,13	-26.546,02
G. Remuneration, social security charges and pensions (-)	-177,55	-283,33
H. Services and sundry goods (-)	-39.263,62	-53.934,23
J. Taxes	-2.132,74	-50.408,57
K. Other expenses (-)	-12.591,52	-13.383,24
Income and expenses for the period (quarter)		
Subtotal II + III + IV tax on proceeds	-3.653,43	-336.571,91
V. Profit (loss) before taxes	-2.757.691,77	2.730.771,50
VII. Result for the financial year	-2.757.691,77	2.730.771,50

Profit appropriation account

	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Profit to be allocated (loss to be recognised)		
Profit (loss) brought forward from the previous financial year	-2.807.116,65	2.651.679,29
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-2.757.691,77	2.730.771,50
	-49.424,88	-79.092,21
II. (Assignments in) Transfer from capital	2.807.116,65	-2.651.679,29

2.4 STATEMENT OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF THE ASSETS OF HORIZON CSOB WORLD GROWTH PLUS 18

Name	Quantity at 31/12/2011	Currency	Price in foreign currency	Value in the currency of the sub-fund	% Held by the UCI	% Portfolio	% Net assets
NET ASSETS							
SHARE PORTFOLIO							
Bonds							
Private company bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 23/09-21/03 3.63%	15.800.000,00	CZK	97,445	15.457.014,91		10,01	8,94
BEECHWOOD STRUCTURED FIN PLC 6P-10 23/09-23/03 3.63%	15.900.000,00	CZK	96,471	15.399.890,98		9,97	8,91
BROOKFIELDS CAPITAL PLC 6P-10 23/09-23/03 3.63%	15.800.000,00	CZK	97,737	15.503.078,07		10,04	8,97
EPERON FINANCE PLC 6P-10 23/09-23/03 3.63%	15.850.000,00	CZK	97,349	15.490.618,58		10,03	8,96
ESPACCIO SECURITIES PLC 6P-10 23/09-23/03 3.63%	7.950.000,00	CZK	96,491	7.701.574,93		4,99	4,46
FIN. PROD. PLC 6P-10 23/09-23/03 3.63%	7.950.000,00	CZK	96,548	7.706.046,96		4,99	4,46
NIMROD CAPITAL PLC 6P-10 23/09-23/03 3.63%	7.900.000,00	CZK	97,616	7.741.985,09		5,01	4,48
OPAL FINANCIAL PRODUCTS PLC 6P-10 23/09-23/03 3.63%	7.950.000,00	CZK	96,742	7.721.497,55		5,00	4,47
PROFILE FINANCE PLC 6P-10 23/09-23/03 3.63%	7.950.000,00	CZK	97,253	7.762.154,96		5,03	4,49
RECOLTE SECURITIES PLC 6P-10 23/09-23/03 3.63%	7.950.000,00	CZK	96,358	7.691.013,99		4,98	4,45
SILVERSTATE FIN INV PLC 6P-10 23/09-23/03 3.63%	7.900.000,00	CZK	96,921	7.687.071,96		4,98	4,45
VESPUCCI STRUCTURED FIN PROD 6P-10 23/09-23/03 3.63%	7.950.000,00	CZK	97,112	7.750.891,80		5,02	4,48
VIGADO CAPITAL PLC 6P-10 23/09-23/03 3.63%	7.950.000,00	CZK	96,406	7.694.766,79		4,98	4,45
VOYCE INVESTMENTS PLC 6P-10 23/09-23/03 3.63%	7.850.000,00	CZK	97,865	7.712.527,13		5,00	4,46
WATERFORD CAPITAL INC PLC 6P-10 23/09-23/03 3.63%	7.950.000,00	CZK	96,268	7.683.815,50		4,98	4,45
WAVES FINANCIAL INV PLC 6P-10 23/09-23/03 3.63%	7.900.000,00	CZK	97,294	7.716.558,47		5,00	4,46
Bonds total				154.420.507,67		100,02	89,34
Swaps							
<u>Belgium</u>							
KBC SWAPS	176.603.998,00	CZK	-0,010	-25.738,81		-0,02	-0,02
Swaps				-25.738,81		-0,02	-0,02
Total share portfolio				154.394.768,86		100,00	89,32
CASH AT BANK AND AT HAND							
Demand balances at banks							
<u>Belgium</u>							
KBC GROUP CZK	3.742.623,04	CZK	1,000	3.742.623,04			2,17
KBC GROUP EURO	6.217,32	EUR	1,000	158.560,31			0,09
Total demand balances at banks				3.901.183,35			2,26
Current accounts							
<u>Belgium</u>							
KBC BANK NV 23/09-20/01/12 KBCBANK 1.000 %	14.860.000,00	CZK	100,015	14.862.229,00			8,60
Total current accounts				14.862.229,00			8,60
Total cash at bank and at hand				18.763.412,35			10,86

MISC. ACCOUNTS RECEIVABLE AND PAYABLE							
Debts							
<u>Belgium</u>							
KBC GROUP CZK A PAYER	-334.811,83	CZK	1,000	-334.811,83			-0,19
Total debts				-334.811,83			-0,19
Total misc. accounts receivable and payable				-334.811,83			-0,19
OTHER							
Interest paid		CZK		40.452,22			0,02
Provisional expenses		CZK		-12.964,79			-0,01
Total other				27.487,43			0,02
TOTAL NET ASSETS				172.850.856,81			100,00

2.4.2 CHANGE IN THE COMPOSITION OF ASSETS

The detailed list of transactions may be consulted at no charge at the fund's main office, avenue du Port 2, 1080 Brussels.

2.4.3 TOTAL COMMITMENTS FOR FINANCIAL DERIVATIVE POSITIONS

IN SHARES	Currency	In currency	In the sub-fund's currency	Lot size	Transaction Date
EQLISWAP	CZK	176.603.998,00	176.603.998,00	N.A.	15.07.2011

2.4.4 CHANGE IN THE NUMBER OF SUBSCRIPTIONS, REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		1.119.538,00		19.995.983,00		19.995.983,00
2010 - 12	0,00		1.499.115,00		18.496.868,00		18.496.868,00
2011 - 12	0,00		788.468,00		17.708.400,00		17.708.400,00

Period	Totals paid and received by the UCI (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		10.490.496,94	
2010 - 12	0,00		14.877.368,96	
2011 - 12	0,00		7.844.644,62	

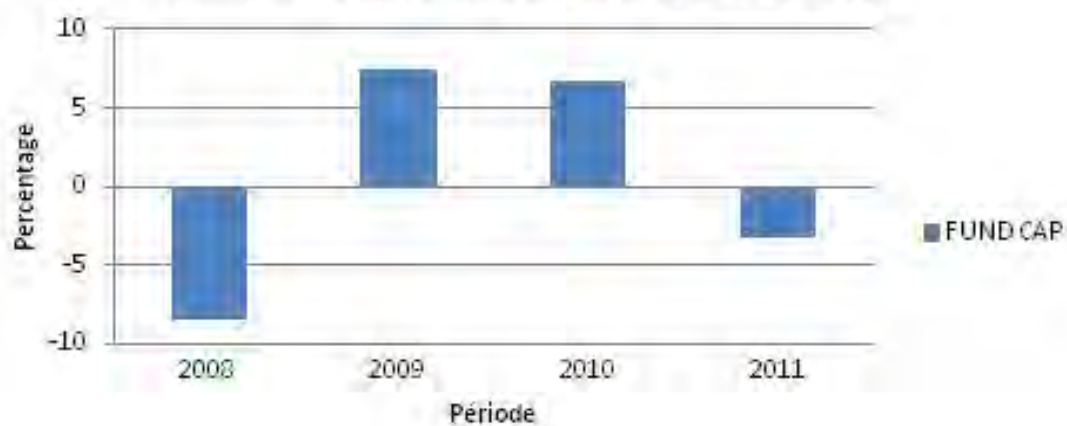
Period	Net asset value End of period (in the currency of the sub-fund)		
	For sub-fund	For one share	
		Cap.	Dis.
2009 - 12	195.599.790,66	9,78	
2010 - 12	183.453.193,20	9,92	
2011 - 12	172.850.856,81	9,76	

2.4.5 RETURNS

BE0947598059

Horizon - CSOB World Growth Plus 18 - CAP:

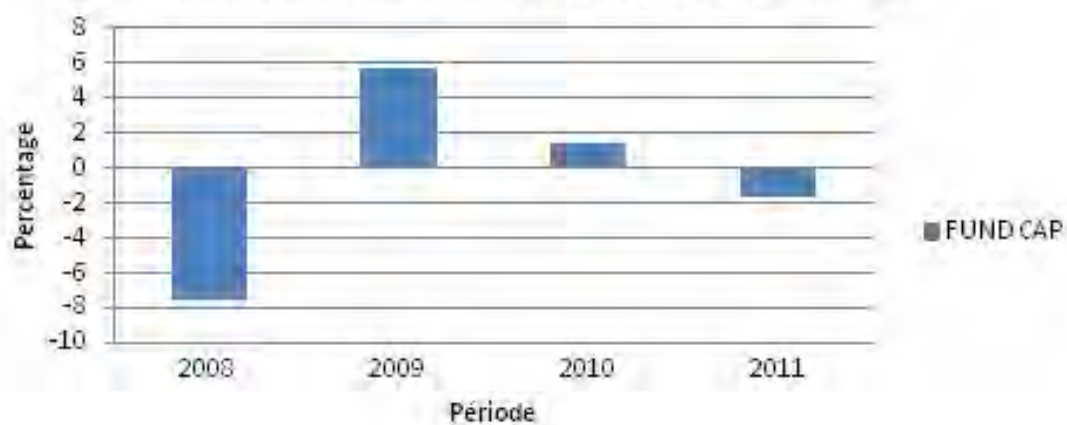
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0947598059

Horizon - CSOB World Growth Plus 18 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en CZK)



Cap Dis	ISIN code	Currenc Y	1 Year		3 Years*		5 Years*		10 Years*		From start*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0947598059	EUR	-3.21%		3.56%						31/12/2007	0.85%
CAP	BE0947598059	CZK	-1.61%		1.81%						31/12/2007	-0.61%

* Performance figures are annualised.

Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take into account possible 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.
- 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:
$$[\text{VIN}(D) / \text{VIN}(Y)]^{1/X} - 1$$
where Y = D-X
Return on date D since the start date S of the share:
$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$
where F = 1 if the share has existed for less than one year on date D
where F = (D-S) / 365.25 if the share 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 an annual return by taking the nth square root of 1 plus the total return of the share.
- The return figures shown above do not take into account fees and charges for the issue and redemption of shares.
- These are the capitalisation units performance figures.

2.4.6 EXPENSES

Total expenses ratio (TER): * 1.493%

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

- Transaction fees
- 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 35% and 60% if the distributor is a part of KBC Group NV or from 35% and 70% if the distributor is not a part 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 collective investment undertaking in shares of collective investment undertakings that are not managed by a KBC Group NV entity, and receives a fee for doing so, it will pay this fee to the collective investment undertaking.

Fee sharing does not affect the amount of the management fee paid by the fund to the management company. This management fee is subject to the conditions laid down in the statutes. The limitations may be amended only following approval by the General Meeting of shareholders.

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

It is in the interest of the sub-fund's shareholders and the Distributor that the largest possible number of shares be sold so that the sub-fund's assets are consequently maximised. In this respect, there is therefore no issue of conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENT AND OTHER DATA

The management fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

The administration agent's fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

Auditor's fee: 1,000 euros per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

The custodian's fee: is payable annually and is calculated on the basis of the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year.

Social, ethical and environmental concerns:

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 investment portfolio. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indices: Further information on potential financial indices used as underlying for financial derivatives are included in the "Objectives and investment policy of the sub-fund" section of this report..

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB PRIVATE BANKING JUMPSTART 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 5 October 2007
Initial subscription price: CZK 10
Maturity date: 31 October 2013
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse the initial subscription price per unit of 10 CZK on maturity (capital protection). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). The different types of 'swaps' in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection at maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash (including money in fixed-term deposit or demand accounts). These investments may be of different durations and coupon payment dates, being aligned with the expiry dates of the sub-fund's commitments through the use of the 'swaps' referred to in the section *Permitted swap transactions*(2).

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) an investment covered by an investment strategy with an analogous structure and a counterparty risk identical to a direct investment in the deposits and / or debt instruments referred to in points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be viewed on the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

(B) an investment in:

- deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and other debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit at maturity (before charges and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged) to make up for this shortfall by allocating the management fee it received during the current financial year from this sub-fund and, if appropriate, from any other sub-fund of the ICVC. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the bonds and other debt instruments will have an average solvency score equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The 'swaps' set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To achieve a potential return, the sub-fund concludes 'swaps'. Under these 'swaps', the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

The 'swaps' referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved by using this technique.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These 'swaps' are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(3) The sub-fund may also conclude 'swaps' to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The 'swaps' under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on Maturity, and secondly, to generate a potential capital gain contingent on any rise in value per Period of a basket of 30 shares of top-quality companies (as defined below) with a high market capitalisation and a low price/earnings ratio.

Where there is no fall in value of the basket of shares (Final Value \geq Initial value), the higher of either a 30% fixed capital gain (actuarial yield: 4.42% before fees and tax) or 80% of the increase in value of the basket of shares ($=$ (Final Value minus Initial Value) (Final Value minus Initial Value)), will be distributed at maturity above 100% of the initial subscription value.

Where on the other hand, the basket of shares has fallen in value (Final Value $<$ Initial Value), 100% of the initial subscription value will be paid at maturity.

MATURITY: Thursday, 31 October 2013 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against the local currencies of the equities in the basket are not relevant.

BASE VALUE: Value of the basket based on the average stock market price of shares in the basket on the first ten Valuation Dates from Monday 12 October 2007 (inclusive).

FINAL VALUE: Value of the basket on the basis of the average price of the shares in the basket on the last valuation day of the month for the last 18 months before the renewal date, specifically April 2012 to September 2013 (inclusive).

PRICE:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of an equity in the basket as calculated and published at the stock exchange close by the stock-exchange body (or its legal successor) competent for the place where the security is listed. For equities listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each share in the basket, this is a trading day for the stock exchange on which the share is listed and which is the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market for that share (suspension or limitation of trading in that security) or early close of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market for a share in the basket is disrupted or closes early, the original Valuation Date for this share becomes the next trading day on which there is no disruption or early closing, provided that date is not already a scheduled Valuation Date or already replaces a scheduled Valuation Date postponed due to disruption or early close of trading.

However, if the market is disrupted or closes early on each of the eight trading days following the scheduled Valuation Date, (i) this eighth trading day will be deemed to be the scheduled Valuation Date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been conducted, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closing which occurred in respect of one or more shares, (b) the change in the conditions for determining the Base Value and/or Final Value, and (c) the terms and conditions for distribution in accordance with the investment objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, on the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the

section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 6 years. If the basket of shares has not fallen in value, the higher of either a 30% fixed capital gain or 80% of the increase in value of the basket of shares will be distributed at the Maturity above 100% of the initial subscription value. Where on the other hand, the basket of shares has fallen in value, only 100% of the initial subscription value will be paid at maturity. The initial subscription value is CZK 10 and the Base Value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	187.5	80% * 87.5% = 70%	10 + 70% * 10 = 17 CZK (rendement actuariel : 9.24%, avant frais et impôts)
Scénario Neutre	130	80% * 30% = 24% < 30% (plus-value fixe = 30%)	10 + 30% * 10 = 13 CZK (rendement actuariel : 4.46%, avant frais et impôts)
Scénario Négatif	90	80% * 0% = 0%	10 + 0% * 10 = 10 CZK (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share's serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ALTRIA GROUP INC	MO UN Equity	New York	4.00%
2	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	4.00%
3	BANCO SANTANDER CENTRAL HISP	SAN SM Equity	Madrid	3.00%
4	BASF AG	BAS GY Equity	Frankfurt	5.00%
5	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.00%
6	CITIGROUP INC	C UN Equity	New York	3.00%
7	CREDIT SUISSE GROUP-REG	CSGN VX Equity	Virt-x	2.00%
8	DIAGEO PLC	DGE LN Equity	London	2.00%
9	DUKE ENERGY CORP	DUK UN Equity	New York	3.00%
10	E.ON AG	EOA GY Equity	Frankfurt	2.00%
11	ELI LILLY & CO	LLY UN Equity	New York	4.00%
12	ENEL SPA	ENEL IM Equity	Milan	6.00%
13	FORTUM OYJ	FUM1V FH Equity	Helsinki	3.00%
14	GENERAL ELECTRIC CO	GE UN Equity	New York	4.00%
15	HSBC HOLDINGS PLC	HSBA LN Equity	London	4.00%
16	ING GROEP NV-CVA	INGA NA Equity	Amsterdam	6.00%
17	JPMORGAN CHASE & CO	JPM UN Equity	New York	2.00%
18	NISSAN MOTOR CO LTD	7201 JT Equity	Tokyo	4.00%
19	NOVARTIS AG-REG	NOVN VX Equity	Virt-x	2.00%
20	PFIZER INC	PFE UN Equity	New York	4.00%
21	REED ELSEVIER NV	REN NA Equity	Amsterdam	2.00%
22	REYNOLDS AMERICAN INC	RAI UN Equity	New York	4.00%
23	ROCHE HOLDING AG-GENUSSCHEIN	ROG VX Equity	Virt-x	3.00%
24	RWE AG	RWE GY Equity	Frankfurt	3.00%
25	SANOFI-AVENTIS	SAN FP Equity	Paris	3.00%
26	SUNTRUST BANKS INC	STI UN Equity	New York	2.00%
27	SVENSKA CELLULOZA AB-B SHS	SCAB SS Equity	Stockholm	2.00%
28	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
29	TOTAL SA	FP FP Equity	Paris	4.00%
30	UPM-KYMMENE OYJ	UPM1V FH Equity	Helsinki	4.00%

Criteria for selection for the basket:

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) the share has a major market capitalisation and a low price/earnings ratio, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the Maturity Date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the Maturity Date as profit on the share for the purpose of calculating the final rise in value of the basket on the Maturity Date.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price prorated over the period for which the investor held the units.

This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, excepting technical and legal setup and updating of the sub-fund, to KBC Fund Management Ltd., Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
ALTRIA GROUP INC	1.6743
BANCO BILBAO VIZCAYA ARGENTA	1.5955
BANCO SANTANDER SA	1.3305
BASF SE	5.5411
BRITISH AMERICAN TOBACCO PLC	5.2006
CITIGROUP INC	0.1834
CREDIT SUISSE GROUP AG-REG	0.5568
DIAGEO PLC	2.5477
DUKE ENERGY CORP	3.5319
E.ON AG	0.7506
ELI LILLY & CO	2.9377
ENEL SPA	2.5929
FORTUM OYJ	1.7858
GENERAL ELECTRIC CO	1.7825
HSBC HOLDINGS PLC (LONDON)	2.4164
ING GROEP NV-CVA	1.3516
JPMORGAN CHASE & CO	1.4558
NISSAN MOTOR CO LTD	2.4543
NOVARTIS AG-REG	1.7204
PFIZER INC	3.5533
PHILIP MORRIS INTERNATIONAL	4.4456
REED ELSEVIER NV	1.3558
REYNOLDS AMERICAN INC	5.4302
ROCHE HOLDING AG- GENUSSCHEIN	2.3021
RWE AG	0.8764
SANOFI	2.7990
SUNTRUST BANKS INC	0.4892
SVENSKA CELLULOSA AB-B SHS	1.7871
TELEFONICA SA (SM)	1.7847
TOTAL SA	2.8209
UPM-KYMMENE OYJ	2.2846
TOTAL	71.34

Performance of the index or basket

Index: **BASKET**

31/12/2010: **73.25**

30/06/2011: **76.60**

29/12/2011: **71.34**

Performance since 31 December 2010 or since the launch of the sub-fund: **-2.61%**

Performance since 30 June 2011 or since the launch of the sub-fund: **-6.87%**

Index at the launch of the sub-fund **100.00**

Minimum guaranteed return in local currency on the maturity date: **10.00**

Local currency: **CZK**

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
24/08/2007	Banco Santander Central Hispanoamericano	Banco Santander	Change of name
31/03/2008		Philip Morris International	Altria spin off
10/05/2011	SANOFI-AVENTIS	SANOFI	Change of name

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at launch: IV

The risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating:

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating must be changed if the score awarded to a UCI sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	88,834,176.83	95,151,901.05
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	79,836,748.01	87,581,275.56
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-386,887.34	-1,134,640.08
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		20,372.83
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	558,415.99	863,621.00
B. Fixed-term deposits at banks	8,800,157.80	7,790,618.40
VI. Accruals and deferrals		
B. Accrued income	32,405.43	37,790.27
C. Accrued expenses (-)	-6,663.06	-7,136.93
TOTAL CAPITAL AND RESERVES	88,834,176.83	95,151,901.05
A. Capital	89,754,401.05	93,335,273.36
B. Share in the profit	-22,500.00	-22,300.00
D. Net earnings for the year	-897,724.22	1,838,927.69

OFF-BALANCE-SHEET ITEMS

IV Swap contract notional amounts (+)	89,973,800.00	97,813,800.00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-1,663,862.20	104,580.72
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	631,328.74	2,147,489.11
G. Amounts receivable, deposits, cash at bank and in hand, and liabilities	-460.60	-823.10
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-1,620.81	-4,995.54
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	1,296,715.03	1,487,166.15
b) Deposits and cash at bank and in hand	87,046.87	129,244.68
C. Interest on borrowings (-)	-11.13	
D. Swap contracts (+/-)	-274,297.68	-845,953.94
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	54,199.96	79,619.93
B. Other	-17,065.64	21,421.84
IV. Operating expenses		
B. Financial expenses (-)	-24,281.96	-26,852.03
C. Custodian's fee (-)	-6,088.25	-6,547.38
D. Manager's fee (-)		
a) Financial management	-893,358.21	-1,116,458.59
b) Administration and accounting management	-46,961.03	-48,274.65
F. Formation and organisation expenses (-)	-11,271.32	-13,563.42
G. Remuneration, social security costs and pensions (-)	-92.27	-145.27
H. Services and sundry goods (-)	-20,119.54	-33,836.75
J. Taxes	-1,054.75	-26,202.23
K. Other expenses (-)	-6,469.43	-6,941.84
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	136,890.65	-407,323.50
V. Profit (loss) on ordinary activities before tax	-897,724.22	1,838,927.69
VII. Net earnings for the year	-897,724.22	1,838,927.69

Appropriation of profit

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit available for appropriation (loss to be recognised)	-920,224.22	1,816,627.69
Profit for the year available for appropriation (loss to be recognised)	-897,724.22	1,838,927.69
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-22,500.00	-22,300.00
II. (Appropriations to) Deductions from capital	920,224.22	-1,816,627.69

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB PRIVATE BANKING JUMPSTART 1

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the currency of the sub-fund)	% held by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	8,100,000.00	CZK	97.387	7,943,081.09		10.00	8.94
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	8,200,000.00	CZK	96.412	7,961,230.87		10.02	8.96
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	8,150,000.00	CZK	97.679	8,015,872.87		10.09	9.02
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	8,150,000.00	CZK	97.290	7,984,239.62		10.05	8.99
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	4,100,000.00	CZK	96.433	3,981,455.77		5.01	4.48
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 10/07-10/01 3.10 %	4,100,000.00	CZK	96.489	3,983,762.11		5.01	4.48
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	4,100,000.00	CZK	97.558	4,027,566.63		5.07	4.53
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	4,100,000.00	CZK	96.684	3,991,730.33		5.02	4.49
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	4,100,000.00	CZK	97.195	4,012,698.31		5.05	4.52
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	4,100,000.00	CZK	96.300	3,976,009.25		5.00	4.48
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	4,100,000.00	CZK	96.863	3,999,067.41		5.03	4.50
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	4,100,000.00	CZK	97.053	4,006,889.63		5.04	4.51
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	4,100,000.00	CZK	96.347	3,977,944.66		5.01	4.48
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	4,050,000.00	CZK	97.807	3,988,532.11		5.02	4.49
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	4,100,000.00	CZK	96.210	3,972,296.82		5.00	4.47
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	4,100,000.00	CZK	97.236	4,014,370.53		5.05	4.52
Total bonds				79,836,748.01		100.49	89.87
Swaps							
<u>Belgium</u>							
KBC SWAPS	89,973,800.00	CZK	-0.430	-386,887.34		-0.49	-0.44
Total swaps				-386,887.34		-0.49	-0.44
TOTAL SECURITIES PORTFOLIO				79,449,860.67		100.00	89.44
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	550,723.27	CZK	1.000	550,723.27			0.62
KBC GROUP EURO	301.64	EUR	1.000	7,692.72			0.01
Total demand accounts				558,415.99			0.63
Fixed-term deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	6,250,000.00	CZK	100.001	6,250,062.50			7.04
KBC BANK NV 25/07-10/01/12 KBCBANK 0.820 %	2,080,000.00	CZK	100.003	2,080,062.40			2.34

<u>France</u>						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	470,000.00	CZK	100.007	470,032.90		0.53
Total fixed-term deposit accounts				8,800,157.80		9.91
TOTAL CASH AT BANK AND IN HAND				9,358,573.79		10.54
OTHER						
Accrued interest		CZK		32,405.43		0.04
Prepaid expenses		CZK		-6,663.06		-0.01
TOTAL OTHER				25,742.37		0.03
TOTAL NET ASSETS				88,834,176.83		100.00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
EQLISWAP	CZK	89,973,800.00	89,973,800.00	n.a.	30.06.2011

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

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0.00		400,000.00		10,551,000.00		10,551,000.00
2010 - 12	0.00		820,000.00		9,731,000.00		9,731,000.00
2011 - 12	0.00		550,000.00		9,181,000.00		9,181,000.00

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0.00		3,714,000.00	
2010 - 12	0.00		7,962,000.00	
2011 - 12	0.00		5,420,000.00	

Period	Net asset value At the end of the period (in the currency of the sub-fund)		
	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	101,274,973.36	9.60	
2010 - 12	95,151,901.05	9.78	

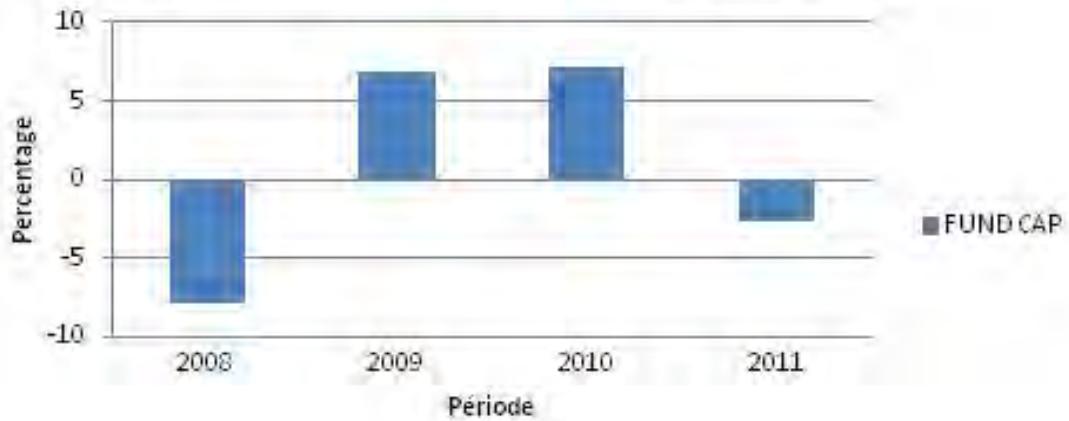
2011 - 12	88,834,176.83	9.68	
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2.4.5 RETURNS

BE0947471729

Horizon - CSOB Private Banking Jumpstart 1- CAP:

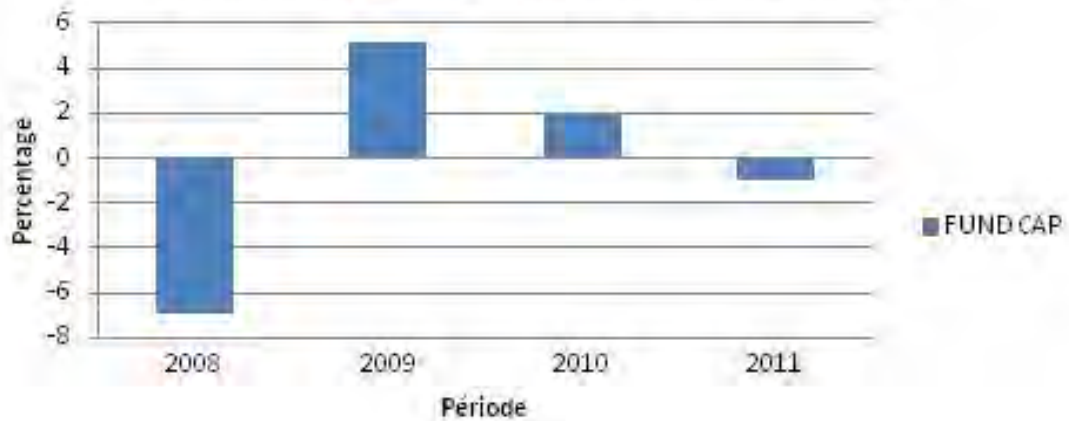
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0947471729

Horizon - CSOB Private Banking Jumpstart 1- CAP:

Performance sur base annuelle en date du 31/12/2011 (en CZK)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0947471729	EUR	-2.63%		3.73%						05/10/2007	1.26%
CAP	BE0947471729	CZK	-1.02%		1.97%						05/10/2007	-0.76%

* The performance figures shown are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no account of possible 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.
- 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
- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.118%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, therefore, there is no conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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 - 2.1.2. Stock exchange listing
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 - 2.1.4. Financial portfolio management
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 - 2.4.1. Composition of the assets
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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON KREDYT BANK PRIVATE BANKING 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 25 June 2008
Initial subscription price: PLN 100
Maturity date: 31 January 2012
Currency: PLN

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

The object of this sub-fund is to generate the highest possible return for its unit holders. To this end, an investment strategy has been developed which consists of:

- (1) an investment in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits and liquid assets (including funds placed on a fixed-term deposit account or demand account) (see under *Permitted asset classes*);
- (2) An investment in 'swaps' (exchange contracts). The sub-fund therefore assigns part of its future income from the investments indicated under the point dealing with *Permitted asset classes* to the counterparty(-ies) for the life of the sub-fund. In exchange, the counterparty(-ies) commit to offering a potential return. The different types of 'swaps' in which the sub-fund can invest are explained under the section *Permitted swap transactions*.

No formal guarantee is granted to the sub-fund or its unit holders. No guaranteed return or capital protection is offered by the sub-fund during the period concerned nor on Maturity.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable laws and regulations. These investments may be of various durations and coupon payment dates that are aligned to the expiry dates of the sub-fund's commitments through the use of the 'swaps' described in the point dealing with *Permitted swap transactions (2)*.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

The sub-fund may invest in stock-exchange-listed bonds issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the average solvency score of the bonds and other debt instruments must equate at least to a Standard & Poor's "A-" rating, or Moody's or Fitch's equivalent rating or, if no solvency rating is available, to an average credit-risk profile that the manager considers to be at least equivalent.

The solvency score for long-term bonds and other debt instruments when the investment is launched must equate at least to Standard & Poor's "A-" rating, or to Moody's or Fitch's equivalent rating or, if no solvency rating is available, an average credit-risk profile that the manager considers to be at least equivalent .

The solvency score for short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to Standard & Poor's "A-1" rating, or to Moody's or Fitch's equivalent rating, or, if no solvency rating is available, an average credit-risk profile that the manager considers to be at least equivalent .

All maturities are taken into consideration when selecting bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The 'swaps' set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts 'swaps'. Under these swaps, the sub-fund transfers a portion of its future earnings from the investments indicated under the section *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The use of 'swaps' in this sub-fund may lead to (full or partial) loss of the initial capital invested.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the investments referred to under *Permitted asset classes*.

These 'swaps' are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund aims to generate a potential capital gain contingent on any rise in value of a basket of 30 shares in top-quality companies (as set out below) with a high market capitalisation and a low price/earnings ratio, calculated on the basis of a 'Booster' structure.

This Booster structure means that in calculating the net asset value at maturity, account is taken of both the initial subscription value and the performance of the basket of shares ($= (\text{Final Value} \text{ minus } \text{Initial Value}) \text{ divided by } \text{Initial Value}$). Any increase is taken into account to within 200%. Any decrease is taken into account without ceiling to within 100%. If such a scenario occurs, redemption at maturity will be lower than the initial subscription value.

Thus this sub-fund does not offer a guaranteed return or protection of capital, either during the term or at the renewal date.

MATURITY: Tuesday, 31 January 2012 (Payment with a value date of D + 1 bank business day)

CURRENCY: PLN, changes to the local currency exchange rates for shares in the basket with respect to the PLN are not relevant.

BASE VALUE: Value of the basket based on the average stock market price of shares in the basket on the first ten Valuation Dates from Friday, 2 July 2008 (inclusive).

FINAL VALUE: The value of the basket based on the average price of the shares in the basket on the last Valuation Date of the month in each of the last 18 months before Maturity, namely from July 2010 to December 2011 (inclusive).

PRICE:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of a share in the basket as calculated and published at the stock exchange close by the competent stock-exchange entity (or its legal successor) where the security is listed. For shares listed on the Milan stock exchange, this is the reference price.

VALUATION DATE:

For each share in the basket, this is a trading day for the stock exchange on which the share is listed and which is the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market for that share (suspension or limitation of trading in that security) or early close of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market in a share in the basket is disrupted or closes early, the original Valuation Date for this share is replaced by the next trading day on which there is no disruption or early closure, provided that date is not already a scheduled Valuation Date or already replaces a scheduled Valuation Date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled Valuation Date, (i) this eighth trading day will be deemed to be the scheduled Valuation Date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which occurred in respect of one or more shares, (b) the change in the conditions for determining the Base Value and/or Final Value, and (c) the terms and conditions for distribution subject to the investment objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, on the actual terms and conditions of the sub-fund and, in particular, the performance of the

underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 3 years and 6 months, which pays, at maturity, 170% of any rise in value of the Basket beyond the full initial subscription value of PLN 100. Negative basket performances are taken into account. The Base Value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente	Valeur à l'Echéance
Scénario Positif	140	170% * 40% = 68%	100 + 68% * 100 = 168 PLN (rendement actuariel : 15.97%, avant frais et impôts)
Scénario Neutre	111	170% * 11% = 18.7%	100 + 18.7% * 100 = 118.7 PLN (rendement actuariel : 5.01%, avant frais et impôts)
Scénario Négatif	60	100% * -40% = -40%	100 + (-40%) * 100 = 60 PLN (rendement actuariel : -13.58%, avant frais et impôts)

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share's serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	AKZO NOBEL	AKZA NA EQUITY	AMSTERDAM	2.00%
2	ALTRIA GROUP INC	MO UN EQUITY	NEW YORK	3.00%
3	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM EQUITY	MADRID	3.00%
4	BANCO SANTANDER CENTRAL HISP	SAN SM EQUITY	MADRID	4.00%
5	BASF AG	BAS GY EQUITY	FRANKFURT	3.00%
6	BAYER AG	BAY GY EQUITY	FRANKFURT	2.00%
7	BRITISH AMERICAN TOBACCO PLC	BATS LN EQUITY	LONDON	3.00%
8	CITIGROUP INC	C UN EQUITY	NEW YORK	3.00%
9	CREDIT SUISSE GROUP-REG	CSGN VX EQUITY	VIRT-X	3.00%
10	DIAGEO PLC	DGE LN EQUITY	LONDON	3.00%
11	E.ON AG	EOA GY EQUITY	FRANKFURT	3.00%
12	ELI LILLY & CO	LLY UN EQUITY	NEW YORK	3.00%
13	ENEL SPA	ENEL IM EQUITY	MILAN	5.00%
14	FORTIS	FORB BB EQUITY	BRUSSELS	5.00%
15	FORTUM OYJ	FUM1V FH EQUITY	HELSINKI	4.00%
16	GENERAL ELECTRIC CO	GE UN EQUITY	NEW YORK	3.00%
17	HSBC HOLDINGS PLC	HSBA LN EQUITY	LONDON	5.00%
18	ING GROEP NV-CVA	INGA NA EQUITY	AMSTERDAM	4.00%
19	JPMORGAN CHASE & CO	JPM UN EQUITY	NEW YORK	3.00%
20	MANULIFE FINANCIAL CORP	MFC CT EQUITY	TORONTO	2.00%
21	NOVARTIS AG-REG	NOVN VX EQUITY	VIRT-X	3.00%
22	PFIZER INC	PFE UN EQUITY	NEW YORK	4.00%
23	REYNOLDS AMERICAN INC	RAI UN EQUITY	NEW YORK	5.00%
24	ROCHE HOLDING AG-GENUSSCHEIN	ROG VX EQUITY	VIRT-X	2.00%
25	RWE AG	RWE GY EQUITY	FRANKFURT	5.00%
26	SANOFI-AVENTIS	SAN FP EQUITY	PARIS	3.00%
27	SCHLUMBERGER LTD	SLB UN EQUITY	NEW YORK	2.00%
28	SUNTRUST BANKS INC	STI UN EQUITY	NEW YORK	3.00%
29	TELEFONICA SA	TEF SM EQUITY	MADRID	4.00%
30	TOTAL SA	FP FP EQUITY	PARIS	3.00%

Selection criteria for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) the share has a major market capitalisation and a low price/earnings ratio, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the Maturity Date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the Maturity Date as profit on the share for the purpose of calculating the final rise in value of the basket on the Maturity Date.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19*bis* of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19*bis* of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price prorated over the period for which the investor held the units. This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
AGEAS	0.6177
AKZO NOBEL	1.7575
ALTRIA GROUP INC	4.3057
BANCO BILBAO VIZCAYA ARGENTA	1.7324
BANCO SANTANDER SA	2.1785
BASF SE	3.8298
BAYER AG	1.7982
BRITISH AMERICAN TOBACCO PLC	5.3156
CITIGROUP INC	0.4938
CREDIT SUISSE GROUP AG-REG	1.5239
DIAGEO PLC	4.7810
E.ON AG	1.1763
ELI LILLY & CO	2.6137
ENEL SPA	2.9848
FORTUM OYJ	2.2159
GENERAL ELECTRIC CO	1.9888
HSBC HOLDINGS PLC (LONDON)	3.7470
ING GROEP NV-CVA	1.4340
JPMORGAN CHASE & CO	2.9461
MANULIFE FINANCIAL CORP	0.6032
NOVARTIS AG-REG	2.7369
PFIZER INC	4.8702
REYNOLDS AMERICAN INC	8.4524
ROCHE HOLDING AG-GENUSSCHEIN	1.7464
RWE AG	1.6981
SANOFI	3.7724
SCHLUMBERGER LTD	1.3597
SUNTRUST BANKS INC	1.6634

TELEFONICA SA (SM)	3.0463
TOTAL SA	2.3149
TOTAL	79.70

Performance of the index or basket

Index: **BASKET**

31/12/2010: **85.78**

30/06/2011: **88.26**

29/12/2011: **79.70**

Performance since 31 December 2010 or since the launch of the sub-fund: **-7.09%**

Performance since 30 June 2011 or since the launch of the sub-fund: **-9.70%**

Index at the launch of the sub-fund **100.00**

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
24/08/2007	Banco Central Hispanoamerica	Banco Santander	Change of name
30/04/2010	FORTIS (BRUSSELS)	AGEAS	Change of name
10/05/2011	SANOFI-AVENTIS	SANOFI	Change of name

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: 6

Risk rating at launch: 5

The risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating must be changed if the score awarded to a UCI sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
TOTAL NET ASSETS	7,595,055.24	8,896,781.15
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	7,013,683.78	8,174,087.00
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-1,656,735.00	-2,010,895.97
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		1,778.71
c) Collateral	1,799,712.00	2,299,862.00
B. Debts		
a) Amounts payable (-)	-99,111.37	
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	194,233.29	59,439.44
B. Fixed-term deposits at banks	309,887.40	339,934.80
VI. Accruals and deferrals		
B. Accrued income	40,036.64	40,366.67
C. Accrued expenses (-)	-6,651.50	-7,791.50
TOTAL CAPITAL AND RESERVES	7,595,055.24	8,896,781.15
A. Capital	7,590,321.15	9,002,654.15
B. Share in profit	-9,914.50	-1,890.00
D. Net earnings for the year	14,648.59	-103,983.00

OFF-BALANCE-SHEET ITEMS

I Assets deposited as security (+/-)		
I.A Collateral (+/-)		
I.A.B Deposits and cash at bank and in hand	1,800,000.00	2,300,000.00
IV Swap contract notional amounts (+)	9,559,925.00	11,000,525.00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-146,346.80	8,982.37
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	118,996.25	-50,336.07
G. Receivables, deposits, cash at bank and in hand, and payables	-197.40	-569.20
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	547.69	-1,173.34
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	334,256.21	338,033.75
b) Deposits and cash at bank and in hand	28,595.55	22,966.53
c) Collateral (+/-)	69,965.48	80,279.46
C. Interest on borrowings (-)	-2,196.81	
D. Swap contracts (+/-)	-213,074.17	-280,782.88
F. Other investment income		-11,468.05
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	13,163.75	3,357.30
B. Other	-1,610.45	2,722.27
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-0.04	-0.29
B. Financial expenses (-)	-3,118.51	-2,137.67
C. Custodian's fee (-)	-959.50	-1,016.05
D. Manager's fee (-)		
a) Financial management	-169,176.04	-186,182.46
b) Administration and accounting management	-4,653.85	-4,399.86
F. Formation and organisation expenses (-)	-1,007.16	-1,192.40
G. Remuneration, social security charges and pensions (-)		-12.48
H. Services and sundry goods (-)	-1,707.50	-3,869.25
J. Taxes	-6,252.43	-16,527.84
K. Other expenses (-)	-575.68	-656.84
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	41,648.85	-60,886.76
V. Profit (loss) on ordinary activities before tax	14,648.59	-103,983.00
VII. Net earnings for the year	14,648.59	-103,983.00

Appropriation of profit

	31/12/2011 <small>(in the sub fund's currency)</small>	31/12/2010 <small>(in the sub fund's currency)</small>
I. Profit available for appropriation (loss to be recognised)	4,734.09	-105,873.00
Profit for the period available for appropriation (loss to be recognised)	14,648.59	-103,983.00
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-9,914.50	-1,890.00
II. (Appropriations to) Deductions from capital	-4,734.09	105,873.00

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON KREDYT BANK PRIVATE BANKING 1

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% held by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6W-15 10/01-10/07 6.66%	705,000.00	PLN	97.363	702,205.92		13.11	9.25
BEECHWOOD STRUCTURED FIN PLC 6W-15 10/01-10/07 5.84%	705,000.00	PLN	96.388	695,335.36		12.98	9.16
BROOKFIELDS CAPITAL PLC 6W-15 10/01-10/07 6.66%	710,000.00	PLN	97.654	709,256.03		13.24	9.34
EPERON FINANCE PLC 6W-15 10/01-10/07 6.66%	710,000.00	PLN	97.266	706,500.25		13.19	9.30
ESPACCIO SECURITIES PLC 6W-15 10/01-10/07 5.84%	350,000.00	PLN	96.409	345,273.69		6.45	4.55
GREENSTREET STRUCT. FIN. PROD. PLC 6W-15 10/01-10/07 5.84%	350,000.00	PLN	96.465	345,470.57		6.45	4.55
NIMROD CAPITAL PLC 6W-15 10/01-10/07 5.84%	355,000.00	PLN	97.533	354,198.69		6.61	4.66
OPAL FINANCIAL PRODUCTS PLC 6W-15 10/01-10/07 5.84	355,000.00	PLN	96.659	351,095.79		6.55	4.62
PROFILE FINANCE PLC 6W-15 10/01-10/07 5.84%	355,000.00	PLN	97.171	352,911.31		6.59	4.65
RECOLTE SECURITIES PLC 6W-15 10/01-10/07 6.66%	355,000.00	PLN	96.276	349,734.58		6.53	4.61
SILVERSTATE FIN INV PLC 6W-15 10/01-10/07 6.66%	355,000.00	PLN	96.838	351,731.08		6.57	4.63
VESPUCCI STRUCTURED FIN PROD 6W-15 10/01-10/07 6.66%	350,000.00	PLN	97.029	347,444.87		6.49	4.58
VIGADO CAPITAL PLC 6W-15 10/01-10/07 6.66%	350,000.00	PLN	96.323	344,973.96		6.44	4.54
VOYCE INVESTMENTS PLC 6W-15 10/01-10/07 6.66%	355,000.00	PLN	97.782	355,082.44		6.63	4.68
WATERFORD CAPITAL INC PLC 6W-15 10/01-10/07 5.84%	355,000.00	PLN	96.185	349,413.14		6.52	4.60
WAVES FINANCIAL INV PLC 6W-15 10/01-10/07 5.84%	355,000.00	PLN	97.211	353,056.10		6.59	4.65
Total bonds				7,013,683.78		130.93	92.35
Swaps							
<u>Belgium</u>							
KBC SWAPS	9,559,925.00	PLN	-17.330	-1,656,735.00		-30.93	-21.81
Total swaps				-1,656,735.00		-30.93	-21.81
TOTAL SECURITIES PORTFOLIO				5,356,948.78		100.00	70.53
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	2,356.52	EUR	1.000	10,504.89			0.14
KBC GROUP PLN	183,728.40	PLN	1.000	183,728.40			2.42
Total demand accounts				194,233.29			2.56
Fixed-term deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	10,000.00	PLN	99.984	9,998.40			0.13

<u>United Kingdom</u>						
STANDARD CHARTERED 08/07-10/01/12 STANDCHA 3.400 %	300,000.00	PLN	99.963	299,889.00		3.95
Total fixed-term deposit accounts				309,887.40		4.08
TOTAL CASH AT BANK AND IN HAND				504,120.69		6.64
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC BANK NV 08/07-10/01/12 KBCBAN 4.050 % C	1,800,000.00	PLN	99.984	1,799,712.00		23.70
Total receivables				1,799,712.00		23.70
Debts						
<u>Belgium</u>						
KBC GROUP PLN PAYABLES	-99,111.37	PLN	1.000	-99,111.37		-1.31
Total debts				-99,111.37		-1.31
TOTAL OTHER RECEIVABLES AND PAYABLES				1,700,600.63		22.39
OTHER						
Accrued interest		PLN		40,036.64		0.53
Prepaid expenses		PLN		-6,651.50		-0.09
TOTAL OTHER				33,385.14		0.44
TOTAL NET ASSETS				7,595,055.24		100.00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
KBCBANK 08/07-10/01/12 KBCBAN 4.050 % C	PLN	1,800,000.00	1,800,000.00	n.a.	06.07.2011
EQLISWAP	PLN	9,559,925.00	9,559,925.00	n.a.	14.10.2011

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Capitalisation	Distribution	Capitalisation	Distribution	Capitalisation	Distribution	Total
2009 - 12	0.00		1,000.00		115,250.00		115,250.00
2010 - 12	0.00		4,500.00		110,750.00		110,750.00
2011 - 12	0.00		15,950.00		94,800.00		94,800.00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
Year	Subscriptions		Redemptions	
	Capitalisation	Distribution	Capitalisation	Distribution
2009 - 12	0.00		49,560.00	
2010 - 12	0.00		335,730.00	
2011 - 12	0.00		1,316,374.50	

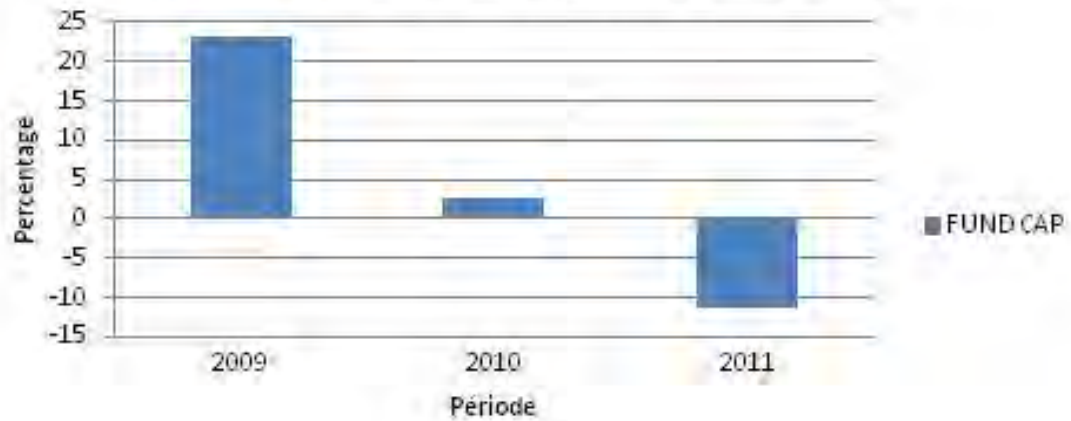
Period	Net asset value At the end of the period (in the currency of the sub-fund)		
Year	of the sub-fund	Of one unit	
		Capitalisation	Distribution
2009 - 12	9,336,494.15	81.01	
2010 - 12	8,896,781.15	80.33	
2011 - 12	7,595,055.24	80.12	

2.4.5 RETURNS

BE0948294229

HOR.KREDYT BANK PRIVATE BANKING 1 - CAP:

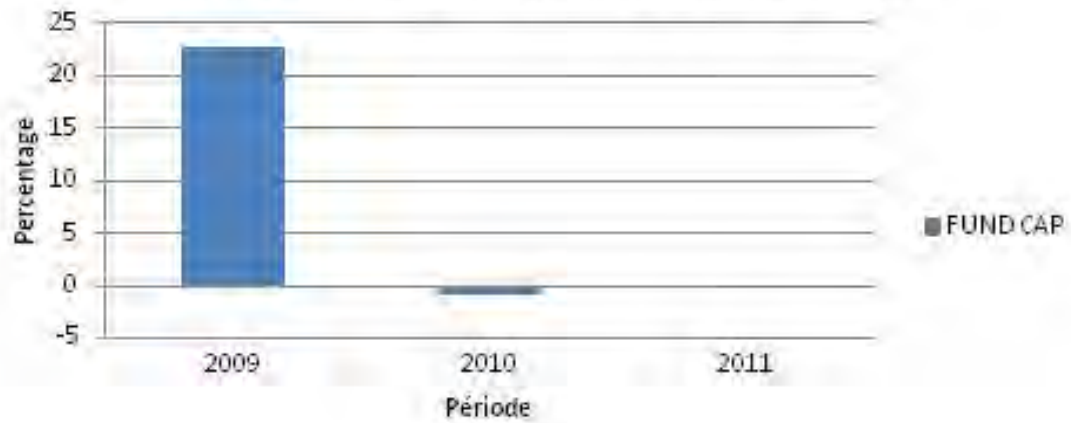
Performance sur base annuelle en date du 31/12/2011 (en EUR)



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HOR.KREDYT BANK PRIVATE BANKING 1 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en PLN)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948294229	EUR	-11.34%		3.91%						25/06/2008	-13.33%
CAP	BE0948294229	PLN	-0.29%		6.69%						25/06/2008	-6.12%

* Performance figures shown are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no account of possible restructuring.
- Calculated in PLN and 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:

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

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

- 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 nth 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 units.

2.4.6 CHARGES

Total expenses ratio (TER): * 2.257%

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

- transaction charges;
- interest payments on borrowings;
- 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% to 60% if the distributor is an entity belonging to KBC Groupe SA, to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, therefore, there is no conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB CENTRAL EUROPE SKK 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE AT LAUNCH

Launch date: 21 December 2007
Subscription price at launch: 10 SKK
Maturity date: 31 January 2012
Currency: SKK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY AS STATED IN THE PROSPECTUS

OBJECTIVE OF THE SUB-FUND

INVESTMENT POLICY

The sub-fund has two objectives(before costs and taxes):

- (1) To reimburse the initial per-share subscription price of 10 SKK at Maturity (capital protection). This capital protection is granted by the establishment of a financial mechanism that is further explained in Section *Capital protection*. This capital protection is not applicable in the event the shareholder sells his shares before the Maturity date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). The different types of swaps in which the fund may invest are explained in Section *Potential Return*.

CAPITAL PROTECTION

The financial mechanism used to achieve capital protection

The financial mechanism used to achieve the capital protection at Maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash. (including funds placed in a deposit account or current account). These investments may have different terms and coupon payment dates that are adapted to sub-fund commitment periods by means of 'swap' transactions described in Section *Permitted Swap Transactions (2)*.

Investment criteria

The investments must meet the following criteria:

- (1) An investment in deposits and/or debt securities placed with or issued by financial institutions under prudential supervision and established in a Member State of the European Economic Area.
- (2) An investment in debt securities issued or guaranteed by a Member State of the European Economic Area..
- (3) An investment included in an investment strategy with a similar structure and identical counter risk to a direct investment in deposits and/or debt securities referred to in paragraphs (1) and (2) above.

Investments referred to in (3) may consist of:

- (A) An investment in publicly traded bonds issued by 'Special Purpose Vehicles' (SPV).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

Bonds issued by the SPV are underlying a diversified portfolio of deposits issued by financial institutions, bonds and other debt securities and derivatives (financial derivatives). The selection of these underlying investments is based on criteria related to allocation and solvency (See under *Permitted Asset Classes and Criteria of bonds and other debt obligations* to reduce counterparty risk.

Other specifications that such underlying deposits, bonds, other debt securities and derivatives (financial derivatives) must meet are listed in the SPV base prospectus.. These base prospectus are available on the site <http://www.kbc.be/prospectus/spv/>.

Investments like the SPVs sub-fund are explained to the investor in the sub-fund in the annual and interim report of the fund in which the fund is a part. The annual and interim report are also available on the site <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada, Australia and/or
- Debt securities issued by financial institutions subject to prudential supervision in the United States, Japan, Canada, Australia and/or
- Debt securities issued or guaranteed by the United States, Japan, Canada or Australia.

Prudential supervision of financial institutions in the United States, Japan, Canada and Australia may be considered equivalent to the prudential supervision of financial institutions in Member States of the European Economic Area.

Investments in debt securities issued by financial institutions subject to prudential supervision in the United States, Japan, Canada and Australia or issued or guaranteed by the United States, Japan, Canada or Australia have a minimum solvency score as stated in the Section *Characteristics of bonds and other debt securities*.

(C) The investments may also combine investments in (A) and in (B).

No formal guarantee

No formal guarantee of repayment of the initial subscription price is provided for the sub-fund or its shareholders. In other words, capital protection does not constitute a performance obligation for the sub-fund, although the achievement of this goal by the financial mechanism remains the highest priority.

If, due to the impairment of the financial mechanism, the amount payable per share at Maturity (before costs and taxes) is less than the initial subscription price, KBC Asset Management SA may decide (but is not obliged) to cover the management commission received from the fund and possibly other funds during the current financial year to reduce this deficit. This is not a guarantee from KBC Asset Management SA, which may decide according to its own vision to use the management fee for this purpose or not.

This capital protection is not applicable in the event the shareholder sells his shares before the Maturity date.

POTENTIAL RETURN

To achieve a potential return, the sub-fund enters into swap agreements with one or more prime counterparties. This is the reason why the sub-fund sells part of its future investment income to preserve the capital in this/these sub-fund(s) for the duration of the sub-fund. In exchange, the counterparty(ies) agree to provide the potential returns described in the Section *Strategy Defined*.

SUB-FUND INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations.

The limits and investment restrictions laid down by the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be respected at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The mean solvency score (rating) of bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Long-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Short-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

All durations are taken into consideration in the selection of bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The 'swaps' described below are made with a prime counterparty(ies) within the limits defined by law.

(1) To achieve a potential return, the sub-fund enters into 'swaps'. Through these swaps, the sub-fund sells part of its future investment income to preserve the capital in this/these fund(s) for the duration of the sub-fund. In exchange, the counterparty(ies) agree to provide the potential returns described in *Strategy defined*.

The 'swaps' in (1) are essential to achieving the investment objectives of the sub-fund, given that using this technique follows the goal of achieving a potential return.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

(2) The sub-fund concludes, if necessary, 'swaps' to match the durations of those sub-fund commitments and those of the flow of money resulting from deposits, bonds and other debt instruments described in the *Investment criteria*.

These 'swaps' are essential to achieving the investment objectives of the sub-fund, given that there are not bonds and other debt instruments sufficiently on the market whose coupons and maturities coincide perfectly with the maturities of the sub-fund commitments.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

(3) The sub-fund may also enter into 'swaps' to protect itself from the credit risk of issuers of bonds and other debt instruments. Through such a 'swap', one or more counterparty(ies) recovers, in exchange for a premium payable by the sub-fund, the risk of an issuer of a bond or other debt instrument that is found in the sub-fund's portfolio remains in default.

The 'swaps' in (3) serve to cover credit risk.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

STRATEGY DEFINED

OBJECTIVES AND INVESTMENT POLICY:

The sub-fund follows two investment objectives: firstly to maintain 100% of the initial subscription value to Maturity and secondly, to generate capital gains as much as possible depending upon any increase in the basket of 30 shares in companies that realise a major part of their sales in Central Europe and for which we could expect them to benefit from economic expansion in Central Europe.

Thus 100% of any increase in the basket of 30 stocks (= *Final Value less Initial Value*), divided by the *Initial Value* will be distributed at Maturity above 100% of the initial subscription price.

MATURITY: Tuesday 31 January 2012 (Value date payment D + 1 business day)

CURRENCY: SKK, the change in the local currency exchange rate for shares in the basket compared to SKK is not relevant.

INITIAL VALUE: Value of the basket based on 1 the average Price of shares in the basket during the first ten Value Dates starting from Thursday 7 August 2008 (included).

FINAL VALUE: Value of the basket based on 1 the average Price of shares in the basket on the last Value Date of the month of February for the last 4 years prior to Maturity, more precisely, from February 2009 to February 2012 (included).

PRICE:

For all shares, except those listed on the Milan Stock Exchange, the closing price, namely the price of a share in the basket as calculated and reported at the close by the trading by body responsible for the exchange on which the security is listed (or its legal successor). The benchmark price is applied to shares listed on the Milan Stock Exchange.

VALUE DATE:

For each share in the basket on an exchange trading day in which the share is quoted and for the exchange the highest trading day where the share's options are noted, unless a Market Disruption Event (suspension or limitation of trading on this share) occurs on this day or there is an early closing (the responsible body announced an early market close). If a Market Disruption Event or an Early Closure occurs as regards a share in the basket, the original Value Date for this share is replaced by the first following trading day in which there was no Market Disruption Event and no early closing and that is not itself already an original Value Date and does not itself replace an original Value Date due to a Market Disruption Event or an early closing.

However, if a Market Disruption Event or an early closure occurs during each of the eight trading days following the original Value Date, (i) that eighth trading day will be considered the original Value Date, and (ii) the fund may consider in good faith, in consultation with the prime counterparties with whom a swap agreement was reached, the share price as it would have been listed at the eighth trading day and (iii) the fund will notify shareholders of (a) the Market Disruption Event or early closing that has occurred with regard to one or several shares, (b) the modified conditions to determine the Initial and/or Final Value and (c) the procedures for the distribution of amounts in accordance with the investment objectives achieved.

The explanations below are intended to describe the workings of the structure of the sub-fund. The examples provided do not indicate the expected return. The actual return of the sub-fund depends, on the one hand, upon the actual market developments during the duration of the structure and, secondly, the specific methods of the sub-fund and, in particular, the change in underlying values, the duration and participation rate, as described under "Objectives and Investment Policy."

The following examples illustrate the aforementioned investment objectives for a structure of 5 years and 6 months that pays 80% of any increase at Maturity (= (Final Value less Minimum Initial Value) divided by the Initial Value), above 100% of the initial subscription price of 10 CZK. The Initial Value of the basket is 100.

	Valeur Finale du panier	Performance pertinente (*)		Valeur à l'Echéance
Scénario Positif	130	100% * 30%	30%	10 + 30% * 10 = 13 SKK (rendement actuariel : 6.77%, avant frais et impôts)
Scénario Neutre	115	100% * 15%	15%	10 + 15%*10 = 11.5 SKK (rendement actuariel : 3.55%, avant frais et impôts)
Scénario Négatif	90	100% * 0%	0%	10 + 0% * 10 = 10 SKK (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performance of the Basket is not taken into account.

APPLICABLE BASKET:

The table below shows, successively, in columns from left to right, the sequence number of the share, its name, Bloomberg code, the exchange on which it is listed and its initial weight.

1	ALTRIA GROUP INC	MO UN Equity	New York	5.000%
2	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	5.000%
3	CARREFOUR SA	CA FP Equity	Paris	2.000%
4	CEZ AS	CEZ CP Equity	Prague	2.000%
5	DIAGEO PLC	DGE LN Equity	London	5.000%
6	E.ON AG	EOA GY Equity	Frankfurt	2.000%
7	ENEL SPA	ENEL IM Equity	Milan	5.000%
8	GROUPE DANONE	BN FP Equity	Paris	2.000%
9	INDITEX	ITX SM Equity	Madrid	2.000%
10	INTESA SANPAOLO	ISP IM Equity	Milan	5.000%
11	KBC GROEP NV	KBC BB Equity	Brussels	4.000%
12	KINGFISHER PLC	KGf LN Equity	London	5.000%
13	L'OREAL	OR FP Equity	Paris	2.000%
14	MAN AG	MAN GY Equity	Frankfurt	5.000%
15	METRO AG	MEO GY Equity	Frankfurt	2.000%
16	NESTLE SA-REG	NESN VX Equity	Virt-X	2.000%
17	OTP BANK NYRT	OTP HB Equity	Budapest	5.000%
18	PPR	PP FP Equity	Paris	2.000%
19	PROCTER & GAMBLE CO	PG UN Equity	New York	2.000%
20	RAUTARUUKKI OYJ	RTRKS FH Equity	Helsinki	4.000%
21	RWE AG	RWE GY Equity	Frankfurt	5.000%
22	SANOFI-AVENTIS	SAN FP Equity	Paris	2.000%
23	SOCIETE GENERALE	GLE FP Equity	Paris	5.000%
24	STATOIL ASA	STL NO Equity	Oslo	2.000%
25	SUEZ SA	SZE FP Equity	Paris	2.000%
26	TELENOR ASA	TEL NO Equity	Oslo	2.000%
27	TESCO PLC	TSCO LN Equity	London	2.000%
28	UNICREDITO ITALIANO SPA	UC IM Equity	Milan	5.000%
29	UNILEVER NV-CVA	UNA NA Equity	Amsterdam	2.000%
30	VEOLIA ENVIRONNEMENT	VIE FP Equity	Paris	5.000%

Selection criteria for inclusion in the basket:

A share may not be included in the basket unless (i) the share is listed on an exchange (ii) the share is part of a major stock index, (iii) the company issuing the shares is European and (iv) the Board of the Fund has approved the inclusion of the share in the basket (the 'Selection Criteria').

Changes to the basket following a merger, acquisition, split, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition during the life of the sub-fund, a weight in the basket equal to the sum of the weights of the shares of all issuers involved in the transaction will be attributed to the shares of issuers involved in the transaction and that still meet the Selection Criteria after the transaction. If, after the transaction, none of the issuers concerned by the transaction meet the Selection Criteria any longer, such will be as specified under 'Nationalisation, Bankruptcy or Disqualification'.

Split

If an issuer of a share in the basket carries out a split, the weight of the share in question will be divided evenly between the shares of all issuers by fractions and who still meet the selection criteria. If, after the transaction, none of the issuers concerned by the split meet the Selection Criteria any longer, such will be as specified under 'Nationalisation, Bankruptcy or Disqualification'.

Nationalisation, Bankruptcy or Disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer meets the Selection Criteria ('Disqualification'), the share is valued at the last known price before disqualification. The value is then invested until Maturity of the underlying swap market transaction at the market rate in effect on the money market or bond market at the time of disqualification for a period equal to the time remaining until the Maturity of the underlying swap market transaction of the sub-fund. The value increased by interest is carried to Maturity as a result of the share for the calculation of the final increase of the basket at Maturity.

The following information is general in nature and does not purport to address all aspects of investing in UCITS. In specific cases, other rules may be applicable. In addition, tax laws and their interpretation may change. Investors who would like more information about the tax consequences – both in Belgium and abroad – concerning the acquisition, retention and transfer of share rights must seek advice from their financial and tax advisor.

The European Savings Directive and taxes on investment returns obtains at the time through the redemption of shares or equity in the event of a full or partial distribution of equity.

This UCITS invests no more than 40% of its assets directly or indirectly in such instruments within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented through:
the Act of 17 May 2004; *transposing into Belgian law the 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 the 1992 Income Tax Code on withholding tax*
- the Royal Decree of 27 September 2009 *implementing Article 338bis § 2 of the 1992 Income Tax Code.*
- *the Royal Decree of 27 September 2009 regarding the entry into effect of Article 338bis § 2, paragraphs 1-3, of the 1992 Income Tax Code;*

A paying agent established in Belgium who pays a rent-income related to the UCITS in the form of dividend payment (coupon) or through the sale, repayment or amortisation of shares to a natural person (share owner) residing in another EU country (or an independent or associated territory) is required to send information about this payment to the Belgian authorities, who will forward such to the tax authority of the holder's country of residence.

B. Tax on investment returns obtained following the purchase of share holdings or in the event of a total or partial distribution of equity. (Art. 19bis CIR 92).

The shares of these UCITS are capitalised as giving rights to dividends falling under the scope of Article 19bis CIR 92 upon the total or partial redemption or distribution of equity. .

Article 19bis CIR 92 applies only to shareholders who are subject to personal income tax. Based on this article, tax will be charged on investment returns between the purchase or redemption price depending upon the period during which the investor was a holder of shares. The rate is 15%.

The investment return consists of an income total which, directly or indirectly, as interest, capital gains or losses from the contributions of assets, was invested in investment instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company delegates the intellectual management of portfolio, with the exception of the formation and maintenance of the sub-fund from a technical and legal perspective, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTOR

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 INVESTMENT POLICY FOLLOWED DURING THE FINANCIAL YEAR

Composition of the basket at reporting date

Name	Value
ALTRIA GROUP INC	1,9428
BRITISH AMERICAN TOBACCO PLC	7,7408
CARREFOUR SA	0,7594
CEZ AS	1,1741
DANONE	1,6670
DIAGEO PLC	6,5647
E.ON AG	0,6662
ENEL SPA	2,1478
GDF SUEZ	0,9586
INDITEX (SM)	3,2964
INTESA SANPAOLO	1,3158
KBC GROEP NV	0,4050
KINGFISHER PLC	9,3128
L'OREAL	1,6694
MAN AG	3,3501
METRO AG	1,0296
NESTLE SA-REG	2,0957
OTP BANK NYRT	1,9219
PHILIP MORRIS INTERNATIONAL	5,1587
PPR	2,1509
PROCTER & GAMBLE CO/THE	1,8391
RAUTARUUKKI OYJ	0,9997
RWE AG	1,3823
SANOFI	1,7667
SOCIETE GENERALE	0,9687
STATOILHYDRO ASA	1,8718
TELENOR ASA	1,5334
TESCO PLC	1,7694
UNICREDIT SPA	0,6811
UNILEVER NV-CVA	2,1392
VEOLIA ENVIRONNEMENT	0,6658
Total	70,94

Change in the index or basket

	Index: Basket
	31/12/2010: 78,11
	30/06/2011: 80,03
	29/12/2011: 70,94
Change since 31/12/2010 or since the launch of the sub-fund:	-9.39%
Change since 30/06/2011 or since the launch of the sub-fund:	-6,36%
Index at the start of the sub-fund:	100,00
Minimum guarantee in local currency at maturity date:	10,00
Local currency:	SKK

Fixings

Period	Final Date	Final Value	Cap
1	30/12/2011	N.A.	-0.61%

Changes in the basket since the launch of the sub-fund:

Date	Redemptions	Purchases	Comments
31/03/2008		Philip Morris International	Spin off Altria
22/07/2008	SUEZ SA (PARIS)	GDF SUEZ	Purchase
30/04/2009	GROUPE DANONE	DANONE	Name change
10/05/2011	SANOFI-AVENTIS	SANOFI	Name change

2.1.8 RISK RATING

On a scale from 0 to VI.

Current risk rating: II.

Risk rating at launch: IV

This is a risk indicator for an investment in UCI or sub-fund. Seven risk ratings have been defined. The zero class represents the lowest risk rating and the six the highest risk.

Adaptation of the risk rating:

The risk rating is calculated according to the FSMA UCI Circular 3/2007 of 8 June 2007.

The risk rating may change over time. Thus, a change in the level of market volatility can affect the risk profile.

The risk rating should be changed when, for two consecutive six-month calculation periods, the risk rating of a UCI is different from that initially attributed.

The adapted risk rating is the risk rating at the time of the launch must be stated in the Annual (Interim) Reports.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
Total net assets	3.057.218,02	3.496.099,57
II. Securities, money market instruments, UCI and derivative financial instruments		
A. Bonds and similar instruments		
a) Bonds	2.803.974,68	3.325.585,22
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	-2.015,23	20.495,34
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		748,44
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	23.519,59	28.951,96
B. Current account balances at banks	230.085,10	120.015,19
VI. Accruals and deferrals		
B. Expenses to be carried forward	1.883,19	565,85
C. Accrued expenses (-)	-229,31	-262,43
Total shareholders' equity	3.057.218,02	3.496.099,57
A. Capital	3.066.515,88	3.456.950,62
B. Share in profit	-2.381,69	-1.680,00
D. Result for the financial year	-6.916,17	40.828,95

OFF-BALANCE-SHEET ITEMS

IV Swap contract totals (+)	3.001.049,27	3.556.596,53
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2.3 INCOME STATEMENT

Income statement	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs, capital gains and losses		
A. Bonds and similar instruments		
a) Bonds	-16.108,73	10.133,71
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	-26.057,76	31.341,61
G. Receivables, deposits, cash and debts	69,91	4,70
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	-0,45	-0,15
II. Investment income and expenses		
B. Interest		
a) Property values and money market instruments	44.608,76	37.432,50
b) Deposits and cash at bank and in hand	4.065,19	2.159,47
D. Swap contracts (+/-)	15.296,54	18.415,96
III. Other income		
A. Fees to cover the costs for renewal and disposal of assets, to discourage redemption and to cover delivery costs	4.319,51	5.689,69
B. Other	-644,10	2.318,90
IV. Operating expenses		
A. Transaction and investment delivery fees (-)	0,04	-0,12
B. Financial expenses (-)	-591,40	-474,87
C. Custodian's fee (-)	-250,00	-250,00
D. Manager's fee (-)		
a) Financial management	-28.699,44	-60.303,26
b) Administration and accounting management	-1.592,64	-2.742,55
F. Formation and organisation expenses (-)	-388,72	-551,18
G. Remuneration, social security charges and pensions (-)	-3,20	-5,90
H. Services and sundry goods (-)	-655,23	-1.333,65
J. Taxes	-55,16	-985,39
K. Other expenses (-)	-229,29	-20,52
Income and expenses for the period (quarter)		
Subtotal II + III + IV tax on proceeds	35.180,86	-650,92
V. Profit (loss) before taxes	-6.916,17	40.828,95
VII. Result for the financial year	-6.916,17	40.828,95

Profit appropriation account

	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Profit to be allocated (loss to be recognised)		
Profit (loss) brought forward from the previous financial year	-9.297,86	39.148,95
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-6.916,17	40.828,95
	-2.381,69	-1.680,00
II. (Assignments in) Transfer from capital	9.297,86	-39.148,95

2.4 STATEMENT OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF THE ASSETS OF THE HORIZON CSOB EUROPE LOOKBACK 1

Name	Quantity at 31/12/2011	Currency	Price in foreign currency	Value in the sub-fund's currency	% Held by the UCI	% Portfolio	% Net assets
NET ASSETS							
SHARE PORTFOLIO							
Bonds							
Private company bonds							
<u>Ireland</u>							
AMBER PRO BOND PTF 6E-0.07 10/01-10/07	292.000,00	EUR	97,944	288.472,35		10,30	9,44
AMETHYST STRUCTURED FIN PLC 6E-7 10/07-10/01_4.277%	50.000,00	EUR	97,393	49.120,58		1,75	1,61
BEECHWOOD STRUCTURED FIN PLC 6E-7 10/07-10/01_4.277%	50.000,00	EUR	96,419	48.633,31		1,74	1,59
BROOKFIELDS CAPITAL PLC 6E-7 10/07-10/01_4.277%	50.000,00	EUR	97,685	49.266,35		1,76	1,61
CARMINI PRO BAND PFT 6E-0.07 10/01-10/07	292.000,00	EUR	97,818	288.105,06		10,28	9,42
CORAL PRO BOND PTF 6E-0.07 10/01-10/07	292.000,00	EUR	97,875	288.269,09		10,29	9,43
EMERALD PRO BOND PTF 6E-0.07 10/01-10/07	292.000,00	EUR	97,976	288.565,53		10,30	9,44
EPERON FINANCE PLC 6E-7 10/07-10/01_4.277%	50.000,00	EUR	97,297	49.072,28		1,75	1,61
ESPACCIO SECURITIES PLC 6E-7 10/07-10/01_4.277%	50.000,00	EUR	96,439	48.643,56		1,74	1,59
FIN. PROD.	50.000,00	EUR	96,496	48.671,68		1,74	1,59
INDIGO PRO BOND PTF 6E-0.07 10/01-10/07	146.000,00	EUR	98,025	144.354,47		5,15	4,72
IVORY PRO BOND PTF 6E-0.07 10/01-10/07	146.000,00	EUR	97,833	144.074,01		5,14	4,71
MAGENTA PRO BOND PTF 6E-0.07 10/01-10/07	146.000,00	EUR	97,842	144.086,97		5,14	4,71
NIMROD CAPITAL PLC 6E-7 10/07-10/01_4.277%	50.000,00	EUR	97,564	49.205,88		1,76	1,61
OPAL FINANCIAL PRODUCTS PLC 6E-7 10/07-10/01_4.277%	51.000,00	EUR	96,690	49.744,24		1,78	1,63
PROFILE FINANCE PLC 6E-7 10/07-10/01_4.277%	51.000,00	EUR	97,201	50.005,06		1,79	1,64
RECOLTE SECURITIES PLC 6E-7 10/07-10/01_4.277%	51.000,00	EUR	96,306	49.548,68		1,77	1,62
SEPIA PRO BOND PTF 6E-0.07 10/01-10/07	146.000,00	EUR	97,708	143.891,69		5,14	4,71
SILVERSTATE FIN INV PLC 6E-7 10/07-10/01_4.277%	50.000,00	EUR	96,869	48.858,33		1,74	1,60
TAUPE PRO BOND PTF 6E-0.07 10/01-10/07	146.000,00	EUR	97,825	144.062,60		5,14	4,71
VERMILION PRO BOND PTF 6E-0.07 10/01-10/07	146.000,00	EUR	97,707	143.890,67		5,14	4,71
VESPUCCI STRUCTURED FIN PROD 6E-7 10/07-10/01_4.277%	50.000,00	EUR	97,060	48.953,73		1,75	1,60
VIGADO CAPITAL PLC 6E-7 10/07-10/01_4.277%	50.000,00	EUR	96,354	48.600,74		1,74	1,59
VOYCE INVESTMENTS PLC 6E-7 10/07-10/01_4.277%	50.000,00	EUR	97,813	49.330,36		1,76	1,61
WATERFORD CAPITAL INC PLC 6E-7 10/07-10/01_4.277%	51.000,00	EUR	96,216	49.502,50		1,77	1,62
WAVES FINANCIAL INV PLC 6E-7 10/07-10/01_4.277%	50.000,00	EUR	97,242	49.044,96		1,75	1,60
Bonds total				2.803.974,68		100,07	91,72
Swaps							
<u>Belgium</u>							
KBC SWAPS	90.409.610,32	SKK	-0,040	-2.015,23		-0,07	-0,07
Swaps				-2.015,23		-0,07	-0,07
Total share portfolio				2.801.959,45		100,00	91,65

CASH AT BANK AND AT HAND						
Demand balances at banks						
<u>Belgium</u>						
KBC GROUP EURO	23.519,59	EUR	1,000	23.519,59		0,77
Total demand balances at banks				23.519,59		0,77
Current accounts						
<u>Belgium</u>						
KBC BANK NV 08/07-10/01/12 KBCBANK 1.740 %	150.000,00	EUR	100,037	150.055,50		4,91
KBC BANK NV 25/07-10/01/12 KBCBANK 1.750 %	80.000,00	EUR	100,037	80.029,60		2,62
Total current accounts				230.085,10		7,53
Total cash at bank and at hand				253.604,69		8,30
OTHER						
Interest paid		EUR		1.883,19		0,06
Provisional expenses		EUR		-229,31		-0,01
Total other				1.653,88		0,05
TOTAL NET ASSETS				3.057.218,02		100,00

2.4.2 CHANGE IN THE COMPOSITION OF ASSETS

The detailed list of transactions may be consulted at no charge at the fund's main office, avenue du Port 2, 1080 Brussels.

2.4.3 TOTAL COMMITMENTS FOR FINANCIAL DERIVATIVE POSITIONS

IN SHARES	Currency	In currency	In the sub-fund's currency	Lot size	Transaction date
EQLISWAP	SKK	90.409.610,32	3.001.049,27	N.A.	16.11.2011

2.4.4 CHANGE IN THE NUMBER OF SUBSCRIPTIONS, REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares outstanding						
Years	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	25.354.026,58		13.527.828,52		12.244.245,00		12.244.245,00
2010 - 12	1.515,00		1.722.682,00		10.523.078,00		10.523.078,00
2011 - 12	0,00		1.308.986,00		9.214.092,00		9.214.092,00

Period	Totals paid and received by the UCI (in the currency of the sub-fund)			
Years	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	1.464,75		113.879,00	
2010 - 12	499,95		568.485,06	
2011 - 12	0,00		431.965,38	

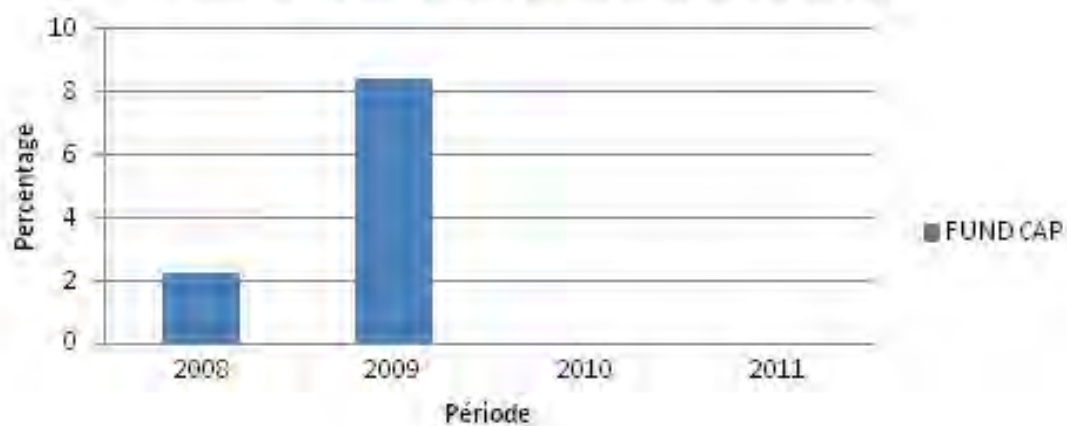
Period	Net asset value End of period (in the currency of the sub-fund)		
Years	For sub-fund	For one share	
		Cap.	Dis.
2009 - 12	4.023.255,73	0,33	
2010 - 12	3.496.099,57	0,33	
2011 - 12	3.057.218,02	0,33	

2.4.5 RETURNS

BE0947729399

Horizon - CSOB Central Europe SKK 1 - CAP:

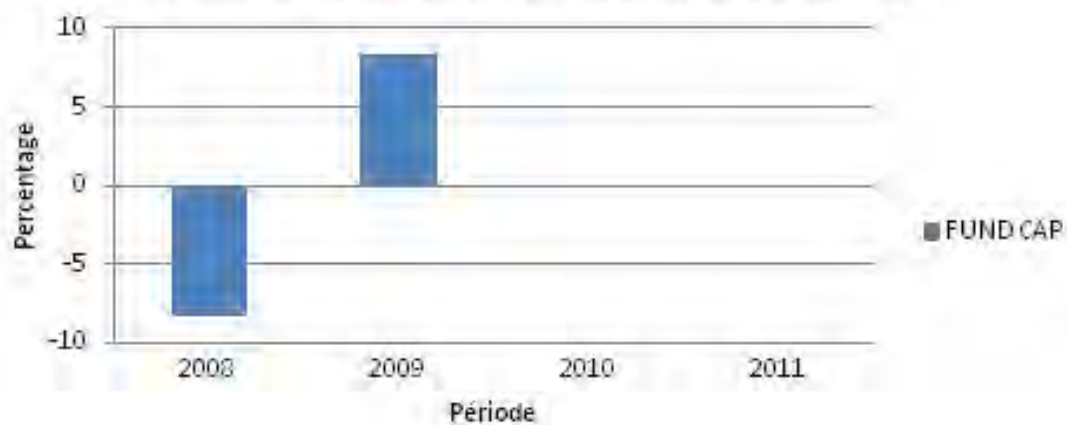
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0947729399

Horizon - CSOB Central Europe SKK 1 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en SKK)



Cap Dis	ISIN code	Currenc Y	1 Year		3 Years*		5 Years*		10 Years*		From start*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0947598059	EUR	0.85%		3.73%						21/12/2007	2.84%
CAP	BE0947598059	SKK	0.85%		3.73%						21/12/2007	-0.61%

* Performance figures are annualised.

Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take into account possible restructuring.
- Calculated in SKK and 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:
$$[\text{VIN}(D) / \text{VIN}(Y)]^{1/X} - 1$$
where Y = D-X
Return on date D since the start date S of the share:
$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$
where F = 1 if the share has existed for less than one year on date D
where F = (D-S) / 365.25 if the share 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 an annual return by taking the nth square root of 1 plus the total return of the share.
- The return figures shown above do not take into account fees and charges for the issue and redemption of shares.
- These are the capitalisation units performance figures.

2.4.6 EXPENSES

Total expenses ratio (TER): * 1.493%

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

- Transaction fees
- 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 35% and 60% if the distributor is a part of KBC Group NV or from 35% and 70% if the distributor is not a part 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 collective investment undertaking in shares of collective investment undertakings that are not managed by a KBC Group NV entity, and receives a fee for doing so, it will pay this fee to the collective investment undertaking.

Fee sharing does not affect the amount of the management fee paid by the fund to the management company. This management fee is subject to the conditions laid down in the statutes. The limitations may be amended only following approval by the General Meeting of shareholders.

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

It is in the interest of the sub-fund's shareholders and the Distributor that the largest possible number of shares be sold so that the sub-fund's assets are consequently maximised. In this respect, there is therefore no issue of conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENT AND OTHER DATA

The management fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

The administration agent's fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

Auditor's fee: 1,000 euros per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

The custodian's fee: is payable annually and is calculated on the basis of the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year.

Social, ethical and environmental concerns:

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 investment portfolio. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indices: Further information on potential financial indices used as underlying for financial derivatives are included in the "Objectives and investment policy of the sub-fund" section of this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB PRIVATE BANKING EMERGING MARKETS 2

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 19 October 2007
Initial subscription price: CZK 10
Maturity date: 31 October 2013
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse at least 95% of the initial subscription price per share of CZK 10 at maturity, namely CZK 9.5 through investments described in the section *Authorised asset categories*.
- (2) To offer a potential return through a swap agreement. To this end, the sub-fund transfers part of its future revenue described in *Authorised asset categories* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to provide a potential yield. The different types of swaps in which the sub-fund can invest are explained in *Authorised swap transactions*.

No formal reimbursement guarantee of at least 95% of the initial subscription price is granted to the sub-fund or its investors. In other words, this objective does not constitute an obligation for the sub-fund to generate a gain, although the achievement of this objective through the investments described above in the *Authorised financial asset categories* remains its absolute priority.

If the objective of reimbursing at least 95% of the initial subscription price per share is not achieved at maturity, KBC Asset Management can decide (but is under no obligation) to allocate the management fee made from the ICVC sub-fund and potentially other sub-funds during the current financial year to hedge against this shortfall. This does not constitute a guarantee on the part of KBC Asset Management SA. At its own discretion, it can decide at any time whether or not to use the management fee for this purpose.

This objective of reimbursing at least 95% of the initial subscription price per share does not extend to shareholders selling their shares before maturity.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with provisions of the Royal Decree of 4 March 2005 regarding certain public investment entities, sub-fund investments can consist of negotiable securities, particularly bonds and other debt instruments, money market instruments, units of collective investment undertakings, deposits, derivatives, liquid assets and all other instruments, provided that this is allowed by the applicable regulations. These investments can have different durations and coupon payment dates which are adjusted to sub-fund commitment renewal dates through swaps described in *Authorised swap transactions (2)*.

Investment limits and restrictions set by the Royal Decree of 4 March 2005 regarding certain collective investment undertakings will be observed at all times.

The sub-fund may invest in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the average solvency score of the bonds and other debt instruments must equate at least to a Standard & Poor's "A-" rating, or Moody's or Fitch's equivalent rating or, if no solvency rating is available, to an average credit-risk profile that the manager considers to be at least equivalent.

The solvency score for long-term bonds and other debt instruments when the investment is launched must equate at least to Standard & Poor's "A-" rating, or Moody's or Fitch's equivalent rating or, if no solvency rating is available, an average credit-risk profile that the manager considers to be at least equivalent .

The solvency rating for short-term bonds and other debt instruments when the investment must equate at least to Standard & Poor's "A-1" rating or Moody's or Fitch's equivalent rating or, if no solvency rating is available, to an average credit-risk profile that the manager considers to be at least equivalent.

All maturities are taken into consideration when selecting bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. Under these swaps, the sub-fund transfers a portion of its future earnings from the investments indicated under the section *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The use of swaps in this sub-fund may entail a maximum 5% loss of the initial capital invested.

The swaps under (1) are essential to completion of the investment objects of the sub-fund, given that via this method, the goal of reaching a potential return can occur.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the investments referred to under *Permitted asset classes*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the

market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Through such a swap, one or several counterparties resume the risk of non-performing bond or other debt instrument issuers within the sub-fund portfolio in exchange for a premium payable by the sub-fund.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to repay 95% of the initial subscription value at maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of share indexes (as set out below). 80% of any rise in the value of the basket of share indexes ($= \textit{(Final Value less Base Value) divided by the Base Value}$) which exceeds 95% of the initial subscription value will be distributed on maturity.

MATURITY: 31 October 2013 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against the local currencies of the indexes in the basket are not relevant.

BASE VALUE: Value of the basket based on the average of the prices for indexes in the basket for the first ten Valuation Dates from 26 October 2007 (inclusive).

FINAL VALUE: The value of the basket based on the average price for the indexes in the basket on the last Valuation Date of the month for each of the last 24 months before maturity, namely from October 2011 to September 2013 (inclusive).

PRICE:

For all the indexes in the basket, the closing price, that is to say the price of an index as calculated and published at the stock exchange close by the competent stock-exchange body (or its legal successor).

VALUATION DATE:

For each index in the basket, a trading day on which the competent stock exchange body calculates and publishes the index price. If, however, [A] the competent stock exchange body (i) makes significant changes to the formula and/or method for calculating the index, on or before the Valuation Date, and/or (ii) does not calculate and publish the index (although all the data are available), the ICVC will calculate the index, in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index-calculation method and formula; and/or [B] an event occurs on the Valuation Date which disrupts the market (preventing calculation of the index) or if the market closes early (the competent body has announced that the market will, on that day, close earlier than on other trading days), the original Valuation Date will be replaced by the next trading day on which there is no disruption or early closure, provided that date is not already an original Valuation Date or already replaces an original Reference Date postponed because of disruption or early closure of the market.. However, if the market is disrupted or closes early on each of the eight trading days which follow the original Valuation Date, (i) this eighth trading day will be deemed to be the original Valuation Date, and (ii) the ICVC will estimate the index price, in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index calculation formula and method, and (iii) the ICVC will inform the unit holders of (a) the exceptional circumstances which have arisen, (b) the amended conditions for determining the Base Value and/or Final Value for the Period, and (c) the terms and conditions for distribution of the amounts in the light of the investment objectives achieved.

If changes are made to an index in the basket (e.g. calculation by another sponsor, change to the calculation method, etc.), the ICVC will confer with the prime counterparty(-ies) with whom the swap contract has been concluded in order to decide

how the index is to be determined. In the event of substantial changes to a basket index or if the index ceases to be calculated, it may be replaced by another index, provided this new index is representative of the same geographical and/or economic sectors.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 6 years, which pays, on maturity, 65% of any rise in value of a basket of shares beyond 95% of the initial subscription value of CZK 10. The Base Value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	170	65% * 70% = 45.5%	9.5 + 45.5% * 10 = 14.05 CZK (rendement actuariel : 5.83%, avant frais et impôts)
Scénario Neutre	140	65% * 40% = 26%	9.5 + 26% * 10 = 12.1 CZK (rendement actuariel : 3.22%, avant frais et impôts)
Scénario Négatif	85	65% * 0% = 0%	9.5 + 0% * 10 = 9.5 CZK (rendement actuariel : -0.86%, avant frais et impôts)

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the sponsor for the index in the basket and its initial weighting in the basket.

1	MSCI Singapore Cash Index	SGY	Morgan Stanley Capital International	30%
2	Kospi 200 Index	KOSPI2	KRX-Stock Market Division	30%
3	Hang Seng China Enterprises Index	HSCEI	Stock Exchange of Hong Kong	20%
4	FTSE/JSE Africa Top 40	TOP40	Financial Times Ltd.	15%
5	Bovespa Index USD	USIBOV	Sao Paulo Stock Exchange	5%

The **Bovespa USD** is an index weighted by traded volume and, in principle, the dividend is reinvested. The index contains the most traded stocks listed on the Sao Paulo stock exchange in Brazil.

The index price can be consulted daily in all KBC branches.

Sao Paulo Stock Exchange holds all proprietary rights to the index. Sao Paulo Stock Exchange does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Emerging Markets 2. Sao Paulo Stock Exchange Limited does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The **Hang Seng China Enterprises** index is a market capitalization-weighted stock market index made up of shares of Chinese public-sector undertakings (H shares) listed on the Stock Exchange of Hong Kong. The index was launched on 3 January 2000 with a baseline value of 2000.

The index is published daily in L'Echo, De Tijd and The Financial Times.

Stock Exchange of Hong Kong holds all proprietary rights to the index. Stock Exchange of Hong Kong does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Emerging Markets 2. Stock Exchange of Hong Kong does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The **KOSPI 200** index, or the Korean Stock Price Index 200, is a market capitalization-weighted stock market index which is made up of 200 shares listed on the Korean Stock Exchange. The index was launched on 3 January 1990 with a baseline value of 100. The index price can be consulted daily in all KBC branches.

KRX-Stock Market Division holds all proprietary rights to the index. KRX-Stock Market Division does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Emerging Markets 2. KRX-Stock Market Division does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The **MSCI Singapore Cash** index is a market capitalization-weighted stock market index which is made up of corporate shares in Singapore. The index has been published since 1 January 1988.

The index price can be consulted daily in all KBC branches.

MSCI holds all proprietary rights to the index. MSCI does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Emerging Markets 2. MSCI does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The **FTSE/JSE Africa Top 40** index is a market capitalization-weighted stock market index. The index is made up of the shares of the 40 companies in the FTSE/JSE All Shares Index with the greatest capitalisation. The latter index contains shares listed on the Johannesburg stock market in South Africa. The index has been published since 21 June 2002.

The index is published daily in The Financial Times.

Financial Times Ltd holds all ownership rights with regard to the index. Financial Times Ltd does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Emerging Markets 2. Financial Times Ltd does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price prorated over the period for which the investor held the units.

This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
Bovespa Brazil Ibovespa USD	4.1219
FTSE/JSE AFRICA TOP 40	15.2531
HS CHINA ENTERPRISES INDEX	10.3067
KOSPI 200 INDEX	27.7623
MSCI SINGAPORE FREE	20.0643
TOTAL	77.51

Performance of the index or basket

Index:	BASKET
31/12/2010:	90.63
30/06/2011:	89.60
29/12/2011:	77.51
Performance since 31 December 2010 or since the launch of the sub-fund:	-14.48%
Performance since 30 June 2011 or since the launch of the sub-fund:	-13.49%
Index at the launch of the sub-fund:	100.00
Minimum guaranteed return in local currency on the maturity date:	9.50
Local currency:	CZK

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
04/10/2010	MSCI SINGAPORE CASH	MSCI SINGAPORE FREE	Index Discontinued

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: III

Risk rating at launch: IV

The risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating must be changed if the score awarded to a UCI sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
TOTAL NET ASSETS	225,829,361.90	271,115,819.78
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	207,869,351.36	242,944,247.15
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-13,855,429.42	-12,511,587.96
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		58,388.70
c) Collateral	16,870,168.70	16,871,855.70
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	1,650,254.59	2,446,266.26
B. Fixed-term deposits at banks	13,200,377.60	21,141,249.90
VI. Accruals and deferrals		
B. Accrued income	111,648.78	185,820.82
C. Accrued expenses (-)	-17,009.71	-20,420.79
TOTAL CAPITAL AND RESERVES	225,829,361.90	271,115,819.78
A. Capital	233,075,464.98	266,643,056.05
B. Share in profit	-176,783.20	-50,381.96
D. Net earnings for the year	-7,069,319.88	4,523,145.69

OFF-BALANCE-SHEET ITEMS

I Assets deposited as security (+/-)		
I.A Collateral (+/-)		
I.A.B Deposits and cash at bank and in hand	16,870,000.00	16,870,000.00
IV Swap contract notional amounts (+)	250,917,415.00	284,620,755.00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-4,269,444.45	378,853.13
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-3,436,279.47	5,316,562.68
G. Receivables, deposits, cash at bank and in hand, and payables	-2,559.30	-4,988.50
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-6,042.38	-14,035.17
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	3,473,836.47	4,067,204.66
b) Deposits and cash at bank and in hand	150,695.80	411,197.89
c) Collateral (+/-)	196,020.03	415,174.86
C. Interest on borrowings (-)	-20.57	-14.16
D. Swap contracts (+/-)	-813,983.00	-2,563,815.09
F. Other investment income		-197,726.08
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	382,170.98	324,630.38
B. Other	-48,689.19	62,193.72
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-0.01	
B. Financial expenses (-)	-31,606.00	-45,243.33
C. Custodian's fee (-)	-6,088.25	-6,547.38
D. Manager's fee (-)		
a) Financial management	-2,426,369.89	-3,274,280.03
b) Administration and accounting management	-124,343.59	-138,002.40
F. Formation and organisation expenses (-)	-30,986.38	-39,181.27
G. Remuneration, social security charges and pensions (-)	-245.49	-414.95
H. Services and sundry goods (-)	-56,084.49	-73,371.46
J. Taxes	-2,913.80	-75,295.76
K. Other expenses (-)	-16,386.90	-19,756.05
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	645,005.72	-1,153,246.45
V. Profit (loss) on ordinary activities before tax	-7,069,319.88	4,523,145.69
VII. Net earnings for the year	-7,069,319.88	4,523,145.69

Appropriation of profit

	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Profit available for appropriation (loss to be recognised)	-7,246,103.08	4,472,763.73
Profit for the period available for appropriation (loss to be recognised)	-7,069,319.88	4,523,145.69
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-176,783.20	-50,381.96
II. (Appropriations to) Deductions from capital	7,246,103.08	-4,472,763.73

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB PRIVATE BANKING EMERGING MARKETS 2

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% held by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	21,150,000.00	CZK	97.387	20,740,267.27		10.69	9.18
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	21,350,000.00	CZK	96.412	20,728,326.72		10.68	9.18
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	21,250,000.00	CZK	97.679	20,900,282.04		10.77	9.26
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	21,300,000.00	CZK	97.290	20,866,785.78		10.76	9.24
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	10,650,000.00	CZK	96.433	10,342,074.14		5.33	4.58
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 10/07-10/01 3.10 %	10,600,000.00	CZK	96.489	10,299,482.52		5.31	4.56
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	10,600,000.00	CZK	97.558	10,412,733.24		5.37	4.61
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	10,700,000.00	CZK	96.684	10,417,442.57		5.37	4.61
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	10,700,000.00	CZK	97.195	10,472,163.87		5.40	4.64
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	10,700,000.00	CZK	96.300	10,376,414.39		5.35	4.60
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	10,650,000.00	CZK	96.863	10,387,821.43		5.35	4.60
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	10,650,000.00	CZK	97.053	10,408,140.14		5.37	4.61
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	10,650,000.00	CZK	96.347	10,332,953.80		5.33	4.58
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	10,600,000.00	CZK	97.807	10,439,121.09		5.38	4.62
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	10,700,000.00	CZK	96.210	10,366,725.86		5.34	4.59
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	10,600,000.00	CZK	97.236	10,378,616.50		5.35	4.60
Total bonds				207,869,351.36		107.14	92.05
Swaps							
<u>Belgium</u>							
KBC SWAPS	250,917,415.00	CZK	-5.860	-13,855,429.42		-7.14	-6.14
Total swaps				-13,855,429.42		-7.14	-6.14
TOTAL SECURITIES PORTFOLIO				194,013,921.94		100.00	85.91
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	1,552,782.89	CZK	1.000	1,552,782.89			0.69
KBC GROUP EURO	3,821.97	EUR	1.000	97,471.70			0.04
Total demand accounts				1,650,254.59			0.73
Fixed-term deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	5,940,000.00	CZK	100.001	5,940,059.40			2.63
KBC BANK NV 25/07-10/01/12 KBCBANK 0.820 %	4,750,000.00	CZK	100.003	4,750,142.50			2.10

<u>France</u>							
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	2,510,000.00	CZK	100.007	2,510,175.70			1.11
Total fixed-term deposit accounts				13,200,377.60			5.85
TOTAL CASH AT BANK AND IN HAND				14,850,632.19			6.58
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBAN 0.750 % C	16,870,000.00	CZK	100.001	16,870,168.70			7.47
Total receivables				16,870,168.70			7.47
TOTAL OTHER RECEIVABLES AND PAYABLES				16,870,168.70			7.47
OTHER							
Accrued interest		CZK		111,648.78			0.05
Prepaid expenses		CZK		-17,009.71			-0.01
TOTAL OTHER				94,639.07			0.04
TOTAL NET ASSETS				225,829,361.90			100.00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
KBCBANK 08/07-10/01/12 KBCBAN 0.750 % C	CZK	16,870,000.00	16,870,000.00	n.a.	06.07.2011
EQLISWAP	CZK	250,917,415.00	250,917,415.00	n.a.	31,08,2011

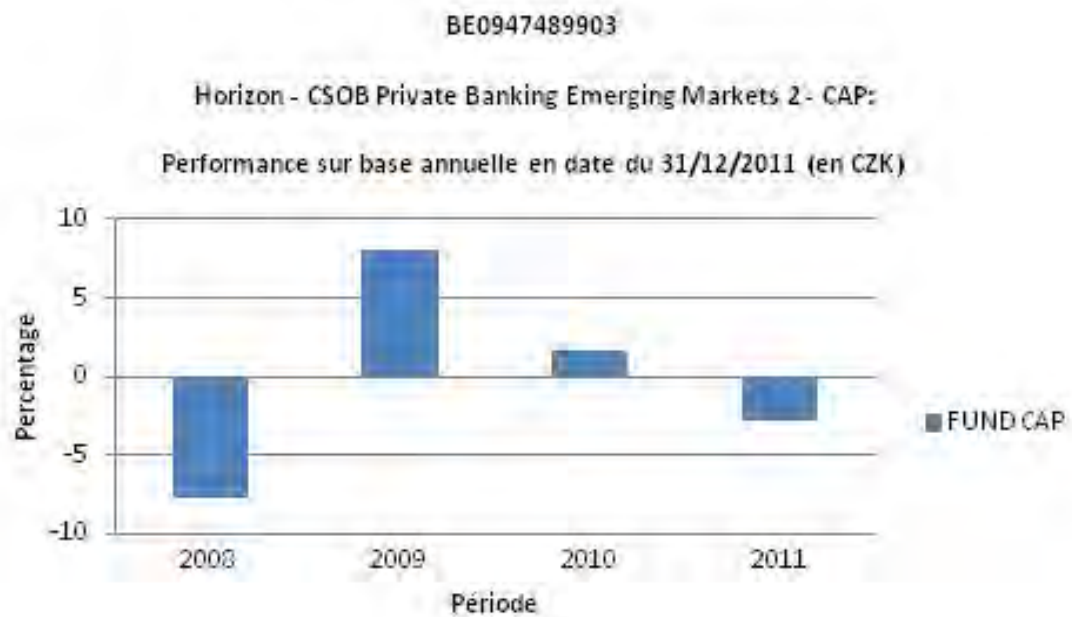
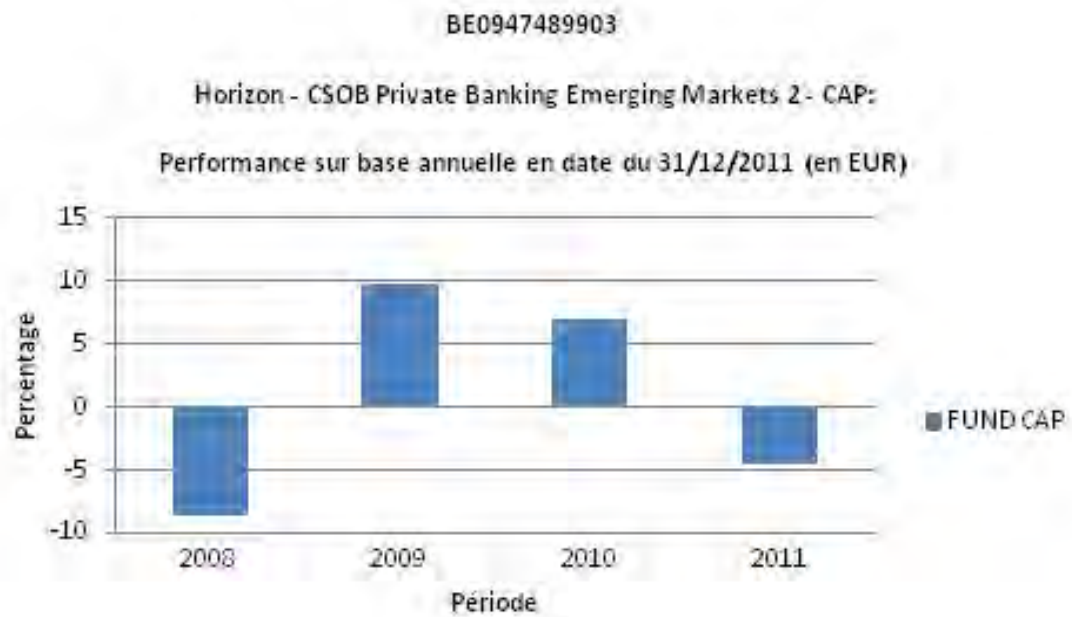
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Capitalisation	Distribution	Capitalisation	Distribution	Capitalisation	Distribution	Total
2009 - 12	55,556.00		1,331,576.00		32,247,853.00		32,247,853.00
2010 - 12	0.00		3,494,275.00		28,753,578.00		28,753,578.00
2011 - 12	0.00		4,092,760.00		24,660,818.00		24,660,818.00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
Year	Subscriptions		Redemptions	
	Capitalisation	Distribution	Capitalisation	Distribution
2009 - 12	497,226.20		11,559,995.36	
2010 - 12	0.00		32,463,071.61	
2011 - 12	0.00		38,217,138.00	

Period	Net asset value At the end of the period (in the currency of the sub-fund)		
Year	of the sub-fund	Of one unit	
		Capitalisation	Distribution
2009 - 12	299,055,745.70	9.27	
2010 - 12	271,115,819.78	9.43	
2011 - 12	225,829,361.90	9.16	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE09474899 03	EUR	-4.44%		3.97%						19/10/200 7	-0.54%
CAP	BE09474899 03	CZK	-2.86%		2.20%						19/10/200 7	-2.07%

* Performance figures shown are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no account of possible 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.
- 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
- 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 nth 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 units.

2.4.6 CHARGES

Total expenses ratio (TER): * 1.119%

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

- transaction charges;
- interest payments on borrowings;
- 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% to 60% if the distributor is an entity belonging to KBC Groupe SA, and to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, therefore, there is no conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB PHARMA AND FINANCE 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 20 December 2007
Initial subscription price: CZK 10
Maturity date: 30 January 2013
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse the initial subscription price per unit of CZK 10 at maturity (capital protection). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection at maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash (including money in fixed-term deposit or demand accounts). These investments may have different durations and coupon payment dates which are aligned with the expiry dates of the sub-fund's commitments through the use of the swaps referred to in the section *Permitted swap transactions*(2).

Characteristics to be met by the investments

The deposits, bonds and other debt instruments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area;
- (2) Debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) Investments with an analogous structure and a counterparty risk identical to a direct investment in the deposits and / or debt instruments referred to under points (1) and (2) above.

The investments under (3) may consist of:

- (A) An investment in stock-exchange-listed bonds issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit at maturity (before charges and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and, if appropriate, from any other sub-fund of the ICVC. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in negotiable securities (including bonds

and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, derivatives (financial derivatives), liquid assets and any other instrument permitted under the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the average solvency score of the bonds and other debt instruments must equate at least to a Standard & Poor's "A-" rating, or Moody's or Fitch's equivalent rating or, if no solvency rating is available, to an average credit-risk profile that the manager considers to be at least equivalent.

The solvency score for long-term bonds and other debt instruments when the investment is launched must equate at least to Standard & Poor's "A-" rating, or Moody's or Fitch's equivalent rating or, if no solvency rating is available, an average credit-risk profile that the manager considers to be at least equivalent .

The solvency rating for short-term bonds and other debt instruments when the investment must equate at least to Standard & Poor's "A-1" rating or Moody's or Fitch's equivalent rating or, if no solvency rating is available, to an average credit-risk profile that the manager considers to be at least equivalent.

All maturities are taken into consideration when selecting bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. Under these 'swaps', the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on maturity, and secondly, a potential capital gain that is contingent on any rise in value of a basket of 30 shares in companies operating in the pharmaceutical and financial sectors. 140% of any rise in the value of the basket of 30 shares (= *Final Value less Base Value*) divided by the *Base Value* which exceeds the full initial subscription value will be distributed at maturity.

MATURITY: 30 January 2013 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against the local currencies of the equities in the basket are not relevant.

BASE VALUE: Value of the basket based on the average stock market price of shares in the basket on the first ten Valuation Dates from 31 December 2007 (inclusive).

FINAL VALUE: The value of the basket based on the average stock market price of shares in the basket on the last quarterly Valuation Date for the last 20 quarters before maturity, namely from March 2008 to December 2012 (inclusive).

PRICE:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of a share in the basket as calculated and published at the stock exchange close by the competent stock-exchange entity (or its legal successor) where the security is listed. For shares listed on the Milan stock exchange, this is the reference price.

VALUATION DATE:

For each share in the basket, this is a trading day for the stock exchange on which the share is listed and which is the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market for that share (suspension or limitation of trading in that security) or early close of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market for a share in the basket is disrupted or closes early, the original Valuation Date for this equity is replaced by the next trading day on which there is no disruption or early closure, provided that date is not already a scheduled Valuation Date or already replaces a scheduled Valuation Date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled Valuation Date, (i) this eighth trading day will be deemed to be the scheduled Valuation Date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which affected one or more shares, (b) the change in the conditions for determining the Base Value and/or Final Value, and (c) the terms and conditions for distribution subject to the investment objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5 years, which pays, on maturity, the full amount of any rise in value of a basket of shares beyond the full initial subscription value of CZK 10. The Base Value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	140	100% * 40% = 40%	10 + 40% * 10 = 14 czk (rendement actuariel : 6.96%, avant frais et impôts)
Scénario Neutre	119	100% * 19% = 19%	10 + 19% * 10 = 11.9 czk (rendement actuariel : 3.54%, avant frais et impôts)
Scénario Négatif	85	100% * 0% = 0%	10 + 0% * 10 = 10 czk (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share's serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ALLERGAN INC	AGN UN Equity	New York	3.3333%
2	ALLIED IRISH BANKS PLC	ALBK ID Equity	Dublin	3.3333%
3	ASTELLAS PHARMA INC	4503 JT Equity	Tokyo	3.3333%
4	BANCO SANTANDER SA	SAN SM Equity	Madrid	3.3333%
5	BANK OF AMERICA CORP	BAC UN Equity	New York	3.3333%
6	BARCLAYS PLC	BARC LN Equity	London	3.3333%
7	BNP PARIBAS	BNP FP Equity	Paris	3.3333%
8	CITIGROUP INC	C UN Equity	New York	3.3333%
9	COMERICA INC	CMA UN Equity	New York	3.3333%
10	DEXIA SA	DEXB BB Equity	Brussels	3.3333%
11	DNB NOR ASA	DNBNOR NO Equity	Oslo	3.3333%
12	ELI LILLY & CO	LLY UN Equity	New York	3.3333%
13	HSBC HOLDINGS PLC	HSBA LN Equity	London	3.3333%
14	HYPOTHEC REAL ESTATE HOLDING	HRX GY Equity	Frankfurt	3.3333%
15	INTESA SANPAOLO	ISP IM Equity	Milan	3.3333%
16	KBC GROEP NV	KBC BB Equity	Brussels	3.3333%
17	KEYCORP	KEY UN Equity	New York	3.3333%
18	MERCK & CO. INC.	MRK UN Equity	New York	3.3333%
19	NOVARTIS AG-REG	NOVN VX Equity	Virt-X	3.3333%
20	PFIZER INC	PFE UN Equity	New York	3.3333%
21	PNC FINANCIAL SERVICES GROUP	PNC UN Equity	New York	3.3333%
22	ROCHE HOLDING AG-GENUSSSCHEIN	ROG VX Equity	Virt-X	3.3333%
23	SCHERING-PLOUGH CORP	SGP UN Equity	New York	3.3333%
24	SOCIETE GENERALE	GLE FP Equity	Paris	3.3333%
25	SWEDBANK AB - A SHARES	SWEDA SS Equity	Stockholm	3.3333%
26	TERUMO CORP	4543 JT Equity	Tokyo	3.3333%
27	TEVA PHARMACEUTICAL-SP ADR	TEVA UQ Equity	Nasdaq	3.3333%
28	UNICREDITO ITALIANO SPA	UC IM Equity	Milan	3.3333%
29	US BANCORP	USB UN Equity	New York	3.3333%
30	WACHOVIA CORP	WB UN Equity	New York	3.3333%

Selection criteria for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) the issuer is operating in the financial or pharmaceutical sector, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the Maturity Date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the Maturity Date as profit on the share for the purpose of calculating the final rise in value of the basket on the Maturity Date.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price prorated over the period for which the investor held the units.
This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the

sub-fund, 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

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
ALLERGAN INC	4.5343
ALLIED IRISH BANKS PLC	0.0138
ASTELLAS PHARMA INC	2.2144
BANCO SANTANDER SA	1.4949
BANK OF AMERICA CORP	0.4595
BARCLAYS PLC	1.2427
BNP PARIBAS	1.4322
CITIGROUP INC	0.3139
COMERICA INC	2.0981
DEXIA SA (BRUSSELS)	0.0574
DNB ASA	2.5250
ELI LILLY & CO	2.5193
HSBC HOLDINGS PLC (LONDON)	2.2749
INTESA SANPAOLO	0.8836
KBC GROEP NV	0.3391
KEYCORP	1.1420
MERCK & CO. INC.	6.4882
NOVARTIS AG-REG	2.8280
PFIZER INC	3.0882
PNC FINANCIAL SERVICES GROUP	3.0805
ROCHE HOLDING AG- GENUSSCHEIN	2.6531
SOCIETE GENERALE	0.6475
SPEC CASH Hypo Real Estate H (HOCPF1K)	0.1427
SWEDBANK AB - A SHARES	2.0788
TERUMO CORP	2.0634
TEVA PHARMACEUTICAL-SP ADR (UQ)	2.8380
UNICREDIT SPA	0.4548
US BANCORP	3.0338
WELLS FARGO & CO	0.4826
TOTAL	53.42

Performance of the index or basket

Index:	BASKET
31/12/2010:	61.60
30/06/2011:	61.01
29/12/2011:	53.42
Performance since 31 December 2010 or since the launch of the sub-fund:	-13.26%
Performance since 30 June 2011 or since the launch of the sub-fund:	-12.42%
Index at the launch of the sub-fund	100.00
Minimum guaranteed return in local currency on the maturity date:	10.00
Local currency:	CZK

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
02/01/2009	WACHOVIA CORP	WELLS FARGO & CO	Acquisition
13/10/2009	HYPO REAL ESTATE HOLDING	SPEC CASH Hypo Real Estate H (HOCPF1K)	Capitalisation
04/11/2009	SCHERING-PLOUGH CORP	MERCK & CO. INC.	Acquisition
11/11/2011	DNB NOR ASA	DNB ASA	Change of name

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at launch: IV

The risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating must be changed if the score awarded to a UCI sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
TOTAL NET ASSETS	306,012,561.28	326,279,292.16
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	276,738,817.83	294,153,542.83
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	755,879.46	-2,648,845.58
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		69,129.22
c) Collateral		2,224,378.08
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	2,261,052.22	3,518,330.79
B. Fixed-term deposits at banks	26,201,310.00	28,884,762.40
VI. Accruals and deferrals		
B. Accrued income	78,454.43	102,467.20
C. Accrued expenses (-)	-22,952.66	-24,472.78
TOTAL CAPITAL AND RESERVES	306,012,561.28	326,279,292.16
A. Capital	308,553,707.67	319,396,612.48
B. Share in the profit	-145,174.23	-100,090.90
D. Net earnings for the year	-2,395,972.16	6,982,770.58

OFF-BALANCE-SHEET ITEMS

I Assets deposited as security (+/-)		
I.A Collateral (+/-)		
I.A.B Deposits and cash at bank and in hand		2,224,000.00
IV Swap contract notional amounts (+)	311,269,585.00	325,884,515.00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-5,822,321.86	254,058.86
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	3,305,343.52	7,513,314.02
G. Amounts receivable, deposits, cash at bank and in hand, and liabilities	-3,830.48	8,217.24
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-11,074.72	-11,549.72
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	4,496,927.46	4,791,399.71
b) Deposits and cash at bank and in hand	360,096.57	513,531.63
c) Collateral (+/-)	13,418.13	184,424.96
C. Interest on borrowings (-)	-124.98	-10.56
D. Swap contracts (+/-)	212,166.92	-1,003,164.90
F. Other investment income		-84,829.80
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	178,707.42	132,723.33
B. Other	-58,119.67	72,306.63
IV. Operating expenses		
A. Investment transaction and delivery costs (-)		-0.04
B. Financial expenses (-)	-22,656.88	-53,900.40
C. Custodian's fee (-)	-6,088.25	-6,547.38
D. Manager's fee (-)		
a) Financial management	-4,746,021.05	-4,918,180.59
b) Administration and accounting management	-161,087.73	-165,582.58
F. Formation and organisation expenses (-)	-40,311.55	-46,143.02
G. Remuneration, social security charges and pensions (-)	-315.35	-494.28
H. Services and sundry goods (-)	-64,566.12	-84,166.61
J. Taxes	-3,824.64	-88,803.90
K. Other expenses (-)	-22,288.90	-23,832.02
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	135,911.38	-781,269.82
V. Profit (loss) on ordinary activities before tax	-2,395,972.16	6,982,770.58
VII. Net earnings for the year	-2,395,972.16	6,982,770.58

Appropriation of profit

	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Profit available for appropriation (loss to be recognised)	-2,541,146.39	6,882,679.68
Profit for the period available for appropriation (loss to be recognised)	-2,395,972.16	6,982,770.58
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-145,174.23	-100,090.90
II. (Appropriations to) Deductions from capital	2,541,146.39	-6,882,679.68

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB PHARMA AND FINANCE 1

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% held by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 23/09-21/03 3.63%	28,300,000.00	CZK	97.445	27,685,665.95		9.98	9.05
BEECHWOOD STRUCTURED FIN PLC 6P-10 23/09-23/03 3.63%	28,500,000.00	CZK	96.471	27,603,578.19		9.95	9.02
BROOKFIELDS CAPITAL PLC 6P-10 23/09-23/03 3.63%	28,300,000.00	CZK	97.737	27,768,171.48		10.01	9.07
EPERON FINANCE PLC 6P-10 23/09-23/03 3.63%	28,350,000.00	CZK	97.349	27,707,194.74		9.99	9.05
ESPACCIO SECURITIES PLC 6P-10 23/09-23/03 3.63%	14,300,000.00	CZK	96.491	13,853,147.35		4.99	4.53
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 23/09-23/03 3.63%	14,250,000.00	CZK	96.548	13,812,725.69		4.98	4.51
NIMROD CAPITAL PLC 6P-10 23/09-23/03 3.63%	14,200,000.00	CZK	97.616	13,915,973.21		5.02	4.55
OPAL FINANCIAL PRODUCTS PLC 6P-10 23/09-23/03 3.63%	14,250,000.00	CZK	96.742	13,840,420.14		4.99	4.52
PROFILE FINANCE PLC 6P-10 23/09-23/03 3.63%	14,250,000.00	CZK	97.253	13,913,296.63		5.01	4.55
RECOLTE SECURITIES PLC 6P-10 23/09-23/03 3.63%	14,250,000.00	CZK	96.358	13,785,779.79		4.97	4.51
SILVERSTATE FIN INV PLC 6P-10 23/09-23/03 3.63%	14,150,000.00	CZK	96.921	13,768,616.22		4.96	4.50
VESPUCCI STRUCTURED FIN PROD 6P-10 23/09-23/03 3.63%	14,200,000.00	CZK	97.112	13,844,360.19		4.99	4.52
VIGADO CAPITAL PLC 6P-10 23/09-23/03 3.63%	14,250,000.00	CZK	96.406	13,792,506.51		4.97	4.51
VOYCE INVESTMENTS PLC 6P-10 23/09-23/03 3.63%	14,100,000.00	CZK	97.865	13,853,074.22		4.99	4.53
WATERFORD CAPITAL INC PLC 6P-10 23/09-23/03 3.63%	14,250,000.00	CZK	96.268	13,772,876.85		4.96	4.50
WAVES FINANCIAL INV PLC 6P-10 23/09-23/03 3.63%	14,150,000.00	CZK	97.294	13,821,430.67		4.98	4.52
Total bonds				276,738,817.83		99.73	90.43
Swaps							
<u>Belgium</u>							
KBC SWAPS	311,269,585.00	CZK	0.230	755,879.46		0.27	0.25
Total swaps				755,879.46		0.27	0.25
TOTAL SECURITIES PORTFOLIO				277,494,697.29		100.00	90.68
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	1,554,127.16	CZK	1.000	1,554,127.16			0.51
KBC GROUP EURO	27,719.29	EUR	1.000	706,925.06			0.23
Total demand accounts				2,261,052.22			0.74

Fixed-term deposit accounts							
Belgium							
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	26,200,000.00	CZK	100.005	26,201,310.00			8.56
Total fixed-term deposit accounts				26,201,310.00			8.56
TOTAL CASH AT BANK AND IN HAND				28,462,362.22			9.30
OTHER							
Accrued interest		CZK		78,454.43			0.03
Prepaid expenses		CZK		-22,952.66			-0.01
TOTAL OTHER				55,501.77			0.02
TOTAL NET ASSETS				306,012,561.28			100.00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
EQLISWAP	CZK	311,269,585.00	311,269,585.00	n.a.	14.10.2011

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

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Capitalisation	Distribution	Capitalisation	Distribution	Capitalisation	Distribution	Total
2009 - 12	0.00		1,128,815.00		34,539,647.00		34,539,647.00
2010 - 12	0.00		1,352,045.00		33,187,602.00		33,187,602.00
2011 - 12	0.00		1,810,143.00		31,377,459.00		31,377,459.00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
	Subscriptions		Redemptions	
	Capitalisation	Distribution	Capitalisation	Distribution
2009 - 12	0.00		10,416,370.02	
2010 - 12	0.00		13,272,338.91	
2011 - 12	0.00		17,870,758.72	

Period	Net asset value At the end of the period (in the currency of the sub-fund)	
	of the sub-fund	Of one unit
		Capitalisation
Year		

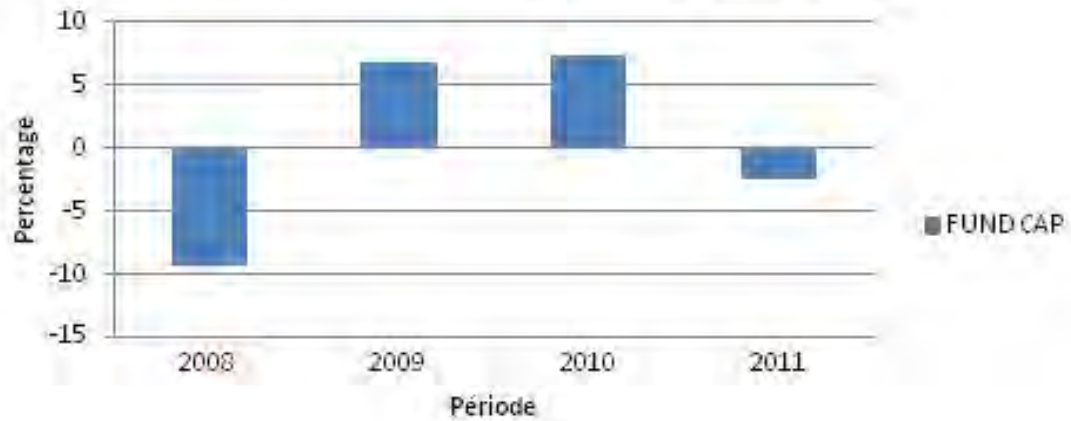
2009 - 12	332,568,860.49	9.63	
2010 - 12	326,279,292.16	9.83	
2011 - 12	306,012,561.28	9.75	

2.4.5 RETURNS

BE0947597044

Horizon - CSOB Pharma and Finance 1 - CAP:

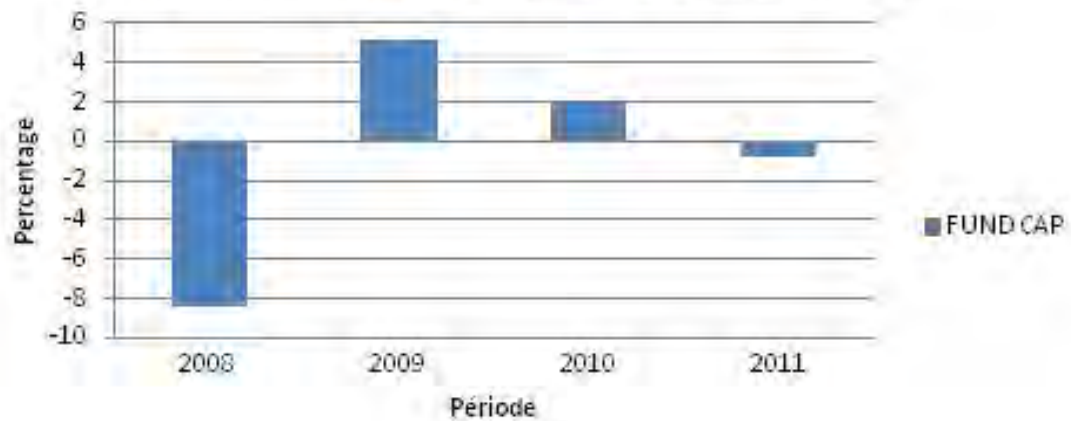
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0947597044

Horizon - CSOB Pharma and Finance 1 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en CZK)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0947597044	EUR	-2.42%		3.86%						20/12/2007	0.82%
CAP	BE0947597044	CZK	-0.81%		2.10%						20/12/2007	-0.63%

* Performance figures shown are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no account of possible 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.
- 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
- 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 nth 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 units.

2.4.6 CHARGES

Total expenses ratio (TER): * 1.609%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, therefore, there is no conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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 - 2.1.4. Financial portfolio management
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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON KREDYT BANK GLOBAL STOCKS 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 26 March 2008
Initial subscription price: PLN 100
Maturity date: 30 April 2013
Currency: PLN

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse at least 95% of the initial subscription price per share of PLN 100 at maturity, namely PLN 95 through investments described in the section *Authorised asset categories*.
- (2) To offer a potential return through a swap agreement (exchange agreement). To this end, the sub-fund transfers part of its future revenue described in *Authorised asset categories* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(ies) undertake(s) to provide a potential yield. The different types of swaps in which the sub-fund can invest are explained in *Authorised swap transactions*.

No formal reimbursement guarantee of at least 95% of the initial subscription price is granted to the sub-fund or its investors. In other words, this objective does not constitute an obligation for the sub-fund to generate a gain, although the achievement of this objective through the investments described above in the *Authorised financial asset categories* remains its absolute priority.

If the objective of reimbursing at least 95% of the initial subscription price per share is not achieved at maturity, KBC Asset Management can decide (but is under no obligation) to allocate the management fee earned from the ICVC sub-fund and potentially other sub-funds during the current financial year to hedge against this shortfall. This does not constitute a guarantee on the part of KBC Asset Management SA. At its own discretion, it can decide at any time whether or not to use the management fee for this purpose.

This objective of reimbursing at least 95% of the initial subscription price per share does not extend to shareholders selling their shares before maturity.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with provisions of the Royal Decree of 4 March 2005 regarding certain public investment entities, sub-fund investments can consist of negotiable securities, particularly bonds and other debt instruments, money market instruments, units of collective investment undertakings, deposits, derivatives, liquid assets and all other instruments, provided that this is allowed by the applicable regulations. These investments can have different durations and coupon payment dates which are adjusted to sub-fund commitment renewal dates through swaps described in *Authorised swap transactions (2)*.

Investment limits and restrictions set by the Royal Decree of 4 March 2005 regarding certain collective investment undertakings will be observed at all times.

The sub-fund may invest in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the average solvency score of the bonds and other debt instruments must equate at least to a Standard & Poor's "A-" rating, or Moody's or Fitch's equivalent rating or, if no solvency rating is available, to an average credit-risk profile that the manager considers to be at least equivalent.

The solvency score for long-term bonds and other debt instruments when the investment is launched must equate at least to Standard & Poor's "A-" rating, or Moody's or Fitch's equivalent rating or, if no solvency rating is available, an average credit-risk profile that the manager considers to be at least equivalent .

The solvency rating for short-term bonds and other debt instruments when the investment must equate at least to Standard & Poor's "A-1" rating or Moody's or Fitch's equivalent rating or, if no solvency rating is available, to an average credit-risk profile that the manager considers to be at least equivalent.

All maturities are taken into consideration when selecting bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. Under these swaps, the sub-fund transfers a portion of its future earnings from the investments indicated under the section *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The use of swaps in this sub-fund may entail a maximum 5% loss of the initial capital invested.

The swaps under (1) are essential to completion of the investment objects of the sub-fund, given that via this method, the goal of reaching a potential return can occur.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the investments referred to under *Permitted asset classes*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the

market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Through such a swap, one or several counterparties resume the risk of non-performing bond or other debt instrument issuers within the sub-fund portfolio in exchange for a premium payable by the sub-fund.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to repay 95% of the initial subscription value at maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of 30 top-quality corporate shares (as defined below) with a high market capitalisation and a low price/earnings ratio. 200% of any rise in value of the basket of 30 shares (*= Final Value after deduction of the Base Value divided by the Base Value*), which exceed 95% of the initial subscription value will be distributed at maturity.

MATURITY: 30 April 2013 (Payment with a value date of D + 1 bank business day)

CURRENCY: PLN, changes to the local currency exchange rates for shares in the basket with respect to the PLN are not relevant.

BASE VALUE: Value of the basket based on the average stock market price of shares in the basket on the first ten Valuation Dates from 2 April 2008 (inclusive).

FINAL VALUE: Value of the basket on the basis of the average price of the shares in the basket on the last Valuation Day of the month for the last 12 months before the renewal date, specifically April 2012 to March 2013 (inclusive).

PRICE:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of a share in the basket as calculated and published at the stock exchange close by the competent stock-exchange entity (or its legal successor) where the security is listed. For shares listed on the Milan stock exchange, this is the reference price.

VALUATION DATE:

For each share in the basket, this is a trading day for the stock exchange on which the share is listed and which is the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market for that share (suspension or limitation of trading in that security) or early close of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market for a share in the basket is disrupted or closes early, the original Valuation Date for this equity is replaced by the next trading day on which there is no disruption or early closure, provided that date is not already a scheduled Valuation Date or already replaces a scheduled Valuation Date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled Valuation Date, (i) this eighth trading day will be deemed to be the scheduled Valuation Date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which affected one or more shares, (b) the change in the conditions for determining the Base Value and/or Final Value, and (c) the terms and conditions for distribution subject to the investment objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5 years, which pays, at maturity, the full amount of any rise in value of a basket of shares beyond the full initial subscription value of PLN 100. The Base Value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente	Valeur à
Scénario Positif	150	100% * 50% = 50%	95 + 50% * 100 = 145 (rendement actuariel : 7.71%, avant frais et
Scénario Neutre	120	100% * 20% = 20%	95 + 20% * 100 = 115 (rendement actuariel : 2.83%, avant frais et
Scénario Négatif	85	100% * 0% = 0%	95 + 0% * 100 = 95 (rendement actuariel : -1.03%, avant frais et

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share's serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ALTADIS SA	ALT SM Equity	MADRID	5.00%
2	ALTRIA GROUP INC	MO UN Equity	NEW YORK	4.00%
3	BANK OF AMERICA CORP	BAC UN Equity	NEW YORK	3.00%
4	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	LONDON	3.00%
5	DEUTSCHE POST AG-REG	DPW GY Equity	FRANKFURT	3.00%
6	EMAP PLC	EMA LN Equity	LONDON	2.00%
7	ENEL SPA	ENEL IM Equity	MILAN	5.00%
8	ENI SPA	ENI IM Equity	MILAN	3.00%
9	HSBC HOLDINGS PLC	HSBA LN Equity	LONDON	4.00%
10	ING GROEP NV-CVA	INGA NA Equity	AMSTERDAM	3.00%
11	INTESA SANPAOLO	ISP IM Equity	MILAN	3.00%
12	KONINKLIJKE KPN NV	KPN NA Equity	AMSTERDAM	3.00%
13	KRAFT FOODS INC-A	KFT UN Equity	NEW YORK	2.00%
14	MANULIFE FINANCIAL CORP	MFC CN Equity	TORONTO	4.00%
15	MEDIOBANCA SPA	MB IM Equity	MILAN	4.00%
16	MUENCHENER RUECKVER AG-REG	MUV2 GY Equity	FRANKFURT	3.00%
17	NATIONAL GRID PLC	NG/ LN Equity	LONDON	3.00%
18	NESTLE SA-REG	NESN VX Equity	VIRT-X	4.00%
19	NOVARTIS AG-REG	NOVN VX Equity	VIRT-X	4.00%
20	PEPSICO INC	PEP UN Equity	NEW YORK	5.00%
21	PFIZER INC	PFE UN Equity	NEW YORK	2.00%
22	PNC FINANCIAL SERVICES GROUP	PNC UN Equity	NEW YORK	3.00%
23	RWE AG	RWE GY Equity	FRANKFURT	2.00%
24	SUN LIFE FINANCIAL INC	SLF CN Equity	TORONTO	5.00%
25	SVENSKA CELLULOZA AB-B SHS	SCAB SS Equity	STOCKHOLM	3.00%
26	UBS AG-REG	UBSN VX Equity	VIRT-X	3.00%
27	UNILEVER NV-CVA	UNA NA Equity	AMSTERDAM	4.00%
28	US BANCORP	USB UN Equity	NEW YORK	3.00%
29	WACHOVIA CORP	WB UN Equity	NEW YORK	3.00%
30	ZURICH FINANCIAL SERVICE-REG	ZURN VX Equity	VIRT-X	2.00%

Selection criteria for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) the share has a major market capitalisation and a low price/earnings ratio, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the Maturity Date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the Maturity Date as profit on the share for the purpose of calculating the final rise in value of the basket on the Maturity Date.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19 bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price prorated over the period for which the investor held the units.

This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
ALTRIA GROUP INC	2.7541
BANK OF AMERICA CORP	0.4292
BRITISH AMERICAN TOBACCO PLC	4.8526
DEUTSCHE POST AG-REG	1.7451
ENEL SPA	2.5170
ENI SPA	2.0750
HSBC HOLDINGS PLC (LONDON)	2.6466
IMPERIAL TOBACCO GROUP PLC	5.9639
ING GROEP NV-CVA	0.8519
INTESA SANPAOLO	0.8791
KONINKLIJKE KPN NV	2.4590
KRAFT FOODS INC-CLASS A	2.4118
MANULIFE FINANCIAL CORP	1.0921
MEDIOBANCA SPA	1.4059
MUENCHENER RUECKVER AG-REG	2.2120
NATIONAL GRID PLC	2.8882
NESTLE SA-REG	4.1990
NOVARTIS AG-REG	4.2720
PEPSICO INC	4.6614
PFIZER INC	2.0656
PHILIP MORRIS INTERNATIONAL	3.1801
PNC FINANCIAL SERVICES GROUP	2.6508
RWE AG	0.6784
SPEC CASH EMAP (HOKGS1K)	2.4798
SUN LIFE FINANCIAL INC	1.9051
SVENSKA CELLULOSA AB-B SHS	2.7481
UBS AG-REG	1.0926
UNILEVER NV-CVA	4.9941
US BANCORP	2.4935
WELLS FARGO & CO	0.5744
ZURICH FINANCIAL SERVICE-REG	1.3144
TOTAL	76.49

Performance of the index or basket

Index: **BASKET**

31/12/2010: **79.30**

30/06/2011: **79.95**

29/12/2011: **76.49**

Performance since 31 December 2010 or since the launch of the sub-fund: **-3.54%**

Performance since 30 June 2011 or since the launch of the sub-fund: **-4.33%**

Index at the launch of the sub-fund: **100.00**

Minimum guaranteed return in local currency on the maturity date: **95.00**

Local currency: **PLN**

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
02/04/2008	Emap Plc.	Cash Horizon Kredyt Bank Global Stocks 1	Capitalisation
02/04/2008	Altadis	Imperial Tobacco GR PLC	Acquisition
02/04/2008		Philip Morris International	Spin off Altria
02/01/2009	WACHOVIA CORP	WELLS FARGO & CO	Acquisition

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: IV

Risk rating at launch: IV

The risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating must be changed if the score awarded to a UCI sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
TOTAL NET ASSETS	9,887,365.99	11,089,278.29
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	9,647,389.74	9,930,039.84
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-1,133,892.98	-950,610.94
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		2,464.05
c) Collateral	1,169,807.80	1,499,910.00
B. Debts		
a) Amounts payable (-)	-39,279.74	-1,359.81
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	57,263.01	58,211.08
B. Fixed-term deposits at banks	169,943.10	529,895.40
VI. Accruals and deferrals		
B. Accrued income	24,794.08	30,440.28
C. Accrued expenses (-)	-8,659.02	-9,711.61
TOTAL CAPITAL AND RESERVES	9,887,365.99	11,089,278.29
A. Capital	10,278,446.07	10,636,660.00
B. Share in the profit	-1,311.36	-4,398.72
D. Net earnings for the year	-389,768.72	457,017.01

OFF-BALANCE-SHEET ITEMS

I Assets deposited as security (+/-)		
I.A Collateral (+/-)		
I.A.B Deposits and cash at bank and in hand	1,170,000.00	1,500,000.00
IV Swap contract notional amounts (+)	11,271,302.00	11,867,802.00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-203,378.45	15,675.50
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-244,125.04	512,591.57
G. Amounts receivable, deposits, cash at bank and in hand, and liabilities	-54.50	-496.10
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	177.11	-898.19
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	433,744.69	449,575.65
b) Deposits and cash at bank and in hand	20,215.77	36,569.33
c) Collateral (+/-)	44,288.50	62,952.05
C. Interest on borrowings (-)	-1.52	
D. Swap contracts (+/-)	-282,334.32	-401,812.90
F. Other investment income		-17,750.00
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	8,121.45	21,535.30
B. Other	-2,234.12	3,797.28
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	0.32	-0.10
B. Financial expenses (-)	-2,771.40	-2,757.03
C. Custodian's fee (-)	-959.50	-1,016.05
D. Manager's fee (-)		
a) Financial management	-142,833.12	-196,182.79
b) Administration and accounting management	-5,415.58	-5,988.93
F. Formation and organisation expenses (-)	-1,243.48	-1,711.72
G. Remuneration, social security charges and pensions (-)	-10.74	-18.72
H. Services and sundry goods (-)	-2,078.82	-4,673.29
J. Taxes	-8,126.84	-11,557.24
K. Other expenses (-)	-749.13	-816.61
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	57,612.16	-69,855.77
V. Profit (loss) on ordinary activities before tax	-389,768.72	457,017.01
VII. Net earnings for the year	-389,768.72	457,017.01

Appropriation of profit

	31/12/2011 <small>(in the sub fund's currency)</small>	31/12/2010 <small>(in the sub fund's currency)</small>
I. Profit available for appropriation (loss to be recognised)	-391,080.08	452,618.29
Profit for the period available for appropriation (loss to be recognised)	-389,768.72	457,017.01
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-1,311.36	-4,398.72
II. (Appropriations to) Deductions from capital	391,080.08	-452,618.29

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON KREDYT BANK GLOBAL STOCKS 1

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% held by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6W-15 10/01-10/07 6.66%	970,000.00	PLN	97.363	966,155.67		11.35	9.77
BEECHWOOD STRUCTURED FIN PLC 6W-15 10/01-10/07 5.84%	980,000.00	PLN	96.388	966,565.47		11.35	9.78
BROOKFIELDS CAPITAL PLC 6W-15 10/01-10/07 6.66%	975,000.00	PLN	97.654	973,978.36		11.44	9.85
EPERON FINANCE PLC 6W-15 10/01-10/07 6.66%	975,000.00	PLN	97.266	970,194.01		11.40	9.81
ESPACCIO SECURITIES PLC 6W-15 10/01-10/07 5.84%	485,000.00	PLN	96.409	478,450.69		5.62	4.84
GREENSTREET STRUCT. FIN. PROD. PLC 6W-15 10/01-10/07 5.84%	485,000.00	PLN	96.465	478,723.51		5.62	4.84
NIMROD CAPITAL PLC 6W-15 10/01-10/07 5.84%	485,000.00	PLN	97.533	483,905.26		5.68	4.89
OPAL FINANCIAL PRODUCTS PLC 6W-15 10/01-10/07 5.84	490,000.00	PLN	96.659	484,611.09		5.69	4.90
PROFILE FINANCE PLC 6W-15 10/01-10/07 5.84%	485,000.00	PLN	97.171	482,146.45		5.66	4.88
RECOLTE SECURITIES PLC 6W-15 10/01-10/07 6.66%	485,000.00	PLN	96.276	477,806.40		5.61	4.83
SILVERSTATE FIN INV PLC 6W-15 10/01-10/07 6.66%	485,000.00	PLN	96.838	480,534.01		5.64	4.86
VESPUCCI STRUCTURED FIN PROD 6W-15 10/01-10/07 6.66%	485,000.00	PLN	97.029	481,459.33		5.66	4.87
VIGADO CAPITAL PLC 6W-15 10/01-10/07 6.66%	485,000.00	PLN	96.323	478,035.35		5.62	4.84
VOYCE INVESTMENTS PLC 6W-15 10/01-10/07 6.66%	485,000.00	PLN	97.782	485,112.63		5.70	4.91
WATERFORD CAPITAL INC PLC 6W-15 10/01-10/07 5.84%	485,000.00	PLN	96.185	477,367.25		5.61	4.83
WAVES FINANCIAL INV PLC 6W-15 10/01-10/07 5.84%	485,000.00	PLN	97.211	482,344.26		5.67	4.88
Total bonds				9,647,389.74		113.32	97.57
Swaps							
<u>Belgium</u>							
KBC SWAPS	11,271,302.00	PLN	-10.060	-1,133,892.98		-13.32	-11.47
Total swaps				-1,133,892.98		-13.32	-11.47
TOTAL SECURITIES PORTFOLIO				8,513,496.76		100.00	86.11
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	476.11	EUR	1.000	2,122.40			0.02
KBC GROUP PLN	55,140.61	PLN	1.000	55,140.61			0.56
Total demand accounts				57,263.01			0.58
Fixed-term deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	10,000.00	PLN	99.984	9,998.40			0.10
KBC BANK NV 23/08-10/01/12 KBCBANK 4.000 %	10,000.00	PLN	99.983	9,998.30			0.10
KBC BANK NV 25/07-10/01/12 KBCBANK 3.980 %	10,000.00	PLN	99.982	9,998.20			0.10

<u>United Kingdom</u>						
STANDARD CHARTERED 08/07-10/01/12 STANDCHA 3.400 %	140,000.00	PLN	99.963	139,948.20		1.42
Total fixed-term deposit accounts				169,943.10		1.72
TOTAL CASH AT BANK AND IN HAND				227,206.11		2.30
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC BANK NV 08/07-10/01/12 KBCBAN 4.050 % C	900,000.00	PLN	99.984	899,856.00		9.10
KBC BANK NV 23/08-10/01/12 KBCBAN 4.000 % C	40,000.00	PLN	99.983	39,993.20		0.40
KBC BANK NV 25/07-10/01/12 KBCBAN 3.980 % C	230,000.00	PLN	99.982	229,958.60		2.33
Total receivables				1,169,807.80		11.83
Debts						
<u>Belgium</u>						
KBC GROUP PLN PAYABLES	-39,279.74	PLN	1.000	-39,279.74		-0.40
Total debts				-39,279.74		-0.40
TOTAL OTHER RECEIVABLES AND PAYABLES				1,130,528.06		11.43
OTHER						
Accrued interest		PLN		24,794.08		0.25
Prepaid expenses		PLN		-8,659.02		-0.09
TOTAL OTHER				16,135.06		0.16
TOTAL NET ASSETS				9,887,365.99		100.00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
KBCBANK 08/07-10/01/12 KBCBAN 4.050 % C	PLN	900,000.00	900,000.00	n.a.	19.08.2011
KBCBANK 23/08-10/01/12 KBCBAN 4.000 % C	PLN	40,000.00	40,000.00	n.a.	19.08.2011
KBCBANK 25/07-10/01/12 KBCBAN 3.980 % C	PLN	230,000.00	230,000.00	n.a.	19.08.2011
EQLISWAP	PLN	11,271,302.00	11,271,302.00	n.a.	29.04.2011

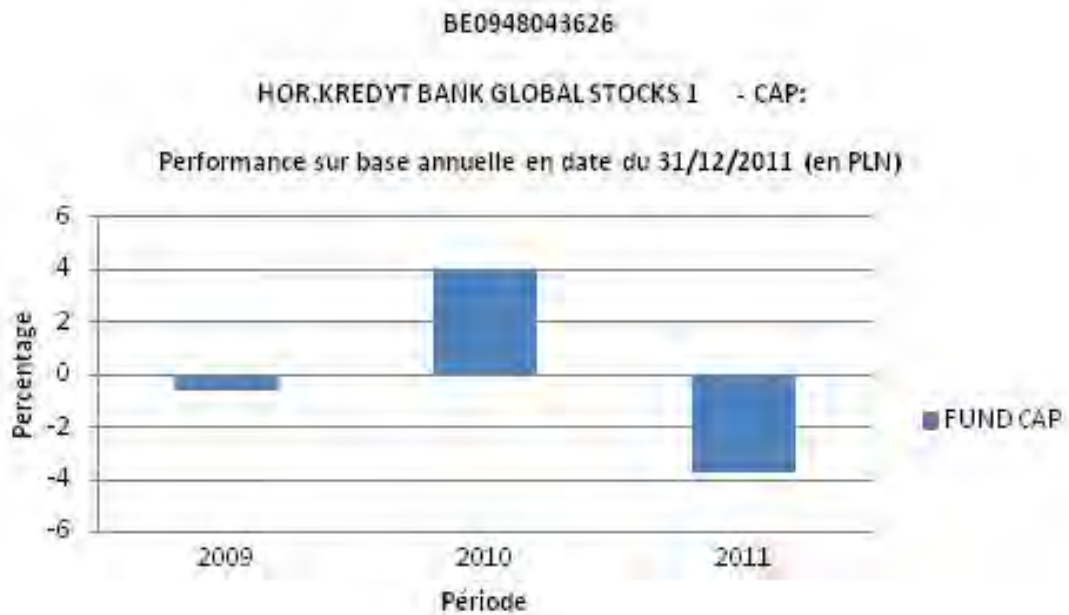
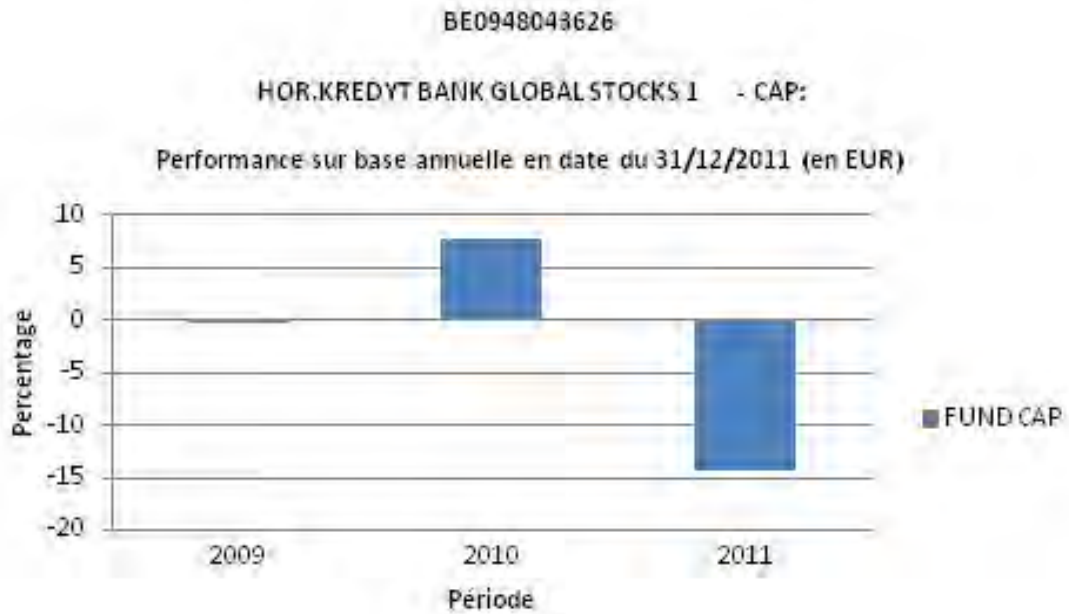
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Capitalisation	Distribution	Capitalisation	Distribution	Capitalisation	Distribution	Total
2009 - 12	0.00		8,707.00		145,218.00		145,218.00
2010 - 12	0.00		24,133.00		121,085.00		121,085.00
2011 - 12	0.00		8,962.00		112,123.00		112,123.00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
Year	Subscriptions		Redemptions	
	Capitalisation	Distribution	Capitalisation	Distribution
2009 - 12	0.00		740,762.15	
2010 - 12	0.00		2,153,529.80	
2011 - 12	0.00		812,143.58	

Period	Net asset value At the end of the period (in the currency of the sub-fund)		
Year	of the sub-fund	Of one unit	
		Capitalisation	Distribution
2009 - 12	12,785,791.08	88.05	
2010 - 12	11,089,278.29	91.58	
2011 - 12	9,887,365.99	88.18	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948043626	EUR	-14.39%		-2.75%						26/03/2008	-9.11%
CAP	BE0948043626	PLN	-3.71%		-0.15%						26/03/2008	-3.29%

* Performance figures shown are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no account of possible restructuring.
- Calculated in PLN and 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:

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

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

- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.598%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, therefore, there is no conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON KREDYT BANK SME 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 26 March 2008
Initial subscription price: PLN 100
Maturity date: 31 March 2014
Currency: PLN

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse on maturity the initial subscription price per unit of PLN 100. The objective is secured by an official guarantee issued by KBC Bank SA, Avenue du Port 2, B-1080 Brussels in favour of the sub-fund unit holders. Further information concerning guarantee procedures is available in the additional information document on the sub-fund.
This capital guarantee does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts), which is why the sub-fund transfers a portion of the future earnings from the investments indicated under the point dealing with *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake to offer a potential return.
This objective does not form part of the guarantee.
The different types of 'swaps' in which the sub-fund can invest are explained under the section *Permitted swap transactions*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable laws and regulations. These investments may be of different durations and coupon payment dates, being aligned to the expiry dates of the sub-fund's commitments through the use of the 'swaps' set out in the section *Permitted swap transactions*(2).

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

The sub-fund may invest in stock-exchange-listed bonds issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the average solvency score of the bonds and other debt instruments must equate at least to a Standard & Poor's "A-" rating, or Moody's or Fitch's equivalent rating or, if no solvency rating is available, to an average credit-risk profile that the manager considers to be at least equivalent.

The solvency score for long-term bonds and other debt instruments when the investment is launched must equate at least to Standard & Poor's "A-" rating, or Moody's or Fitch's equivalent rating or, if no solvency rating is available, an average credit-risk profile that the manager considers to be at least equivalent .

The solvency rating for short-term bonds and other debt instruments when the investment must equate at least to Standard & Poor's "A-1" rating or Moody's or Fitch's equivalent rating or, if no solvency rating is available, to an average credit-risk profile that the manager considers to be at least equivalent.

All maturities are taken into consideration when selecting bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. Under these swaps, the sub-fund transfers a portion of its future earnings from the investments indicated under the section *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the investments referred to under *Permitted asset classes*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on Maturity, and secondly, to generate a potential capital gain contingent on any rise in value per Period of a basket of 30 shares of top-quality companies (as defined below) with a small or medium market capitalisation (as defined hereafter). 90% of any rise in the value of the basket of share indexes (= *(Final Value less Base Value) divided by the Base Value*) which exceeds the full initial subscription value will be distributed at maturity.

MATURITY: 31 March 2014 (Payment with a value date of D + 1 bank business day)

CURRENCY: PLN; fluctuations of the PLN against the local currencies of the indexes in the basket are not relevant.

BASE VALUE: Value of the basket based on the average of the prices for indexes in the basket for the first ten Valuation Dates from 2 April 2008 (inclusive).

FINAL VALUE: The value of the basket based on the average price for the indexes in the basket on the last Valuation Date of the month for each of the last 18 months before maturity, namely from September 2012 to February 2014 (inclusive).

PRICE:

For all the indexes in the basket, the closing price, that is to say the price of an index as calculated and published at the stock exchange close by the competent stock-exchange body (or its legal successor).

VALUATION DATE:

For each index in the basket, a trading day on which the competent stock exchange body calculates and publishes the index price. If, however, [A] the competent stock exchange body (i) makes significant changes to the formula and/or method for calculating the index, on or before the Valuation Date, and/or (ii) does not calculate and publish the index (although all the data are available), the ICVC will calculate the index, in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index-calculation method and formula; and/or [B] an event occurs on the Valuation Date which disrupts the market (preventing calculation of the index) or if the market closes early (the competent body has announced that the market will, on that day, close earlier than on other trading days), the original Valuation Date will be replaced by the next trading day on which there is no disruption or early closure, provided that date is not already an original Valuation Date or already replaces an original Reference Date postponed because of disruption or early closure of the market.. However, if the market is disrupted or closes early on each of the eight trading days which follow the original Valuation Date, (i) this eighth trading day will be deemed to be the original Valuation Date, and (ii) the ICVC will estimate the index price, in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index calculation formula and method, and (iii) the ICVC will inform the unit holders of (a) the exceptional circumstances which have arisen, (b) the amended conditions for determining the Base Value and/or Final Value for the Period, and (c) the terms and conditions for distribution of the amounts in the light of the investment objectives achieved.

If changes are made to an index in the basket (e.g. calculation by another sponsor, change to the calculation method, etc.), the ICVC will confer with the prime counterparty(-ies) with whom the swap contract has been concluded in order to decide how the index is to be determined. In the event of substantial changes to a basket index or if the index ceases to be calculated, it may be replaced by another index, provided this new index is representative of the same geographical and/or economic sectors.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 6 years, which pays, on maturity, 70% of any rise in value of a basket of indexes beyond the full initial subscription value of PLN 100. The Base Value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	200	70% * 100% = 70%	100 + 70% * 100 = 170 PLN (rendement actuariel : 9.24%, avant frais et impôts)
Scénario Neutre	140	70% * 40% = 28%	100 + 28% * 100 = 128 PLN (rendement actuariel : 4.2%, avant frais et impôts)
Scénario Négatif	85	70% * 0% = 0%	100 + 0% * 100 = 100 PLN (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the sponsor for the index in the basket and its initial weighting in the basket.

1	RUSSELL 2000	RTY INDEX	RUSSELL INVESTMENT GROUP	40%
2	DJ STOXX MID 200	MCXP INDEX	STOXX LTD	40%
3	FTSE 250	MCX INDEX	FINANCIAL TIMES	20%

The **Dow Jones STOXX Mid 200 (Price)** is an index composed of the average capitalisations of the STOXX family, weighted by market capitalisation. Its baseline value as at 31 December 1991 was 100.

The index price can be consulted daily in all KBC branches.

Stoxx Ltd retains all proprietary rights over the index. Stoxx Ltd does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon Kredyt Bank SME 1. Stoxx Ltd does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The **FTSE 250** is an index composed of the 250 largest capitalisations not included in the FTSE 100 and traded on the London stock exchange. It is weighted according to stock market capitalisation. Its base value is the closing value of the FTSE 100 on 31 December 1985, namely 1 412.60.

The index is published daily in The Financial Times.

Financial Times Ltd holds all ownership rights with regard to the index. Financial Times Ltd does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon Kredyt Bank SME 1. Financial Times Ltd does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The **Russell 2000** index includes the 2,000 smallest companies in the Russell 3000 index, and accounts for approximately 8% of the Russell 3000's total market capitalisation. Its base value at 31 December 1986 was 135.00.

The index price can be consulted daily in all KBC branches.

Russel Investment Group holds all proprietary rights to the index. Russel Investment Group does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon Kredyt Bank SME 1. Russel Investment Group does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19 bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price prorated over the period for which the investor held the units.
This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
DOW JONES STOXX MID 200	33.2885
FTSE 250 INDEX	19.9463
RUSSELL 2000	42.3509
TOTAL	95.59

Performance of the index or basket

Index:	BASKET
31/12/2010:	107.93
30/06/2011:	110.07
29/12/2011:	95.59
Performance since 31 December 2010 or since the launch of the sub-fund:	-11.43%
Performance since 30 June 2011 or since the launch of the sub-fund:	-13.16%
Index at the launch of the sub-fund	100.00
Minimum guaranteed return in local currency on the maturity date:	100.00
Local currency:	PLN

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: IV

Risk rating at launch: IV

The risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating must be changed if the score awarded to a UCI sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
TOTAL NET ASSETS	8,243,447.78	9,488,213.19
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	7,931,144.64	8,537,435.17
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-348,383.81	
m) On financial indexes		
Swap contracts (+/-)		70,835.87
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		1,884.37
B. Debts		
a) Amounts payable (-)		-9,483.06
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	36,686.83	43,462.46
B. Fixed-term deposits at banks	619,860.10	839,911.80
VI. Accruals and deferrals		
B. Accrued income	11,359.35	12,476.04
C. Accrued expenses (-)	-7,219.33	-8,309.46
TOTAL CAPITAL AND RESERVES	8,243,447.78	9,488,213.19
A. Capital	8,785,544.59	8,337,668.78
B. Share in the profit	4,160.70	645.13
D. Net earnings for the year	-546,257.51	1,149,899.28

OFF-BALANCE-SHEET ITEMS

IV Swap contract notional amounts (+)	8,580,882.00	9,444,782.00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-165,351.78	10,732.25
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-407,846.99	
l) On financial indexes		
Swap contracts (+/-)		1,167,533.07
G. Amounts receivable, deposits, cash at bank and in hand, and liabilities	-51.70	129.80
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	371.51	50.82
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	360,025.47	364,541.83
b) Deposits and cash at bank and in hand	29,065.14	31,554.60
D. Swap contracts (+/-)	-289,635.32	-348,104.58
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	6,985.08	8,351.06
B. Other	-1,721.66	2,784.38
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	0.01	0.12
B. Financial expenses (-)	-2,994.78	-2,103.51
C. Custodian's fee (-)	-959.50	-1,016.05
D. Manager's fee (-)		
a) Financial management	-59,464.06	-64,081.00
b) Administration and accounting management	-4,449.53	-4,784.23
F. Formation and organisation expenses (-)	-1,057.51	-1,284.72
G. Remuneration, social security charges and pensions (-)		-14.10
H. Services and sundry goods (-)	-1,766.22	-4,017.60
J. Taxes	-6,780.95	-9,671.98
K. Other expenses (-)	-624.72	-700.88
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	26,621.45	-28,546.66
V. Profit (loss) on ordinary activities before tax	-546,257.51	1,149,899.28
VII. Net earnings for the year	-546,257.51	1,149,899.28

Appropriation of profit

31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Profit available for appropriation (loss to be recognised)	
Profit for the period available for appropriation (loss to be recognised)	-542,096.81
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	1,150,544.41
	-546,257.51
	1,149,899.28
	4,160.70
	645.13
II. (Appropriations to) Deductions from capital	542,096.81
	-1,150,544.41

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON KREDYT BANK SME 1

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% held by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6W-15 10/01-10/07 6.66%	795,000.00	PLN	97.363	791,849.23		10.44	9.61
BEECHWOOD STRUCTURED FIN PLC 6W-15 10/01-10/07 5.84%	800,000.00	PLN	96.388	789,033.04		10.41	9.57
BROOKFIELDS CAPITAL PLC 6W-15 10/01-10/07 6.66%	795,000.00	PLN	97.654	794,166.97		10.47	9.63
EPERON FINANCE PLC 6W-15 10/01-10/07 6.66%	800,000.00	PLN	97.266	796,056.63		10.50	9.66
ESPACCIO SECURITIES PLC 6W-15 10/01-10/07 5.84%	400,000.00	PLN	96.409	394,598.50		5.20	4.79
GREENSTREET STRUCT. FIN. PROD. PLC 6W-15 10/01-10/07 5.84%	400,000.00	PLN	96.465	394,823.51		5.21	4.79
NIMROD CAPITAL PLC 6W-15 10/01-10/07 5.84%	400,000.00	PLN	97.533	399,097.12		5.26	4.84
OPAL FINANCIAL PRODUCTS PLC 6W-15 10/01-10/07 5.84	405,000.00	PLN	96.659	400,545.91		5.28	4.86
PROFILE FINANCE PLC 6W-15 10/01-10/07 5.84%	400,000.00	PLN	97.171	397,646.55		5.24	4.82
RECOLTE SECURITIES PLC 6W-15 10/01-10/07 6.66%	400,000.00	PLN	96.276	394,067.13		5.20	4.78
SILVERSTATE FIN INV PLC 6W-15 10/01-10/07 6.66%	400,000.00	PLN	96.838	396,316.71		5.23	4.81
VESPUCCI STRUCTURED FIN PROD 6W-15 10/01-10/07 6.66%	400,000.00	PLN	97.029	397,079.85		5.24	4.82
VIGADO CAPITAL PLC 6W-15 10/01-10/07 6.66%	400,000.00	PLN	96.323	394,255.95		5.20	4.78
VOYCE INVESTMENTS PLC 6W-15 10/01-10/07 6.66%	400,000.00	PLN	97.782	400,092.89		5.28	4.85
WATERFORD CAPITAL INC PLC 6W-15 10/01-10/07 5.84%	400,000.00	PLN	96.185	393,704.95		5.19	4.78
WAVES FINANCIAL INV PLC 6W-15 10/01-10/07 5.84%	400,000.00	PLN	97.211	397,809.70		5.25	4.83
Total bonds				7,931,144.64		104.59	96.21
Swaps							
<u>Belgium</u>							
KBC SWAPS	8,580,882.00	PLN	-4.060	-348,383.81		-4.59	-4.23
Total swaps				-348,383.81		-4.59	-4.23
TOTAL SECURITIES PORTFOLIO				7,582,760.83		100.00	91.99
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	563.84	EUR	1.000	2,513.49			0.03
KBC GROUP PLN	34,173.34	PLN	1.000	34,173.34			0.42
Total demand accounts				36,686.83			0.45
Fixed-term deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	390,000.00	PLN	99.984	389,937.60			4.73
KBC BANK NV 25/07-10/01/12 KBCBANK 3.980 %	40,000.00	PLN	99.982	39,992.80			0.49

<u>United Kingdom</u>						
STANDARD CHARTERED 08/07-10/01/12 STANDCHA 3.400 %	190,000.00	PLN	99.963	189,929.70		2.30
Total fixed-term deposit accounts				619,860.10		7.52
TOTAL CASH AT BANK AND IN HAND				656,546.93		7.96
OTHER						
Accrued interest		PLN		11,359.35		0.14
Prepaid expenses		PLN		-7,219.33		-0.09
TOTAL OTHER				4,140.02		0.05
TOTAL NET ASSETS				8,243,447.78		100.00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
EQLISWAP	PLN	8,580,882.00	8,580,882.00	n.a.	29.07.2011

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

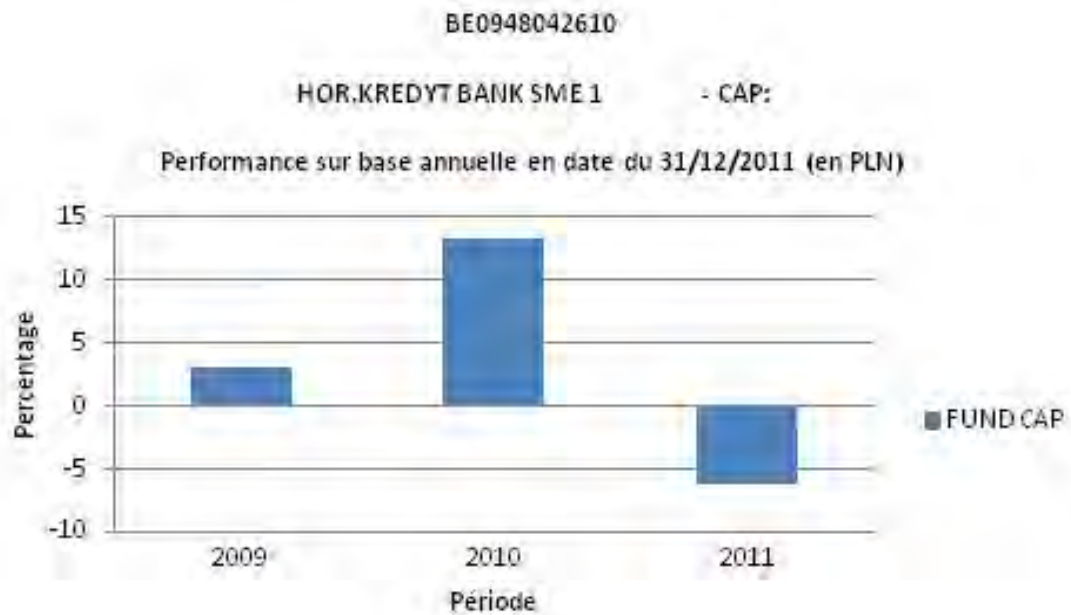
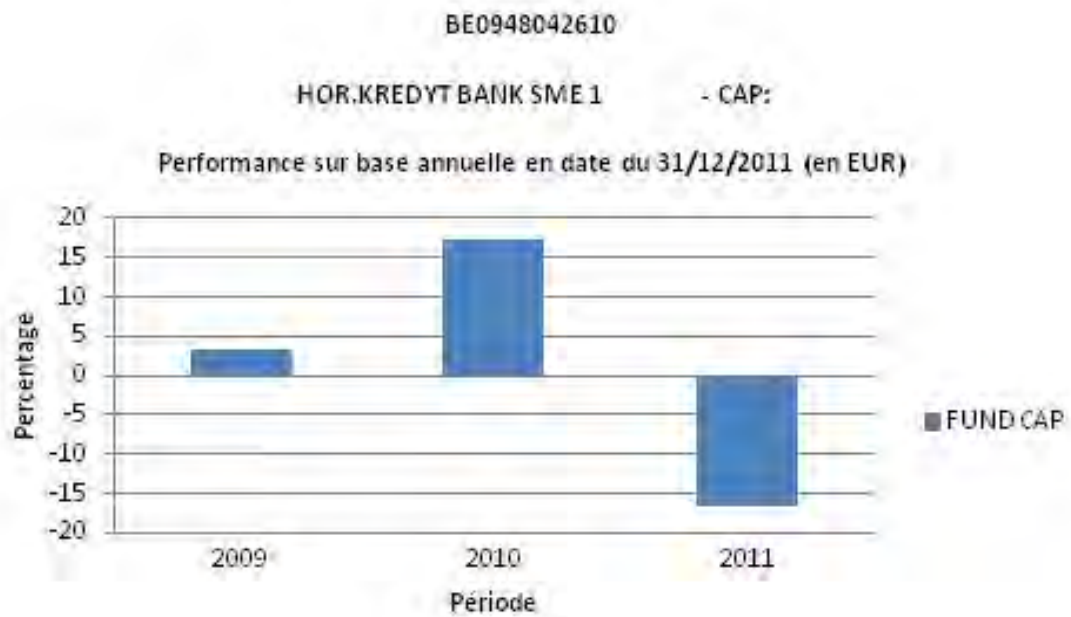
Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Capitalisation	Distribution	Capitalisation	Distribution	Capitalisation	Distribution	Total
2009 - 12	0.00		3,510.00		103,035.00		103,035.00
2010 - 12	0.00		8,945.00		94,090.00		94,090.00
2011 - 12	0.00		6,910.00		87,180.00		87,180.00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
	Subscriptions		Redemptions	
	Capitalisation	Distribution	Capitalisation	Distribution
2009 - 12	0.00		290,733.60	
2010 - 12	0.00		835,106.25	
2011 - 12	0.00		698,507.90	

Period	Net asset value At the end of the period (in the sub fund's currency)		
	of the sub-fund	Of one unit	
		Capitalisation	Distribution
2009 - 12	9,173,420.16	89.03	

2010 - 12	9,488,213.19	100.84	
2011 - 12	8,243,447.78	94.56	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE09480426 10	EUR	-16.62%		0.39%						26/03/200 8	-7.41%
CAP	BE09480426 10	PLN	-6.23%		3.07%						26/03/200 8	-1.48%

* Performance figures shown are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no account of possible restructuring.
- Calculated in PLN and 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:

$$[\text{NAV}(D) / \text{NAV}(Y)] ^ [1 / X] - 1$$
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
- 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 nth 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 units.

2.4.6 CHARGES

Total expenses ratio (TER): * 0.905%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, therefore, there is no conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB PRIVATE BANKING LUXURY AND GROWTH STOCKS 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE AT LAUNCH

Launch date: 16 November 2007
Subscription price at launch: 10 CZK
Maturity date: 31 May 2013
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY AS STATED IN THE PROSPECTUS

OBJECTIVE OF THE SUB-FUND

The sub-fund has two objectives(before costs and taxes):

- (1) To reimburse at Maturity at least 95% of the initial per-share subscription price of 10 CZK, namely 9.5 CZK, with the investments described in *Permitted asset classes*.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). Through these swaps, the sub-fund sells part of its future investment income as described in *Permitted asset classes* to counterparty(ies) for the duration of the sub-fund. In exchange, the counterparty(ies) agree to provide a potential return. The different types of swaps in which the sub-fund may invest are explained in *Permitted swap transactions*.

No formal guarantee of repayment of the initial subscription price over 95% is provided for the sub-fund or its shareholders. In other words, this objective is not an obligation of earnings for the sub-fund, although the achievement of this objective through the investments described in paragraph} *Permitted asset classes* } remains the highest priority.

If the objective to reimburse at least 95% of the initial subscription price per share is not met at Maturity, KBC Asset Management SA may decide (but is not obliged) to cover the management commission received from the sub-fund and possibly other funds during the current financial year to reduce this deficit. This is not a guarantee from KBC Asset Management SA, which may decide according to its own vision to use the management commission for this purpose or not.

This 95% reimbursement objective of the initial per-share subscription price is not applicable in the event the shareholder sells his shares before Maturity.

SUB-FUND INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations. These investments may have different durations and coupon payment dates that are adapted to sub-fund commitment periods by means of 'swap' transactions described in Section *Permitted Swap Transactions (2)*.

The limits and investment restrictions laid down by the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be respected at all times.

The sub-fund may invest in publicly traded bonds issued by '*Special Purpose Vehicles*' (SPV).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

Bonds issued by the SPV are underlying a diversified portfolio of deposits issued by financial institutions, bonds and other debt securities and derivatives (financial derivatives). The selection of

these underlying investments is based on criteria related to allocation and solvency (See under *Permitted Asset Classes and Criteria of bonds and other debt obligations* to reduce counterparty risk.

Other specifications that such underlying deposits, bonds, other debt securities and derivatives (financial derivatives) must meet are listed in the SPV base prospectus.. These base prospectus are available on the site <http://www.kbc.be/prospectus/spv/>.

Investments like the SPVs sub-fund are explained to the investor in the sub-fund in the annual and interim report of the fund in which the fund is a part. The annual and interim report are also available on the site <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The mean solvency score (rating) of bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Long-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Short-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

All durations are taken into consideration in the selection of bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The 'swaps' described below are made with a prime counterparty(ies) within the limits defined by law.

(1) To achieve a potential return, the sub-fund enters into 'swaps'. Through these swaps, the sub-fund sells part of its future investment income as described in *Permitted asset classes* to counterparty(ies) for the duration of the sub-fund. In exchange, the counterparty(ies) agree to provide the potential returns described in *Strategy defined*.

The use of 'swaps' in this sub-fund may result in the loss of up to 5% of the initial capital invested.

The 'swaps' in (1) are essential to achieving the investment objectives of the sub-fund, given that using this technique follows the goal of achieving a potential return.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

(2) If necessary, the sub-fund may conclude 'swaps' to match the durations of sub-fund commitments and to the flow of funds stemming from the investments described in *Permitted Asset Classes*.

These 'swaps' are essential to achieving the investment objectives of the sub-fund, given that there are not bonds and other debt instruments sufficiently on the market whose coupons and maturities coincide perfectly with the maturities of the sub-fund commitments.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

(3) The sub-fund may also enter into 'swaps' to protect itself from the credit risk of issuers of bonds and other debt instruments. Through such a 'swap', one or more counterparty(ies) recovers, in exchange for a premium payable by the sub-fund, the risk of an issuer of a bond or other debt instrument that is found in the sub-fund's portfolio remains in default.

The 'swaps' in (3) serve to cover credit risk.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

STRATEGY DEFINED

OBJECTIVES AND INVESTMENT POLICY:

The sub-fund follows two investment objectives: firstly to reimburse 95% of the initial subscription value at Maturity and secondly, to generate capital gains as much as possible depending upon any increase in the basket of 30 shares in quality companies that are active in the luxury sector or are considered growth companies. Thus 100% of any increase in the basket of 30 stocks (= *Final Value*

less Initial Value), divided by the Initial Value) will be distributed at Maturity above 95% of the initial subscription price.

MATURITY: Friday 31 May 2013 (Value date payment D + 1 business day)

CURRENCY: CZK, the change in the local currency exchange rate for shares in the basket compared to CZK is not relevant.

INITIAL VALUE: Value of the basket based on 1 the average Price of shares in the basket during the first ten Value Dates starting from Friday 23 November 2007 (included).

FINAL VALUE: Value of the basket based on 1 the average Price of shares in the basket on the last Value Date of the month for the last 18 months prior to Maturity, more precisely, from November 2011 to April 2013 (included).

PRICE:

For all shares, except those listed on the Milan Stock Exchange, the closing price, namely the price of a share in the basket as calculated and reported at the close by the trading body responsible for the exchange on which the security is listed (or its legal successor). The benchmark price is applied to shares listed on the Milan Stock Exchange.

VALUE DATE:

For each share in the basket on an exchange trading day in which the share is quoted and for the exchange the highest trading day where the share's options are noted, unless a Market Disruption Event (suspension or limitation of trading on this share) occurs on this day or there is an early closing (the responsible body announced an early market close). If a Market Disruption Event or an Early Closure occurs as regards a share in the basket, the original Value Date for this share is replaced by the first following trading day in which there was no Market Disruption Event and no early closing and that is not itself already an original Value Date and does not itself replace an original Value Date due to a Market Disruption Event or an early closing.

However, if a Market Disruption Event or an early closure occurs during each of the eight trading days following the original Value Date, (i) that eighth trading day will be considered the original Value Date, and (ii) the fund may consider in good faith, in consultation with the prime counterparties with whom a swap agreement was reached, the share price as it would have been listed at the eighth trading day and (iii) the fund will notify shareholders of (a) the Market Disruption Event or early closing that has occurred with regard to one or several shares, (b) the modified conditions to determine the Initial and/or Final Value and (c) the procedures for the distribution of amounts in accordance with the investment objectives achieved.

The explanations below are intended to describe the workings of the structure of the sub-fund. The examples provided do not indicate the expected return. The actual return of the sub-fund depends, on the one hand, upon the actual market developments during the duration of the structure and, secondly, the specific methods of the sub-fund and, in particular, the change in underlying values, the duration and participation rate, as described under "Objectives and Investment Policy."

The following examples illustrate the aforementioned investment objectives for a structure of 5 years and 6 months that pays at Maturity 85% of any increase in the basket of shares above 95% of the initial subscription price of 10 CZK. The Initial Value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	160	85% * 60% = 51.0%	9.5 + 51% * 10 = 14.6 CZK (rendement actuariel : 7.12%, avant frais et impôts)
Scénario Neutre	130	85% * 30% = 25.5%	9.5 + 25.5% * 10 = 12.05 CZK (rendement actuariel : 3.44%, avant frais et impôts)
Scénario Négatif	80	85% * 0% = 0%	9.5 + 0% * 10 = 9.5 CZK (rendement actuariel : -0.93%, avant frais et impôts)

(*) Negative performance of the Basket is not taken into account.

APPLICABLE BASKET:

The table below shows, successively, in columns from left to right, the sequence number of the share, its name, Bloomberg code, the exchange on which it is listed and its initial weight.

1	ALLERGAN INC	AGN UN Equity	New York	3.333%
2	ASSICURAZIONI GENERALI	G IM Equity	Milan	3.333%
3	AUTOMATIC DATA PROCESSING	ADP UN Equity	New York	3.333%
4	BASF AG	BAS GY Equity	Frankfurt	3.333%
5	BAYER AG	BAY GY Equity	Frankfurt	3.333%
6	BAYERISCHE MOTOREN WERKE AG	BMW GY Equity	Frankfurt	3.333%
7	BEST BUY CO INC	BBY UN Equity	New York	3.333%
8	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.333%
9	CARNIVAL CORP	CCL UN Equity	New York	3.333%
10	CIE FINANCIERE RICHEMON-BR A	CFR VX Equity	Virt-x	3.333%
11	COSTCO WHOLESALE CORP	COST UQ Equity	Nasdaq	3.333%
12	DELHAIZE GROUP	DELB BB Equity	Brussels	3.333%
13	DIAGEO PLC	DGE LN Equity	London	3.333%
14	FRESENIUS MEDICAL CARE AG &	FME GY Equity	Frankfurt	3.333%
15	HOME DEPOT INC	HD UN Equity	New York	3.333%
16	HOST HOTELS & RESORTS INC	HST UN Equity	New York	3.333%
17	INDITEX	ITX SM Equity	Madrid	3.333%
18	LAGARDERE S.C.A.	MMB FP Equity	Paris	3.333%
19	L'OREAL	OR FP Equity	Paris	3.333%
20	LVMH MOET HENNESSY LOUIS VUI	MC FP Equity	Paris	3.333%
21	MEDTRONIC INC	MDT UN Equity	New York	3.333%
22	MITSUBISHI ELECTRIC CORP	6503 JT Equity	Tokyo	3.333%
23	NIKE INC -CL B	NKE UN Equity	New York	3.333%
24	NOKIA OYJ	NOK1V FH Equity	Helsinki	3.333%
25	PEPSICO INC	PEP UN Equity	New York	3.333%
26	PERNOD-RICARD SA	RI FP Equity	Paris	3.333%
27	PPR	PP FP Equity	Paris	3.333%
28	REED ELSEVIER NV	REN NA Equity	Amsterdam	3.333%
29	ROCHE HOLDING AG-GENUSSCHEIN	ROG VX Equity	Virt-x	3.333%
30	THE SWATCH GROUP AG-BR	UHR VX Equity	Virt-x	3.333%

Selection criteria for inclusion in the basket:

A share may not be included in the basket unless (i) the share is listed on an exchange (ii) the share is part of a major stock index, (iii) the company issuing the shares is active in the luxury sector or is considered a growth company and (iv) the Board of the Fund has approved the inclusion of the share in the basket (the 'Selection Criteria').

Changes to the basket following a merger, acquisition, split, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition during the life of the sub-fund, a weight in the basket equal to the sum of the weights of the shares of all issuers involved in the transaction will be attributed to the shares of issuers involved in the transaction and that still meet the Selection Criteria after the transaction. If, after the transaction, none of the issuers concerned by the transaction meet the Selection Criteria any longer, such will be as specified under 'Nationalisation, Bankruptcy or Disqualification'.

Split

If an issuer of a share in the basket carries out a split, the weight of the share in question will be divided evenly between the shares of all issuers by fractions and who still meet the selection criteria. If, after the transaction, none of the issuers concerned by the split meet the Selection Criteria any longer, such will be as specified under 'Nationalisation, Bankruptcy or Disqualification'.

Nationalisation, Bankruptcy or Disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer meets the Selection Criteria ('Disqualification'), the share is valued at the last known price before disqualification. The value is then invested until Maturity of the underlying swap market transaction at the market rate in effect on the money market or bond market at the time of disqualification for a period equal to the time remaining until the Maturity of the underlying swap market transaction of the sub-fund. The value increased by interest is carried to Maturity as a result of the share for the calculation of the final increase of the basket at Maturity.

Volatility of the net asset value may increase due to the composition of the basket.

The following information is general in nature and does not purport to address all aspects of investing in UCITS. In specific cases, other rules may be applicable. In addition, tax laws and their interpretation may change. Investors who would like more information about the tax consequences – both in Belgium and abroad – concerning the acquisition, retention and transfer of share rights must seek advice from their financial and tax advisor.

The European Savings Directive and taxes on investment returns obtained at the time through the redemption of shares or equity in the event of a full or partial distribution of equity.

This UCITS invests no more than 40% of its assets directly or indirectly in such instruments within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented through:
the Act of 17 May 2004; *transposing into Belgian law the 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 the 1992 Income Tax Code on withholding tax*
- the Royal Decree of 27 September 2009 *implementing Article 338bis § 2 of the 1992 Income Tax Code.*
- *the Royal Decree of 27 September 2009 regarding the entry into effect of Article 338bis § 2, paragraphs 1-3, of the 1992 Income Tax Code;*

A paying agent established in Belgium who pays a rent-income related to the UCITS in the form of dividend payment (coupon) or through the sale, repayment or amortisation of shares to a natural person (share owner) residing in another EU country (or an independent or associated territory) is required to send information about this payment to the Belgian authorities, who will forward such to the tax authority of the holder's country of residence.

B. Tax on investment returns obtained following the purchase of share holdings or in the event of a total or partial distribution of equity. (Art. 19bis CIR 92).

The shares of these UCITS are capitalised as giving rights to dividends falling under the scope of Article 19bis CIR 92 upon the total or partial redemption or distribution of equity. .

Article 19bis CIR 92 applies only to shareholders who are subject to personal income tax. Based on this article, tax will be charged on investment returns between the purchase or redemption price depending upon the period during which the investor was a holder of shares. The rate is 15%.

The investment return consists of an income total which, directly or indirectly, as interest, capital gains or losses from the contributions of assets, was invested in investment instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company delegates the intellectual management of portfolio, with the exception of the formation and maintenance of the sub-fund from a technical and legal perspective, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTOR

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 INVESTMENT POLICY FOLLOWED DURING THE FINANCIAL YEAR

Composition of the basket at reporting date

Name	Value
ALLERGAN INC	4,4624
ASSICURAZIONI GENERALI	1,2090
AUTOMATIC DATA PROCESSING (UQ)	3,9963
BASF SE	3,7724
BAYER AG	2,8741
BAYERISCHE MOTOREN WERKE AG	4,1916
BEST BUY CO INC	1,5259
BRITISH AMERICAN TOBACCO PLC	5,4732
CARNIVAL CORP	2,4800
CIE FINANCIERE RICHEMON-BR A	3,5306
COSTCO WHOLESALE CORP	4,1566
DELHAIZE GROUP	2,4590
DIAGEO PLC	4,3300
FRESENIUS MEDICAL CARE AG &	4,6123
HOME DEPOT INC	4,9301
HOST HOTELS & RESORTS INC	2,6472
INDITEX (SM)	4,3608
L'OREAL	2,8346
LAGARDERE S.C.A.	1,2355
LVMH MOET HENNESSY LOUIS VUI	4,4085
MEDTRONIC INC	2,5474
MITSUBISHI ELECTRIC CORP	1,9344
NIKE INC -CL B	5,0053
NOKIA OYJ	0,4703
PEPSICO INC	2,9049
PERNOD-RICARD SA	3,3217
PPR	3,2080
REED ELSEVIER NV	2,4026
ROCHE HOLDING AG-GENUSSCHEIN	2,5112
SWATCH GROUP AG/THE-BR	3,7039
Total	97,50

Change in the index or basket

	Index:	Basket
	31/12/2010:	98,93
	30/06/2011:	103,54
	29/12/2011:	97,50
Change since 31/12/2010 or since the launch of the sub-fund:		-1.45%
Change since 30/06/2011 or since the launch of the sub-fund:		-5,83%
Index at the start of the sub-fund:		100,00
Minimum guarantee in local currency at maturity date:		9,50
Local currency:		CZK

2.1.8 RRISK RATING

On a scale from 0 to VI.

Current risk rating: II.

Risk rating at launch: IV

This is a risk indicator for an investment in UCI or sub-fund. Seven risk ratings have been defined.

The zero class represents the lowest risk rating and the six the highest risk.

Adaptation of the risk rating:

The risk rating is calculated according to the FSMA UCI Circular 3/2007 of 8 June 2007.

The risk rating may change over time. Thus, a change in the level of market volatility can affect the risk profile.

The risk rating should be changed when, for two consecutive six-month calculation periods, the risk rating of a UCI is different from that initially attributed.

The adapted risk rating is the risk rating at the time of the launch must be stated in the Annual (Interim) Reports.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011	31/12/2010
	(in the currency of the sub-fund)	(in the currency of the sub-fund)
Total net assets	71.262.080,59	83.352.020,79
II. Securities, money market instruments, UCI and derivative financial instruments		
A. Bonds and similar instruments		
a) Bonds	68.052.557,98	78.016.676,24
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	-2.695.803,53	264.051,19
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		17.838,49
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	529.445,80	715.919,64
B. Current account balances at banks	5.368.052,90	4.330.179,50
VI. Accruals and deferrals		
B. Expenses to be carried forward	13.186,06	13.623,50
C. Accrued expenses (-)	-5.358,62	-6.267,77
Total shareholders' equity	71.262.080,59	83.352.020,79
A. Capital	75.581.020,79	78.121.893,07
B. Share in profit	-57.000,00	-51.000,00
D. Result for the financial year	-4.261.940,20	5.281.127,72

OFF-BALANCE-SHEET ITEMS

IV Swap contract totals (+)	74.675.998,00	82.515.998,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs, capital gains and losses		
A. Bonds and similar instruments		
a) Bonds	-1.437.268,74	65.733,32
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	-3.075.494,72	5.340.411,87
G. Receivables, deposits, cash and debts	-2.126,60	4.571,10
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	1.622,85	66,76
II. Investment income and expenses		
B. Interest		
a) Property values and money market instruments	1.152.486,05	1.287.786,87
b) Deposits and cash at bank and in hand	66.586,74	141.606,87
C. Interest on loans (-)	-8,71	-223,45
D. Swap contracts (+/-)	-249.906,73	-610.857,19
III. Other income		
A. Fees to cover the costs for renewal and disposal of assets, to discourage redemption and to cover delivery costs	78.279,92	95.559,90
B. Other	-14.962,94	18.696,28
IV. Operating expenses		
B. Financial expenses (-)	-19.905,60	-24.983,49
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-682.260,73	-915.728,85
b) Administration and accounting management	-39.774,84	-42.850,05
F. Formation and organisation expenses (-)	-9.605,23	-11.802,60
G. Remuneration, social security charges and pensions (-)	-83,11	-129,56
H. Services and sundry goods (-)	-17.351,09	-31.133,89
J. Taxes	-902,94	-22.965,82
K. Other expenses (-)	-5.175,53	-6.082,97
Income and expenses for the period (quarter)		
Subtotal II + III + IV tax on proceeds	251.327,01	-129.655,33
V. Profit (loss) before taxes	-4.261.940,20	5.281.127,72
VII. Result for the financial year	-4.261.940,20	5.281.127,72

Profit appropriation account

	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Profit to be allocated (loss to be recognised)		
Profit (loss) brought forward from the previous financial year	-4.318.940,20	5.230.127,72
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-4.261.940,20	5.281.127,72
	-57.000,00	-51.000,00
II. (Assignments in) Transfer from capital	4.318.940,20	-5.230.127,72

2.4 STATEMENT OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF THE ASSETS OF THE HORIZON CSOB PRIVATE BANKING LUXURY AND GROWTH STOCKS 1

Name	Quantity at 31/12/2011	Currency	Price In foreign currency	Value In the sub-fund's currency	% Held by the UCI	% Portfolio	% Net assets
NET ASSETS							
SHARE PORTFOLIO							
Bonds							
Private company bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 23/09-21/03 3.63%	6.950.000,00	CZK	97,445	6.799.129,97		10,40	9,54
BEECHWOOD STRUCTURED FIN PLC 6P-10 23/09-23/03 3.63%	7.000.000,00	CZK	96,471	6.779.826,22		10,37	9,51
BROOKFIELDS CAPITAL PLC 6P-10 23/09-23/03 3.63%	6.950.000,00	CZK	97,737	6.819.391,93		10,43	9,57
EPERON FINANCE PLC 6P-10 23/09-23/03 3.63%	6.950.000,00	CZK	97,349	6.792.416,34		10,39	9,53
ESPACCIO SECURITIES PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	96,491	3.390.630,48		5,19	4,76
FIN. PROD.	3.500.000,00	CZK	96,548	3.392.599,30		5,19	4,76
NIMROD CAPITAL PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	97,616	3.429.993,40		5,25	4,81
OPAL FINANCIAL PRODUCTS PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	96,742	3.399.401,44		5,20	4,77
PROFILE FINANCE PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	97,253	3.417.300,93		5,23	4,80
RECOLTE SECURITIES PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	96,358	3.385.981,01		5,18	4,75
SILVERSTATE FIN INV PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	96,921	3.405.664,80		5,21	4,78
VESPUCCI STRUCTURED FIN PROD 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	97,112	3.412.342,31		5,22	4,79
VIGADO CAPITAL PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	96,406	3.387.633,18		5,18	4,75
VOYCE INVESTMENTS PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	97,865	3.438.706,37		5,26	4,83
WATERFORD CAPITAL INC PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	96,268	3.382.811,86		5,18	4,75
WAVES FINANCIAL INV PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	97,294	3.418.728,44		5,23	4,80
Bonds total				68.052.557,98		104,13	95,50
Swaps							
<u>Belgium</u>							
KBC SWAPS	74.675.998,00	CZK	-3,610	-2.695.803,53		-4,13	-3,78
Swaps				-2.695.803,53		-4,13	-3,78
Total share portfolio				65.356.754,45		100,00	91,71
CASH AT BANK AND AT HAND							
Demand balances at banks							
<u>Belgium</u>							
KBC GROUP CZK	471.765,41	CZK	1,000	471.765,41			0,66
KBC GROUP EURO	2.261,71	EUR	1,000	57.680,39			0,08
Total demand balances at banks				529.445,80			0,74
Current accounts							
<u>Germany</u>							
DZ BANK AG 23/09-23/03/12 DZBANK 0.550 %	1.540.000,00	CZK	99,875	1.538.075,00			2,16

<u>Belgium</u>						
KBC BANK NV 07/10-23/03/12 KBCBANK 1.000 %	890.000,00	CZK	99,981	889.830,90		1,25
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	2.940.000,00	CZK	100,005	2.940.147,00		4,13
Total current accounts				5.368.052,90		7,53
Total cash at bank and at hand				5.897.498,70		8,28
OTHER						
Interest paid		CZK		13.186,06		0,02
Provisional expenses		CZK		-5.358,62		-0,01
Total other				7.827,44		0,01
TOTAL NET ASSETS				71.262.080,59		100,00

2.4.2 CHANGE IN THE COMPOSITION OF ASSETS

The detailed list of transactions may be consulted at no charge at the fund's main office, avenue du Port 2, 1080 Brussels.

2.4.3 TOTAL COMMITMENTS FOR FINANCIAL DERIVATIVE POSITIONS

IN SHARES	Currency	In currency	In the sub-fund's currency	Lot size	Transaction date
EQLISWAP	CZK	74.675.998,00	74.675.998,00	N.A.	16.12.2011

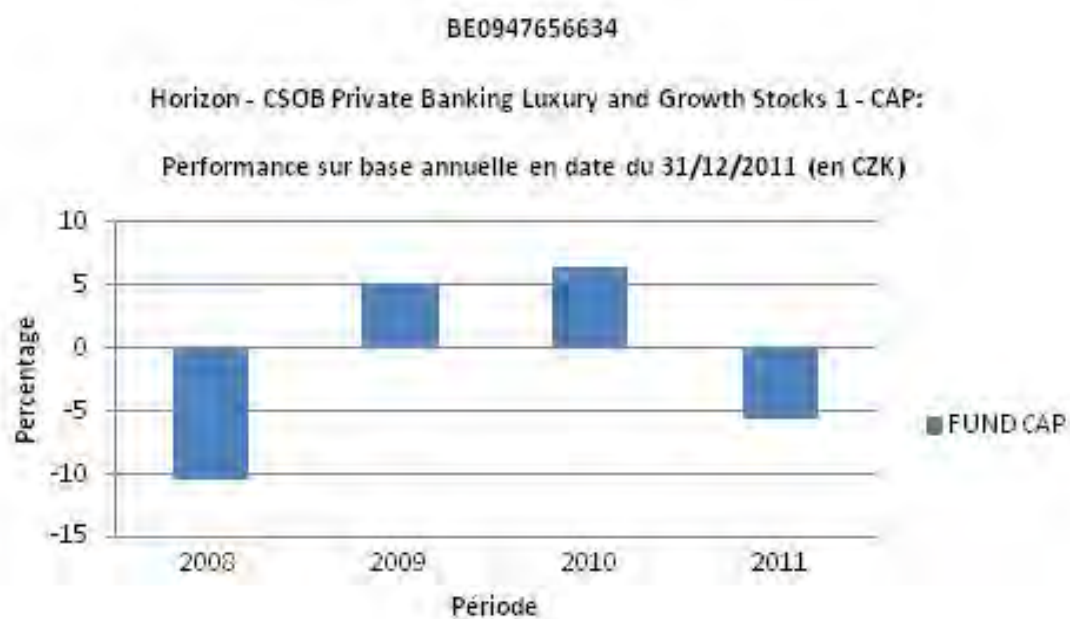
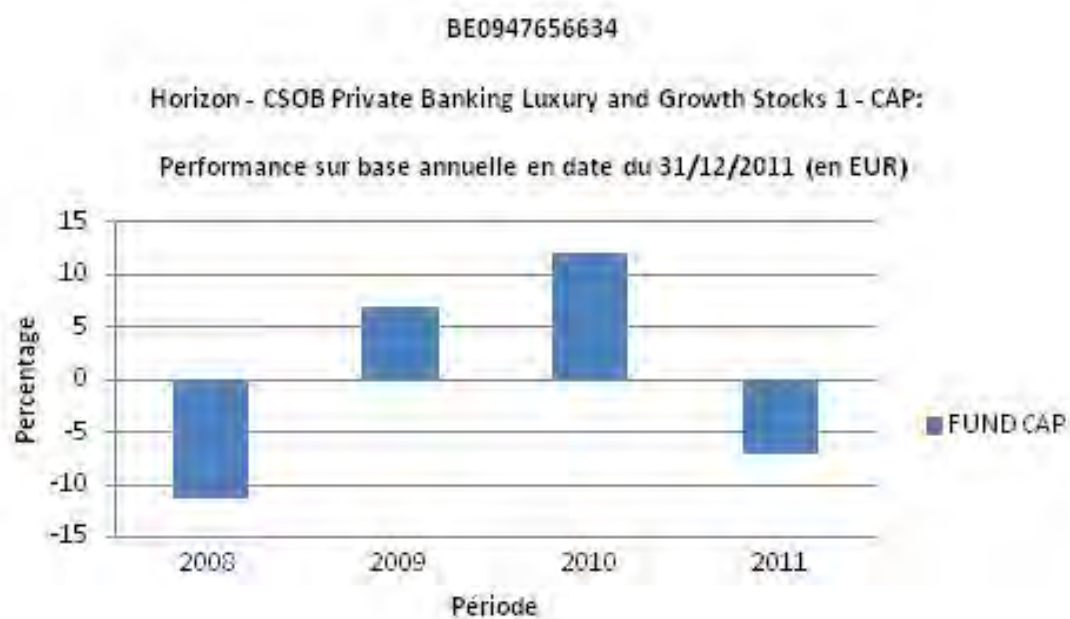
2.4.4 CHANGE IN THE NUMBER OF SUBSCRIPTIONS, REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		450.000,00		9.420.000,00		9.420.000,00
2010 - 12	0,00		1.000.000,00		8.420.000,00		8.420.000,00
2011 - 12	0,00		800.000,00		7.620.000,00		7.620.000,00

Period	Totals paid and received by the UCI (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		4.031.500,00	
2010 - 12	0,00		9.556.000,00	
2011 - 12	0,00		7.828.000,00	

Period	Net asset value End of period (in the currency of the sub-fund)		
	For sub-fund	For one share	
		Cap.	Dis.
2009 - 12	87.626.893,07	9,30	
2010 - 12	83.352.020,79	9,90	
2011 - 12	71.262.080,59	9,35	

2.4.5 RETURNS



Cap Dis	ISIN code	Currenc Y	1 Year		3 Years*		5 Years*		10 Years*		From start*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0947656634	EUR	-7.09%		3.60%						16/11/2007	-0.22%
CAP	BE0947656634	CZK	-5.56%		1.85%						16/11/2007	-1.62%

* Performance figures are annualised.

Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take into account possible 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.
- 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:
$$[\text{VIN}(D) / \text{VIN}(Y)]^{1/X} - 1$$
where Y = D-X
Return on date D since the start date S of the share:
$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$
where F = 1 if the share has existed for less than one year on date D
where F = (D-S) / 365.25 if the share 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 an annual return by taking the nth square root of 1 plus the total return of the share.
- The return figures shown above do not take into account fees and charges for the issue and redemption of shares.
- These are the capitalisation units performance figures.

2.4.6 EXPENSES

Total expenses ratio (TER): * 1.011%

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

- Transaction fees
- 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 35% and 60% if the distributor is a part of KBC Group NV or from 35% and 70% if the distributor is not a part 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 collective investment undertaking in shares of collective investment undertakings that are not managed by a KBC Group NV entity, and receives a fee for doing so, it will pay this fee to the collective investment undertaking.

Fee sharing does not affect the amount of the management fee paid by the fund to the management company. This management fee is subject to the conditions laid down in the statutes. The limitations may be amended only following approval by the General Meeting of shareholders.

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

It is in the interest of the sub-fund's shareholders and the Distributor that the largest possible number of shares be sold so that the sub-fund's assets are consequently maximised. In this respect, there is therefore no issue of conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENT AND OTHER DATA

The management fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

The administration agent's fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

Auditor's fee: 1,000 euros per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

The custodian's fee: is payable annually and is calculated on the basis of the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year.

Social, ethical and environmental concerns:

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 investment portfolio. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indices: Further information on potential financial indices used as underlying for financial derivatives are included in the "Objectives and investment policy of the sub-fund" section of this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB PRIVATE BANKING ASIAN JUMPSTART 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 21 December 2007
Initial subscription price: CZK 10
Maturity date: 31 January 2014
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse the initial subscription price per unit of CZK 10 at maturity (capital protection). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection at maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash (including money in fixed-term deposit or demand accounts). These investments may have different durations and coupon payment dates which are aligned with the expiry dates of the sub-fund's commitments through the use of the swaps referred to in the section *Permitted swap transactions (2)*.

Characteristics to be met by the investments

The deposits, bonds and other debt instruments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area;
- (2) Debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) Investments with an analogous structure and a counterparty risk identical to a direct investment in the deposits and / or debt instruments referred to under points (1) and (2) above.

The investments under (3) may consist of:

- (A) An investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit at maturity (before charges and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and, if appropriate, from any other sub-fund of the ICVC. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, derivatives (financial derivatives), liquid assets and any other instrument permitted under the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the average solvency score of the bonds and other debt instruments must equate at least to a Standard & Poor's "A-" rating, or Moody's or Fitch's equivalent rating or, if no solvency rating is available, to an average credit-risk profile that the manager considers to be at least equivalent.

The solvency score for long-term bonds and other debt instruments when the investment is launched must equate at least to Standard & Poor's "A-" rating, or Moody's or Fitch's equivalent rating or, if no solvency rating is available, an average credit-risk profile that the manager considers to be at least equivalent .

The solvency rating for short-term bonds and other debt instruments when the investment must equate at least to Standard & Poor's "A-1" rating or Moody's or Fitch's equivalent rating or, if no solvency rating is available, to an average credit-risk profile that the manager considers to be at least equivalent.

All maturities are taken into consideration when selecting bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. Under these swaps, the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on maturity, and secondly, to generate a potential capital gain contingent on any rise in value of the basket of share indexes (as set out below).

Where there is no fall in value of the basket of shares (Final Value \geq Initial value), the higher of either a 20% fixed capital gain (actuarial yield: 3.04% before fees and tax) or 70% of the increase in value of the basket of shares ($= (\text{Final Value} - \text{Initial Value}) / \text{Initial Value}$), will be distributed at maturity above 100% of the initial subscription value.

Where on the other hand, the basket of indices has fallen in value (Final Value $<$ Initial Value), 100% of the initial subscription value will be paid at maturity.

MATURITY: 31 January 2014 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against the local currencies of the indexes in the basket are not relevant.

BASE VALUE: Value of the basket based on the average of the prices for indexes in the basket for the first ten Valuation Dates from 8 January 2008 (inclusive).

FINAL VALUE: The value of the basket based on the average price for the equities in the basket on the last Valuation Date of the month in each of the last 24 months before maturity, namely from January 2012 to December 2013 (inclusive).

PRICE:

For all the indexes in the basket, the closing price, that is to say the price of an index as calculated and published at the stock exchange close by the competent stock-exchange body (or its legal successor).

VALUATION DATE:

For each index in the basket, a trading day on which the competent stock exchange body calculates and publishes the index price. If, however, [A] the competent stock exchange body (i) makes significant changes to the formula and/or method for calculating the index, on or before the Valuation Date, and/or (ii) does not calculate and publish the index (although all the data are available), the ICVC will calculate the index, in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index-calculation method and formula; and/or [B] an event occurs on the Valuation Date which disrupts the market (preventing calculation of the index) or if the market closes early (the competent body has announced that the market will, on that day, close earlier than on other trading days), the original Valuation Date will be replaced by the next trading day on which there is no disruption or early closure, provided that date is not already an original Valuation Date or already replaces an original Reference Date postponed because of disruption or early closure of the market.. However, if the market is disrupted or closes early on each of the eight trading days which follow the original Valuation Date, (i) this eighth trading day will be deemed to be the original Valuation Date, and (ii) the ICVC will estimate the index price, in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index calculation formula and method, and (iii) the ICVC will inform the unit holders of (a) the exceptional circumstances which have arisen, (b) the amended conditions for determining the Base Value and/or Final Value for the Period, and (c) the terms and conditions for distribution of the amounts in the light of the investment objectives achieved.

If changes are made to an index in the basket (e.g. calculation by another sponsor, change to the calculation method, etc.), the ICVC will confer with the prime counterparty(-ies) with whom the swap contract has been concluded in order to decide how the index is to be determined. In the event of substantial changes to a basket index or if the index ceases to be calculated, it may be replaced by another index, provided this new index is representative of the same geographical and/or economic sectors.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 6 years. If the basket of shares has not fallen in value, the higher of either a 30% fixed capital gain or 70% of the increase in value of the basket of shares will be distributed at the Maturity above 100% of the initial subscription value. Where on the other hand, the basket of shares has fallen in value, only 100% of the initial subscription value will be paid at maturity. The initial subscription value is CZK 10 and

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	187.5	70% * 87.5% = 61.25%	10 + 61.25% * 10 = 16.125 CZK (rendement actuariel : 8.28%, avant frais et impôts)
Scénario Neutre	130	70% * 30% = 21% < 30% (plus-value fixe = 30%)	10 + 30% * 10 = 13 CZK (rendement actuariel : 4.46%, avant frais et impôts)
Scénario Négatif	90	70% * 0% = 0%	10 + 0% * 10 = 10 CZK (rendement actuariel : 0%, avant frais et impôts)

the Base Value of the basket is 100.

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the sponsor for the index in the basket and its initial weighting in the basket.

1	Hang Seng Index	HSI Index	Stock Exchange of Hong Kong	16.6667%
2	KOSPI 200 Index	KOSPI2 Index	Korea Stock Exchange	16.6667%
3	Kuala Lumpur Stock Exchange Composite Index	KLCI Index	Bursa Malaysia	16.6667%
4	MSCI Singapore Cash Index	SGY Index	Morgan Stanley Capital International	16.6667%
5	MSCI Taiwan Index	TAMSCI Index	Morgan Stanley Capital International	16.6667%
6	Nikkei 225 Index	NKY Index	Nikkei, inc.	16.6667%

The **Hang Seng** index is a market capitalization-weighted stock market index which follows corporate shares listed on the Stock Exchange of Hong Kong. The index was launched on 31 July 1964 with a value of 100.

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

Hang Seng holds all proprietary rights to the index. Hang Seng in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon CSOB Private Banking Asian Jumpstart 1. Hang Seng disclaims any responsibility for the issuing and offering of the units of this undertaking for collective investment.

The **KOSPI 200** index, or the Korean Stock Price Index 200, is a market capitalization-weighted stock market index which is made up of 200 shares listed on the Korean Stock Exchange. The index was launched on 3 January 1990 with a baseline value of 100. The index price can be consulted daily in all KBC branches.

KRX-Stock Market Division holds all proprietary rights to the index. KRX-Stock Market Division does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Asian Jumpstart 1. KRX-Stock Market Division does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The **Kuala Lumpur Stock Exchange Composite Index** is a market capitalization-weighted stock market index which follows 100 shares listed on the Kuala Lumpur Stock Exchange. The index was launched on 2 January 1977 with a baseline value of 100. The index price can be consulted daily in all KBC branches.

Bursa Malaysia holds all proprietary rights to the index. Bursa Malaysia does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Asian Jumpstart 1. Bursa Malaysia does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The **MSCI Singapore Cash** index is a market capitalization-weighted stock market index which is made up of corporate shares in Singapore. The index has been published since 1 January 1988.

The index price can be consulted daily in all KBC branches.

MSCI holds all proprietary rights to the index. MSCI does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Asian Jumpstart 1. MSCI does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The **MSCI Taiwan** index is a market capitalization-weighted stock market index which follows corporate shares in Taiwan. The index has been published since 1 January 1988. The index price can be consulted daily in all KBC branches.

MSCI holds all proprietary rights to the index. MSCI does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Asian Jumpstart 1. MSCI does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The **NIKKEI 225** index is a share index computed by Nikkei Inc.; in principle, the dividend is not reinvested for protection. It is made up of 225 equities. The main purpose of this index is to provide a continuous indication of the market trend on the Japanese stock market. This index is based on the market value of 225 corporate shares. The index covers the 225 leading and most liquid stocks listed on the first section of the Tokyo Stock Exchange. It was launched on 16 May 1949 with a baseline value of 176.21. The price for this index is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

Nikkei Inc. holds all proprietary rights to the index. Nikkei, Inc. does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Asian Jumpstart 1. Nikkei, Inc. does not accept any liability for the issue and offer of shares by this collective investment undertaking.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19 bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price prorated over the period for which the investor held the units.

This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
HANG SENG INDEX (HONG KONG)	11.8063
KLSE (MALAYSIA)	17.1676
KOSPI 200 INDEX	17.8046
MSCI SINGAPORE FREE	13.0747
MSCI TAIWAN	13.4570
NIKKEI 225 (JAPAN)	10.0962
TOTAL	83.41

Performance of the index or basket

Index: **BASKET**

31/12/2010: **97.87**

30/06/2011: **96.30**

29/12/2011: **83.41**

Performance since 31 December 2010 or since the launch of the sub-fund: **-14.77%**

Performance since 30 June 2011 or since the launch of the sub-fund: **-13.39%**

Index at the launch of the sub-fund: **100.00**

Minimum guaranteed return in local currency on the maturity date: **10.00**

Local currency: **CZK**

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
04/10/2010	MSCI SINGAPORE CASH	MSCI SINGAPORE FREE	Index Discontinued

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at launch: IV

The risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a UCI sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the sub fund's currency)
TOTAL NET ASSETS	159,704,697.27	197,688,738.31
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	144,580,122.26	170,264,429.03
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	3,038,818.40	9,926,646.51
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		41,439.90
c) Collateral		1,482,251.94
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	1,122,337.86	1,487,746.00
B. Fixed-term deposits at banks	10,952,504.20	14,450,644.10
VI. Accruals and deferrals		
B. Accrued income	22,893.30	50,408.60
C. Accrued expenses (-)	-11,978.75	-14,827.77
TOTAL CAPITAL AND RESERVES	159,704,697.27	197,688,738.31
A. Capital	168,682,347.31	190,535,335.12
B. Share in the profit	-188,729.50	-33,607.75
D. Net earnings for the year	-8,788,920.54	7,187,010.94

OFF-BALANCE-SHEET ITEMS

I Collateral security (+/-)		
I.A Collateral (+/-)		
I.A.B Deposits and cash at bank and in hand		1,482,000.00
IV Swap contract notional amounts (+)	164,502,798.00	186,120,078.00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-3,112,155.31	38,697.63
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-6,008,481.87	7,590,062.50
G. Amounts receivable, deposits, cash at bank and in hand, and liabilities	-8,391.84	10,787.12
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-4,263.52	-5,225.51
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	2,513,762.00	2,713,326.25
b) Deposits and cash at bank and in hand	133,153.66	321,858.74
c) Collateral (+/-)	8,941.40	21,781.28
C. Interest on borrowings (-)	-63.66	-1,312.74
D. Swap contracts (+/-)	-329,025.02	-1,084,548.94
F. Other investment income		-1,222.65
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	291,950.94	40,172.86
B. Other	-34,933.03	58,290.59
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-0.16	0.03
B. Financial expenses (-)	-23,763.60	-41,474.68
C. Custodian's fee (-)	-6,088.25	-6,547.38
D. Manager's fee (-)		
a) Financial management	-2,041,699.76	-2,220,788.06
b) Administration and accounting management	-89,977.93	-97,609.65
F. Formation and organisation expenses (-)	-22,760.35	-26,862.12
G. Remuneration, social security charges and pensions (-)	-181.65	-284.87
H. Services and sundry goods (-)	-41,162.72	-54,338.18
J. Taxes	-2,203.42	-53,298.16
K. Other expenses (-)	-11,576.45	-14,453.12
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	344,372.00	-447,310.80
V. Profit (loss) on ordinary activities before tax	-8,788,920.54	7,187,010.94
VII. Net earnings for the year	-8,788,920.54	7,187,010.94

Appropriation of profit

	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Profit available for appropriation (loss to be recognised)	-8,977,650.04	7,153,403.19
Profit for the period available for appropriation (loss to be recognised)	-8,788,920.54	7,187,010.94
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-188,729.50	-33,607.75
II. (Appropriations to) Deductions from capital	8,977,650.04	-7,153,403.19

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB PRIVATE BANKING ASIAN JUMPSTART 1

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% held by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 23/09-21/03 3.63%	14,800,000.00	CZK	97.445	14,478,722.83		9.81	9.07
BEECHWOOD STRUCTURED FIN PLC 6P-10 23/09-23/03 3.63%	14,900,000.00	CZK	96.471	14,431,344.38		9.78	9.04
BROOKFIELDS CAPITAL PLC 6P-10 23/09-23/03 3.63%	14,800,000.00	CZK	97.737	14,521,870.60		9.84	9.09
EPERON FINANCE PLC 6P-10 23/09-23/03 3.63%	14,800,000.00	CZK	97.349	14,464,426.18		9.80	9.06
ESPACCIO SECURITIES PLC 6P-10 23/09-23/03 3.63%	7,450,000.00	CZK	96.491	7,217,199.14		4.89	4.52
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 23/09-23/03 3.63%	7,450,000.00	CZK	96.548	7,221,389.92		4.89	4.52
NIMROD CAPITAL PLC 6P-10 23/09-23/03 3.63%	7,400,000.00	CZK	97.616	7,251,986.03		4.91	4.54
OPAL FINANCIAL PRODUCTS PLC 6P-10 23/09-23/03 3.63%	7,450,000.00	CZK	96.742	7,235,868.77		4.90	4.53
PROFILE FINANCE PLC 6P-10 23/09-23/03 3.63%	7,450,000.00	CZK	97.253	7,273,969.11		4.93	4.56
RECOLTE SECURITIES PLC 6P-10 23/09-23/03 3.63%	7,450,000.00	CZK	96.358	7,207,302.41		4.88	4.51
SILVERSTATE FIN INV PLC 6P-10 23/09-23/03 3.63%	7,400,000.00	CZK	96.921	7,200,548.41		4.88	4.51
VESPUCCI STRUCTURED FIN PROD 6P-10 23/09-23/03 3.63%	7,400,000.00	CZK	97.112	7,214,666.57		4.89	4.52
VIGADO CAPITAL PLC 6P-10 23/09-23/03 3.63%	7,450,000.00	CZK	96.406	7,210,819.19		4.89	4.52
VOYCE INVESTMENTS PLC 6P-10 23/09-23/03 3.63%	7,350,000.00	CZK	97.865	7,221,283.37		4.89	4.52
WATERFORD CAPITAL INC PLC 6P-10 23/09-23/03 3.63%	7,450,000.00	CZK	96.268	7,200,556.66		4.88	4.51
WAVES FINANCIAL INV PLC 6P-10 23/09-23/03 3.63%	7,400,000.00	CZK	97.294	7,228,168.69		4.90	4.53
Total bonds				144,580,122.26		97.94	90.53
Swaps							
<u>Belgium</u>							
KBC SWAPS	164,502,798.00	CZK	0.240	3,038,818.40		2.06	1.90
Total swaps				3,038,818.40		2.06	1.90
TOTAL SECURITIES PORTFOLIO				147,618,940.66		100.00	92.43
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	1,102,665.87	CZK	1.000	1,102,665.87			0.69
KBC GROUP EURO	771.36	EUR	1.000	19,671.99			0.01
Total demand accounts				1,122,337.86			0.70
Fixed-term deposit accounts							
<u>Germany</u>							
DZ BANK AG 23/09-23/03/12 DZBANK 0.550 %	5,870,000.00	CZK	99.875	5,862,662.50			3.67

<u>Belgium</u>						
KBC BANK NV 07/10-23/03/12 KBCBANK 1.000 %	1,720,000.00	CZK	99.981	1,719,673.20		1.08
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	3,370,000.00	CZK	100.005	3,370,168.50		2.11
Total fixed-term deposit accounts				10,952,504.20		6.86
TOTAL CASH AT BANK AND IN HAND				12,074,842.06		7.56
OTHER						
Accrued interest		CZK		22,893.30		0.01
Prepaid expenses		CZK		-11,978.75		-0.01
TOTAL OTHER				10,914.55		0.01
TOTAL NET ASSETS				159,704,697.27		100.00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
EQLISWAP	CZK	164,502,798.00	164,502,798.00	n.a.	16,09,2011

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

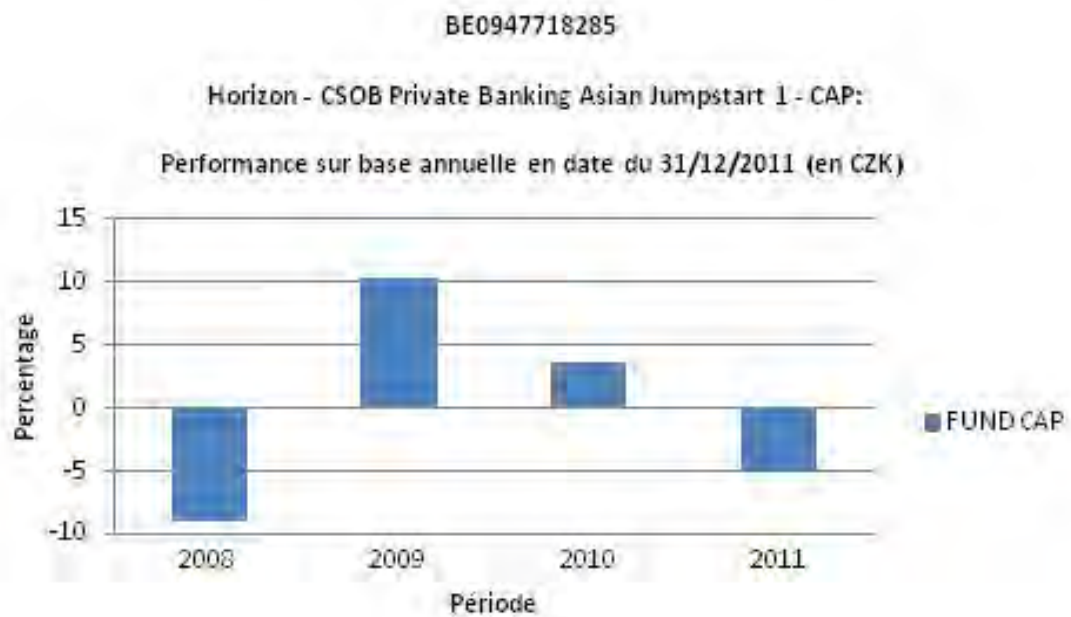
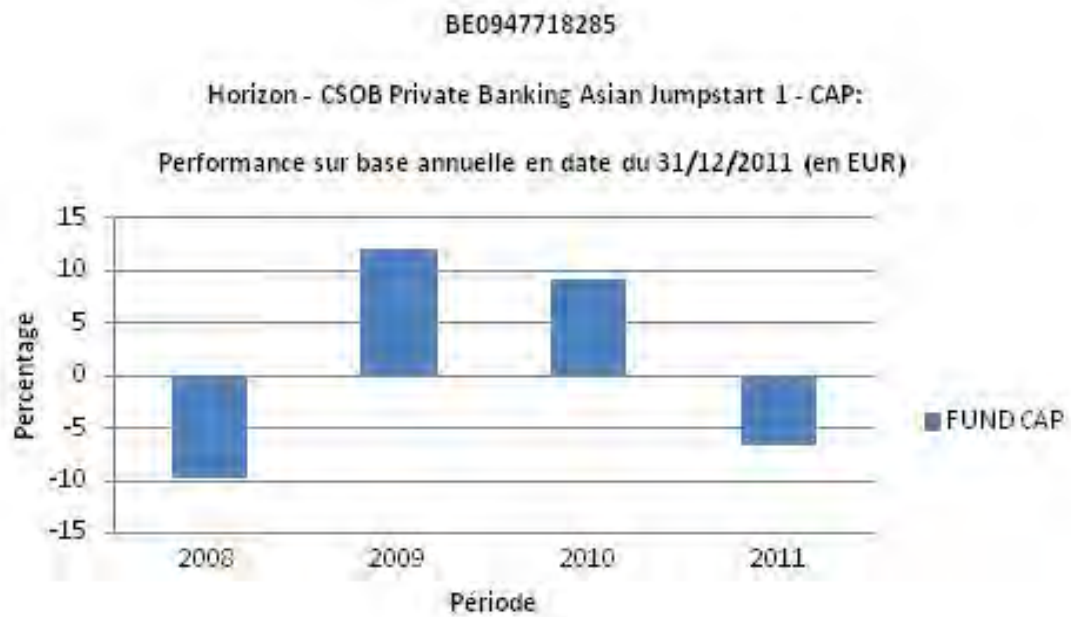
Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Capitalisation	Distribution	Capitalisation	Distribution	Capitalisation	Distribution	Total
2009 - 12	0.00		1,255,000.00		19,376,000.00		19,376,000.00
2010 - 12	0.00		386,155.00		18,989,845.00		18,989,845.00
2011 - 12	0.00		2,828,835.00		16,161,010.00		16,161,010.00

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalisation	Distribution	Capitalisation	Distribution
2009 - 12	0.00		11,211,900.00	
2010 - 12	0.00		4,017,288.60	
2011 - 12	0.00		29,195,120.50	

Period	Net asset value At the end of the period (in the sub fund's currency)		
Year	of the sub-fund	Of one unit	
		Capitalisation	Distribution

2009 - 12	194,519,015.97	10.04	
2010 - 12	197,688,738.31	10.41	
2011 - 12	159,704,697.27	9.88	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE09477182 85	EUR	-6.63%		4.55%						21/12/200 7	0.63%
CAP	BE09477182 85	CZK	-5.09%		2.78%						21/12/200 7	-0.30%

* Performance figures shown are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no account of possible 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.
- 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
- 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 nth 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 units.

2.4.6 CHARGES

Total expenses ratio (TER): * 1.264%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, therefore, there is no conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB WORLD GROWTH PLUS 19

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE AT LAUNCH

Launch date: 15 February 2008
Subscription price at launch: 10 CZK
Maturity date: 29 February 2012
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY AS STATED IN THE PROSPECTUS

OBJECTIVE OF THE SUB-FUND

INVESTMENT POLICY

The sub-fund has two objectives (before costs and taxes):

- (1) To reimburse the initial per-share subscription price of 10 CZK at Maturity (capital protection). This capital protection is granted by the establishment of a financial mechanism that is further explained in Section *Capital protection*. This capital protection is not applicable in the event the shareholder sells his shares before the Maturity date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). The different types of swaps in which the fund may invest are explained in Section *Potential Return*.

CAPITAL PROTECTION

The financial mechanism used to achieve capital protection

The financial mechanism used to achieve the capital protection at Maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash. (including funds placed in a deposit account or current account). These investments may have different terms and coupon payment dates that are adapted to sub-fund commitment periods by means of 'swap' transactions described in Section *Permitted Swap Transactions (2)*.

Investment criteria

The investments must meet the following criteria:

- (1) An investment in deposits and/or debt securities placed with or issued by financial institutions under prudential supervision and established in a Member State of the European Economic Area.
- (2) An investment in debt securities issued or guaranteed by a Member State of the European Economic Area..
- (3) An investment included in an investment strategy with a similar structure and identical counter risk to a direct investment in deposits and/or debt securities referred to in paragraphs (1) and (2) above.

Investments referred to in (3) may consist of:

- (A) An investment in publicly traded bonds issued by 'Special Purpose Vehicles' (SPV).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

Bonds issued by the SPV are underlying a diversified portfolio of deposits issued by financial institutions, bonds and other debt securities and derivatives (financial derivatives). The selection of these underlying investments is based on criteria related to allocation and solvency (See under *Permitted Asset Classes and Criteria of bonds and other debt obligations* to reduce counterparty risk.

Other specifications that such underlying deposits, bonds, other debt securities and derivatives (financial derivatives) must meet are listed in the SPV base prospectus.. These base prospectus are available on the site <http://www.kbc.be/prospectus/spv/>.

Investments like the SPVs sub-fund are explained to the investor in the sub-fund in the annual and interim report of the fund in which the fund is a part. The annual and interim report are also available on the site <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada, Australia and/or
- Debt securities issued by financial institutions subject to prudential supervision in the United States, Japan, Canada, Australia and/or
- Debt securities issued or guaranteed by the United States, Japan, Canada or Australia.

Prudential supervision of financial institutions in the United States, Japan, Canada and Australia may be considered equivalent to the prudential supervision of financial institutions in Member States of the European Economic Area.

Investments in debt securities issued by financial institutions subject to prudential supervision in the United States, Japan, Canada and Australia or issued or guaranteed by the United States, Japan, Canada or Australia have a minimum solvency score as stated in the Section *Characteristics of bonds and other debt securities*.

(C) The investments may also combine investments in (A) and in (B).

No formal guarantee

No formal guarantee of repayment of the initial subscription price is provided for the sub-fund or its shareholders. In other words, capital protection does not constitute a performance obligation for the sub-fund, although the achievement of this goal by the financial mechanism remains the highest priority.

If, due to the impairment of the financial mechanism, the amount payable per share at Maturity (before costs and taxes) is less than the initial subscription price, KBC Asset Management SA may decide (but is not obliged) to cover the management commission received from the fund and possibly other funds during the current financial year to reduce this deficit. This is not a guarantee from KBC Asset Management SA, which may decide according to its own vision to use the management fee for this purpose or not.

This capital protection is not applicable in the event the shareholder sells his shares before the Maturity date.

POTENTIAL RETURN

To achieve a potential return, the sub-fund enters into swap agreements with one or more prime counterparties. This is the reason why the sub-fund sells part of its future investment income to preserve the capital in this/these sub-fund(s) for the duration of the sub-fund. In exchange, the counterparty(ies) agree to provide the potential returns described in the Section *Strategy Defined*.

SUB-FUND INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations.

The limits and investment restrictions laid down by the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be respected at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The mean solvency score (rating) of bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Long-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

Short-term bonds and other debt instruments for the duration of the sub-fund will have a rating of at least "A-" from Standard&Poors or an equivalent rating from Moody's or Fitch or, if no rating is available, a credit-risk profile that is at least equivalent in the manager's judgement.

All durations are taken into consideration in the selection of bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The 'swaps' described below are made with a prime counterparty(ies) within the limits defined by law.

(1) To achieve a potential return, the sub-fund enters into 'swaps'. Through these swaps, the sub-fund sells part of its future investment income to preserve the capital in this/these fund(s) for the duration of the sub-fund. In exchange, the counterparty(ies) agree to provide the potential returns described in *Strategy defined*.

The 'swaps' in (1) are essential to achieving the investment objectives of the sub-fund, given that using this technique follows the goal of achieving a potential return.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

(2) The sub-fund concludes, if necessary, 'swaps' to match the durations of those sub-fund commitments and those of the flow of money resulting from deposits, bonds and other debt instruments described in the *Investment criteria*.

These 'swaps' are essential to achieving the investment objectives of the sub-fund, given that there are not bonds and other debt instruments sufficiently on the market whose coupons and maturities coincide perfectly with the maturities of the sub-fund commitments.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

(3) The sub-fund may also enter into 'swaps' to protect itself from the credit risk of issuers of bonds and other debt instruments. Through such a 'swap', one or more counterparty(ies) recovers, in exchange for a premium payable by the sub-fund, the risk of an issuer of a bond or other debt instrument that is found in the sub-fund's portfolio remains in default.

The 'swaps' in (3) serve to cover credit risk.

The sub-fund risk profile is not influenced by the use of these 'swaps'.

STRATEGY DEFINED

OBJECTIVES AND INVESTMENT POLICY:

The sub-fund follows two investment objectives: firstly to maintain 100% of the initial subscription value to Maturity and secondly, to generate capital gains as much as possible depending upon any increase in the basket of 30 shares in quality companies (as defined below), which are characterised by a large market capitalisation and low price/earnings ratio. Thus 130% of any increase in the

basket of 30 stocks (calculated as $(= (Final\ Value\ less\ Initial\ Value),\ divided\ by\ the\ Initial\ Value)$), will be distributed at Maturity above 100% of the initial subscription price.

MATURITY: Wednesday 29 February 2012 (Value date payment D + 1 business day)

CURRENCY: CZK, the change in the local currency exchange rate for shares in the basket compared to CZK is not relevant.

INITIAL VALUE: Value of the basket based on 1 the average Price of shares in the basket during the first ten Value Dates starting from Friday 22 November 2008 (included).

FINAL VALUE: Value of the basket based on 1 the average Price of shares in the basket on the last Value Date of the quarter for the last 16 quarters prior to Maturity, more precisely, from April 2008 to January 2012 (included).

PRICE:

For all shares, except those listed on the Milan Stock Exchange, the closing price, namely the price of a share in the basket as calculated and reported at the close by the trading by body responsible for the exchange on which the security is listed (or its legal successor). The benchmark price is applied to shares listed on the Milan Stock Exchange.

VALUE DATE:

For each share in the basket on an exchange trading day in which the share is quoted and for the exchange the highest trading day where the share's options are noted, unless a Market Disruption Event (suspension or limitation of trading on this share) occurs on this day or there is an early closing (the responsible body announced an early market close). If a Market Disruption Event or an Early Closure occurs as regards a share in the basket, the original Value Date for this share is replaced by the first following trading day in which there was no Market Disruption Event and no early closing and that is not itself already an original Value Date and does not itself replace an original Value Date due to a Market Disruption Event or an early closing.

However, if a Market Disruption Event or an early closure occurs during each of the eight trading days following the original Value Date, (i) that eighth trading day will be considered the original Value Date, and (ii) the fund may consider in good faith, in consultation with the prime counterparties with whom a swap agreement was reached, the share price as it would have been listed at the eighth trading day and (iii) the fund will notify shareholders of (a) the Market Disruption Event or early closing that has occurred with regard to one or several shares, (b) the modified conditions to determine the Initial and/or Final Value and (c) the procedures for the distribution of amounts in accordance with the investment objectives achieved.

The explanations below are intended to describe the workings of the structure of the sub-fund. The examples provided do not indicate the expected return. The actual return of the sub-fund depends, on the one hand, upon the actual market developments during the duration of the structure and, secondly, the specific methods of the sub-fund and, in particular, the change in underlying values, the duration and participation rate, as described under "Objectives and Investment Policy."

The following examples illustrate the aforementioned investment objectives for a structure of 4 years that pays at Maturity 100% of any increase in the basket of shares above 100% of the initial subscription price of 10 CZK. The Initial Value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	150	100% * 50% = 50%	10 + 50% * 10 = 15 CZK (rendement actuariel : 10.66%, avant frais et impôts)
Scénario Neutre	120	100% * 20% = 20%	10 + 20% * 10 = 12 CZK (rendement actuariel : 4.66%, avant frais et impôts)
Scénario Négatif	90	100% * 0% = 0%	10 + 0% * 10 = 10 CZK (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performance of the Basket is not taken into account.

APPLICABLE BASKET:

The table below shows, successively, in columns from left to right, the sequence number of the share, its name, Bloomberg code, the exchange on which it is listed and its initial weight.

1	ALLIANZ SE-REG	ALV GY Equity	Frankfurt	4.00%
2	ALTRIA GROUP INC	MO UN Equity	New York	4.00%
3	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	4.00%
4	BANCO SANTANDER SA	SAN SM Equity	Madrid	3.00%
5	BASF AG	BAS GY Equity	Frankfurt	5.00%
6	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.00%
7	CITIGROUP INC	C UN Equity	New York	3.00%
8	CREDIT SUISSE GROUP-REG	CSGN VX Equity	Virt-x	2.00%
9	DEUTSCHE POST AG-REG	DPW GY EQUITY	Frankfurt	4.00%
10	DIAGEO PLC	DGE LN Equity	London	2.00%
11	DUKE ENERGY CORP	DUK UN Equity	New York	3.00%
12	ENEL SPA	ENEL IM Equity	Milan	6.00%
13	FORTUM OYJ	FUM1V FH Equity	Helsinki	3.00%
14	HSBC HOLDINGS PLC	HSBA LN Equity	London	4.00%
15	ING GROEP NV-CVA	INGA NA Equity	Amsterdam	6.00%
16	JPMORGAN CHASE & CO	JPM UN Equity	New York	2.00%
17	KBC GROEP NV	KBC BB Equity	Brussels	3.00%
18	KRAFT FOODS INC-A	KFT UN Equity	New York	4.00%
19	MERCK & CO. INC.	MRK UN Equity	New York	3.00%
20	NESTLE SA-REG	NESN VX Equity	Virt-x	3.00%
21	NISSAN MOTOR CO LTD	7201 JT Equity	Tokyo	4.00%
22	NOKIA OYJ	NOK1V FH Equity	Helsinki	3.00%
23	PFIZER INC	PFE UN Equity	New York	4.00%
24	REED ELSEVIER NV	REN NA Equity	Amsterdam	2.00%
25	REYNOLDS AMERICAN INC	RAI UN Equity	New York	4.00%
26	RWE AG	RWE GY Equity	Frankfurt	3.00%
27	SIEMENS AG-REG	SIE GY Equity	Frankfurt	2.00%
28	SUNTRUST BANKS INC	STI UN Equity	New York	2.00%
29	SVENSKA CELLULOSA AB-B SHS	SCAB SS Equity	Stockholm	2.00%
30	TELEFONICA SA	TEF SM Equity	Madrid	3.00%

Selection criteria for inclusion in the basket:

A share may not be included in the basket unless (i) the share is listed on an exchange (ii) the share is part of a major stock index, (iii) the share has a large market capitalisation and a low price/earnings ratio and (iv) the Board of the Fund has approved the inclusion of the share in the basket (the 'Selection Criteria').

Changes to the basket following a merger, acquisition, split, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition during the life of the sub-fund, a weight in the basket equal to the sum of the weights of the shares of all issuers involved in the transaction will be attributed to the shares of issuers involved in the transaction and that still meet the Selection Criteria after the transaction. If, after the transaction, none of the issuers concerned by the transaction meet the Selection Criteria any longer, such will be as specified under 'Nationalisation, Bankruptcy or Disqualification'.

Split

If an issuer of a share in the basket carries out a split, the weight of the share in question will be divided evenly between the shares of all issuers by fractions and who still meet the selection criteria. If, after the transaction, none of the issuers concerned by the split meet the Selection Criteria any longer, such will be as specified under 'Nationalisation, Bankruptcy or Disqualification'.

Nationalisation, Bankruptcy or Disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer meets the Selection Criteria ('Disqualification'), the share is valued at the last known price before disqualification. The value is then invested until Maturity of the underlying swap market transaction at the market rate in effect on the money market or bond market at the time of disqualification for a period equal to the time remaining until the Maturity of the underlying swap market transaction of the sub-fund. The value increased by interest is carried to Maturity as a result of the share for the calculation of the final increase of the basket at Maturity.

Volatility of the net asset value may increase due to the composition of the basket.

The following information is general in nature and does not purport to address all aspects of investing in UCITS. In specific cases, other rules may be applicable. In addition, tax laws and their interpretation may change. Investors who would like more information about the tax consequences – both in Belgium and abroad – concerning the acquisition, retention and transfer of share rights must seek advice from their financial and tax advisor.

The European Savings Directive and taxes on investment returns obtains at the time through the redemption of shares or equity in the event of a full or partial distribution of equity.

This UCITS invests no more than 40% of its assets directly or indirectly in such instruments within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented through:
the Act of 17 May 2004; *transposing into Belgian law the 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 the 1992 Income Tax Code on withholding tax*
- the Royal Decree of 27 September 2009 *implementing Article 338bis § 2 of the 1992 Income Tax Code.*
- *the Royal Decree of 27 September 2009 regarding the entry into effect of Article 338bis § 2, paragraphs 1-3, of the 1992 Income Tax Code;*

A paying agent established in Belgium who pays a rent-income related to the UCITS in the form of dividend payment (coupon) or through the sale, repayment or amortisation of shares to a natural person (share owner) residing in another EU country (or an independent or associated territory) is required to send information about this payment to the Belgian authorities, who will forward such to the tax authority of the holder's country of residence.

B. Tax on investment returns obtained following the purchase of share holdings or in the event of a total or partial distribution of equity. (Art. 19bis CIR 92).

The shares of these UCITS are capitalised as giving rights to dividends falling under the scope of Article 19bis CIR 92 upon the total or partial redemption or distribution of equity. .

Article 19bis CIR 92 applies only to shareholders who are subject to personal income tax. Based on this article, tax will be charged on investment returns between the purchase or redemption price depending upon the period during which the investor was a holder of shares. The rate is 15%.

The investment return consists of an income total which, directly or indirectly, as interest, capital gains or losses from the contributions of assets, was invested in investment instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company delegates the intellectual management of portfolio, with the exception of the formation and maintenance of the sub-fund from a technical and legal perspective, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTOR

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 INVESTMENT POLICY FOLLOWED DURING THE FINANCIAL YEAR

Composition of the basket at reporting date

Name	Value
ALLIANZ SE-REG	2,4948
ALTRIA GROUP INC	1,6119
BANCO BILBAO VIZCAYA ARGENTA	1,9977
BANCO SANTANDER SA	1,5728
BASF SE	6,2798
BRITISH AMERICAN TOBACCO PLC	4,8698
CITIGROUP INC	0,3377
CREDIT SUISSE GROUP AG-REG	0,8384
DEUTSCHE POST AG-REG	2,1220
DIAGEO PLC	2,6994
DUKE ENERGY CORP	3,6968
ENEL SPA	2,9174
FORTUM OYJ	1,8366
HSBC HOLDINGS PLC (LONDON)	2,9026
ING GROEP NV-CVA	1,8913
JPMORGAN CHASE & CO	1,6135
KBC GROEP NV	0,3446
KRAFT FOODS INC-CLASS A	4,8057
MERCK & CO. INC.	2,5285
NESTLE SA-REG	3,2569
NISSAN MOTOR CO LTD	2,9009
NOKIA OYJ	0,4698
PFIZER INC	3,8801
PHILIP MORRIS INTERNATIONAL	4,2800
REED ELSEVIER NV	1,4518
REYNOLDS AMERICAN INC	5,2163
RWE AG	1,0201
SIEMENS AG-REG	1,6898
SUNTRUST BANKS INC	0,5976
SVENSKA CELLULOSA AB-B SHS	2,0158
TELEFONICA SA (SM)	2,0813
Total	76,22

Change in the index or basket

	Index: Basket
	31/12/2010: 80,40
	30/06/2011: 83,94
	29/12/2011: 76,22
Change since 31/12/2010 or since the launch of the sub-fund:	-5.20%
Change since 30/06/2011 or since the launch of the sub-fund:	-9.20%
Index at the start of the sub-fund:	100,00
Minimum guarantee in local currency at maturity date:	10,00
Local currency:	CZK

Changes in the basket since the launch of the sub-fund:

Date	Redemptions	Purchases	Comments
31/03/2008		Philip Morris International	Spin off Altria

2.1.8 RISK RATING

On a scale from 0 to VI.

Current risk rating: II.

Risk rating at launch: IV

This is a risk indicator for an investment in UCI or sub-fund. Seven risk ratings have been defined. The zero class represents the lowest risk rating and the six the highest risk.

Adaptation of the risk rating:

The risk rating is calculated according to the FSMA UCI Circular 3/2007 of 8 June 2007.

The risk rating may change over time. Thus, a change in the level of market volatility can affect the risk profile.

The risk rating should be changed when, for two consecutive six-month calculation periods, the risk rating of a UCI is different from that initially attributed.

The adapted risk rating is the risk rating at the time of the launch must be stated in the Annual (Interim) Reports.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
Total net assets	146.767.572,33	156.135.016,91
II. Securities, money market instruments, UCI and derivative financial instruments		
A. Bonds and similar instruments		
a) Bonds	131.086.980,92	139.564.172,90
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	-2.507,28	-343.533,57
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		33.225,18
B. Debts		
a) Accounts payable (-)		-785.561,41
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	2.906.005,83	2.367.442,11
B. Current account balances at banks	12.751.657,50	15.261.697,20
VI. Accruals and deferrals		
B. Expenses to be carried forward	36.443,75	49.285,50
C. Accrued expenses (-)	-11.008,39	-11.711,00
Total shareholders' equity	146.767.572,33	156.135.016,91
A. Capital	149.304.731,76	154.131.591,99
B. Share in profit	-40.307,12	-68.363,79
D. Result for the financial year	-2.496.852,31	2.071.788,71

OFF-BALANCE-SHEET ITEMS

IV Swap contract totals (+)	151.623.792,00	158.559.902,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs, capital gains and losses		
A. Bonds and similar instruments		
a) Bonds	-2.781.322,75	134.267,76
F. Derivative financial instruments		
e) In shares		
Swap contracts (+/-)	293.167,13	2.552.180,06
G. Receivables, deposits, cash and debts	-39,70	5.719,70
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	-5.563,91	-3.822,10
II. Investment income and expenses		
B. Interest		
a) Property values and money market instruments	2.144.476,63	2.413.993,89
b) Deposits and cash at bank and in hand	168.277,42	226.538,41
C. Interest on loans (-)	-61,61	
D. Swap contracts (+/-)	-59.041,98	-652.727,60
III. Other income		
A. Fees to cover the costs for renewal and disposal of assets, to discourage redemption and to cover delivery costs	68.705,88	115.927,89
B. Other	-27.821,95	47.462,72
IV. Operating expenses		
A. Transaction and investment delivery fees (-)		-0,01
B. Financial expenses (-)	-18.345,71	-35.792,12
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-2.131.980,98	-2.520.703,76
b) Administration and accounting management	-76.236,86	-80.143,99
F. Formation and organisation expenses (-)	-19.039,89	-22.573,31
G. Remuneration, social security charges and pensions (-)	-150,33	-240,83
H. Services and sundry goods (-)	-33.287,41	-47.679,54
J. Taxes	-1.807,45	-42.679,11
K. Other expenses (-)	-10.690,59	-11.391,97
Income and expenses for the period (quarter)		
Subtotal II + III + IV tax on proceeds	-3.093,08	-616.556,71
V. Profit (loss) before taxes	-2.496.852,31	2.071.788,71
VII. Result for the financial year	-2.496.852,31	2.071.788,71

Profit appropriation account

	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Profit to be allocated (loss to be recognised)		
Profit (loss) brought forward from the previous financial year	-2.537.159,43	2.003.424,92
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-2.496.852,31	2.071.788,71
	-40.307,12	-68.363,79
II. (Assignments in) Transfer from capital	2.537.159,43	-2.003.424,92

2.4 STATEMENT OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF THE ASSETS OF HORIZON CSOB WORLD GROWTH PLUS 19

Name	Quantity at 31/12/2011	Currency	Price in foreign currency	Value in the currency of the sub-fund	% Held by the UCI	% Portfolio	% Net assets
NET ASSETS							
SHARE PORTFOLIO							
Bonds							
Private company bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 23/09-21/03 3.63%	13.400.000,00	CZK	97,445	13.109.113,91		10,00	8,93
BEECHWOOD STRUCTURED FIN PLC 6P-10 23/09-23/03 3.63%	13.500.000,00	CZK	96,471	13.075.379,15		9,98	8,91
BROOKFIELDS CAPITAL PLC 6P-10 23/09-23/03 3.63%	13.400.000,00	CZK	97,737	13.148.180,14		10,03	8,96
EPERON FINANCE PLC 6P-10 23/09-23/03 3.63%	13.450.000,00	CZK	97,349	13.145.035,95		10,03	8,96
ESPACCIO SECURITIES PLC 6P-10 23/09-23/03 3.63%	6.750.000,00	CZK	96,491	6.539.073,05		4,99	4,46
FIN. PROD.	6.750.000,00	CZK	96,548	6.542.870,06		4,99	4,46
NIMROD CAPITAL PLC 6P-10 23/09-23/03 3.63%	6.700.000,00	CZK	97,616	6.565.987,36		5,01	4,47
OPAL FINANCIAL PRODUCTS PLC 6P-10 23/09-23/03 3.63%	6.750.000,00	CZK	96,742	6.555.988,49		5,00	4,47
PROFILE FINANCE PLC 6P-10 23/09-23/03 3.63%	6.750.000,00	CZK	97,253	6.590.508,93		5,03	4,49
RECOLTE SECURITIES PLC 6P-10 23/09-23/03 3.63%	6.750.000,00	CZK	96,358	6.530.106,22		4,98	4,45
SILVERSTATE FIN INV PLC 6P-10 23/09-23/03 3.63%	6.700.000,00	CZK	96,921	6.519.415,46		4,97	4,44
VESPUCCI STRUCTURED FIN PROD 6P-10 23/09-23/03 3.63%	6.750.000,00	CZK	97,112	6.580.945,87		5,02	4,48
VIGADO CAPITAL PLC 6P-10 23/09-23/03 3.63%	6.750.000,00	CZK	96,406	6.533.292,56		4,98	4,45
VOYCE INVESTMENTS PLC 6P-10 23/09-23/03 3.63%	6.700.000,00	CZK	97,865	6.582.666,47		5,02	4,49
WATERFORD CAPITAL INC PLC 6P-10 23/09-23/03 3.63%	6.750.000,00	CZK	96,268	6.523.994,30		4,98	4,45
WAVES FINANCIAL INV PLC 6P-10 23/09-23/03 3.63%	6.700.000,00	CZK	97,294	6.544.423,00		4,99	4,46
Bonds total				131.086.980,92		100,00	89,32
Swaps							
<u>Belgium</u>							
KBC SWAPS	151.623.792,00	CZK	-0,030	-2.507,28		0,00	0,00
Swaps				-2.507,28		0,00	0,00
Total share portfolio				131.084.473,64		100,00	89,31
CASH AT BANK AND AT HAND							
Demand balances at banks							
<u>Belgium</u>							
KBC GROUP CZK	2.805.694,37	CZK	1,000	2.805.694,37			1,91
KBC GROUP EURO	3.933,32	EUR	1,000	100.311,46			0,07
Total demand balances at banks				2.906.005,83			1,98
Current accounts							
<u>Belgium</u>							
KBC BANK NV 23/09-20/02/12 KBCBANK 1.050 %	12.750.000,00	CZK	100,013	12.751.657,50			8,69
Total current accounts				12.751.657,50			8,69
Total cash at bank and at hand				15.657.663,33			10,67

OTHER						
Interest paid		CZK		36.443,75		0,03
Provisional expenses		CZK		-11.008,39		-0,01
Total other				25.435,36		0,02
TOTAL NET ASSETS				146.767.572,33		100,00

2.4.2 CHANGE IN THE COMPOSITION OF ASSETS

The detailed list of transactions may be consulted at no charge at the fund's main office, avenue du Port 2, 1080 Brussels.

2.4.3 TOTAL COMMITMENTS FOR FINANCIAL DERIVATIVE POSITIONS

IN SHARES	Currency	In currency	In the sub-fund's currency	Lot size	Transaction date
EQLISWAP	CZK	151.623.792,00	151.623.792,00	N.A.	23.09.2011

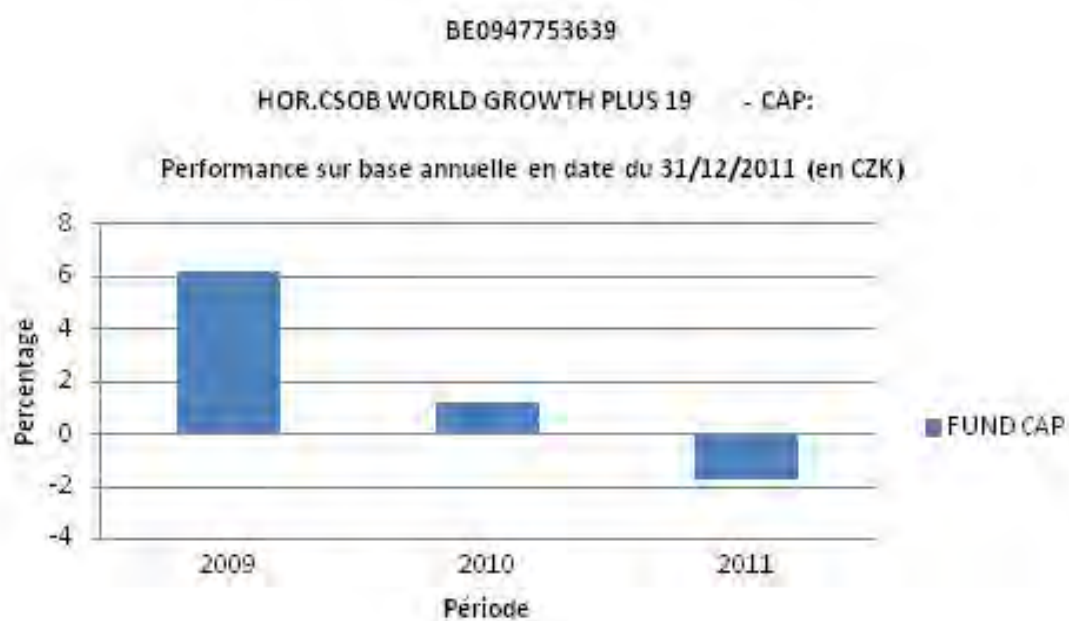
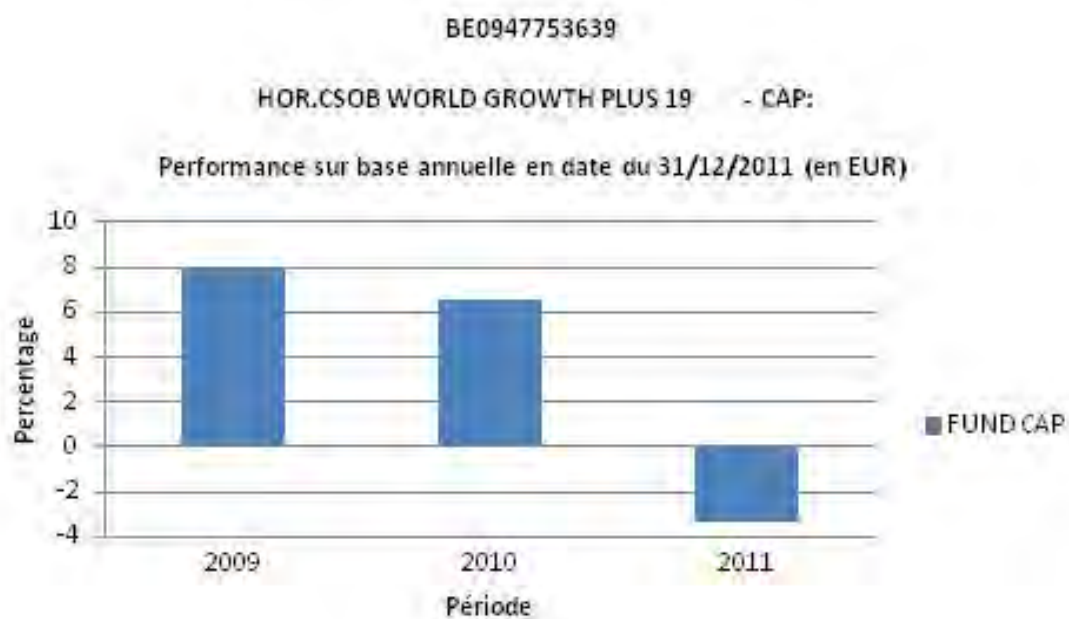
2.4.4 CHANGE IN THE NUMBER OF SUBSCRIPTIONS, REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		944.824,00		16.891.567,00		16.891.567,00
2010 - 12	0,00		1.166.314,00		15.725.253,00		15.725.253,00
2011 - 12	0,00		689.650,00		15.035.603,00		15.035.603,00

Period	Totals paid and received by the UCI (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		8.801.982,87	
2010 - 12	0,00		11.592.796,26	
2011 - 12	0,00		6.870.592,27	

Period	Net asset value End of period (in the currency of the sub-fund)			
	For sub-fund	For one share		
		Cap.	Dis.	
2009 - 12	165.656.024,46	9,81		
2010 - 12	156.135.016,91	9,93		
2011 - 12	146.767.572,33	9,76		

2.4.5 RETURNS



Cap Dis	ISIN code	Currenc Y	1 Year		3 Years*		5 Years*		10 Years*		From start*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0947753639	EUR	-3.30%		3.60%						15/02/2008	-0.95%
CAP	BE0947753639	CZK	-1.71%		1.84%						15/02/2008	-0.63%

* Performance figures are annualised.

Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take into account possible 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.
- 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:
$$[\text{VIN}(D) / \text{VIN}(Y)]^{1/X} - 1$$
where Y = D-X
Return on date D since the start date S of the share:
$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$
where F = 1 if the share has existed for less than one year on date D
where F = (D-S) / 365.25 if the share 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 an annual return by taking the nth square root of 1 plus the total return of the share.
- The return figures shown above do not take into account fees and charges for the issue and redemption of shares.
- These are the capitalisation units performance figures.

2.4.6 EXPENSES

Total expenses ratio (TER): * 1.532%

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

- Transaction fees
- 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 35% and 60% if the distributor is a part of KBC Group NV or from 35% and 70% if the distributor is not a part 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 collective investment undertaking in shares of collective investment undertakings that are not managed by a KBC Group NV entity, and receives a fee for doing so, it will pay this fee to the collective investment undertaking.

Fee sharing does not affect the amount of the management fee paid by the fund to the management company. This management fee is subject to the conditions laid down in the statutes. The limitations may be amended only following approval by the General Meeting of shareholders.

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

It is in the interest of the sub-fund's shareholders and the Distributor that the largest possible number of shares be sold so that the sub-fund's assets are consequently maximised. In this respect, there is therefore no issue of conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENT AND OTHER DATA

The management fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

The administration agent's fee: is payable at the end of each month and is calculated on the basis of the number of shares at the beginning of the quarter.

Auditor's fee: 1,000 euros per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

The custodian's fee: is payable annually and is calculated on the basis of the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year.

Social, ethical and environmental concerns:

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 investment portfolio. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indices: Further information on potential financial indices used as underlying for financial derivatives are included in the "Objectives and investment policy of the sub-fund" section of this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB ASIAN GROWTH 5

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 31.01.08
Initial subscription price: CZK 10
Maturity date: 28 February 2013
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse the initial subscription price per unit of CZK 10 on maturity (capital protection). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail in the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). The different types of 'swaps' in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

The financial mechanism for capital protection

The financial mechanism used to achieve capital protection on maturity entails investing the total subscribed amounts in bonds and other debt instruments, deposits and/or liquid assets (including money placed on a fixed-term deposit or demand accounts). These investments may be of different durations and coupon payment dates, being aligned with the expiry dates of the sub-fund's commitments through the use of the 'swaps' referred to in the section *Permitted swap transactions(2)*.

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) an investment covered by an investment strategy with an analogous structure and a counterparty risk identical to a direct investment in the deposits and /or debt instruments referred to in points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be viewed on the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

(B) an investment in:

- deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and other debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit on maturity (before charges and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged to do so) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and potentially from other of the ICVC's sub-funds. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the bonds and other debt instruments will have an average solvency score equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if not rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into considering when selecting the bonds and other debt instruments.

PERMITTED 'SWAP' TRANSACTIONS

The 'swaps' set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To achieve a potential return, the sub-fund concludes 'swaps'. Under these 'swaps', the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

The 'swaps' referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved by using this technique.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These 'swaps' are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(3) The sub-fund may also conclude 'swaps' to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The 'swaps' under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

STRATEGY SELECTED

INVESTMENT OBJECTIVE AND POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of share indexes (as set out below). 110% of any rise in the value of the basket of share indexes (*= (Last Value less Base Value) divided by the Base Value*) which exceeds the full initial subscription value will be distributed on maturity.

MATURITY: Thursday, 28 February 2013 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against the local currencies of the indexes in the basket are not relevant.

BASE VALUE: Value of the basket based on the average of the prices for indexes in the basket for the first ten Valuation Dates from Friday, 1 February 2008 (inclusive).

LAST VALUE: The value of the basket based on the average price for the indexes in the basket on the last Valuation Date of the quarter for each of the last 20 quarters before maturity, more precisely from April 2008 to January 2013 (inclusive).

PRICE:

For all the indexes in the basket, the closing price, that is to say the price of an index as calculated and published at the stock exchange close by the competent stock-exchange body (or its legal successor).

VALUATION DATE:

For each index in the basket, a trading day on which the competent stock exchange body calculates and publishes the index price. If, however, [A] the competent stock exchange body (i) makes significant changes to the formula and/or method for calculating the index, on or before the Valuation Date, and/or (ii) does not calculate and publish the index (although all the data are available), the ICVC will calculate the index, in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index-calculation method and formula; and/or [B] an event occurs on the Valuation Date which disrupts the market (preventing calculation of the index) or if the market closes early (the competent body has announced that the market will, on that day, close earlier than on other trading days), the original Valuation Date will be replaced by the next trading day on which there is no disruption or early closure, provided that date is not already an original Valuation Date or already replaces an original Reference Date postponed because of disruption or early closure of the market.. However, if the market is disrupted or closes early on each of the eight trading days which follow the original Valuation Date, (i) this eighth trading day will be deemed to be the original Valuation Date, and (ii) the ICVC will estimate the index price, in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index calculation formula and method, and (iii) the ICVC will inform the unit holders of (a) the exceptional circumstances which have arisen, (b) the amended conditions for determining the Base Value and/or Last Value for the Period, and (c) the terms and conditions for distribution of the amounts in the light of the investment objectives achieved.

If changes are made to an index in the basket (e.g. calculation by another sponsor, change to the calculation method, etc.), the ICVC will confer with the prime counterparty(-ies) with whom the swap contract has been concluded in order to decide how the index is to be determined. In the event of substantial changes to a basket index or if the index ceases to be calculated, it may be replaced by another index, provided this new index is representative of the same geographical and/or economic sectors.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market

over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5 years, which pays, on maturity, the full amount of any rise in value of the basket beyond the full initial subscription value of CZK 10. The Base Value of the Basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	150	100% * 50% = 50%	10 + 50% * 10 = 15 CZK (rendement actuariel : 8.44%, avant frais et impôts)
Scénario Neutre	120	100% * 20% = 20%	10 + 20% * 10 = 12 CZK (rendement actuariel : 3.71%, avant frais et impôts)
Scénario Négatif	85	100% * 0% = 0%	10 + 0% * 10 = 10 CZK (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the sponsor for the index in the basket and its initial weighting in the basket.

1	Hang Seng Index	HSI Index	Stock Exchange of Hong Kong	16.6667%
2	KOSPI 200 Index	KOSPI2 Index	Korea Stock Exchange	16.6667%
3	Kuala Lumpur Stock Exchange Composite Index	KLCI Index	Bursa Malaysia	16.6667%
4	MSCI Singapore Cash Index	SGY Index	Morgan Stanley Capital International	16.6667%
5	MSCI Taiwan	TAMSCI Index	Morgan Stanley Capital International	16.6667%
6	Nikkei 225 Index	NKY Index	Nikkei, inc.	16.6667%

The **Hang Seng** index is a market capitalization-weighted stock market index which follows corporate shares listed on the Stock Exchange of Hong Kong. The index was launched on 31 July 1964 with a value of 100.

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

Hang Seng holds all proprietary rights to the index. Hang Seng in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon CSOB Asian Growth 5. Hang Seng disclaims any responsibility for the issuing and offering of the units of this institution for collective investment.

The **KOSPI 200** index, or the Korean Stock Price Index 200, is a market capitalization-weighted stock market index which is made up of 200 shares listed on the Korean Stock Exchange. The index was launched on 3 January 1990 with a baseline value of 100. The index price can be consulted daily in all KBC branches.

KRX-Stock Market Division holds all proprietary rights to the index. KRX-Stock Market Division in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon CSOB Asian Growth 5. KRX-Stock Market Division disclaims any responsibility for the issue and offering of shares of this institution for collective investment.

The **Kuala Lumpur Stock Exchange Composite Index** is a market capitalization-weighted stock market index which follows 100 shares listed on the Kuala Lumpur Stock Exchange. The index was launched on 2 January 1977 with a baseline value of 100. The index price can be consulted daily in all KBC branches.

Bursa Malaysia holds all proprietary rights to the index. Bursa Malaysia in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon CSOB Asian Growth 5. Bursa Malaysia disclaims any responsibility for the issue and offering of shares of this institution for collective investment.

The **MSCI Singapore Cash** index is a market capitalization-weighted stock market index which is made up of corporate shares in Singapore. The index has been published since 1 January 1988.

The index price can be consulted daily in all KBC branches.

MSCI holds all proprietary rights to the index. MSCI in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon CSOB Asian Growth 5. MSCI disclaims any responsibility for the issue and offering of shares of this institution for collective investment

The **MSCI Taiwan** index is a market capitalization-weighted stock market index which follows corporate shares in Taiwan. The index has been published since 1 January 1988. The index price can be consulted daily in all KBC branches.

MSCI holds all proprietary rights to the index. MSCI in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon CSOB Asian Growth 5. MSCI disclaims any responsibility for the issue and offering of shares of this institution for collective investment

The **NIKKEI 225** index is a share index computed by Nikkei Inc.; in principle, the dividend is not reinvested for protection. It is made up of 225 equities. The main purpose of this index is to provide a continuous indication of the market trend on the Japanese stock market. This index is based on the market value of 225 corporate shares. The index covers the 225 leading and most liquid stocks listed on the first section of the Tokyo Stock Exchange. It was launched on 16 May 1949 with a baseline value of 176.21. The price for this index is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

Nikkei Inc. holds all proprietary rights to the index. Nikkei Inc. in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon CSOB Asian Growth 5. Nikkei Inc. disclaims any responsibility for the issue and offering of shares of this institution for collective investment.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS may invest more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price pro rata based on the length of time for which the investor has held the units. This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
HANG SENG INDEX (HONG KONG)	12,8799
KLSE (MALAYSIA)	17,6623
KOSPI 200 INDEX	18,6019
MSCI SINGAPORE FREE	13,7658
MSCI TAIWAN	13,8102
NIKKEI 225 (JAPAN)	10,4647
TOTAL	87,18

Performance of the index or basket

Index: **BASKET**

31/12/2010: **102,37**

30/06/2011: **100,72**

29/12/2011: **87,18**

Performance since 31.12.10 or since the launch of the sub-fund: **-14,84%**

Performance since 30/06/2011 or since the launch of the sub-fund: **-13,44%**

Index at the launch of the sub-fund **100,00**

Minimum guaranteed return in local currency on the maturity date: **10,00**

Local currency: **CZK**

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
04/10/2010	MSCI SINGAPORE CASH	MSCI SINGAPORE FREE	Index Discontinued

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	198.445.050,65	251.181.527,79
II. Securities, money market instruments, CIUs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	181.115.649,97	223.301.289,47
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-243.253,36	
m) On financial indexes		
Swap contracts (+/-)		-2.976.827,27
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		53.498,91
c) Collateral	4.120.206,00	4.117.699,89
B. Debts		
a) Amounts payable (-)		-291.060,00
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	1.338.885,56	1.752.304,28
B. Fixed-term deposits at banks	12.093.307,50	25.150.945,10
VI. Accruals and deferrals		
B. Accrued income	35.141,27	92.599,10
C. Accrued expenses (-)	-14.886,29	-18.921,69
TOTAL CAPITAL AND RESERVES	198.445.050,65	251.181.527,79
A. Capital	200.147.845,76	247.381.972,10
B. Share in the profit	-306.339,23	-61.611,11
D. Result for the financial year	-1.396.455,88	3.861.166,80

OFF-BALANCE-SHEET ITEMS

I Security in the form of real property (+/-)		
I.A Collateral (+/-)		
I.A.B Deposits and cash at bank and in hand	4.120.000,00	4.117.000,00
IV Swap contract notional amounts (+)	201.813.497,00	252.266.147,00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-3.843.952,41	199.611,47
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	2.057.865,66	
l) On financial indexes		
Swap contracts (+/-)		4.210.704,52
G. Amounts receivable, deposits, cash at bank and in hand, and liabilities	-8.131,49	5.265,72
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-2.774,79	-5.987,32
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	3.228.436,03	3.657.147,57
b) Deposits and cash at bank and in hand	173.249,28	376.689,95
c) Collateral (+/-)	50.108,56	212.888,94
C. Interest on borrowings (-)	-75,69	
D. Swap contracts (+/-)	-510.273,30	-1.495.880,24
F. Other investment income		-74.140,28
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	513.497,75	112.829,53
B. Other	-44.832,26	74.606,01
IV. Operating expenses		
A. Investment transaction and delivery costs (-)		-0,10
B. Financial expenses (-)	-24.149,57	-44.829,91
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-2.772.914,30	-3.042.823,35
b) Administration and accounting management	-109.116,29	-127.420,75
F. Formation and organisation expenses (-)	-27.956,00	-35.610,14
G. Remuneration, social security costs and pensions (-)	-237,54	-380,95
H. Services and sundry goods (-)	-52.056,03	-67.794,54
J. Taxes	-2.681,23	-68.745,59
K. Other expenses (-)	-14.374,01	-18.416,36
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	400.537,15	-548.427,59
V. Profit (loss) on ordinary activities	-1.396.455,88	3.861.166,80
VII. Result for the financial year	-1.396.455,88	3.861.166,80

**Profit appropriation
statement**

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit available for appropriation(loss to be recognised)	-1.702.795,11	3.799.555,69
Profit for the year available for appropriation (Loss to be recognised)	-1.396.455,88	3.861.166,80
Share in the profit received (share in the profit paid)	-306.339,23	-61.611,11
II. Appropriation to capital/Transfers from capital	1.702.795,11	-3.799.555,69

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB ASIAN GROWTH 5

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the currency of the sub-fund)	% held by the CIU	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 23/09-21/03 3.63%	18.500.000,00	CZK	97,445	18.098.403,54		10,01	9,12
BEECHWOOD STRUCTURED FIN PLC 6P-10 23/09-23/03 3.63%	18.650.000,00	CZK	96,471	18.063.394,15		9,99	9,10
BROOKFIELDS CAPITAL PLC 6P-10 23/09-23/03 3.63%	18.550.000,00	CZK	97,737	18.201.398,63		10,06	9,17
EPERON FINANCE PLC 6P-10 23/09-23/03 3.63%	18.550.000,00	CZK	97,349	18.129.399,03		10,02	9,14
ESPACCIO SECURITIES PLC 6P-10 23/09-23/03 3.63%	9.350.000,00	CZK	96,491	9.057.827,11		5,01	4,56
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 23/09-23/03 3.63%	9.350.000,00	CZK	96,548	9.063.086,67		5,01	4,57
NIMROD CAPITAL PLC 6P-10 23/09-23/03 3.63%	9.300.000,00	CZK	97,616	9.113.982,45		5,04	4,59
OPAL FINANCIAL PRODUCTS PLC 6P-10 23/09-23/03 3.63%	9.300.000,00	CZK	96,742	9.032.695,25		4,99	4,55
PROFILE FINANCE PLC 6P-10 23/09-23/03 3.63%	9.350.000,00	CZK	97,253	9.129.075,33		5,05	4,60
RECOLTE SECURITIES PLC 6P-10 23/09-23/03 3.63%	9.300.000,00	CZK	96,358	8.997.035,23		4,97	4,53
SILVERSTATE FIN INV PLC 6P-10 23/09-23/03 3.63%	9.250.000,00	CZK	96,921	9.000.685,52		4,98	4,54
VESPUCCI STRUCTURED FIN PROD 6P-10 23/09-23/03 3.63%	9.300.000,00	CZK	97,112	9.067.080,97		5,01	4,57
VIGADO CAPITAL PLC 6P-10 23/09-23/03 3.63%	9.300.000,00	CZK	96,406	9.001.425,30		4,98	4,54
VOYCE INVESTMENTS PLC 6P-10 23/09-23/03 3.63%	9.250.000,00	CZK	97,865	9.088.009,68		5,03	4,58
WATERFORD CAPITAL INC PLC 6P-10 23/09-23/03 3.63%	9.350.000,00	CZK	96,268	9.036.940,24		5,00	4,55
WAVES FINANCIAL INV PLC 6P-10 23/09-23/03 3.63%	9.250.000,00	CZK	97,294	9.035.210,87		5,00	4,55
Total bonds				181.115.649,97		100,13	91,27
Swaps							
<u>Belgium</u>							
KBC SWAPS	201.813.497,00	CZK	0,330	-243.253,36		-0,13	-0,12
Total swaps				-243.253,36		-0,13	-0,12
TOTAL SECURITIES PORTFOLIO				180.872.396,61		100,00	91,15
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	1.114.385,97	CZK	1,000	1.114.385,97			0,56
KBC GROUP EURO	8.802,87	EUR	1,000	224.499,59			0,11
Total demand accounts				1.338.885,56			0,68
Fixed-term deposit accounts							
<u>Germany</u>							
DZ BANK AG 23/09-23/03/12 DZBANK 0.550 %	4.550.000,00	CZK	99,875	4.544.312,50			2,29
<u>Belgium</u>							
KBC BANK NV 10/11-23/03/12 KBCBANK 0.950 %	3.950.000,00	CZK	99,970	3.948.815,00			1,99

KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	3.600.000,00	CZK	100,005	3.600.180,00		1,81
Total fixed-term deposit accounts				12.093.307,50		6,09
TOTAL CASH AT BANK AND IN HAND				13.432.193,06		6,77
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC BANK NV 23/09-23/03/12 KBCBAN 1.100 % C	4.120.000,00	CZK	100,005	4.120.206,00		2,08
Total receivables				4.120.206,00		2,08
TOTAL OTHER RECEIVABLES AND PAYABLES				4.120.206,00		2,08
OTHER						
Interest receivable		CZK		35.141,27		0,02
Prepaid expenses		CZK		-14.886,29		-0,01
TOTAL OTHER				20.254,98		0,01
TOTAL NET ASSETS				198.445.050,65		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
KBCBANK 23/09-23/03/12 KBCBAN 1.100 % C	CZK	4.120.000,00	4.120.000,00	n.a.	21.09.2011
EQLISWAP	CZK	201.813.497,00	201.813.497,00	n.a.	31.10.2011

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	138.926,00		472.369,00		26.729.492,00		26.729.492,00
2010 - 12	20.882,00		1.131.438,00		25.618.936,00		25.618.936,00
2011 - 12	500,00		5.209.074,00		20.410.362,00		20.410.362,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	1.263.886,43		4.324.578,86	
2010 - 12	204.566,93		11.078.393,83	
2011 - 12	4.900,00		51.344.921,26	

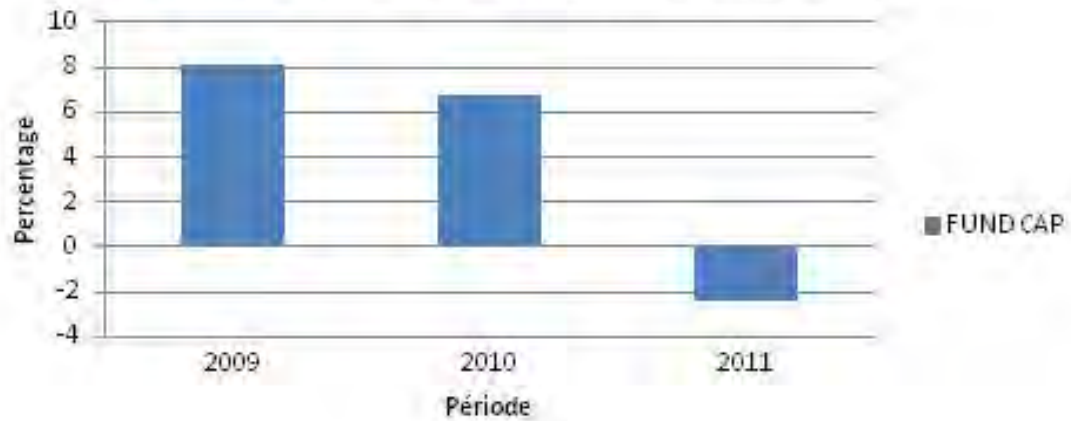
Period	Net asset value At the end of the period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	258.194.187,89	9,66	
2010 - 12	251.181.527,79	9,80	
2011 - 12	198.445.050,65	9,72	

2.4.5 RETURNS

BE0947752623

Horizon - CSOB ASIAN GROWTH 5 - CAP:

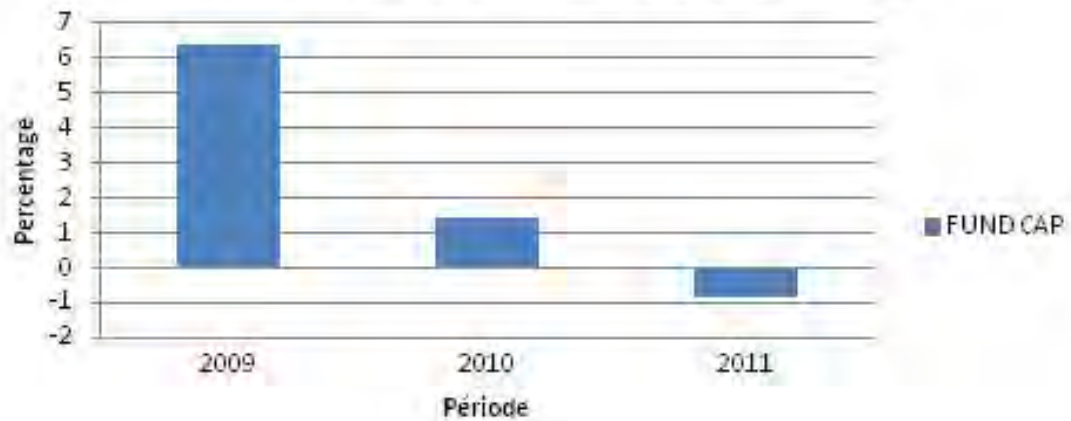
Performance sur base annuelle en date du 31/12/2011 (en EUR)



BE0947752623

Horizon - CSOB ASIAN GROWTH 5 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en CZK)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0947752623	EUR	-2.42%		4.06%						31/01/2008	-0.17%
CAP	BE0947752623	CZK	-0.82%		2.30%						31/01/2008	-0.72%

* The performance figures shown are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no account of possible 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.
- 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
- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.366%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: EUR 1 000 per year. This fee does not include VAT and will be indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of the investment policy" in this report.

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 - 2.1.4. Financial portfolio management
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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB GLOBAL GROWTH PLUS 7

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 5 February 2008
Initial subscription price: CZK 10
Maturity date: 11 September 2012
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse on maturity the initial subscription price per unit of CZK 10 (capital protection). This capital protection is achieved by putting in place a financial mechanism which is explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date;
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection on maturity entails investing the total subscribed amounts in bonds and other debt instruments, deposits and/or liquid assets (including money placed on fixed-term deposit or demand accounts). These investments may be of various durations and coupon payment dates, being aligned to the expiry dates of the sub-fund's commitments through the use of the swaps set out in the section *Permitted swap transactions*(2).

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) an investment covered by an investment strategy with an analogous structure and a counterparty risk identical to a direct investment in the deposits and /or debt instruments referred to in points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be accessed via the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

(B) an investment in:

- deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

investments in debt securities issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have a minimum solvency rating, as explained in the section *Characteristics of the bonds and other debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit on maturity (before costs and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged to do so) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and potentially from other of the ICVC's sub-funds. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the bonds and other debt instruments will have an average solvency score equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if not rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into considering when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies), subject to the limits laid down by law.

To achieve a potential return, the sub-fund concludes swaps. Under these swaps, the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that using this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conclude swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conclude swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on Maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of 30 shares of top-quality companies (as set out below) with a high market capitalisation and

a low price/earnings ratio. 140% of any rise in the value of the basket of 30 shares (= *Last Value less Base Value*) divided by the *Base Value* which exceeds the full initial subscription value will be distributed on maturity.

MATURITY: Tuesday, 11 September 2012 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against in the local currencies of the equities in the basket are not relevant.

BASE VALUE: The value of the basket based on the average of the prices for the shares in the basket on the first ten Valuation Dates from Tuesday, 12 February 2008 (inclusive).

LAST VALUE: The value of the basket based on the average of the prices for the shares in the basket on the last Valuation Date of the quarter in each of the last 18 quarters before maturity, more precisely from May 2008 to August 2012 (inclusive).

Price:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of an equity in the basket as calculated and published at the stock market close by the stock-exchange body (or its legal successor) competent for the place where the security is listed. For equities listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each equity in the basket, this is a trading day for the stock exchange on which the share is listed and for the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market in that share (suspension or limitation of trading on that security) or early closure of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market in a share in the basket is disrupted or closes early, the scheduled Valuation Date for this equity is replaced by the next trading day on which there is no disruption or early closure, provided this day is not already a scheduled Valuation Date or is already replacing a scheduled Valuation Date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled Valuation Date, (i) this eighth trading day will be deemed to be the scheduled Valuation Date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which occurred with regard to one or more shares, (b) the change in the conditions for determining the Base Value and/or Last Value, and (c) the terms and conditions for the distribution of amounts in the light of the objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 4 years and 7 months, which pays, on Maturity, 110% of any rise in value of the Basket beyond the full initial subscription value of CZK 10. The Base Value of the Basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	135	110% * 35% = 38.5%	10 + 38.5% * 10 = 13.85 czk (rendement actuariel : 7.36%, avant frais et impôts)
Scénario Neutre	115	110% * 15% = 16.5%	10 + 16.5% * 10 = 11.65 czk (rendement actuariel : 3.38%, avant frais et impôts)
Scénario Négatif	85	110% * 0% = 0%	10 + 0% * 10 = 10 czk (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ALLIANZ SE-REG	ALV GY Equity	Frankfurt	4.00%
2	ALTRIA GROUP INC	MO UN Equity	New York	4.00%
3	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	4.00%
4	BANCO SANTANDER SA	SAN SM Equity	Madrid	3.00%
5	BASF AG	BAS GY Equity	Frankfurt	5.00%
6	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.00%
7	CITIGROUP INC	C UN Equity	New York	3.00%
8	CREDIT SUISSE GROUP-REG	CSGN VX Equity	Virt-x	2.00%
9	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	4.00%
10	DIAGEO PLC	DGE LN Equity	London	2.00%
11	DUKE ENERGY CORP	DUK UN Equity	New York	3.00%
12	ENEL SPA	ENEL IM Equity	Milan	6.00%
13	FORTUM OYJ	FUM1V FH Equity	Helsinki	3.00%
14	HSBC HOLDINGS PLC	HSBA LN Equity	London	4.00%
15	ING GROEP NV-CVA	INGA NA Equity	Amsterdam	6.00%
16	JPMORGAN CHASE & CO	JPM UN Equity	New York	2.00%
17	KBC GROEP NV	KBC BB Equity	Brussels	3.00%
18	KRAFT FOODS INC-A	KFT UN Equity	New York	4.00%
19	MERCK & CO. INC.	MRK UN Equity	New York	3.00%
20	NESTLE SA-REG	NESN VX Equity	Virt-x	3.00%
21	NISSAN MOTOR CO LTD	7201 JT Equity	Tokyo	4.00%
22	NOKIA OYJ	NOK1V FH Equity	Helsinki	3.00%
23	PFIZER INC	PFE UN Equity	New York	4.00%
24	REED ELSEVIER NV	REN NA Equity	Amsterdam	2.00%
25	REYNOLDS AMERICAN INC	RAI UN Equity	New York	4.00%
26	RWE AG	RWE GY Equity	Frankfurt	3.00%
27	SIEMENS AG-REG	SIE GY Equity	Frankfurt	2.00%
28	SUNTRUST BANKS INC	STI UN Equity	New York	2.00%
29	SVENSKA CELLULOSA AB-B SHS	SCAB SS Equity	Stockholm	2.00%
30	TELEFONICA SA	TEF SM Equity	Madrid	3.00%

Criteria for selection for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) it has a high market capitalisation and a low price/earnings ratio, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the maturity date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket on maturity.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax;
- the Royal Decree of 27 September 2009 implementing Article 338bis, paragraph 2, of the 1992 Income Tax Code;
- *the Royal Decree of 27 September 2009 concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 this information to the tax authorities in the beneficial owner's country 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 of the 1992 Income Tax Code)

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code only applies to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units.

This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
ALLIANZ SE-REG	2,5188
ALTRIA GROUP INC	1,6281
BANCO BILBAO VIZCAYA ARGENTA	1,9888
BANCO SANTANDER SA	1,5789
BASF SE	6,1611
BRITISH AMERICAN TOBACCO PLC	4,9797
CITIGROUP INC	0,3155
CREDIT SUISSE GROUP AG-REG	0,8006
DEUTSCHE POST AG-REG	2,1015
DIAGEO PLC	2,6710
DUKE ENERGY CORP	3,6213
ENEL SPA	2,8288
FORTUM OYJ	1,7385
HSBC HOLDINGS PLC (LONDON)	3,0117
ING GROEP NV-CVA	1,9714
JPMORGAN CHASE & CO	1,5401
KBC GROEP NV	0,3410
KRAFT FOODS INC-CLASS A	4,9011
MERCK & CO. INC.	2,4182
NESTLE SA-REG	3,3725
NISSAN MOTOR CO LTD	2,8918
NOKIA OYJ	0,4534
PFIZER INC	3,8501
PHILIP MORRIS INTERNATIONAL	4,3231
REED ELSEVIER NV	1,4940
REYNOLDS AMERICAN INC	5,1966
RWE AG	0,9470
SIEMENS AG-REG	1,6551
SUNTRUST BANKS INC	0,5616
SVENSKA CELLULOSA AB-B SHS	2,0622
TELEFONICA SA (SM)	2,0682
TOTAL	75,99

Performance of the index or basket

	Index: BASKET
	31/12/2010: 79,97
	30/06/2011: 83,56
	29/12/2011: 75,99
Performance since 31/12/2010 or since the launch of the sub-fund:	-4,98%
Performance since 30/06/2011 or since the launch of the sub-fund:	-9,06%
Index at the launch of the sub-fund	100,00
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	CZK

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
31/03/2008		Philip Morris International	Spin off Altria

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at the launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	94.437.927,21	100.936.927,80
II. Securities, money market instruments, CIUs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	84.663.846,45	94.087.486,99
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-96.167,34	-561.663,65
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		21.936,69
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	641.211,52	773.967,91
B. Fixed-term deposits at banks	9.209.949,30	6.601.062,20
VI. Accruals and deferrals		
B. Accrued income	26.170,66	21.708,50
C. Accrued expenses (-)	-7.083,38	-7.570,84
TOTAL CAPITAL AND RESERVES	94.437.927,21	100.936.927,80
A. Capital	95.699.485,56	99.047.309,89
B. Share in the profit	-43.086,21	-51.452,82
D. Result for the financial year	-1.218.472,14	1.941.070,73

OFF-BALANCE-SHEET ITEMS

IV Swap contracts - notional amounts (+)	96.167.341,00	100.297.081,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-1.772.594,17	71.710,91
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	448.977,35	2.102.115,17
G. Receivables, deposits, cash at bank and in hand, and payables	-1.112,90	4.276,40
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	2.339,29	-1.240,23
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	1.399.720,34	1.565.327,97
b) Deposits and cash at bank and in hand	111.416,96	154.314,40
C. Interest on borrowings (-)	-16,21	
D. Swap contracts (+/-)	-15.307,30	-404.458,66
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	52.805,22	65.300,83
B. Other	-18.443,30	30.587,94
IV. Operating expenses		
B. Financial expenses (-)	-16.911,42	-26.137,70
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-1.313.029,02	-1.476.698,26
b) Administration and accounting management	-50.078,53	-51.817,06
F. Formation and organisation expenses (-)	-12.175,89	-14.509,81
G. Remuneration, social security costs and pensions (-)	-98,29	-156,60
H. Services and sundry goods (-)	-19.849,34	-35.407,39
J. Taxes	-1.148,77	-28.222,33
K. Other expenses (-)	-6.877,91	-7.367,47
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	103.918,29	-235.791,52
V. Profit (loss) on ordinary activities before tax	-1.218.472,14	1.941.070,73
VII. Result for the financial year	-1.218.472,14	1.941.070,73

**Profit appropriation
statement**

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit available for appropriation (loss to be recognised)	-1.261.558,35	1.889.617,91
Profit for the year available for appropriation (Loss to be recognised)	-1.218.472,14	1.941.070,73
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-43.086,21	-51.452,82
II. Appropriation to capital/Transfers from capital	1.261.558,35	-1.889.617,91

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB GLOBAL GROWTH PLUS 7

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% held by the CIU	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 23/09-21/03 3.63%	8.650.000,00	CZK	97,445	8.462.226,52		10,01	8,96
BEECHWOOD STRUCTURED FIN PLC 6P-10 23/09-23/03 3.63%	8.750.000,00	CZK	96,471	8.474.782,77		10,02	8,97
BROOKFIELDS CAPITAL PLC 6P-10 23/09-23/03 3.63%	8.700.000,00	CZK	97,737	8.536.505,02		10,10	9,04
EPERON FINANCE PLC 6P-10 23/09-23/03 3.63%	8.700.000,00	CZK	97,349	8.502.737,01		10,05	9,00
ESPACCIO SECURITIES PLC 6P-10 23/09-23/03 3.63%	4.350.000,00	CZK	96,491	4.214.069,30		4,98	4,46
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 23/09-23/03 3.63%	4.350.000,00	CZK	96,548	4.216.516,26		4,99	4,47
NIMROD CAPITAL PLC 6P-10 23/09-23/03 3.63%	4.350.000,00	CZK	97,616	4.262.991,79		5,04	4,51
OPAL FINANCIAL PRODUCTS PLC 6P-10 23/09-23/03 3.63%	4.350.000,00	CZK	96,742	4.224.970,36		5,00	4,47
PROFILE FINANCE PLC 6P-10 23/09-23/03 3.63%	4.350.000,00	CZK	97,253	4.247.216,87		5,02	4,50
RECOLTE SECURITIES PLC 6P-10 23/09-23/03 3.63%	4.350.000,00	CZK	96,358	4.208.290,67		4,98	4,46
SILVERSTATE FIN INV PLC 6P-10 23/09-23/03 3.63%	4.300.000,00	CZK	96,921	4.184.102,46		4,95	4,43
VESPUCCI STRUCTURED FIN PROD 6P-10 23/09-23/03 3.63%	4.350.000,00	CZK	97,112	4.241.054,00		5,02	4,49
VIGADO CAPITAL PLC 6P-10 23/09-23/03 3.63%	4.350.000,00	CZK	96,406	4.210.344,09		4,98	4,46
VOYCE INVESTMENTS PLC 6P-10 23/09-23/03 3.63%	4.300.000,00	CZK	97,865	4.224.696,39		5,00	4,47
WATERFORD CAPITAL INC PLC 6P-10 23/09-23/03 3.63%	4.350.000,00	CZK	96,268	4.204.351,88		4,97	4,45
WAVES FINANCIAL INV PLC 6P-10 23/09-23/03 3.63%	4.350.000,00	CZK	97,294	4.248.991,06		5,02	4,50
Total bonds				84.663.846,45		100,11	89,65
Swaps							
<u>Belgium</u>							
KBC SWAPS	96.167.341,00	CZK	-0,100	-96.167,34		-0,11	-0,10
Total swaps				-96.167,34		-0,11	-0,10
TOTAL SECURITIES PORTFOLIO				84.567.679,11		100,00	89,55
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	564.378,89	CZK	1,000	564.378,89			0,60
KBC GROUP EURO	3.012,69	EUR	1,000	76.832,63			0,08
Total demand accounts				641.211,52			0,68
Fixed-term deposit accounts							
<u>Belgium</u>							
KBC BANK NV 07/10-23/03/12 KBCBANK 1.000 %	2.130.000,00	CZK	99,981	2.129.595,30			2,26

KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	7.080.000,00	CZK	100,005	7.080.354,00			7,50
Total fixed-term deposit accounts				9.209.949,30			9,75
TOTAL CASH AT BANK AND IN HAND				9.851.160,82			10,43
OTHER							
Accrued interest		CZK		26.170,66			0,03
Prepaid expenses		CZK		-7.083,38			-0,01
TOTAL OTHER				19.087,28			0,02
TOTAL NET ASSETS				94.437.927,21			100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port/Havenlaan 2, B-1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
EQLISWAP	CZK	96.167.341,00	96.167.341,00	n.a.	16.09.2011

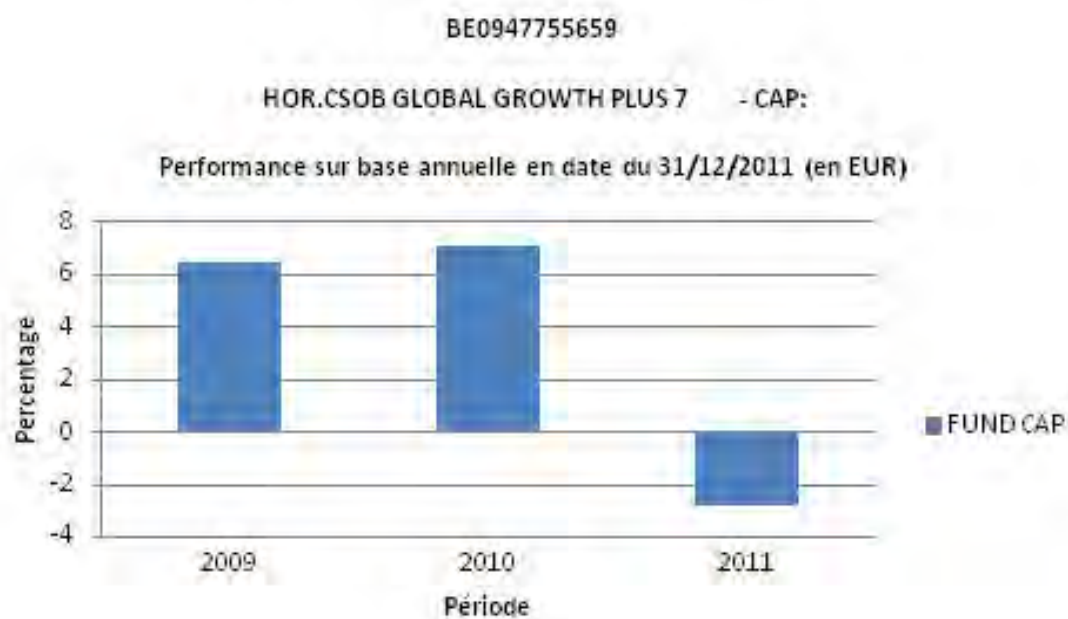
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		314.688,00		10.895.312,00		10.895.312,00
2010 - 12	0,00		660.916,00		10.234.396,00		10.234.396,00
2011 - 12	0,00		534.166,00		9.700.230,00		9.700.230,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		2.973.453,49	
2010 - 12	0,00		6.530.085,69	
2011 - 12	0,00		5.280.528,45	

Period	Net asset value At the end of the period (in the sub-fund's currency)		
	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	105.525.942,76	9,69	
2010 - 12	100.936.927,80	9,86	
2011 - 12	94.437.927,21	9,74	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0947755659	EUR	-2.82%		3.49%						05/02/2008	-0.48%
CAP	BE0947755659	CZK	-1.22%		1.74%						05/02/2008	-0.67%

* The performance figures are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no 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.
- 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
- 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.464%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each six-month period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each six-month period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and is indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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 includes the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indexes: More detailed information on any financial indices underlying financial derivatives are provided in the section "*Goal and key principles of the investment policy*" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON KREDYT BANK EMERGING MARKETS 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 28 November 2008
Initial subscription price: PLN 100
Maturity date: 29 November 2013
Currency: PLN

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse on maturity the initial subscription price per unit of PLN 100. The objective is secured by an official guarantee issued by KBC Bank SA, Avenue du Port 2, B-1080 Brussels in favour of the sub-fund unit holders. Further information concerning guarantee procedures is available in the additional information document on the sub-fund.
This capital guarantee does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). The sub-fund therefore transfers a portion of the future earnings from the investments indicated under the section *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return.
This objective does not form part of the guarantee.
The different types of swaps in which the sub-fund can invest are explained under the section *Permitted swap transactions*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable laws and regulations. These investments may be of different durations and coupon payment dates, being aligned with the expiry dates of the sub-fund's commitments through the use of the 'swaps' referred to in the section *Permitted swap transactions*(2).

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes will be complied with at all times.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be accessed via the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the bonds and other debt instruments will have an average solvency score equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

To achieve a potential return, the sub-fund concludes swaps. Under these swaps, the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that using this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the investments referred to under Permitted asset classes.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conclude swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of emerging market share indexes (as set out below). 70% of any rise in the value of the basket of share indexes (= *Last Value less Base Value*) divided by the *Base Value* which exceeds the full initial subscription value will be distributed on maturity.

MATURITY: Friday, 29 November 2013 (Payment with a value date of D + 1 bank business day)

CURRENCY: PLN; fluctuations of the PLN against the local currencies of the indexes in the basket are not relevant.

BASE VALUE: The value of the basket based on the average of the prices for the indexes in the basket on the first ten Valuation Dates from Friday, 5 December 2008 (inclusive).

LAST VALUE: The value of the basket based on the average price for the indexes in the basket on the last Valuation Date of the month in each of the last 18 months before maturity, more precisely from May 2012 to October 2013 (inclusive).

PRICE:

For all the indexes in the basket, the closing price, that is to say the price of an index as calculated and published at the stock exchange close by the competent stock-exchange body (or its legal successor).

VALUATION DATE:

For each index in the basket, a trading day on which the competent stock exchange body calculates and publishes the index price. If, however, **[A]** the competent stock exchange body (i) makes significant changes to the formula and/or method for calculating the index, on or before the Valuation Date, and/or (ii) does not calculate and publish the index (although all the data are available), the ICVC will calculate the index, in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index-calculation method and formula; and/or **[B]** an event occurs on the Valuation Date which disrupts the market (preventing calculation of the index) or if the market closes early (the competent body has announced that the market will, on that day, close earlier than on other trading days), the original Valuation Date will be replaced by the next trading day on which there is no disruption or early closure, provided that date is not already an original Valuation Date or already replaces an original Reference Date postponed because of disruption or early closure of the market. However, if the market is disrupted or closes early on each of the eight trading days which follow the original Valuation Date, (i) this eighth trading day will be deemed to be the original Valuation Date, and (ii) the ICVC will estimate the index price, in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index calculation formula and method, and (iii) the ICVC will inform the unit holders of (a) the exceptional circumstances which have arisen, (b) the amended conditions for determining the Base Value and/or Last Value for the Period, and (c) the terms and conditions for distribution of the amounts in the light of the investment objectives achieved.

If changes are made to an index in the basket (e.g. calculation by another sponsor, change to the calculation method, etc.), the ICVC will confer with the prime counterparty(-ies) with whom the swap contract has been concluded in order to decide how the index is to be determined. In the event of substantial changes to a basket index or if the index ceases to be calculated, it may be replaced by another index, provided this new index is representative of the same geographical and/or economic sectors.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5 years, which pays, on maturity, 70% of any rise in value of a basket of indexes beyond the full initial subscription value of PLN 100. The Base Value of the basket is 100.

	Valeur Finale de Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	180	70% * 80% = 56%	100 + 56% * 100 = 156 PLN (rendement actuariel : 9.3%, avant frais et impôts)
Scénario Neutre	140	70% * 40% = 28%	100 + 28% * 100 = 128 PLN (rendement actuariel : 5.06%, avant frais et impôts)
Scénario Négatif	85	0%*	100 + 0% * 100 = 100 PLN (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the sponsor for the index in the basket and its initial weighting in the basket.

1	Bovespa Index USD	USIBOV INDEX	Sao Paulo Stock Exchange	5%
2	Hang Seng China Enterprises Index	HSCEI INDEX	Stock Exchange of Hong Kong	20%
3	Kospi 200 Index	KOSPI2 INDEX	KRX-Stock Market Division	30%
4	MSCI Singapore Cash Index	SGY INDEX	Morgan Stanley Capital International	30%
5	FTSE/JSE Africa Top 40	TOP40 INDEX	Financial Times Ltd.	15%

The **Bovespa USD** is an index weighted by traded volume and, in principle, the dividend is protected by being reinvested. The index contains the most traded stocks listed on the Sao Paulo stock exchange in Brazil.

The index price can be consulted daily in all KBC branches.

Sao Paulo Stock Exchange holds all proprietary rights to the index. Sao Paulo Stock Exchange in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon Kredyt Bank Emerging Markets 1. Sao Paulo Stock Exchange disclaims any responsibility for the issue and offering of shares of this institution for collective investment.

The **Hang Seng China Enterprises** index is a market capitalization-weighted stock market index made up of shares of Chinese public-sector undertakings (H shares) listed on the Stock Exchange of Hong Kong. The index was launched on 3 January 2000 with a baseline value of 2000.

The index is published daily in L'Echo, De Tijd and The Financial Times.

Stock Exchange of Hong Kong holds all proprietary rights to the index. Stock Exchange of Hong Kong in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon Kredyt Bank Emerging Markets 1. Stock Exchange of Hong Kong disclaims any responsibility for the issue and offering of shares of this institution for collective investment.

The **KOSPI 200** index, or the Korean Stock Price Index 200, is a market capitalization-weighted stock market index which is made up of 200 shares listed on the Korean Stock Exchange. The index was launched on 3 January 1990 with a baseline value of 100. The index price can be consulted daily in all KBC branches.

KRX-Stock Market Division holds all proprietary rights to the index. KRX-Stock Market Division in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon Kredyt Bank Emerging Markets 1. KRX-Stock Market Division disclaims any responsibility for the issue and offering of shares of this institution for collective investment.

The **MSCI Singapore Cash** index is a market capitalization-weighted stock market index which is made up of corporate shares in Singapore. The index has been published since 1 January 1988.

The index price can be consulted daily on the 'Bloomberg' pages.

MSCI holds all proprietary rights to the index. MSCI in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon Kredyt Bank Emerging Markets 1. MSCI disclaims any responsibility for the issue and offering of shares of this institution for collective investment

The **FTSE/JSE Africa Top 40** index is a market capitalization-weighted stock market index. The index is made up of the shares of the 40 companies in the FTSE/JSE All Shares Index with the greatest capitalisation. The latter index contains shares listed on the Johannesburg stock market in South Africa. The index has been published since 21 June 2002. The index is published daily in The Financial Times.

Financial Times Ltd holds all ownership rights with regard to the index. Financial Times Ltd in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon Kredyt Bank Emerging Markets 1. Financial Times Ltd disclaims any responsibility for the issue and offering of shares of this institution for collective investment.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through: the Act 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 the 1992 Income Tax Code on withholding tax;
- the Royal Decree of 27 September 2009 implementing Article 338*bis*, paragraph 2, of the 1992 Income Tax Code;
- *the Royal Decree of 27 September 2009 concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 this information to the tax authorities in the beneficial owner's country 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 19*bis* of the 1992 Income Tax Code)

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19*bis* of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19*bis* of the 1992 Income Tax Code only applies to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units. This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
Bovespa Brazil Ibovespa USD	9,4336
FTSE/JSE AFRICA TOP 40	22,0376
HS CHINA ENTERPRISES INDEX	24,4130
KOSPI 200 INDEX	48,2562
MSCI SINGAPORE FREE	42,3298
TOTAL	146,47

Performance of the index or basket

Index: **BASKET**

31/12/2010: **173,69**

30/06/2011: **171,28**

29/12/2011: **146,47**

Performance since 31/12/2010 or since the launch of the sub-fund: **-15,67%**

Performance since 30/06/2011 or since the launch of the sub-fund: **-14,49%**

Index at the launch of the sub-fund **100,00**

Minimum guaranteed return in local currency on the maturity date: **100,00**

Local currency: **PLN**

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
04/10/2010	MSCI SINGAPORE CASH	MSCI SINGAPORE FREE	Index discontinued

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: V.

Risk rating at the launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
TOTAL NET ASSETS	1.464.573,74	2.251.249,51
II. Securities, money market instruments, CIUs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	992.021,88	1.433.052,94
a) Collateral received in the form of bonds	280.501,98	
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	307.184,93	
m) On financial indexes		
Swap contracts (+/-)		667.706,66
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		492,08
B. Debts		
a) Amounts payable (-)		-19.075,52
d) Collateral (-)	-280.501,98	
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	24.964,92	29.178,11
B. Fixed-term deposits at banks	139.987,60	139.973,40
VI. Accruals and deferrals		
B. Accrued income	1.697,04	1.893,41
C. Accrued expenses (-)	-1.282,63	-1.971,57
TOTAL CAPITAL AND RESERVES	1.464.573,74	2.251.249,51
A. Capital	1.660.812,18	2.069.352,26
B. Share in the profit	-617,65	5.448,42
D. Result for the financial year	-195.620,79	176.448,83

OFF-BALANCE-SHEET ITEMS

I Security in the form of real property (+/-)		
I.A Collateral (+/-)		
I.A.A Securities/money market instruments	280.501,98	
IV Swap contract notional amounts (+)	1.290.693,00	1.795.393,00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-22.068,51	-3.197,04
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-168.735,73	
l) On financial indexes		
Swap contracts (+/-)		207.850,01
G. Receivables, deposits, cash at bank and in hand, and payables	14,20	281,30
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	582,25	-419,61
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	51.756,05	42.079,57
b) Deposits and cash at bank and in hand	5.895,20	28.786,10
D. Swap contracts (+/-)	-34.654,09	-67.165,48
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	5.910,53	14.653,24
B. Other	-424,84	882,83
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-0,05	0,01
B. Financial expenses (-)	-2.355,98	-5.643,97
C. Custodian's fee (-)	-959,50	-1.016,05
D. Manager's fee (-)		
a) Financial management	-28.048,50	-31.187,96
b) Administration and accounting management	-773,39	-1.193,44
F. Formation and organisation expenses (-)	-55,60	-364,42
H. Services and sundry goods (-)	-386,91	-2.603,05
J. Taxes	-1.204,56	-5.128,38
K. Other expenses (-)	-111,36	-164,83
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	-5.413,00	-28.065,83
V. Profit (loss) on ordinary activities before tax	-195.620,79	176.448,83
VII. Result for the financial year	-195.620,79	176.448,83

**Profit appropriation
statement**

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit available for appropriation (loss to be recognised)	-196.238,44	181.897,25
Profit for the year available for appropriation (Loss to be recognised)	-195.620,79	176.448,83
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-617,65	5.448,42
II. Appropriation to capital/Transfers from capital	196.238,44	-181.897,25

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON KREDYT BANK EMERGING MARKETS 1

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% held by the CIU	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6W-15 10/01-10/07 6.66%	100.000,00	PLN	97,363	99.603,68		7,67	6,80
BEECHWOOD STRUCTURED FIN PLC 6W-15 10/01-10/07 5.84%	100.000,00	PLN	96,388	98.629,13		7,59	6,73
BROOKFIELDS CAPITAL PLC 6W-15 10/01-10/07 6.66%	100.000,00	PLN	97,654	99.895,21		7,69	6,82
EPERON FINANCE PLC 6W-15 10/01-10/07 6.66%	100.000,00	PLN	97,266	99.507,08		7,66	6,79
ESPACCIO SECURITIES PLC 6W-15 10/01-10/07 5.84%	50.000,00	PLN	96,409	49.324,82		3,80	3,37
GREENSTREET STRUCT. FIN. PROD. PLC 6W-15 10/01-10/07 5.84%	50.000,00	PLN	96,465	49.352,94		3,80	3,37
NIMROD CAPITAL PLC 6W-15 10/01-10/07 5.84%	50.000,00	PLN	97,533	49.887,14		3,84	3,41
OPAL FINANCIAL PRODUCTS PLC 6W-15 10/01-10/07 5.84	50.000,00	PLN	96,659	49.450,12		3,81	3,38
PROFILE FINANCE PLC 6W-15 10/01-10/07 5.84%	50.000,00	PLN	97,171	49.705,82		3,83	3,39
RECOLTE SECURITIES PLC 6W-15 10/01-10/07 6.66%	50.000,00	PLN	96,276	49.258,40		3,79	3,36
SILVERSTATE FIN INV PLC 6W-15 10/01-10/07 6.66%	50.000,00	PLN	96,838	49.539,59		3,81	3,38
VESPUCCI STRUCTURED FIN PROD 6W-15 10/01-10/07 6.66%	50.000,00	PLN	97,029	49.634,99		3,82	3,39
VIGADO CAPITAL PLC 6W-15 10/01-10/07 6.66%	50.000,00	PLN	96,323	49.282,00		3,79	3,37
VOYCE INVESTMENTS PLC 6W-15 10/01-10/07 6.66%	50.000,00	PLN	97,782	50.011,62		3,85	3,42
WATERFORD CAPITAL INC PLC 6W-15 10/01-10/07 5.84%	50.000,00	PLN	96,185	49.213,12		3,79	3,36
WAVES FINANCIAL INV PLC 6W-15 10/01-10/07 5.84%	50.000,00	PLN	97,211	49.726,22		3,83	3,40
Total bonds				992.021,88		76,36	67,74
Swaps							
<u>Belgium</u>							
KBC SWAPS	1.290.693,00	PLN	23,800	307.184,93		23,65	20,97
Total swaps				307.184,93		23,64	20,97
TOTAL SECURITIES PORTFOLIO				1.299.206,81		100,00	88,71
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	62.923,86	EUR	1,000	280.501,98			19,15
TOTAL COLLATERAL RECEIVED				280.501,98			19,15
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	1.280,57	EUR	1,000	5.708,52			0,39
KBC GROUP PLN	19.256,40	PLN	1,000	19.256,40			1,32
Total demand accounts				24.964,92			1,71

Fixed-term deposit accounts						
<u>Belgium</u>						
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	10.000,00	PLN	99,984	9.998,40		0,68
KBC BANK NV 08/11-10/01/12 KBCBANK 4.900 %	20.000,00	PLN	100,014	20.002,80		1,37
KBC BANK NV 23/11-10/01/12 KBCBANK 5.250 %	40.000,00	PLN	100,026	40.010,40		2,73
KBC BANK NV 25/07-10/01/12 KBCBANK 3.980 %	10.000,00	PLN	99,982	9.998,20		0,68
<u>United Kingdom</u>						
STANDARD CHARTERED 08/07-10/01/12 STANDCHA 3.400 %	60.000,00	PLN	99,963	59.977,80		4,10
Total fixed-term deposit accounts				139.987,60		9,56
TOTAL CASH AT BANK AND IN HAND				164.952,52		11,26
OTHER RECEIVABLES AND PAYABLES						
Debts						
<u>Belgium</u>						
KBC GROUP TEGENPOST COLLATERAL EUR	-62.923,86	EUR	1,000	-280.501,98		-19,15
Total debts				-280.501,98		-19,15
TOTAL RECEIVABLES AND PAYABLES				-280.501,98		-19,15
OTHER						
Accrued interest		PLN		1.697,04		0,12
Prepaid expenses		PLN		-1.282,63		-0,09
TOTAL OTHER				414,41		0,03
TOTAL NET ASSETS				1.464.573,74		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port/Havenlaan 2, B-1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
KBC COLLATERAL EUR	EUR	62.923,86	280.501,98	n.a.	27.12.2011
EQLISWAP	PLN	1.290.693,00	1.290.693,00	n.a.	31.05.2011

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		17.245,00		28.035,00		28.035,00
2010 - 12	0,00		11.680,00		16.355,00		16.355,00
2011 - 12	0,00		4.409,00		11.946,00		11.946,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)				
Year	Subscriptions		Redemptions		
	Cap.	Dis.	Cap.	Dis.	
2009 - 12	0,00		2.074.508,38		
2010 - 12	0,00		1.465.323,10		
2011 - 12	0,00		591.054,98		

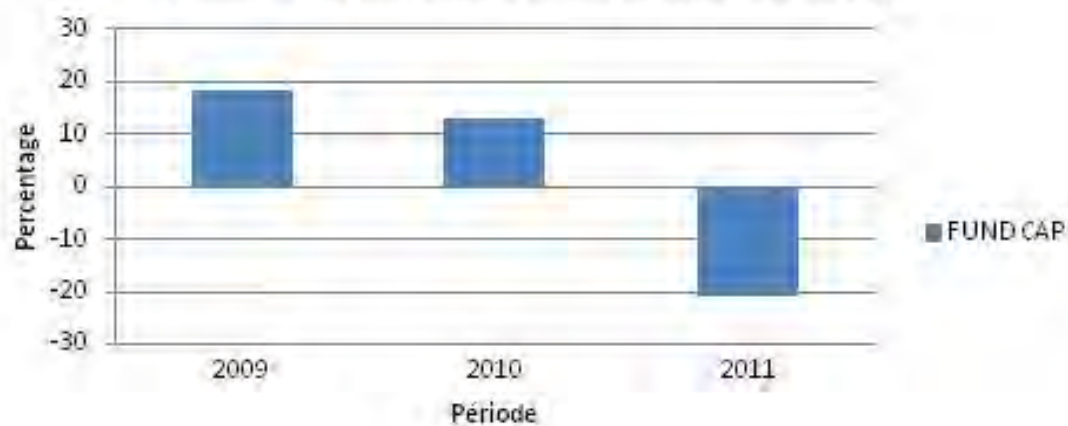
Period	Net asset value At the end of the period (in the currency of the sub-fund)			
Year	Of the sub-fund		Of one unit	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	3.540.123,78		126,28	
2010 - 12	2.251.249,51		137,65	
2011 - 12	1.464.573,74		122,60	

2.4.5 RETURNS

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HOR.KREDYT BANK EMERGING MARKETS 1 - CAP:

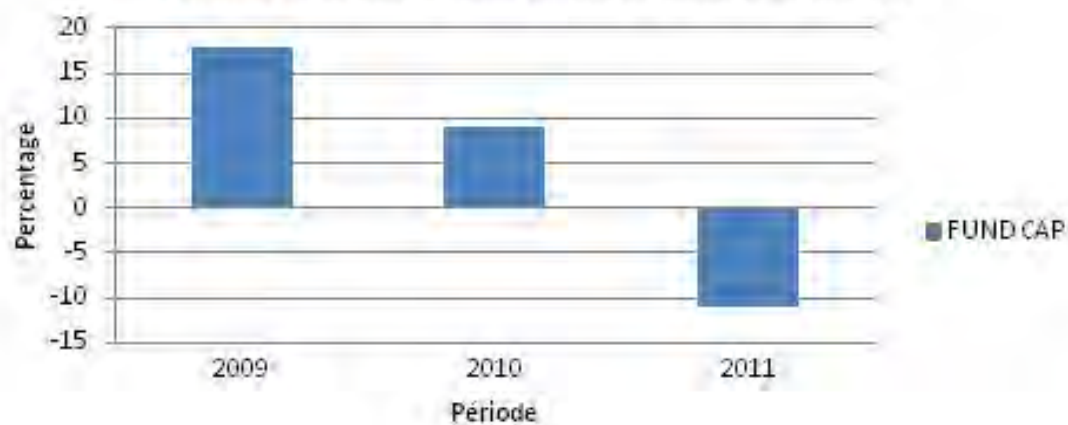
Performance sur base annuelle en date du 31/12/2011 (en EUR)



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HOR.KREDYT BANK EMERGING MARKETS 1 - CAP:

Performance sur base annuelle en date du 31/12/2011 (en PLN)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948040598	EUR	-20.80%		1.90%						28/11/2008	1.33%
CAP	BE0948040598	PLN	-10.93%		4.63%						28/11/2008	6.82%

* The performance figures are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no account of any restructuring.
- Calculated in PLN and 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
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
- 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.894%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each six-month period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each six-month period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and is indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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 includes the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indexes: More detailed information on any financial indices underlying financial derivatives are provided in the section "*Goal and key principles of the investment policy*" in this report.

Details of the collateral received for financial derivatives

Name	Currency	Nominal	Currency of the portfolio	Value in the currency of the portfolio
KFW 02/12 5.25% 04/07	EUR	60.000	PLN	280.501,98
			Total	280.501,98

The collateral receivable in this list is valued on the basis of indicative prices provided by the Collateral Management Department of KBC Bank.

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 - 2.1.4. Financial portfolio management
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 - 2.1.7. Policy pursued during the financial year
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 - 2.4.1. Composition of the assets
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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB CENTRAL EUROPE FRONTIER 2

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 29 February 2008
Initial subscription price: CZK 10
Maturity date: 30 March 2012
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse on maturity the initial subscription price per unit of CZK 10 (capital protection). This capital protection is achieved by putting in place a financial mechanism which is explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date;
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection on maturity entails investing the total subscribed amounts in bonds and other debt instruments, deposits and/or liquid assets (including money placed on fixed-term deposit or demand accounts). These investments may be of various durations and coupon payment dates, being aligned to the expiry dates of the sub-fund's commitments through the use of the swaps set out in the section *Permitted swap transactions*(2).

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) an investment covered by an investment strategy with an analogous structure and a counterparty risk identical to a direct investment in the deposits and /or debt instruments referred to in points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be accessed via the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

(B) an investment in:

- deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

investments in debt securities issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have a minimum solvency rating, as explained in the section *Characteristics of the bonds and other debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit on maturity (before costs and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged to do so) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and potentially from other of the ICVC's sub-funds. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the bonds and other debt instruments will have an average solvency score equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies), subject to the limits laid down by law.

To achieve a potential return, the sub-fund concludes swaps. Under these swaps, the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that using this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conclude swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conclude swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of 30 shares in companies with a high sales turnover within Central Europe and which can

therefore be expected to benefit from an economic expansion in that region. The full amount any rise in the value of the basket of 30 shares (= *Last Value less Base Value*) divided by the Base Value) which exceeds the full initial subscription value will be distributed on maturity.

MATURITY: Friday, 30 March 2012 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against in the local currencies of the equities in the basket are not relevant.

BASE VALUE: The value of the basket based on the average of the prices for the shares in the basket on the first ten Valuation Dates from Friday, 7 March 2008 (inclusive).

LAST VALUE: The value of the basket based on the average of the prices for the shares in the basket on the last Valuation Date of the quarter in each of the last 16 quarters before maturity, more precisely from May 2008 to February 2012 (inclusive).

Price:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of an equity in the basket as calculated and published at the stock market close by the stock-exchange body (or its legal successor) competent for the place where the security is listed. For equities listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each equity in the basket, this is a trading day for the stock exchange on which the share is listed and for the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market in that share (suspension or limitation of trading on that security) or early closure of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market in a share in the basket is disrupted or closes early, the scheduled Valuation Date for this equity is replaced by the next trading day on which there is no disruption or early closure, provided this day is not already a scheduled Valuation Date or is already replacing a scheduled Valuation Date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled Valuation Date, (i) this eighth trading day will be deemed to be the scheduled Valuation Date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which occurred with regard to one or more shares, (b) the change in the conditions for determining the Base Value and/or Last Value, and (c) the terms and conditions for the distribution of amounts in the light of the objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 4 years, which pays, on maturity, the full amount of any rise in value of a basket of shares beyond the full initial subscription value of CZK 10. The Base Value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	140	100% * 40% = 40%	10 + 40% * 10 = 14 czk (rendement actuariel : 8.77%, avant frais et impôts)
Scénario Neutre	115	100% * 15% = 15%	10 + 15% * 10 = 11.5 czk (rendement actuariel : 3.55%, avant frais et impôts)
Scénario Négatif	85	100% * 0% = 0%	10 + 0% * 10 = 10 czk (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ALTRIA GROUP INC	MO UN Equity	New York	2.72%
2	ARCELORMITTAL	MT NA Equity	Amsterdam	2.72%
3	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	2.72%
4	CARREFOUR SA	CA FP Equity	Paris	2.72%
5	CEZ AS	CEZ CP Equity	Prague	6.40%
6	DIAGEO PLC	DGE LN Equity	London	2.72%
7	E.ON AG	EOA GY Equity	Frankfurt	2.72%
8	ENEL SPA	ENEL IM Equity	Milan	2.72%
9	ERSTE BANK DER OESTER SPARK	EBS AV Equity	Vienna	2.72%
10	HENNES & MAURITZ AB-B SHS	HMB SS Equity	Stockholm	2.72%
11	HOLCIM LTD-REG	HOLN VX Equity	Virt-X	2.72%
12	INDITEX	ITX SM Equity	Madrid	2.72%
13	INTESA SANPAOLO	ISP IM Equity	Milan	2.72%
14	KBC GROEP NV	KBC BB Equity	Brussels	2.72%
15	KINGFISHER PLC	KGF LN Equity	London	2.72%
16	METRO AG	MEO GY Equity	Frankfurt	2.72%
17	NESTLE SA-REG	NESN VX Equity	Virt-X	2.72%
18	OMV AG	OMV AV Equity	Vienna	2.72%
19	ORCO PROPERTY GROUP	ORCO CP EQUITY	Prague	6.40%
20	OTP BANK NYRT	OTP HB Equity	Budapest	6.40%
21	RICHTER GEDEON NYRT	RICHT HB Equity	Budapest	6.40%
22	RWE AG	RWE GY Equity	Frankfurt	2.72%
23	SOCIETE GENERALE	GLE FP Equity	Paris	2.72%
24	SUEZ SA	SZE FP Equity	Paris	2.72%
25	TELEFONICA O2 CZECH REPUBLIC	SPTT CP EQUITY	Prague	6.40%
26	TELEKOM AUSTRIA AG	TKA AV Equity	Vienna	2.72%
27	TELENOR ASA	TEL NO Equity	Oslo	2.72%
28	TESCO PLC	TSCO LN Equity	London	2.72%
29	UNICREDITO ITALIANO SPA	UC IM Equity	Milan	2.72%
30	UNILEVER NV-CVA	UNA NA Equity	Amsterdam	2.72%

Criteria for selection for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) the issuer derives a significant proportion of its sales revenue from Central Europe, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the maturity date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket on maturity.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax;
- the Royal Decree of 27 September 2009 implementing Article 338bis, paragraph 2, of the 1992 Income Tax Code;
- the Royal Decree of 27 September 2009 concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 this information to the tax authorities in the beneficial owner's country 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 of the 1992 Income Tax Code)

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code only applies to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units.

This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
ALTRIA GROUP INC	1,1161
ARCELORMITTAL (AMSTERDAM)	0,8156
BRITISH AMERICAN TOBACCO PLC	4,4097
CARREFOUR SA	1,1221
CEZ AS	4,1892
DIAGEO PLC	3,8124
E.ON AG	1,1049
ENEL SPA	1,3959
ERSTE GROUP BANK AG	1,0032
GDF SUEZ	1,4961
HENNES & MAURITZ AB-B SHS	3,6250
HOLCIM LTD-REG	1,3725
INDITEX (SM)	5,2338
INTESA SANPAOLO	0,8686
KBC GROEP NV	0,3296
KINGFISHER PLC	5,2460
METRO AG	1,4101
NESTLE SA-REG	2,9645
OMV AG	1,4900
ORCO PROPERTY GROUP	0,3532
OTP BANK NYRT	3,1644
PHILIP MORRIS INTERNATIONAL	2,9636
RICHTER GEDEON NYRT	6,2047
RWE AG	0,9405
SOCIETE GENERALE	0,7261
TELEFONICA O2 CZECH REPUBLIC	4,7620
TELEKOM AUSTRIA AG	1,7633
TELENOR ASA	2,7078
TESCO PLC	2,8116
UNICREDIT SPA	0,4589
UNILEVER NV-CVA	3,5134
TOTAL	73,37

Performance of the index or basket

Index:	BASKET
31/12/2010:	84,04
30/06/2011:	84,09
29/12/2011:	73,37
Performance since 31/12/2010 or since the launch of the sub-fund:	-12,70%
Performance since 30/06/2011 or since the launch of the sub-fund:	-12,75%
Index at the launch of the sub-fund	100,00
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	CZK

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
31/03/2008		Philip Morris International	Spin off Altria
22/07/2008	SUEZ SA (PARIS)	GDF SUEZ	Acquisition

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at the launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	63.074.351,32	72.283.755,20
II. Securities, money market instruments, CIUs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	56.068.441,68	68.114.477,86
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	63.454,88	-44.173,87
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		15.858,13
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	1.420.342,74	309.662,27
B. Fixed-term deposits at banks	5.510.330,60	3.880.609,00
VI. Accruals and deferrals		
B. Accrued income	16.499,39	12.743,50
C. Accrued expenses (-)	-4.717,97	-5.421,69
TOTAL CAPITAL AND RESERVES	63.074.351,32	72.283.755,20
A. Capital	64.181.584,91	71.246.900,93
B. Share in the profit	-36.150,21	-69.677,44
D. Result for the financial year	-1.071.083,38	1.106.531,71

OFF-BALANCE-SHEET ITEMS

IV Swap contracts - notional amounts (+)	63.454.877,00	73.623.117,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-1.152.658,08	71.573,85
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	38.684,98	1.095.067,10
G. Receivables, deposits, cash at bank and in hand, and payables	-278,40	2.378,40
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-2.440,10	-1.708,90
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	954.995,75	1.199.233,88
b) Deposits and cash at bank and in hand	61.443,40	81.538,57
C. Interest on borrowings (-)	-8,71	
D. Swap contracts (+/-)	69.602,82	-212.558,60
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	81.383,11	123.973,40
B. Other	-13.163,93	89.776,95
IV. Operating expenses		
A. Investment transaction and delivery costs (-)		-0,07
B. Financial expenses (-)	-15.697,92	-22.433,81
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-1.025.879,58	-1.210.097,53
b) Administration and accounting management	-33.069,50	-37.429,68
F. Formation and organisation expenses (-)	-7.971,90	-10.795,29
G. Remuneration, social security costs and pensions (-)	-65,29	-114,88
H. Services and sundry goods (-)	-14.594,28	-29.668,31
J. Taxes	-706,69	-20.401,97
K. Other expenses (-)	-4.570,81	-5.254,02
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	45.608,22	-60.778,74
V. Profit (loss) on ordinary activities before tax	-1.071.083,38	1.106.531,71
VII. Result for the financial year	-1.071.083,38	1.106.531,71

**Profit appropriation
statement**

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit available for appropriation (loss to be recognised)	-1.107.233,59	1.036.854,27
Profit for the year available for appropriation (Loss to be recognised)	-1.071.083,38	1.106.531,71
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-36.150,21	-69.677,44
II. Appropriation to capital/Transfers from capital	1.107.233,59	-1.036.854,27

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB CENTRAL EUROPE FRONTIER 2

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% held by the CIU	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 23/09-21/03 3.63%	5.750.000,00	CZK	97,445	5.625.179,47		10,02	8,92
BEECHWOOD STRUCTURED FIN PLC 6P-10 23/09-23/03 3.63%	5.750.000,00	CZK	96,471	5.569.142,96		9,92	8,83
BROOKFIELDS CAPITAL PLC 6P-10 23/09-23/03 3.63%	5.750.000,00	CZK	97,737	5.641.942,97		10,05	8,95
EPERON FINANCE PLC 6P-10 23/09-23/03 3.63%	5.750.000,00	CZK	97,349	5.619.625,03		10,01	8,91
ESPACCIO SECURITIES PLC 6P-10 23/09-23/03 3.63%	2.900.000,00	CZK	96,491	2.809.379,54		5,01	4,45
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 23/09-23/03 3.63%	2.900.000,00	CZK	96,548	2.811.010,85		5,01	4,46
NIMROD CAPITAL PLC 6P-10 23/09-23/03 3.63%	2.850.000,00	CZK	97,616	2.792.994,62		4,98	4,43
OPAL FINANCIAL PRODUCTS PLC 6P-10 23/09-23/03 3.63%	2.900.000,00	CZK	96,742	2.816.646,91		5,02	4,47
PROFILE FINANCE PLC 6P-10 23/09-23/03 3.63%	2.900.000,00	CZK	97,253	2.831.477,91		5,04	4,49
RECOLTE SECURITIES PLC 6P-10 23/09-23/03 3.63%	2.900.000,00	CZK	96,358	2.805.527,12		5,00	4,45
SILVERSTATE FIN INV PLC 6P-10 23/09-23/03 3.63%	2.850.000,00	CZK	96,921	2.773.184,19		4,94	4,40
VESPUCCI STRUCTURED FIN PROD 6P-10 23/09-23/03 3.63%	2.850.000,00	CZK	97,112	2.778.621,59		4,95	4,41
VIGADO CAPITAL PLC 6P-10 23/09-23/03 3.63%	2.900.000,00	CZK	96,406	2.806.896,06		5,00	4,45
VOYCE INVESTMENTS PLC 6P-10 23/09-23/03 3.63%	2.850.000,00	CZK	97,865	2.800.089,47		4,99	4,44
WATERFORD CAPITAL INC PLC 6P-10 23/09-23/03 3.63%	2.900.000,00	CZK	96,268	2.802.901,26		4,99	4,44
WAVES FINANCIAL INV PLC 6P-10 23/09-23/03 3.63%	2.850.000,00	CZK	97,294	2.783.821,73		4,96	4,41
Total bonds				56.068.441,68		99,89	88,89
Swaps							
<u>Belgium</u>							
KBC SWAPS	63.454.877,00	CZK	0,100	63.454,88		0,11	0,10
Total swaps				63.454,88		0,11	0,10
TOTAL SECURITIES PORTFOLIO				56.131.896,56		100,00	88,99
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	1.357.287,34	CZK	1,000	1.357.287,34			2,15
KBC GROUP EURO	2.472,47	EUR	1,000	63.055,40			0,10
Total demand accounts				1.420.342,74			2,25
Fixed-term deposit accounts							
<u>Belgium</u>							
KBC BANK NV 23/09-21/03/12 KBCBANK 1.100 %	5.510.000,00	CZK	100,006	5.510.330,60			8,74
Total fixed-term deposit accounts				5.510.330,60			8,74
TOTAL CASH AT BANK AND IN HAND				6.930.673,34			10,99

OTHER						
Accrued interest		CZK		16.499,39		0,03
Prepaid expenses		CZK		-4.717,97		-0,01
TOTAL OTHER				11.781,42		0,02
TOTAL NET ASSETS				63.074.351,32		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port/Havenlaan 2, B-1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
EQLISWAP	CZK	63.454.877,00	63.454.877,00	n.a.	23.09.2011

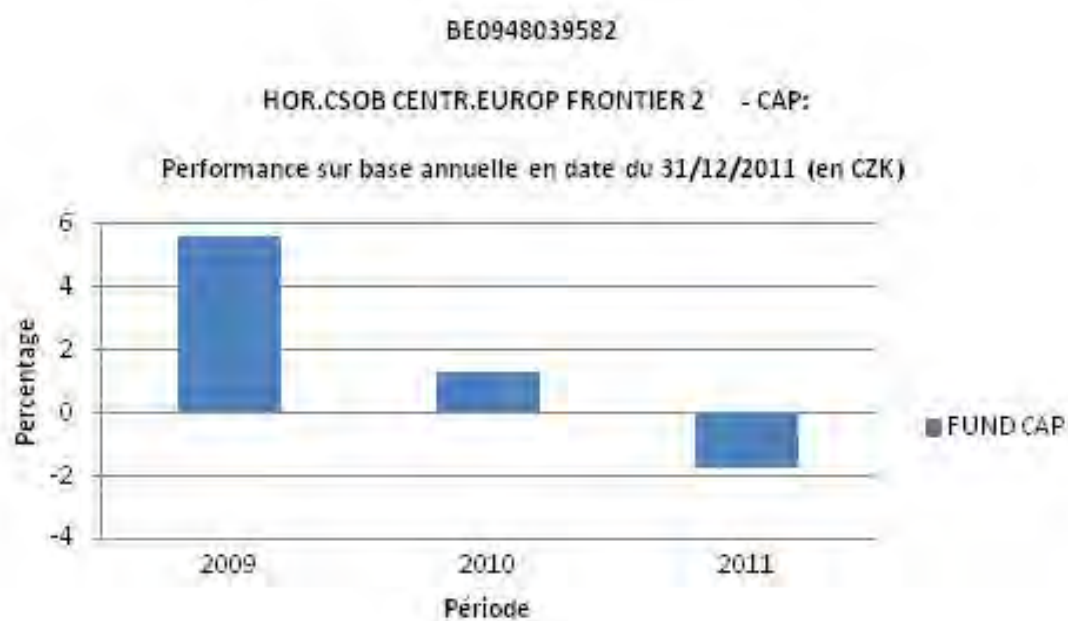
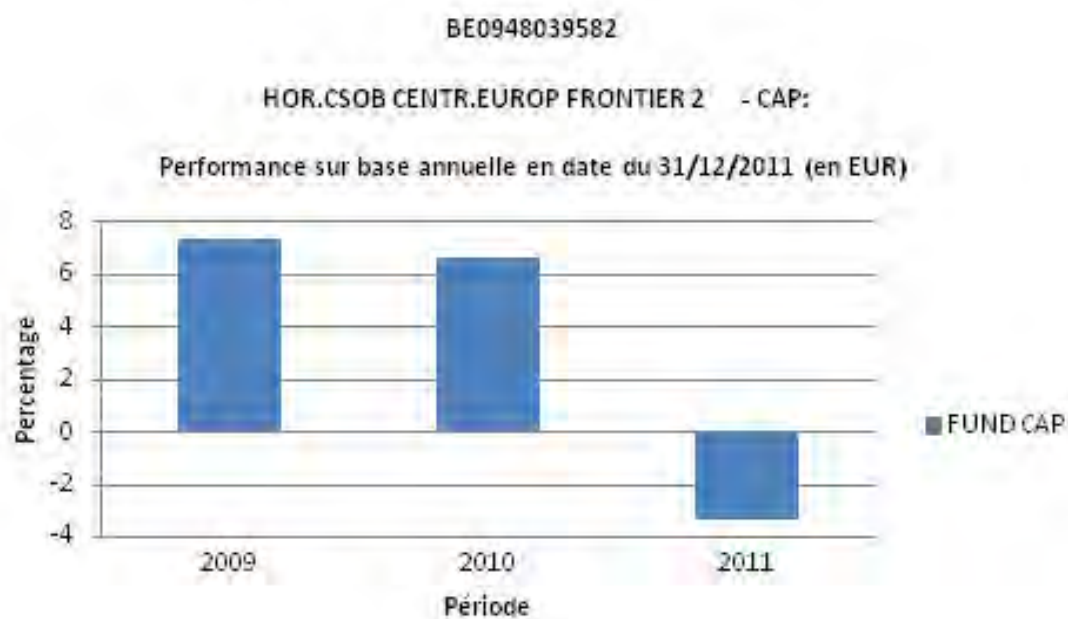
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	28.244,00		370.138,00		8.517.991,00		8.517.991,00
2010 - 12	0,00		1.246.435,00		7.271.556,00		7.271.556,00
2011 - 12	0,00		816.413,00		6.455.143,00		6.455.143,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	274.754,12		3.461.899,94	
2010 - 12	0,00		12.397.343,93	
2011 - 12	0,00		8.138.320,50	

Period	Net asset value At the end of the period (in the sub-fund's currency)		
	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	83.574.567,42	9,81	
2010 - 12	72.283.755,20	9,94	
2011 - 12	63.074.351,32	9,77	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948039582	EUR	-3.30%		3.45%						29/02/2008	-1.01%
CAP	BE0948039582	CZK	-1.71%		1.69%						29/02/2008	-0.60%

* The performance figures are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no 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.
- 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
- 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.692%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each six-month period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each six-month period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and is indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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 includes the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indexes: More detailed information on any financial indices underlying financial derivatives are provided in the section "*Goal and key principles of the investment policy*" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON KREDYT BANK BRIC 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 26 May 2008
Initial subscription price: PLN 100
Maturity date: 28 June 2013
Currency: PLN

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse on maturity the initial subscription price per unit of PLN 100. The objective is secured by an official guarantee issued by KBC Bank SA, Avenue du Port 2, B-1080 Brussels in favour of the sub-fund unit holders. Further information concerning guarantee procedures is available in the additional information document on the sub-fund.
This capital guarantee does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). The sub-fund therefore transfers a portion of the future earnings from the investments indicated under the section *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return. This objective does not form part of the guarantee.
The different types of swaps in which the sub-fund can invest are explained under the section *Permitted swap transactions*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable laws and regulations. These investments may be of different durations and coupon payment dates, being aligned with the expiry dates of the sub-fund's commitments through the use of the 'swaps' referred to in the section *Permitted swap transactions*(2).

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes will be complied with at all times.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be accessed via the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the bonds and other debt instruments will have an average solvency score equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

To achieve a potential return, the sub-fund concludes swaps. Under these swaps, the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that using this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the investments referred to under Permitted asset classes.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(3) The sub-fund may also conclude swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on maturity, and secondly, to generate a potential capital gain contingent on any rise in value of the S&P BRIC 40 (EURO) CME Index (as set out below). 60% of any rise in the value of this index (= *Last Value less Base Value divided by the Base Value*) which exceeds the full initial subscription value will be distributed on maturity.

MATURITY: Friday, 28 June 2013 (Payment with a value date of D + 1 bank business day)

CURRENCY: PLN; fluctuations of the PLN against the currency of the S&P BRIC 40 (EURO) CME Index are not relevant.

BASE VALUE: the average of the prices for the index on the first ten Valuation Dates from Monday, 2 June 2008 (inclusive).

LAST VALUE: The value of the Index based on the average of the prices on the last Valuation Date of the month in each of the last 12 months before maturity, more precisely from June 2012 to May 2013 (inclusive).

PRICE:

Closing price, that is to say the price of the S&P BRIC 40 (EURO) CME Index, as calculated on the stock market close and published by the competent body (sponsor), notably Standard & Poor's (or its legal successor).

VALUATION DATE:

A trading day on which the competent stock exchange body calculates and publishes the index price.

If, however, **[A]** the competent stock exchange body (i) makes significant changes to the formula and/or method for calculating the index, on or before the Valuation Date, and/or (ii) does not calculate and publish the index (although all the data are available), the ICVC will calculate the index, in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index-calculation method and formula; and/or **[B]** an event occurs on the Valuation Date which disrupts the market (preventing calculation of the index) or if the market closes early (the competent body has announced that the market will, on that day, close earlier than on other trading days), the original Valuation Date will be replaced by the next trading day on which there is no disruption or early closure, provided that date is not already an original Valuation Date or already replaces an original Reference Date postponed because of disruption or early closure of the market. However, if the market is disrupted or closes early on each of the eight trading days which follow the original Valuation Date, (i) this eighth trading day will be deemed to be the original Valuation Date, and (ii) the ICVC will estimate the index price, in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index calculation formula and method, and (iii) the ICVC will inform the unit holders of (a) the exceptional circumstances which have arisen, (b) the amended conditions for determining the Base Value and/or Last Value for the Period, and (c) the terms and conditions for distribution of the amounts in the light of the investment objectives achieved.

If changes are made to an index (e.g. calculation by another sponsor, change to the calculation method, etc.), the ICVC will confer with the prime counterparty(-ies) with whom the swap contract has been concluded in order to decide how the index is to be determined. In the event of substantial changes to the index or if the index ceases to be calculated, it may be replaced by another index, provided this new index is representative of the same geographical and/or economic sectors.

The **S&P BRIC 40 (EURO) CME Index** (code Bloomberg : SPPRBRIE) is a market-capitalisation weighted equity index computed by Standard & Poor's, in principle, the dividend not being protected by being reinvested. This index follows the trend of 40 major shares in Brazil, Russia, India and China. The index is rebalanced once a year on the basis of market capitalisation and liquidity. The index is expressed in EUR.

Standard & Poor's holds all proprietary rights to the index. Standard & Poor's in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon Kredyt Bank BRIC 1. Standard & Poor's disclaims any responsibility for the issue and offering of shares of this institution for collective investment.

The index price can be consulted daily in all KBC branches.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5 years, which pays, on maturity, 80% of any rise in value of the index beyond the full initial subscription value of PLN 100. The Base Value of the index is 100.

	Valeur Finale du l'indice	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	170	80% * 70% = 56%	100 + 56% * 100 = 156 PLN (rendement actuariel : 9.3%, avant frais et impôts)
Scénario Neutre	140	80% * 40% = 32%	100 + 32% * 100 = 132 PLN (rendement actuariel : 5.7%, avant frais et impôts)
Scénario Négatif	85	80% * 0% = 0%	100 + 0% * 100 = 100 PLN (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances by the index are not taken into account.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax;
- the Royal Decree of 27 September 2009 implementing Article 338*bis*, paragraph 2, of the 1992 Income Tax Code;
- *the Royal Decree of 27 September 2009 concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 this information to the tax authorities in the beneficial owner's country 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 of the 1992 Income Tax Code)

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code only applies to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units.

This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Performance of the index or basket

	Index: S&P BRIC 40 EUR
	31/12/2010: 2.554,71
	30/06/2011: 2.396,26
	29/12/2011: 2.121,62
Performance since 31.12.10 or since the launch of the sub-fund:	-16,95%
Performance since 30/06/2011 or since the launch of the sub-fund:	-11,46%
Index at the launch of the sub-fund	2.488,97
Minimum guaranteed return in local currency on the maturity date:	100,00
Local currency:	PLN

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: IV

Risk rating at launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	13.798.517,16	16.910.319,93
II. Securities, money market instruments, CIUs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	13.699.641,38	16.590.538,21
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-738.175,31	
m) On financial indexes		
Swap contracts (+/-)		2.275,93
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		3.614,61
B. Debts		
a) Amounts payable (-)	-121.427,86	-279.023,26
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	156.617,65	131.534,95
B. Fixed-term deposits at banks	799.822,80	469.906,00
VI. Accruals and deferrals		
B. Accrued income	14.122,80	6.282,99
C. Accrued expenses (-)	-12.084,30	-14.809,50
TOTAL CAPITAL AND RESERVES	13.798.517,16	16.910.319,93
A. Capital	14.820.041,28	15.948.057,98
B. Share in the profit	-8.571,24	-4.024,32
D. Result for the financial year	-1.012.952,88	966.286,27

OFF-BALANCE-SHEET ITEMS

IV Swap contract notional amounts (+)	14.678.633,00	16.947.933,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-283.032,72	21.124,59
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-812.766,91	
l) On financial indexes		
Swap contracts (+/-)		1.013.338,93
G. Receivables, deposits, cash at bank and in hand, and payables	-83,20	21,00
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	393,53	-1.022,00
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	637.263,96	697.379,98
b) Deposits and cash at bank and in hand	51.734,11	48.096,97
C. Interest on borrowings (-)		-7,22
D. Swap contracts (+/-)	-381.977,31	-523.699,41
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	20.988,49	25.125,56
B. Other	-3.283,85	5.374,56
IV. Operating expenses		
A. Investment transaction and delivery costs (-)		-0,06
B. Financial expenses (-)	-3.203,70	-3.968,59
C. Custodian's fee (-)	-959,50	-1.016,05
D. Manager's fee (-)		
a) Financial management	-212.689,23	-278.410,39
b) Administration and accounting management	-7.839,15	-8.891,36
F. Formation and organisation expenses (-)	-1.895,25	-2.496,36
G. Remuneration, social security costs and pensions (-)	-15,83	-26,94
H. Services and sundry goods (-)	-3.160,91	-5.908,60
J. Taxes	-11.379,05	-17.481,80
K. Other expenses (-)	-1.046,36	-1.246,54
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	82.536,42	-67.176,25
V. Profit (loss) on ordinary activities before tax	-1.012.952,88	966.286,27
VII. Result for the financial year	-1.012.952,88	966.286,27

**Profit appropriation
statement**

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit available for appropriation (loss to be recognised)	-1.021.524,12	962.261,95
Profit for the year available for appropriation (Loss to be recognised)	-1.012.952,88	966.286,27
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-8.571,24	-4.024,32
II. Appropriation to capital/Transfers from capital	1.021.524,12	-962.261,95

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON KREDYT BANK BRIC 1

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% held by the CIU	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6W-15 10/01-10/07 6.66%	1.375.000,00	PLN	97,363	1.369.550,56		10,57	9,93
BEECHWOOD STRUCTURED FIN PLC 6W-15 10/01-10/07 5.84%	1.385.000,00	PLN	96,388	1.366.013,43		10,54	9,90
BROOKFIELDS CAPITAL PLC 6W-15 10/01-10/07 6.66%	1.380.000,00	PLN	97,654	1.378.553,99		10,64	9,99
EPERON FINANCE PLC 6W-15 10/01-10/07 6.66%	1.380.000,00	PLN	97,266	1.373.197,68		10,59	9,95
ESPACCIO SECURITIES PLC 6W-15 10/01-10/07 5.84%	690.000,00	PLN	96,409	680.682,42		5,25	4,93
GREENSTREET STRUCT. FIN. PROD. PLC 6W-15 10/01-10/07 5.84%	690.000,00	PLN	96,465	681.070,55		5,26	4,94
NIMROD CAPITAL PLC 6W-15 10/01-10/07 5.84%	690.000,00	PLN	97,533	688.442,54		5,31	4,99
OPAL FINANCIAL PRODUCTS PLC 6W-15 10/01-10/07 5.84	695.000,00	PLN	96,659	687.356,56		5,30	4,98
PROFILE FINANCE PLC 6W-15 10/01-10/07 5.84%	695.000,00	PLN	97,171	690.910,89		5,33	5,01
RECOLTE SECURITIES PLC 6W-15 10/01-10/07 6.66%	695.000,00	PLN	96,276	684.691,65		5,28	4,96
SILVERSTATE FIN INV PLC 6W-15 10/01-10/07 6.66%	690.000,00	PLN	96,838	683.646,32		5,27	4,95
VESPUCCI STRUCTURED FIN PROD 6W-15 10/01-10/07 6.66%	690.000,00	PLN	97,029	684.962,75		5,29	4,96
VIGADO CAPITAL PLC 6W-15 10/01-10/07 6.66%	690.000,00	PLN	96,323	680.091,52		5,25	4,93
VOYCE INVESTMENTS PLC 6W-15 10/01-10/07 6.66%	685.000,00	PLN	97,782	685.159,07		5,29	4,97
WATERFORD CAPITAL INC PLC 6W-15 10/01-10/07 5.84%	695.000,00	PLN	96,185	684.062,34		5,28	4,96
WAVES FINANCIAL INV PLC 6W-15 10/01-10/07 5.84%	685.000,00	PLN	97,211	681.249,11		5,26	4,94
Total bonds				13.699.641,38		105,70	99,28
Swaps							
<u>Belgium</u>							
KBC SWAPS	14.678.633,00	PLN	-5,300	-738.175,31		-5,70	-5,35
Total swaps				-738.175,31		-5,70	-5,35
TOTAL SECURITIES PORTFOLIO				12.961.466,07		100,00	93,93
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	1.163,78	EUR	1,000	5.187,90			0,04
KBC GROUP PLN	151.429,75	PLN	1,000	151.429,75			1,10
Total demand accounts				156.617,65			1,14
Fixed-term deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 4.050 %	240.000,00	PLN	99,984	239.961,60			1,74
KBC BANK NV 25/07-10/01/12 KBCBANK 3.980 %	360.000,00	PLN	99,982	359.935,20			2,61

<u>United Kingdom</u>						
STANDARD CHARTERED 08/07-10/01/12 STANDCHA 3.400 %	200.000,00	PLN	99,963	199.926,00		1,45
Total fixed-term deposit accounts				799.822,80		5,80
TOTAL CASH AT BANK AND IN HAND				956.440,45		6,93
OTHER RECEIVABLES AND PAYABLES						
Debts						
<u>Belgium</u>						
KBC GROUP PLN A PAYER	-121.427,86	PLN	1,000	-121.427,86		-0,88
Total debts				-121.427,86		-0,88
TOTAL RECEIVABLES AND PAYABLES				-121.427,86		-0,88
OTHER						
Accrued interest		PLN		14.122,80		0,10
Prepaid expenses		PLN		-12.084,30		-0,09
TOTAL OTHER				2.038,50		0,02
TOTAL NET ASSETS				13.798.517,16		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port/Havenlaan 2, B-1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub- fund	Lot size	Transaction date
EQLISWAP	PLN	14.678.633,00	14.678.633,00	n.a.	30.11.2011

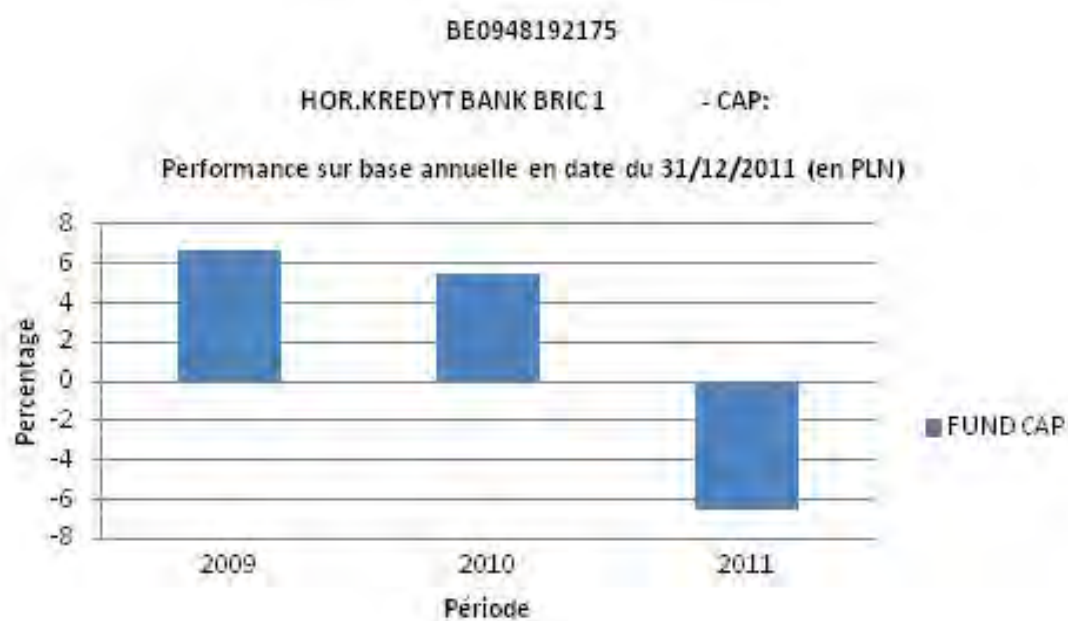
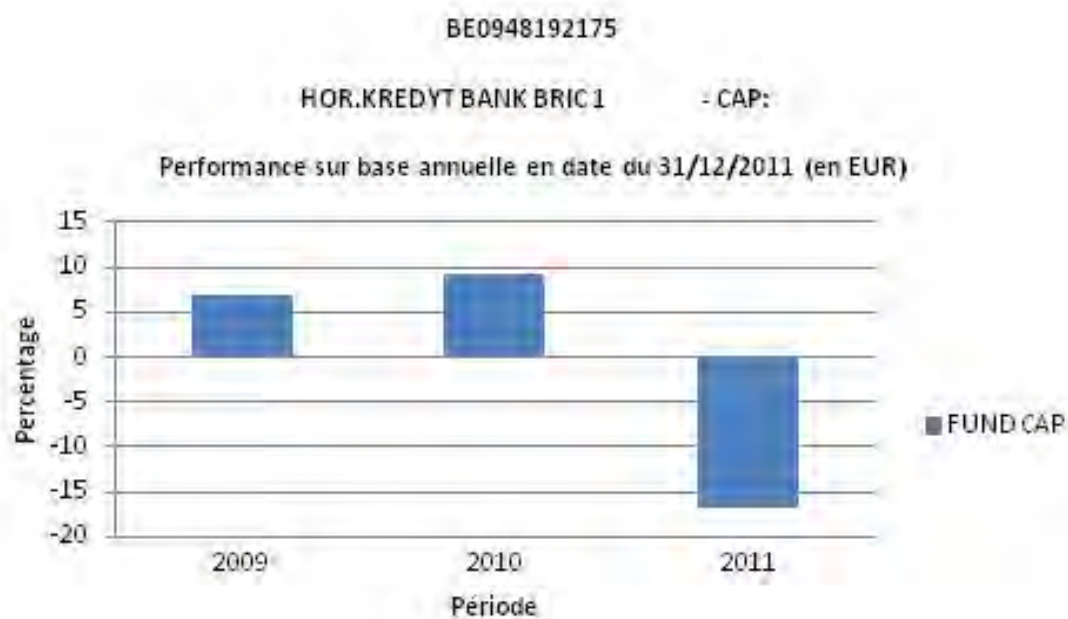
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		7.728,00		195.878,00		195.878,00
2010 - 12	0,00		25.776,00		170.102,00		170.102,00
2011 - 12	0,00		21.640,00		148.462,00		148.462,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		699.418,65	
2010 - 12	0,00		2.512.556,51	
2011 - 12	0,00		2.098.849,89	

Period	Net asset value At the end of the period (in the sub-fund's currency)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	18.456.590,17	94,22	
2010 - 12	16.910.319,93	99,41	
2011 - 12	13.798.517,16	92,94	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948192175	EUR	-16.87%		-0.95%						26/05/2008	-9.18%
CAP	BE0948192175	PLN	-6.50%		1.70%						26/05/2008	-2.02%

* The performance figures are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no account of any restructuring.
- Calculated in PLN and 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
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
- 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.608%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each six-month period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each six-month period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and is indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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 includes the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indexes: More detailed information on any financial indices underlying financial derivatives are provided in the section "*Goal and key principles of the investment policy*" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB WORLD LOOKBACK 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 29 February 2008
Initial subscription price: CZK 10
Maturity date: 30 September 2013
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse on maturity the initial subscription price per unit of CZK 10 (capital protection). This capital protection is achieved by putting in place a financial mechanism which is explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date;
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection on maturity entails investing the total subscribed amounts in bonds and other debt instruments, deposits and/or liquid assets (including money placed on fixed-term deposit or demand accounts). These investments may be of various durations and coupon payment dates, being aligned to the expiry dates of the sub-fund's commitments through the use of the swaps set out in the section *Permitted swap transactions*(2).

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) an investment covered by an investment strategy with an analogous structure and a counterparty risk identical to a direct investment in the deposits and /or debt instruments referred to in points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be accessed via the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

(B) an investment in:

- deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

investments in debt securities issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have a minimum solvency rating, as explained in the section *Characteristics of the bonds and other debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit on maturity (before costs and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged to do so) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and potentially from other of the ICVC's sub-funds. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the bonds and other debt instruments will have an average solvency score equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if not rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into considering when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies), subject to the limits laid down by law.

To achieve a potential return, the sub-fund concludes swaps. Under these swaps, the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that using this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conclude swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(3) The sub-fund may also conclude swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a

basket of 30 shares in top-quality companies (as set out below) with high market capitalisation and a low price/earnings ratio (as set out below) through a "Best Timing" structure.

This Best Timing structure means that account is taken, in calculating the net asset value on maturity, firstly, of the initial subscription value and, secondly, of the performance of the basket as compared with the Minimum Base Value. 90% of any rise in the value (= *Last Value less Minimum Base Value*) divided by the Base Value) is taken into account, with no ceiling.

The Minimum Base Value is whichever is the lowest of the Base Value and the lowest value of the basket recorded during the Initial Observation Dates. It is always less than or equal to the Base Value. Consequently, it is in the interests of investors for the basket to fall in value during the initial period of the duration of the sub-fund (notably on the Initial Observation Dates) given that the lowest price recorded during the Initial Observation Dates and the Base Value are taken into consideration in calculating any rise in the value of the basket.

MATURITY: Monday, 30 September 2013 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against in the local currencies of the equities in the basket are not relevant.

BASE VALUE: The value of the basket based on the average of the prices for the shares in the basket on the first ten Valuation Dates from Monday, 3 March 2008 (inclusive).

LAST VALUE: the value of the basket based on the average of the prices for the equities in the basket on the last Valuation Date of the month in each of the last 18 months before maturity, more precisely from March 2012 to August 2013 (inclusive).

MINIMUM BASE VALUE: Whichever is the lowest of the Base Value and the lowest value of the basket for all the Initial Observation Dates.

INITIAL OBSERVATION DATES: The first Valuation Date of each month, from April to September 2008 (inclusive).

Price:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of an equity in the basket as calculated and published at the stock market close by the stock-exchange body (or its legal successor) competent for the place where the security is listed. For equities listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each equity in the basket, this is a trading day for the stock exchange on which the share is listed and for the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market in that share (suspension or limitation of trading on that security) or early closure of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market in a share in the basket is disrupted or closes early, the scheduled Valuation Date for this equity is replaced by the next trading day on which there is no disruption or early closure, provided this day is not already a scheduled Valuation Date or is already replacing a scheduled Valuation Date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled Valuation Date, (i) this eighth trading day will be deemed to be the scheduled Valuation Date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which occurred with regard to one or more shares, (b) the change in the conditions for determining the Base Value and/or Last Value, and (c) the terms and conditions for the distribution of amounts in the light of the objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5 years and 6 months, which pays, on Maturity, 75% of any rise in value (= (Last Value less the Minimum Base Value) divided by the Base Value) beyond the full initial subscription value (of CZK 10). The Base Value of the basket is 100.

	Valeur de Départ du Panier	Valeur Finale du Panier	Valeur de Départ Minimale	Plus-Value pertinente	Valeur à l'Echéance
Scénario Positif	100	150	80	$100\% * (150-80)/100 = 52.5\%$	$10 + 52.5\% * 10 = 15.25$ CZK (rendement actuariel : 7.97%, avant frais et impôts)
Scénario Neutre	100	120	90	$100\% * (120-90)/100 = 22.5\%$	$10 + 22.5\% * 10 = 12.25$ CZK (rendement actuariel : 3.76%, avant frais et impôts)
Scénario Négatif	100	60	80	0%(*)	$10 + 0 * 10 = 10$ CZK (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances are not taken into account.

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ALLIANZ SE-REG	ALV GY Equity	Frankfurt	4.00%
2	ALTRIA GROUP INC	MO UN Equity	New York	4.00%
3	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	4.00%
4	BANCO SANTANDER SA	SAN SM Equity	Madrid	3.00%
5	BASF AG	BAS GY Equity	Frankfurt	5.00%
6	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.00%
7	CITIGROUP INC	C UN Equity	New York	3.00%
8	CREDIT SUISSE GROUP-REG	CSGN VX Equity	Virt-x	2.00%
9	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	4.00%
10	DIAGEO PLC	DGE LN Equity	London	2.00%
11	ENI SPA	ENI IM Equity	Milan	6.00%
12	HSBC HOLDINGS PLC	HSBA LN Equity	London	4.00%
13	ING GROEP NV-CVA	INGANA Equity	Amsterdam	6.00%
14	INTESA SANPAOLO	ISP IM Equity	Milan	4.00%
15	JPMORGAN CHASE & CO	JPM UN Equity	New York	2.00%
16	KBC GROEP NV	KBC BB Equity	Brussels	3.00%
17	KONINKLIJKE KPN NV	KPN NA Equity	Amsterdam	4.00%
18	KRAFT FOODS INC-A	KFT UN Equity	New York	4.00%
19	MERCK & CO. INC.	MRK UN Equity	New York	3.00%
20	NATIONAL GRID PLC	NG/ LN Equity	London	3.00%
21	NESTLE SA-REG	NESN VX Equity	Virt-x	3.00%
22	NOKIA OYJ	NOK1V FH Equity	Helsinki	3.00%
23	PFIZER INC	PFE UN Equity	New York	4.00%
24	RWE AG	RWE GY Equity	Frankfurt	3.00%
25	SIEMENS AG-REG	SIE GY Equity	Frankfurt	2.00%
26	SOCIETE GENERALE	GLE FP Equity	Paris	2.00%
27	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
28	TOTAL	FP FP Equity	Paris	2.00%
29	VERIZON	VZ UN Equity	New York	2.00%
30	VIVENDI	VIV FP Equity	Paris	3.00%

Criteria for selection for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) it has a high market capitalisation and a low price/earnings ratio, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the maturity date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket on maturity.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax;
- the Royal Decree of 27 September 2009 implementing Article 338*bis*, paragraph 2, of the 1992 Income Tax Code;
- *the Royal Decree of 27 September 2009 concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 this information to the tax authorities in the beneficial owner's country 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 of the 1992 Income Tax Code)

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code only applies to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units.

This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
ALLIANZ SE-REG	2,6013
ALTRIA GROUP INC	1,6122
BANCO BILBAO VIZCAYA ARGENTA	2,0595
BANCO SANTANDER SA	1,6193
BASF SE	6,3499
BRITISH AMERICAN TOBACCO PLC	4,8709
CITIGROUP INC	0,3775
CREDIT SUISSE GROUP AG-REG	0,8697
DEUTSCHE POST AG-REG	2,2146
DIAGEO PLC	2,7727
ENI SPA	4,1879
HSBC HOLDINGS PLC (LONDON)	2,9070
ING GROEP NV-CVA	1,9828
INTESA SANPAOLO	1,2742
JPMORGAN CHASE & CO	1,7534
KBC GROEP NV	0,3570
KONINKLIJKE KPN NV	3,0613
KRAFT FOODS INC-CLASS A	4,8970
MERCK & CO. INC.	2,6687
NATIONAL GRID PLC	2,9111
NESTLE SA-REG	3,2875
NOKIA OYJ	0,5213
PFIZER INC	4,0303
PHILIP MORRIS INTERNATIONAL	4,2807
RWE AG	1,0297
SIEMENS AG-REG	1,7855
SOCIETE GENERALE	0,5190
TELEFONICA SA (SM)	2,1479
TOTAL SA	1,6111
VERIZON COMMUNICATIONS INC	2,4537
VIVENDI	2,0053
TOTAL	75,02

Performance of the index or basket

	Index: BASKET
	31/12/2010: 80,99
	30/06/2011: 83,46
	29/12/2011: 75,02
Performance since 31/12/2010 or since the launch of the sub-fund:	-7,37%
Performance since 30/06/2011 or since the launch of the sub-fund:	-10,11%
Index at the launch of the sub-fund	91,69
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	CZK

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
31/03/2008		Philip Morris International	Spin off Altria

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at the launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011	31/12/2010
	(in the currency of the sub-fund)	(in the currency of the sub-fund)
TOTAL NET ASSETS	242.712.666,33	270.780.532,53
II. Securities, money market instruments, CIUs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	225.151.591,61	244.198.809,47
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-805.554,95	-935.520,15
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		58.557,80
c) Collateral		3.460.588,20
B. Debts		
a) Amounts payable (-)	-109.553,20	-293.436,00
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	1.657.383,39	2.361.081,17
B. Fixed-term deposits at banks	16.788.928,50	21.870.737,10
VI. Accruals and deferrals		
B. Accrued income	48.075,80	80.025,00
C. Accrued expenses (-)	-18.204,82	-20.310,06
TOTAL CAPITAL AND RESERVES	242.712.666,33	270.780.532,53
A. Capital	247.690.311,22	271.184.431,17
B. Share in the profit	-146.148,49	-99.693,24
D. Result for the financial year	-4.831.496,40	-304.205,40

OFF-BALANCE-SHEET ITEMS

I Security in the form of real property (+/-)		
I.A Collateral (+/-)		
I.A.B Deposits and cash at bank and in hand		3.460.000,00
IV Swap contract notional amounts (+)	245.543.654,00	272.708.994,00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-4.731.894,53	350.165,91
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	71.787,70	430.976,96
G. Receivables, deposits, cash at bank and in hand, and payables	-2.396,80	5.927,60
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-2.038,11	-6.036,00
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	3.691.448,36	4.359.175,69
b) Deposits and cash at bank and in hand	265.864,70	285.996,47
c) Collateral (+/-)	20.875,33	50.852,39
C. Interest on borrowings (-)	-96,29	
D. Swap contracts (+/-)	-1.098.708,28	-2.269.187,92
F. Other investment income		-2.854,50
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	232.363,50	294.683,75
B. Other	-48.737,40	83.079,24
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-0,16	-0,02
B. Financial expenses (-)	-23.477,88	-52.265,48
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-2.957.220,56	-3.479.811,15
b) Administration and accounting management	-131.329,41	-139.296,70
F. Formation and organisation expenses (-)	-32.917,00	-39.641,55
G. Remuneration, social security costs and pensions (-)	-260,91	-420,10
H. Services and sundry goods (-)	-57.907,82	-73.943,26
J. Taxes	-3.108,82	-75.336,44
K. Other expenses (-)	-17.653,77	-19.722,91
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	-166.954,66	-1.085.239,87
V. Profit (loss) on ordinary activities before tax	-4.831.496,40	-304.205,40
VII. Result for the financial year	-4.831.496,40	-304.205,40

**Profit appropriation
statement**

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit available for appropriation (loss to be recognised)	-4.977.644,89	-403.898,64
Profit for the year available for appropriation (Loss to be recognised)	-4.831.496,40	-304.205,40
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-146.148,49	-99.693,24
II. Appropriation to capital/Transfers from capital	4.977.644,89	403.898,64

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB WORLD LOOKBACK 1

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% held by the CIU	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 23/09-21/03 3.63%	23.000.000,00	CZK	97,445	22.500.717,91		10,03	9,27
BEECHWOOD STRUCTURED FIN PLC 6P-10 23/09-23/03 3.63%	23.200.000,00	CZK	96,471	22.470.281,19		10,02	9,26
BROOKFIELDS CAPITAL PLC 6P-10 23/09-23/03 3.63%	23.050.000,00	CZK	97,737	22.616.832,26		10,08	9,32
EPERON FINANCE PLC 6P-10 23/09-23/03 3.63%	23.050.000,00	CZK	97,349	22.527.366,45		10,04	9,28
ESPACCIO SECURITIES PLC 6P-10 23/09-23/03 3.63%	11.600.000,00	CZK	96,491	11.237.518,13		5,01	4,63
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 23/09-23/03 3.63%	11.600.000,00	CZK	96,548	11.244.043,36		5,01	4,63
NIMROD CAPITAL PLC 6P-10 23/09-23/03 3.63%	11.550.000,00	CZK	97,616	11.318.978,21		5,05	4,66
OPAL FINANCIAL PRODUCTS PLC 6P-10 23/09-23/03 3.63%	11.600.000,00	CZK	96,742	11.266.587,61		5,02	4,64
PROFILE FINANCE PLC 6P-10 23/09-23/03 3.63%	11.600.000,00	CZK	97,253	11.325.911,64		5,05	4,67
RECOLTE SECURITIES PLC 6P-10 23/09-23/03 3.63%	11.600.000,00	CZK	96,358	11.222.108,46		5,00	4,62
SILVERSTATE FIN INV PLC 6P-10 23/09-23/03 3.63%	11.500.000,00	CZK	96,921	11.190.041,46		4,99	4,61
VESPUCCI STRUCTURED FIN PROD 6P-10 23/09-23/03 3.63%	11.550.000,00	CZK	97,112	11.260.729,60		5,02	4,64
VIGADO CAPITAL PLC 6P-10 23/09-23/03 3.63%	11.600.000,00	CZK	96,406	11.227.584,24		5,01	4,63
VOYCE INVESTMENTS PLC 6P-10 23/09-23/03 3.63%	11.450.000,00	CZK	97,865	11.249.482,25		5,01	4,64
WATERFORD CAPITAL INC PLC 6P-10 23/09-23/03 3.63%	11.600.000,00	CZK	96,268	11.211.605,00		5,00	4,62
WAVES FINANCIAL INV PLC 6P-10 23/09-23/03 3.63%	11.550.000,00	CZK	97,294	11.281.803,84		5,03	4,65
Total bonds				225.151.591,61		100,36	92,77
Swaps							
<u>Belgium</u>							
KBC SWAPS	245.543.654,00	CZK	-0,480	-805.554,95		-0,36	-0,33
Total swaps				-805.554,95		-0,36	-0,33
TOTAL SECURITIES PORTFOLIO				224.346.036,66		100,00	92,43
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	1.456.312,64	CZK	1,000	1.456.312,64			0,60
KBC GROUP EURO	7.884,20	EUR	1,000	201.070,75			0,08
Total demand accounts				1.657.383,39			0,68
Fixed-term deposit accounts							
<u>Germany</u>							
DZ BANK AG 23/09-23/03/12 DZBANK 0.550 %	1.470.000,00	CZK	99,875	1.468.162,50			0,61

<u>Belgium</u>						
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	15.320.000,00	CZK	100,005	15.320.766,00		6,31
Total fixed-term deposit accounts				16.788.928,50		6,92
TOTAL CASH AT BANK AND IN HAND				18.446.311,89		7,60
OTHER RECEIVABLES AND PAYABLES						
Debts						
<u>Belgium</u>						
KBC GROUP CZK A PAYER	-109.553,20	CZK	1,000	-109.553,20		-0,05
Total debts				-109.553,20		-0,05
TOTAL RECEIVABLES AND PAYABLES				-109.553,20		-0,05
OTHER						
Accrued interest		CZK		48.075,80		0,02
Prepaid expenses		CZK		-18.204,82		-0,01
TOTAL OTHER				29.870,98		0,01
TOTAL NET ASSETS				242.712.666,33		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port/Havenlaan 2, B-1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
EQLISWAP	CZK	245.543.654,00	245.543.654,00	n.a.	16.12.2011

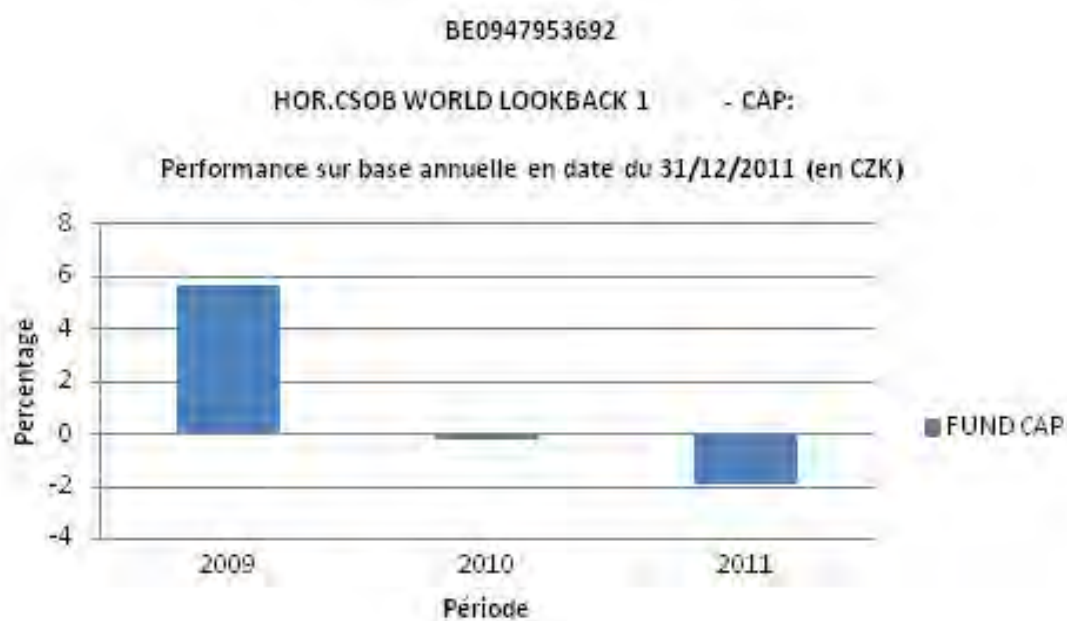
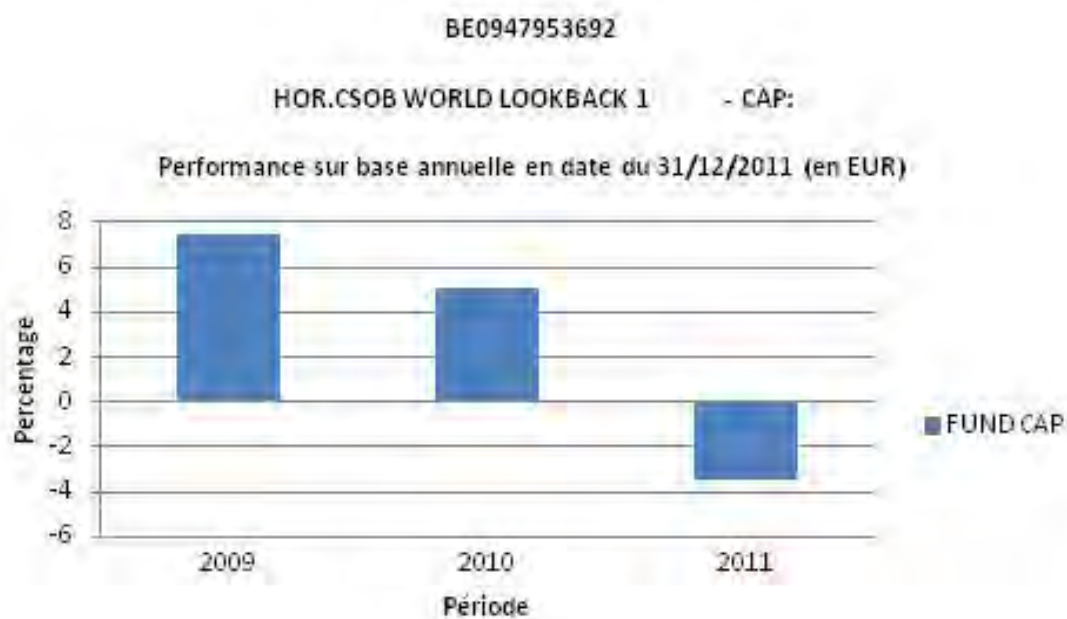
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	141.935,00		1.054.477,00		30.371.770,00		30.371.770,00
2010 - 12	0,00		2.968.922,00		27.402.848,00		27.402.848,00
2011 - 12	0,00		2.358.793,00		25.044.055,00		25.044.055,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	1.277.837,34		9.751.114,30	
2010 - 12	0,00		29.468.399,59	
2011 - 12	0,00		23.236.369,80	

Period	Net asset value At the end of the period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	300.553.137,52	9,90	
2010 - 12	270.780.532,53	9,88	
2011 - 12	242.712.666,33	9,69	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0947953692	EUR	-3.51%		2.87%						29/02/2008	-1.22%
CAP	BE0947953692	CZK	-1.92%		1.13%						29/02/2008	-0.82%

* The performance figures are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no 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.
- 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
- 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.258%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each six-month period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each six-month period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and is indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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 includes the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indexes: More detailed information on any financial indices underlying financial derivatives are provided in the section "*Goal and key principles of the investment policy*" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB WORLD JUMPER 2

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 29 February 2008
Initial subscription price: CZK 10
Maturity date: 29 March 2013
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse the initial subscription price per unit of CZK 10 on maturity, or, where relevant, on the Early Exercise Date (capital protection). This capital protection is achieved by putting in place a financial mechanism which is explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date or, where applicable, before the Early Exercise Date.
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection on maturity or, where applicable, on the Early Exercise Date, entails investing the total subscribed amounts in bonds and other debt instruments, deposits and/or liquid assets (including money placed on a fixed-term deposit or demand accounts). These investments may be of various durations and coupon payment dates, being aligned to the expiry dates of the sub-fund's commitments through the use of the swaps set out in the section *Permitted swap transactions*(2).

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) an investment covered by an investment strategy with an analogous structure and a counterparty risk identical to a direct investment in the deposits and /or debt instruments referred to in points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be accessed via the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

(B) an investment in:

- deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

investments in debt securities issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have a minimum solvency rating, as explained in the section *Characteristics of the bonds and other debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a shortcoming in the financial mechanism, the amount to be paid per unit on maturity or, where relevant, on the Early Exercise Date (before charges and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged to do so) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and potentially from other of the ICVC's sub-funds. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

This capital protection does not extend, however, to unit holders who sell their units before the maturity date or, where applicable, before the Early Exercise Date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the bonds and other debt instruments will have an average solvency score equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies), subject to the limits laid down by law.

To achieve a potential return, the sub-fund concludes swaps. Under these swaps, the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that using this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conclude swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(3) The sub-fund may also conclude swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on maturity, and on the Early Exercise Date if the ICVC Board of Directors decides to close the sub-fund on that date, and secondly, to generate a potential capital gain contingent on any rise in value

of the basket of 30 shares in top-quality companies (as set out below) with high market capitalisation and a low price/earnings ratio through a '**Basket Jumper**' structure.

The 'Basket Jumper' structure entails early exercise if one of the Observation Values meets the criterion set out below. In the event of such early exercise, the capital gain, defined below, is paid in addition to the initial subscription value. There are 3 Observation Moments in total.

Observation Moment	Observation Value	Early exercise criterion	Capital gain
1)	Average of the prices for shares in the basket for the first ten Valuation Dates for the month of March 2010.	The Observation Value is equal to or more than 110% of the Base Value. THUS: $(\text{Observation Value} - \text{Base Value}) / \text{Base Value} \geq 10\%$	16.00%
2)	Average of the prices for shares in the basket for the first ten Valuation Dates for the month of March 2011.	The Observation Value is equal to or more than 115% of the Base Value. THUS: $(\text{Observation Value} - \text{Base Value}) / \text{Base Value} \geq 15\%$	24.00%
3)	Average of the prices for shares in the basket for the first ten Valuation Dates for the month of March 2012.	The Observation Value is equal to or more than 120% of the Base Value. THUS: $(\text{Observation Value} - \text{Base Value}) / \text{Base Value} \geq 20\%$	32.00%

These conditions correspond to a yield to maturity of 6.37% in the event of early exercise following Observation Moment 1; 6.53% in the event of early exercise following Observation Moment 2, and 6.50% in the event of early exercise following Observation Moment 3. (In all cases, before deduction of costs and taxes.)

If the criterion for early termination is met, the ICVC's Board of Directors will take the decision to close the sub-fund on the Early Exercise Date.

If no Observation Value triggers early exercise, there are two other possibilities at maturity:

Scenario 1

If the Last Value is equal to or more than 125% of the Base Value, a 40% fixed capital gain will be distributed on maturity in addition to the full initial subscription value (yield to maturity: 6.42%, before costs and taxes).

Scenario 2

If the Last Value is less than 125% of the Base Value, the full amount of any rise in value of the basket of shares (= *Last Value less Base Value*) divided by the Base Value which exceeds the full initial subscription value will be distributed on maturity. No account is taken of negative performances by the basket.

MATURITY: Friday, 29 March 2013 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against in the local currencies of the equities in the basket are not relevant.

BASE VALUE: The value of the basket based on the average of the prices for the shares in the basket on the first ten Valuation Dates from Monday, 3 March 2008 (inclusive).

LAST VALUE: Value of the basket based on the average of the prices for the shares in the basket for the first ten Valuation Dates in March 2013.

EARLY EXERCISE DATE: the last Belgian bank business day in the month in which an Observation Value triggers early exercise. (Payment with a value date of D + 1 bank business day)

Price:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of an equity in the basket as calculated and published at the stock market close by the stock-exchange body (or its legal successor) competent for the place where the security is listed. For equities listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each equity in the basket, this is a trading day for the stock exchange on which the share is listed and for the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market in that share (suspension or limitation of trading on that security) or early closure of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market in a share in the basket is disrupted or closes early, the scheduled Valuation Date for this equity is replaced by the next trading day on which there is no disruption or early closure, provided this day is not already a scheduled Valuation Date or is already replacing a scheduled Valuation Date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled Valuation Date, (i) this eighth trading day will be deemed to be the scheduled Valuation Date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which occurred with regard to one or more shares, (b) the change in the conditions for determining the Base Value and/or Last Value, and (c) the terms and conditions for the distribution of amounts in the light of the objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5 years and three Observation Moments (end of year 2, end of year 3 and end of year 4). The structure entails early exercise if one of the Observation Values meets the criterion set out below. In the event of such early exercise, the capital gain, defined below, is paid in addition to the initial subscription value.

Observation Moment	Early exercise criterion	Capital gain
End of year 2	The Observation Value is equal to or more than 110% of the Base Value.	16%
End of year 3	The Observation Value is equal to or more than 115% of the Base Value.	24%
End of year 4	The Observation Value is equal to or more than 120% of the Base Value.	32%

If no Observation Value triggers early exercise, there are two other possibilities at maturity:

Scenario 1: If the Last Value is equal to or more than 125% of the Base Value, a 40% fixed capital gain will be distributed on maturity in addition to the full initial subscription value.

Scenario 2: If the Last Value is less than 125% of the Base Value, the full amount of any rise in value of the basket of shares which exceeds the full initial subscription value will be distributed on maturity.

The Base Value of the basket is 100 in each of the examples and the initial subscription value is CZK 10.

Positive scenario:

Observation Moment	Observation Value	Criterion met?	Payment
End of year 2	112	Yes	$10 + 16\% * 10 = \text{CZK } 11.60$
End of year 3	n.a.	n.a.	n.a.
End of year 4	n.a.	n.a.	n.a.
Maturity	n.a.	n.a.	n.a.

Yield to maturity: 7.70%, before costs and taxes.

Neutral scenario:

Observation Moment	Observation Value	Criterion met?	Payment
End of year 2	108	No	/
End of year 3	114	No	/
End of year 4	119	No	/
Maturity	123	No	$10 + 23\% * 10 = \text{CZK } 12.3$

Yield to maturity: 4.22%, before costs and taxes.

Negative scenario:

Observation Moment	Observation Value	Criterion met?	Payment(*)
End of year 2	105	No	/
End of year 3	110	No	/
End of year 5	100	No	/
Maturity	90	No	$10 + 0\% * 10 = \text{CZK } 10$

Yield to maturity: 0%, before costs and taxes.

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ALLIANZ SE-REG	ALV GY Equity	Frankfurt	4.00%
2	ALTRIA GROUP INC	MO UN Equity	New York	4.00%
3	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	4.00%
4	BANCO SANTANDER SA	SAN SM Equity	Madrid	3.00%
5	BASF AG	BAS GY Equity	Frankfurt	5.00%
6	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.00%
7	CITIGROUP INC	C UN Equity	New York	3.00%
8	CREDIT SUISSE GROUP-REG	CSGN VX Equity	Virt-x	2.00%
9	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	4.00%
10	DIAGEO PLC	DGE LN Equity	London	2.00%
11	ENI SPA	ENI IM Equity	Milan	6.00%
12	HSBC HOLDINGS PLC	HSBA LN Equity	London	4.00%
13	ING GROEP NV-CVA	INGA NA Equity	Amsterdam	6.00%
14	INTESA SANPAOLO	ISP IM Equity	Milan	4.00%
15	JPMORGAN CHASE & CO	JPM UN Equity	New York	2.00%
16	KBC GROEP NV	KBC BB Equity	Brussels	3.00%
17	KONINKLIJKE KPN NV	KPN NA Equity	Amsterdam	4.00%
18	KRAFT FOODS INC-A	KFT UN Equity	New York	4.00%
19	MERCK & CO. INC.	MRK UN Equity	New York	3.00%
20	NATIONAL GRID PLC	NG/ LN Equity	London	3.00%
21	NESTLE SA-REG	NESN VX Equity	Virt-x	3.00%
22	NOKIA OYJ	NOK1V FH Equity	Helsinki	3.00%
23	PFIZER INC	PFE UN Equity	New York	4.00%
24	RWE AG	RWE GY Equity	Frankfurt	3.00%
25	SIEMENS AG-REG	SIE GY Equity	Frankfurt	2.00%
26	SOCIETE GENERALE	GLE FP Equity	Paris	2.00%
27	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
28	TOTAL	FP FP Equity	Paris	2.00%
29	VERIZON	VZ UN Equity	New York	2.00%
30	VIVENDI	VIV FP Equity	Paris	3.00%

Criteria for selection for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) it has a high market capitalisation and a low price/earnings ratio, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the maturity date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket on maturity.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax;
- the Royal Decree of 27 September 2009 implementing Article 338*bis*, paragraph 2, of the 1992 Income Tax Code;
- *the Royal Decree of 27 September 2009 concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 this information to the tax authorities in the beneficial owner's country 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 19*bis* of the 1992 Income Tax Code)

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19*bis* of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19*bis* of the 1992 Income Tax Code only applies to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units.

This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
ALLIANZ SE-REG	2,6013
ALTRIA GROUP INC	1,6122
BANCO BILBAO VIZCAYA ARGENTA	2,0595
BANCO SANTANDER SA	1,6193
BASF SE	6,3499
BRITISH AMERICAN TOBACCO PLC	4,8709
CITIGROUP INC	0,3775
CREDIT SUISSE GROUP AG-REG	0,8697
DEUTSCHE POST AG-REG	2,2146
DIAGEO PLC	2,7727
ENI SPA	4,1879
HSBC HOLDINGS PLC (LONDON)	2,9070
ING GROEP NV-CVA	1,9828
INTESA SANPAOLO	1,2742
JPMORGAN CHASE & CO	1,7534
KBC GROEP NV	0,3570
KONINKLIJKE KPN NV	3,0613
KRAFT FOODS INC-CLASS A	4,8970
MERCK & CO. INC.	2,6687
NATIONAL GRID PLC	2,9111
NESTLE SA-REG	3,2875
NOKIA OYJ	0,5213
PFIZER INC	4,0303
PHILIP MORRIS INTERNATIONAL	4,2807
RWE AG	1,0297
SIEMENS AG-REG	1,7855
SOCIETE GENERALE	0,5190
TELEFONICA SA (SM)	2,1479
TOTAL SA	1,6111
VERIZON COMMUNICATIONS INC	2,4537
VIVENDI	2,0053
TOTAL	75,02

Performance of the index or basket

Index:	BASKET
31/12/2010:	80,99
30/06/2011:	83,46
29/12/2011:	75,02
Performance since 31/12/2010 or since the launch of the sub-fund:	-7,37%
Performance since 30/06/2011 or since the launch of the sub-fund:	-10,11%
Index at the launch of the sub-fund	100,00
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	CZK

Fixings

Period	Last date	Last value	Cap
1	12/03/2010	81,358	0,00%
2	14/03/2011	84,589	0,00%

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
31/03/2008		Philip Morris International	Spin off Altria

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at the launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	88.804.718,58	102.212.504,14
II. Securities, money market instruments, CIUs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	82.910.421,17	94.186.888,72
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	235.099,47	821.473,03
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		22.247,81
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	555.031,60	829.007,64
B. Fixed-term deposits at banks	5.098.084,00	6.340.433,80
VI. Accruals and deferrals		
B. Accrued income	12.771,30	20.152,00
C. Accrued expenses (-)	-6.688,96	-7.698,86
TOTAL CAPITAL AND RESERVES	88.804.718,58	102.212.504,14
A. Capital	91.144.608,38	103.020.010,76
B. Share in the profit	-80.284,01	-64.840,50
D. Result for the financial year	-2.259.605,79	-742.666,12

OFF-BALANCE-SHEET ITEMS

IV Swap contract notional amounts (+)	90.422.873,00	101.416.423,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-1.733.556,37	97.085,90
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-577.553,08	-637.283,99
G. Receivables, deposits, cash at bank and in hand, and payables	-2.349,80	4.749,50
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-1.529,98	-4.406,62
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	1.383.919,89	1.638.981,07
b) Deposits and cash at bank and in hand	84.582,84	131.644,74
C. Interest on borrowings (-)	-17,67	
D. Swap contracts (+/-)	-148.343,66	-567.550,14
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	111.481,72	135.485,90
B. Other	-18.522,52	31.675,86
IV. Operating expenses		
B. Financial expenses (-)	-20.413,91	-28.798,48
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-1.241.322,16	-1.396.981,80
b) Administration and accounting management	-48.691,21	-52.999,25
F. Formation and organisation expenses (-)	-11.972,48	-15.068,33
G. Remuneration, social security costs and pensions (-)	-97,81	-157,63
H. Services and sundry goods (-)	-21.568,37	-36.362,85
J. Taxes	-1.110,11	-28.690,64
K. Other expenses (-)	-6.452,86	-7.441,98
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	55.383,44	-202.810,91
V. Profit (loss) on ordinary activities before tax	-2.259.605,79	-742.666,12
VII. Result for the financial year	-2.259.605,79	-742.666,12

**Profit appropriation
statement**

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit available for appropriation (loss to be recognised)	-2.339.889,80	-807.506,62
Profit for the year available for appropriation (Loss to be recognised)	-2.259.605,79	-742.666,12
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-80.284,01	-64.840,50
II. Appropriation to capital/Transfers from capital	2.339.889,80	807.506,62

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB WORLD JUMPER 2

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% held by the CIU	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 23/09-21/03 3.63%	8.500.000,00	CZK	97,445	8.315.482,71		10,00	9,36
BEECHWOOD STRUCTURED FIN PLC 6P-10 23/09-23/03 3.63%	8.550.000,00	CZK	96,471	8.281.073,46		9,96	9,33
BROOKFIELDS CAPITAL PLC 6P-10 23/09-23/03 3.63%	8.500.000,00	CZK	97,737	8.340.263,52		10,03	9,39
EPERON FINANCE PLC 6P-10 23/09-23/03 3.63%	8.500.000,00	CZK	97,349	8.307.271,79		9,99	9,36
ESPACCIO SECURITIES PLC 6P-10 23/09-23/03 3.63%	4.300.000,00	CZK	96,491	4.165.631,72		5,01	4,69
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 23/09-23/03 3.63%	4.250.000,00	CZK	96,548	4.119.584,86		4,96	4,64
NIMROD CAPITAL PLC 6P-10 23/09-23/03 3.63%	4.250.000,00	CZK	97,616	4.164.991,99		5,01	4,69
OPAL FINANCIAL PRODUCTS PLC 6P-10 23/09-23/03 3.63%	4.250.000,00	CZK	96,742	4.127.844,61		4,97	4,65
PROFILE FINANCE PLC 6P-10 23/09-23/03 3.63%	4.250.000,00	CZK	97,253	4.149.579,70		4,99	4,67
RECOLTE SECURITIES PLC 6P-10 23/09-23/03 3.63%	4.250.000,00	CZK	96,358	4.111.548,36		4,95	4,63
SILVERSTATE FIN INV PLC 6P-10 23/09-23/03 3.63%	4.250.000,00	CZK	96,921	4.135.450,11		4,97	4,66
VESPUCCI STRUCTURED FIN PROD 6P-10 23/09-23/03 3.63%	4.250.000,00	CZK	97,112	4.143.558,51		4,98	4,67
VIGADO CAPITAL PLC 6P-10 23/09-23/03 3.63%	4.250.000,00	CZK	96,406	4.113.554,58		4,95	4,63
VOYCE INVESTMENTS PLC 6P-10 23/09-23/03 3.63%	4.250.000,00	CZK	97,865	4.175.572,02		5,02	4,70
WATERFORD CAPITAL INC PLC 6P-10 23/09-23/03 3.63%	4.250.000,00	CZK	96,268	4.107.700,12		4,94	4,63
WAVES FINANCIAL INV PLC 6P-10 23/09-23/03 3.63%	4.250.000,00	CZK	97,294	4.151.313,11		4,99	4,68
Total bonds				82.910.421,17		99,72	93,36
Swaps							
<u>Belgium</u>							
KBC SWAPS	90.422.873,00	CZK	0,260	235.099,47		0,28	0,27
Total swaps				235.099,47		0,28	0,27
TOTAL SECURITIES PORTFOLIO				83.145.520,64		100,00	93,63
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	426.832,35	CZK	1,000	426.832,35			0,48
KBC GROUP EURO	5.026,83	EUR	1,000	128.199,25			0,14
Total demand accounts				555.031,60			0,63
Fixed-term deposit accounts							
<u>Germany</u>							
DZ BANK AG 23/09-23/03/12 DZBANK 0.550 %	1.670.000,00	CZK	99,875	1.667.912,50			1,88

<u>Belgium</u>							
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	3.430.000,00	CZK	100,005	3.430.171,50			3,86
Total fixed-term deposit accounts				5.098.084,00			5,74
TOTAL CASH AT BANK AND IN HAND				5.653.115,60			6,37
OTHER							
Accrued interest		CZK		12.771,30			0,01
Prepaid expenses		CZK		-6.688,96			-0,01
TOTAL OTHER				6.082,34			0,01
TOTAL NET ASSETS				88.804.718,58			100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port/Havenlaan 2, B-1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
EQLISWAP	CZK	90.422.873,00	90.422.873,00	n.a.	30.09.2011

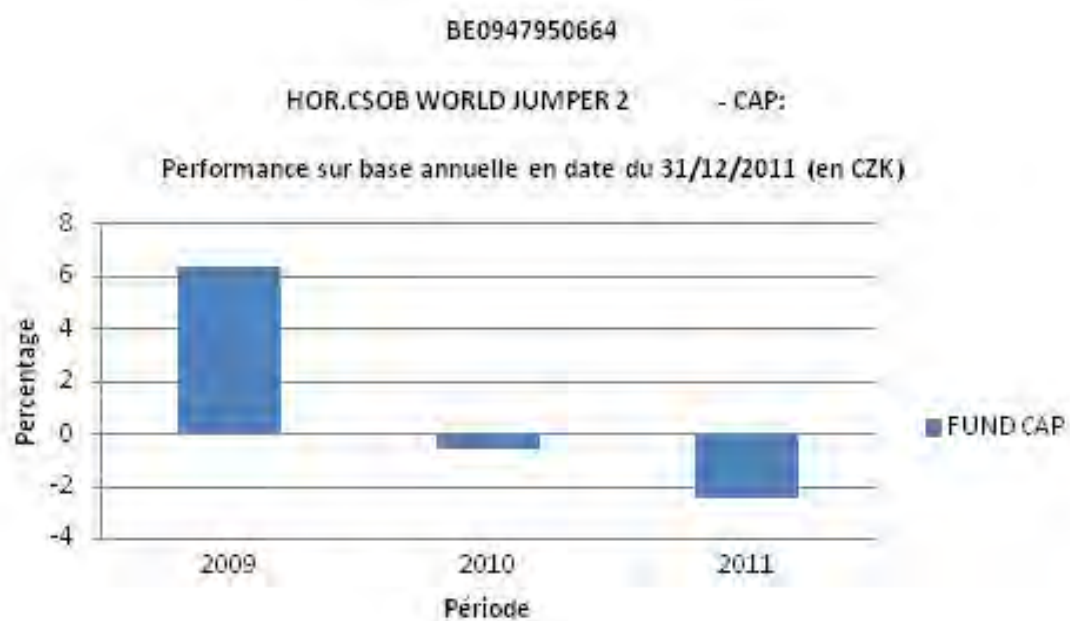
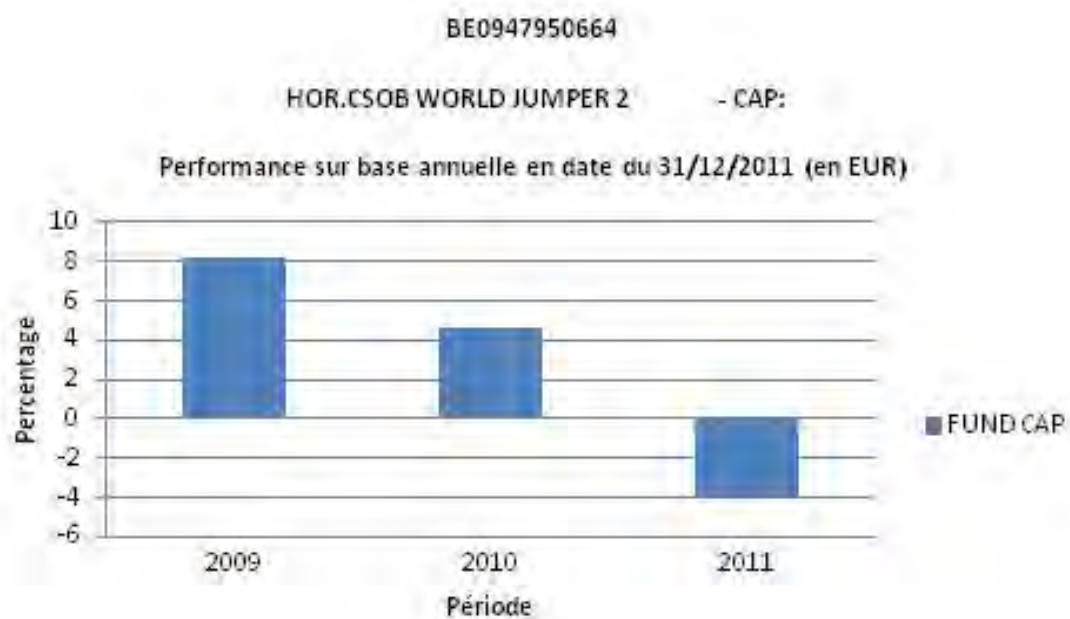
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		355.359,00		11.473.665,00		11.473.665,00
2010 - 12	0,00		1.339.050,00		10.134.615,00		10.134.615,00
2011 - 12	0,00		1.109.839,00		9.024.776,00		9.024.776,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		3.391.738,68	
2010 - 12	0,00		13.548.602,50	
2011 - 12	0,00		11.148.179,77	

Period	Net asset value At the end of the period (in the currency of the sub-fund)		
	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	116.503.772,76	10,15	
2010 - 12	102.212.504,14	10,09	
2011 - 12	88.804.718,58	9,84	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0947950664	EUR	-4.06%		2.78%						29/02/2008	-0.83%
CAP	BE0947950664	CZK	-2.48%		1.04%						29/02/2008	-0.42%

* The performance figures are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no 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.
- 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
- 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.428%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each six-month period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each six-month period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and is indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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 includes the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indexes: More detailed information on any financial indices underlying financial derivatives are provided in the section "*Goal and key principles of the investment policy*" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB GROWTH POTENTIAL 9

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 18 January 2008
Initial subscription price: SKK 100,000
Maturity date: 31 January 2013
Currency: SKK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse on maturity the initial subscription price per unit of SKK 100,000 (capital protection). This capital protection is achieved by putting in place a financial mechanism which is explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date;
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection on maturity entails investing the total subscribed amounts in bonds and other debt instruments, deposits and/or liquid assets (including money placed on fixed-term deposit or demand accounts). These investments may be of various durations and coupon payment dates, being aligned to the expiry dates of the sub-fund's commitments through the use of the swaps set out in the section *Permitted swap transactions*(2).

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) an investment covered by an investment strategy with an analogous structure and a counterparty risk identical to a direct investment in the deposits and /or debt instruments referred to in points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be accessed via the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

(B) an investment in:

- deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

investments in debt securities issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have a minimum solvency rating, as explained in the section *Characteristics of the bonds and other debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit on maturity (before costs and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged to do so) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and potentially from other of the ICVC's sub-funds. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the bonds and other debt instruments will have an average solvency score equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies), subject to the limits laid down by law.

To achieve a potential return, the sub-fund concludes swaps. Under these swaps, the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that using this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conclude swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(3) The sub-fund may also conclude swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of emerging market share indexes (as set out below). 70% of any rise in the value of the

basket of share indexes (= *Last Value less Base Value* divided by the *Base Value*) which exceeds the full initial subscription value will be distributed on maturity.

MATURITY: Thursday, 31 January 2013 (Payment with a value date of D + 1 bank business day)

CURRENCY: SKK; fluctuations of the SKK against the local currencies of the indexes in the basket are not relevant.

BASE VALUE: The value of the basket based on the average of the prices for the indexes in the basket on the first ten Valuation Dates from Monday, 21 January 2008 (inclusive).

LAST VALUE: The value of the basket based on the average of the prices for the indexes in the basket on the last Valuation Date of the month for each of the last 24 months before maturity, more precisely from January 2011 to December 2012 (inclusive).

PRICE:

For all the indexes in the basket, the closing price, that is to say the price of an index as calculated and published at the stock exchange close by the competent stock-exchange body (or its legal successor).

VALUATION DATE:

For each index in the basket, a trading day on which the competent stock exchange body calculates and publishes the index price. If, however, **[A]** the competent stock exchange body (i) makes significant changes to the formula and/or method for calculating the index, on or before the Valuation Date, and/or (ii) does not calculate and publish the index (although all the data are available), the ICVC will calculate the index, in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index-calculation method and formula; and/or **[B]** an event occurs on the Valuation Date which disrupts the market (preventing calculation of the index) or if the market closes early (the competent body has announced that the market will, on that day, close earlier than on other trading days), the original Valuation Date will be replaced by the next trading day on which there is no disruption or early closure, provided that date is not already an original Valuation Date or already replaces an original Reference Date postponed because of disruption or early closure of the market. However, if the market is disrupted or closes early on each of the eight trading days which follow the original Valuation Date, (i) this eighth trading day will be deemed to be the original Valuation Date, and (ii) the ICVC will estimate the index price, in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index calculation formula and method, and (iii) the ICVC will inform the unit holders of (a) the exceptional circumstances which have arisen, (b) the amended conditions for determining the Base Value and/or Last Value for the Period, and (c) the terms and conditions for distribution of the amounts in the light of the investment objectives achieved.

If changes are made to an index in the basket (e.g. calculation by another sponsor, change to the calculation method, etc.), the ICVC will confer with the prime counterparty(-ies) with whom the swap contract has been concluded in order to decide how the index is to be determined. In the event of substantial changes to a basket index or if the index ceases to be calculated, it may be replaced by another index, provided this new index is representative of the same geographical and/or economic sectors.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5 years, which pays, on maturity, 75% of any rise in value of a basket of indexes beyond the full initial subscription value of SKK 100,000. The Base Value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	170	75% * 70% = 52.5%	100000 + 52.5% * 100000 = 152500 SKK (rendement actuariel : 8.8%, avant frais et impôts)
Scénario Neutre	130	75% * 30% = 22.5%	100000 + 22.5% * 100000 = 122500 SKK (rendement actuariel : 4.14%, avant frais et impôts)
Scénario Négatif	85	75% * 0% = 0%	100000 + 0% * 100000 = 100000 SKK (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the sponsor for the index in the basket and its initial weighting in the basket.

1	Bovespa Index USD	USIBOV Index	Sao Paulo Stock Exchange	5%
2	FTSE/JSE Africa Top 40	TOP40 Index	Financial Times Ltd.	15%
3	Hang Seng China Enterprises Index	HSCEI Index	Stock Exchange of Hong Kong	20%
4	Kospi 200 Index	KOSPI2 Index	KRX-Stock Market Division	30%
5	MSCI Singapore Cash Index	SGY Index	Morgan Stanley Capital International	30%

The **Bovespa USD** is an index weighted by traded volume and, in principle, the dividend is protected by being reinvested. The index contains the most traded stocks listed on the Sao Paolo stock exchange in Brazil.

The index price can be consulted daily in all KBC branches.

Sao Paulo Stock Exchange holds all proprietary rights to the index. Sao Paulo Stock Exchange in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon CSOB Growth Potential 9. Sao Paulo Stock Exchange disclaims any responsibility for the issue and offering of shares of this institution for collective investment.

The **Hang Seng China Enterprises** index is a market capitalization-weighted stock market index made up of shares of Chinese public-sector undertakings (H shares) listed on the Stock Exchange of Hong Kong. The index was launched on 3 January 2000 with a baseline value of 2000. The index is published daily in L'Echo, De Tijd and The Financial Times.

Stock Exchange of Hong Kong holds all proprietary rights to the index. Stock Exchange of Hong Kong in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon CSOB Growth Potential 9. Stock Exchange of Hong Kong disclaims any responsibility for the issue and offering of shares of this institution for collective investment.

The **KOSPI 200** index, or the Korean Stock Price Index 200, is a market capitalization-weighted stock market index which is made up of 200 shares listed on the Korean Stock Exchange. The index was launched on 3 January 1990 with a baseline value of 100. The index price can be consulted daily in all KBC branches.

KRX-Stock Market Division holds all proprietary rights to the index. KRX-Stock Market Division in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon CSOB Growth Potential 9. KRX-Stock Market Division disclaims any responsibility for the issue and offering of shares of this institution for collective investment.

The **MSCI Singapore Cash** index is a market capitalization-weighted stock market index which is made up of corporate shares in Singapore. The index has been published since 1 January 1988. The index price can be consulted daily in all KBC branches.

MSCI holds all proprietary rights to the index. MSCI in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon CSOB Growth Potential 9. MSCI disclaims any responsibility for the issue and offering of shares of this institution for collective investment

The **FTSE/JSE Africa Top 40** index is a market capitalization-weighted stock market index. The index is made up of the shares of the 40 companies in the FTSE/JSE All Shares Index with the greatest capitalisation. The latter index contains shares listed on the Johannesburg stock market in South Africa. The index has been published since 21 June 2002. The index is published daily in The Financial Times.

Financial Times Ltd holds all ownership rights with regard to the index. Financial Times Ltd in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon CSOB Growth Potential 9. Financial Times Ltd disclaims any responsibility for the issue and offering of shares of this institution for collective investment.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through: the Act 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 the 1992 Income Tax Code on withholding tax;
- the Royal Decree of 27 September 2009 implementing Article 338*bis*, paragraph 2, of the 1992 Income Tax Code;
- *the Royal Decree of 27 September 2009 concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 this information to the tax authorities in the beneficial owner's country 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 19*bis* of the 1992 Income Tax Code)

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19*bis* of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19*bis* of the 1992 Income Tax Code only applies to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units. This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
Bovespa Brazil Ibovespa USD	4,6768
FTSE/JSE AFRICA TOP 40	17,7003
HS CHINA ENTERPRISES INDEX	15,1947
KOSPI 200 INDEX	34,2182
MSCI SINGAPORE FREE	24,8639
TOTAL	96,65

Performance of the index or basket

Index: **BASKET**

31/12/2010: **113,39**

30/06/2011: **112,10**

29/12/2011: **96,65**

Performance since 31/12/2010 or since the launch of the sub-fund: **-14,76%**

Performance since 30/06/2011 or since the launch of the sub-fund: **-13,78%**

Index at the launch of the sub-fund **100,00**

Minimum guaranteed return in local currency on the maturity date: **100.000,00**

Local currency: **SKK**

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
04/10/2010	MSCI SINGAPORE CASH	MSCI SINGAPORE FREE	Index discontinued

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at the launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	4.189.865,37	7.056.490,31
II. Securities, money market instruments, CIUs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	3.687.233,50	6.010.813,14
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	65.604,34	613.192,97
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		1.456,26
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	53.927,79	69.772,93
B. Fixed-term deposits at banks	380.144,40	360.047,39
VI. Accruals and deferrals		
B. Accrued income	3.269,58	1.736,88
C. Accrued expenses (-)	-314,24	-529,26
TOTAL CAPITAL AND RESERVES	4.189.865,37	7.056.490,31
A. Capital	4.615.100,26	6.799.311,38
B. Share in the profit	12.046,80	671,80
D. Result for the financial year	-437.281,69	256.507,13

OFF-BALANCE-SHEET ITEMS

IV Swap contract notional amounts (+)	4.057.936,51	6.285.125,81
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-8.043,65	15.119,48
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-414.609,97	264.763,30
G. Receivables, deposits, cash at bank and in hand, and payables	97,01	24,30
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-0,20	-0,94
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	71.996,68	65.150,63
b) Deposits and cash at bank and in hand	6.930,38	4.406,58
D. Swap contracts (+/-)	-11.307,07	-11.503,04
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	24.293,43	4.223,74
B. Other	-1.266,13	5.437,58
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-0,15	
B. Financial expenses (-)	-653,90	-851,02
C. Custodian's fee (-)	-250,00	-250,00
D. Manager's fee (-)		
a) Financial management	-96.014,57	-79.799,04
b) Administration and accounting management	-6.091,16	-5.266,80
F. Formation and organisation expenses (-)	-724,52	-996,29
G. Remuneration, social security costs and pensions (-)	-6,61	-10,52
H. Services and sundry goods (-)	-1.243,25	-2.035,98
J. Taxes	-73,79	-1.869,43
K. Other expenses (-)	-314,22	-35,42
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	-14.724,88	-23.399,01
V. Profit (loss) on ordinary activities before tax	-437.281,69	256.507,13
VII. Result for the financial year	-437.281,69	256.507,13

**Profit appropriation
statement**

	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Profit available for appropriation (loss to be recognised)	-425.234,89	257.178,93
Profit for the year available for appropriation (Loss to be recognised)	-437.281,69	256.507,13
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	12.046,80	671,80
II. Appropriation to capital/Transfers from capital	425.234,89	-257.178,93

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB GROWTH POTENTIAL 9

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% held by the CIU	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMBER PRO BOND PTF 6E-0.07 10/01-10/07	416.000,00	EUR	97,944	410.974,31		10,95	9,81
AMETHYST STRUCTURED FIN PLC 6E-7 10/07-10/01_4.277%	51.000,00	EUR	97,393	50.103,00		1,34	1,20
BEECHWOOD STRUCTURED FIN PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	96,419	50.578,64		1,35	1,21
BROOKFIELDS CAPITAL PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	97,685	51.237,00		1,37	1,22
CARMINI PRO BAND PFT 6E-0.07 10/01-10/07	416.000,00	EUR	97,818	410.451,05		10,94	9,80
CORAL PRO BOND PTF 6E-0.07 10/01-10/07	416.000,00	EUR	97,875	410.684,74		10,94	9,80
EMERALD PRO BOND PTF 6E-0.07 10/01-10/07	416.000,00	EUR	97,976	411.107,06		10,96	9,81
EPERON FINANCE PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	97,297	51.035,17		1,36	1,22
ESPACCIO SECURITIES PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	96,439	50.589,29		1,35	1,21
GREENSTREET STRUCT. FIN. PROD. PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	96,496	50.618,54		1,35	1,21
INDIGO PRO BOND PTF 6E-0.07 10/01-10/07	208.000,00	EUR	98,025	205.655,68		5,48	4,91
IVORY PRO BOND PTF 6E-0.07 10/01-10/07	208.000,00	EUR	97,833	205.256,12		5,47	4,90
MAGENTA PRO BOND PTF 6E-0.07 10/01-10/07	208.000,00	EUR	97,842	205.274,58		5,47	4,90
NIMROD CAPITAL PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	97,564	51.174,11		1,36	1,22
OPAL FINANCIAL PRODUCTS PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	96,690	50.719,60		1,35	1,21
PROFILE FINANCE PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	97,201	50.985,54		1,36	1,22
RECOLTE SECURITIES PLC 6E-7 10/07-10/01_4.277%	53.000,00	EUR	96,306	51.491,76		1,37	1,23
SEPIA PRO BOND PTF 6E-0.07 10/01-10/07	208.000,00	EUR	97,708	204.996,38		5,46	4,89
SILVERSTATE FIN INV PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	96,869	50.812,66		1,35	1,21
TAUPE PRO BOND PTF 6E-0.07 10/01-10/07	208.000,00	EUR	97,825	205.239,87		5,47	4,90
VERMILION PRO BOND PTF 6E-0.07 10/01-10/07	208.000,00	EUR	97,707	204.994,93		5,46	4,89
VESPUCCI STRUCTURED FIN PROD 6E-7 10/07-10/01_4.277%	52.000,00	EUR	97,060	50.911,87		1,36	1,22
VIGADO CAPITAL PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	96,354	50.544,76		1,35	1,21
VOYCE INVESTMENTS PLC 6E-7 10/07-10/01_4.277%	51.000,00	EUR	97,813	50.316,96		1,34	1,20
WATERFORD CAPITAL INC PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	96,216	50.473,13		1,35	1,21
WAVES FINANCIAL INV PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	97,242	51.006,75		1,36	1,22
Total bonds				3.687.233,50		98,25	88,00
Swaps							
<u>Belgium</u>							
KBC SWAPS	122.249.395,37	SKK	0,690	65.604,34		1,75	1,57
Total swaps				65.604,34		1,75	1,57
TOTAL SECURITIES PORTFOLIO				3.752.837,84		100,00	89,57

CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	53.927,79	EUR	1,000	53.927,79			1,29
Total demand accounts				53.927,79			1,29
Fixed-term deposit accounts							
<u>United Kingdom</u>							
STANDARD CHARTERED 08/07-10/01/12 STANDCHA 1.770 %	380.000,00	EUR	100,038	380.144,40			9,07
Total fixed-term deposit accounts				380.144,40			9,07
TOTAL CASH AT BANK AND IN HAND				434.072,19			10,36
OTHER							
Accrued interest		EUR		3.269,58			0,08
Prepaid expenses		EUR		-314,24			-0,01
TOTAL OTHER				2.955,34			0,07
TOTAL NET ASSETS				4.189.865,37			100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port/Havenlaan 2, B-1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
EQLISWAP	SKK	122.249.395,37	4.057.936,51	n.a.	30.11.2011

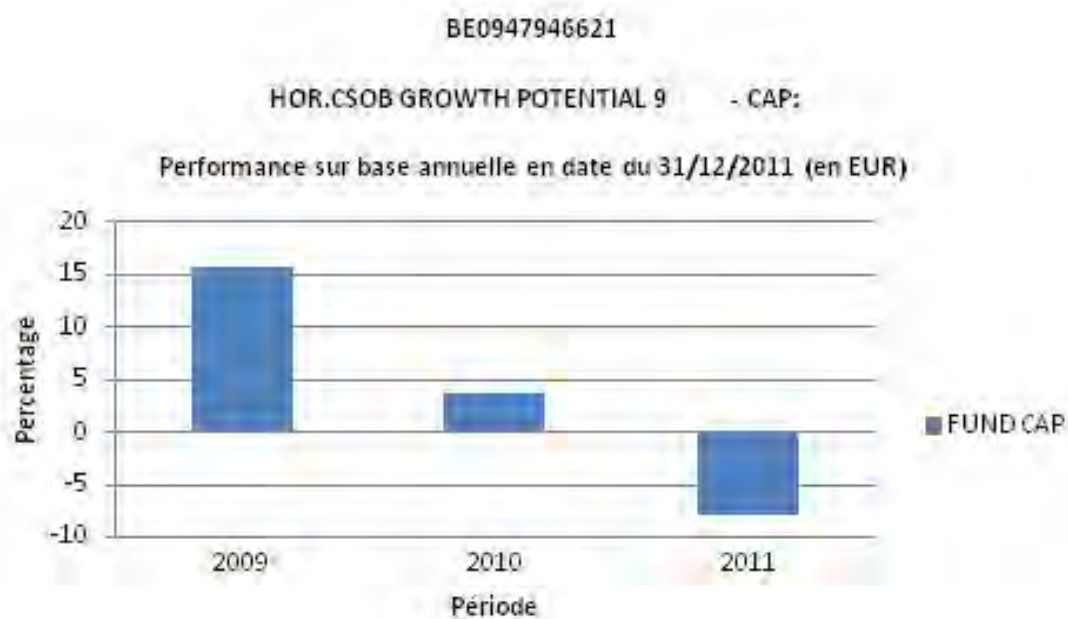
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	5.072,15		3.100,72		2.051,00		2.051,00
2010 - 12	0,00		119,00		1.932,00		1.932,00
2011 - 12	0,00		685,00		1.247,00		1.247,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)				
Year	Subscriptions		Redemptions		
	Cap.	Dis.	Cap.	Dis.	
2009 - 12	0,00		1.189.891,58		
2010 - 12	0,00		422.374,06		
2011 - 12	0,00		2.429.343,25		

Period	Net asset value At the end of the period (in the currency of the sub-fund)			
Year	Of the sub-fund		Of one unit	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	7.222.357,23		3.521,38	
2010 - 12	7.056.490,31		3.652,43	
2011 - 12	4.189.865,38		3.359,96	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0947946621	EUR	-8.00%		3.33%						18/01/2008	3.23%
CAP	BE0947946621	SKK	-8.00%		3.33%						18/01/2008	0.31%

* The performance figures are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no account of any restructuring.
- Calculated in SKK and 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{1 / X} - 1$$
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
- 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.911%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each six-month period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each six-month period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and is indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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 includes the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indexes: More detailed information on any financial indices underlying financial derivatives are provided in the section "*Goal and key principles of the investment policy*" in this report.

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 - 2.1. Management report
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 - 2.1.2. Stock exchange listing
 - 2.1.3. Goal and key principles of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
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 - 2.1.8. Future investment policy
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 - 2.4.1. Composition of the assets
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In the event of discrepancies between the Dutch and the other language versions of the Annual or Interim Report, the Dutch shall prevail.

**2 INFORMATION ON HORIZON ACCESS FUND ASIAN
INFRASTRUCTURE**

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Classic shares:

Launch date: 04.02.08

Initial subscription price: EUR 500

Currency: EUR

Institutional B Shares:

Launch date: 24.11.11

Initial subscription price: EUR 356.3

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

The main object 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 primarily in equities either directly, or indirectly through financial instruments with a similar performance.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

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

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

PERMITTED DERIVATIVES TRANSACTIONS

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

Changes are made to investments at regular intervals in keeping with the sub-fund's investment strategy. **In addition, listed and unlisted derivatives may be used by the sub-fund to achieve the objectives:** these may be forward contracts, options or swaps on securities, indexes, 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 hedge some of the exposure to the currency in which the fund is denominated (EUR). They may therefore mitigate the exchange risk, expressed in EUR, and consequently also the market risk and return risk.

Derivatives are liquid instruments and readily negotiable. Hence, they have no impact on the liquidity risk.

Derivatives are also used for the purposes of the investment policy and strategy. Therefore they have no other impact on the market risk, return risk, concentration risk or the external risk factors or indeed on any other risk.

Strategy selected

The assets are primarily invested in the shares of companies involved in infrastructure works in Asia.

Risk concentration

The shares of companies involved in infrastructure works in Asia.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests no more than 15% of its assets directly, or indirectly, in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:

- the Act 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 the 1992 Income Tax Code on withholding tax;*
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code;*
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

Because this UCITS invests no more than 15% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive, its income does not fall within the scope of the 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 of the 1992 Income Tax Code.

The income from this UCITS is not subject to the Belgian Debt Claim Returns Tax imposed under Article 19bis of the 1992 Income Tax Code.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

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

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Benchmark

MSCI AC Asia Ex Japan Net Return. This benchmark serves as a reference for calculation of the performance commission.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

KBC Horizon Access Fund Asian Infrastructure invests in companies involved in infrastructure in 10 countries in Asia. India, China and Hong Kong have the greatest weightings. The fund does not invest in Japan. Its official benchmark index is the MSCI AC Asia ex Japan but it is, in fact, measured against all the Asian listed companies involved in infrastructure. The fund primarily holds positions in China Light & Power, Hong Kong & China Gas, Power Assets Holdings, Korea Electric Power, Tenaga Nasional and Perusahaan Gas Negara.

The fund fell by 22% over the year (en euro), while the MSCI World recorded a fall of 15%.

2011 was undoubtedly one of the most turbulent years in the 21st century. Political unrest was omnipresent. In Europe, it was fuelled by the economic crisis and led to several changes in government; in North Africa and the Middle East, popular uprisings sought to advance the democratic process in the region. Japan was hit by a dreadful earthquake and has yet to respond to the challenges of a nuclear catastrophe and its disastrous consequences. In the USA, the health bill was the subject of bitter dispute, the debate around budget policy meant that no decisive action was taken and the candidates for the 2012 presidential elections have begun to set out their platforms and take a position in the political arena. There were also differences in performance between the trading blocs during the year: Europe continued to lag behind the market, in the broadest sense, for the third consecutive year; growth in the emerging markets has been higher than in the developed markets since the year 2000 and it has been 14 years since the USA has posted such strong performance as compared with the other developed markets. With regard to the equities markets, the weakness in the first half of the year and the lethargy in the second half led to the broad MSCI World All Countries Index falling by just over 6% (in euros).

Within the portfolio, the Indian equities market was the least dynamic in the region in 2011, in both absolute and relative terms. The market was hit by a wave of selling at the beginning of the year following a number of setbacks: 1) the Government was plunged into political turmoil because of various corruption cases; 2) relatively high inflation resulted in a number of interest-rate hikes by the *Reserve Bank of India* (RBI); 3) high global oil prices placed further pressure on the already strained tax situation in India; 4) the global macro-economic climate deteriorated as a result of the slowdown in growth and the European crisis. The wholesale price index remained above 9% throughout the year, peaking at 10% in October (revised figure) and falling to 9.1% in November. To curb inflation, the *Reserve Bank of India* raised the base rate by a total of 225 basis points over the course of the year. Inflation was also the primary source of concern for the Chinese market due to the political consequences of high inflation could have in that country. Inflation began to fall in the second half of the year. Investors then turned their attention to worries about growth. Thanks in part to lower inflation, policymakers have more flexibility to relax policy and encourage growth. Towards the end of the year, many Asian countries began to relax their policies. China did so from November.

During the period under review, performance in the region was greatly influenced by developments in the USA and in Europe. Information Technology and Consumer Staples performed the most strongly, while Healthcare and Telecoms were the weakest. The fact that the fund's positions are heavily weighted towards public utilities and industry contributed positively to performance over the period, but was not sufficient to offset the losses arising from the underweighting of positions in Information Technology and Financials. During the period under review, the Horizon Access Asian Infrastructure underperformed as compared with the official benchmark index, the MSCI AC Asia ex Japan Index.

2.1.8 FUTURE INVESTMENT POLICY

In India, we expect a significant fall in inflation in 2012, and not just because of the strong base effects. The RBI will therefore have the scope to cut interest rates to boost growth. The Indian domestic economy is sound and bolstered by the consumer needs of its vast population. Income levels are rising, the savings rate is high and lifestyle changes are driving demand for consumer goods. In China, while inflation was the chief source of concern at the beginning of 2011, it is no longer a major problem and most commentators consider that inflation peaked in mid-2011 and will continue to fall. The focus is, however, on the growth prospects for 2012. Now that inflation is no longer a problem, the Chinese government will be in a position to relax policy when the time is right. The first steps in that direction have already been taken, and this will continue in 2012. At this point, it would be a mistake in policy terms to delay taking the appropriate measures. An increase in spending is also a possibility under the current five-year plan or some other appropriate form of stimulus.

Despite the setbacks in 2011, the economic fundamentals and growth prospects are still promising for equities in Asia and in the West. Prices also continue to be attractive. Investors' appetite for risk continues to affect the performance of investments in the short term, making it likely that the markets will continue to be volatile. Overall, Asia still has an attractive outlook and we are still of the view that there is still potential for sound, transparent and viable growth in infrastructure in the medium term.

2.1.9 RISK RATING

On a scale from 0 to 6.

Current risk rating:

Classic shares: 5

Institutional B shares: 5

Risk rating at launch:

Classic shares: 4

Institutional B shares: 4

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	30.017.853,78	48.794.367,76
II. Securities, money market instruments, CIUs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	159.669,00	
a) Collateral received in the form of bonds	970.677,06	
C. Shares and similar instruments		
a) Bonds	28.238.608,82	43.683.838,04
of which shares lent	1.022.942,38	
D. Other securities	12,37	40.318,68
E. Open-end undertakings for collective investment	1.024.374,13	4.768.116,57
F. Financial derivatives		
j) On currencies		
Futures and forward contracts (+/-)	894,60	
m) On financial indexes		
Future and forward contracts (+/-)	-2.399,03	
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable	5.152,48	34.488,38
c) Collateral	17.749,10	
B. Debts		
a) Amounts payable (-)	-37.119,62	-7.489,77
d) Collateral (-)	-970.677,06	
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	617.668,21	266.548,56
VI. Accruals and deferrals		
A. Deferred charges	1.593,39	-123,24
B. Accrued income	24.112,39	52.685,78
C. Accrued expenses (-)	-32.462,06	-44.015,24
TOTAL CAPITAL AND RESERVES	30.017.853,78	48.794.367,76
A. Capital	26.913.785,70	34.627.748,16
B. Share in the profit	-143.444,46	52.640,99
C. Profit (loss) brought forward	14.126.533,57	8.001.216,08
D. Result for the financial year	-10.879.021,03	6.112.762,53

**OFF-BALANCE-SHEET
ITEMS**

I	Collateral in the form of real property (+/-)	
I.A	Collateral (+/-)	
I.A.A	Securities/money market instruments	970.677,06
I.A.B	Deposits and cash at bank and in hand	17.749,10
III	Swap contract notional amounts (+)	
III.A	Futures and forward contracts purchased	296.735,83
IX	Financial instruments lent	1.022.942,38

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	180,80	
C. Equities and similar instruments		
a) Bonds	-9.359.191,91	2.326.457,24
D. Other securities	-10.823,96	13.238,54
E. Open-end undertakings for collective investment	-1.366.084,63	515.854,89
F. Financial derivatives		
l) On financial indexes		
Futures and forward contracts	-2.399,03	
H. Foreign-exchange positions and transactions		
a) Financial derivatives		
Futures and forward contracts	894,60	
b) Other foreign-exchange positions and transactions	-515.154,69	3.095.197,86
II. Investment income and expenses		
A. Dividends	1.101.457,27	854.034,16
B. Interest		
a) Securities and money market instruments	19.317,41	
b) Deposits and cash at bank and in hand	629,97	861,25
C. Interest on borrowings (-)	-2.417,71	-4.118,22
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	85,61	
B. Other	-6.385,19	18.739,10
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-68.618,26	-30.812,28
B. Financial expenses (-)	-1.908,42	-4.188,74
C. Custodian's fee (-)	-33.090,42	-23.267,77
D. Manager's fee (-)		
a) Financial management		
Classic shares	-549.796,22	-548.400,69
Institutional B shares	-5.173,17	
b) Administration and accounting management	-39.334,66	-41.661,21
E. Administrative expenses (-)	-153,74	-97,40
F. Formation and organisation expenses (-)	-5.876,79	-4.891,19
G. Remuneration, social security costs and pensions (-)	-45,99	-13,23
H. Services and sundry goods (-)	-9.287,59	-6.764,40
J. Taxes		
Classic shares	-19.739,40	-35.948,48
Institutional B shares	1.617,15	
K. Other expenses (-)	-7.722,06	-11.456,90

Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	373.557,79	162.014,00
V. Profit (loss) on ordinary activities before tax	-10.879.021,03	6.112.762,53
VII. Result for the financial year	-10.879.021,03	6.112.762,53

**Profit appropriation
statement**

	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Profit available for appropriation (loss to be recognised)	3.104.068,08	14.166.619,60
Profit (loss) brought forward from the previous financial year	14.126.533,57	8.001.216,08
Profit for the year available for appropriation (Loss to be recognised)	-10.879.021,03	6.112.762,53
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-143.444,46	52.640,99
III. Profit (loss) to be carried forward	3.033.300,50	14.126.533,57
IV. (Dividends to be distributed)	-70.767,58	-40.086,03

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON ACCESS FUND ASIAN INFRASTRUCTURE

Name	Quantity at 31/12/2011	Currency	Price In foreign currency	Valuation (in the currency of the sub-fund)	% held by the CIU	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
HORIZON ACCESS INDIA FD KAP	1.560,50	USD	852,190	1.024.374,13	1,14	3,48	3,41
Total investment funds				1.024.374,13		3,48	3,41
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	226.000,00	EUR	70,650	159.669,00		0,54	0,53
Total bonds				159.669,00		0,54	0,53
Equities							
Listed shares							
<u>Bermuda</u>							
PACIFIC BASIN SHIPPING LTD -	497.000,00	HKD	3,110	153.306,82		0,52	0,51
ROAD KING INFRASTRUCTURE -	228.000,00	HKD	4,450	100.632,80		0,34	0,34
TRANSPORT INTERNATIONAL HLDS LTD -	62.800,00	HKD	15,200	94.677,75		0,32	0,32
<u>China</u>							
ANHUI EXPRESSWAY CO LTD -	170.000,00	HKD	4,560	76.887,98		0,26	0,26
CHINA COMMUNICATIONS CONST-H -	973.000,00	HKD	6,070	585.795,76		1,99	1,95
CHINA HIGH SPEED TRANSMISSION EQUIP -	333.000,00	HKD	3,400	112.296,92		0,38	0,37
CHINA RAILWAY CONSTRUCTION CORP -	520.500,00	HKD	4,280	220.957,73		0,75	0,74
CHINA RAILWAY GROUP LTD -	971.000,00	HKD	2,430	234.029,28		0,80	0,78
CHINA SHIPPING -	342.000,00	HKD	4,850	164.517,66		0,56	0,55
CHINA SHIPPING CONTAINER LINES COMP -	939.000,00	HKD	1,770	164.847,95		0,56	0,55
COSCO HOLDINGS -	627.000,00	HKD	3,820	237.561,25		0,81	0,79
DATANG INTER POWER GENERATION CO LTD -	786.000,00	HKD	2,570	200.355,08		0,68	0,67
DONGFANG ELECTRIC CORP LTD -	82.800,00	HKD	23,000	188.887,35		0,64	0,63
GUANGSHEN RAILWAY CO LTD -	440.000,00	HKD	2,750	120.013,49		0,41	0,40
HARBIN ELECTRIC CO LTD -	178.000,00	HKD	6,780	119.700,07		0,41	0,40
HUANENG POWER INTL "H"	764.000,00	HKD	4,130	312.959,47		1,06	1,04
JIANGSU EXPRESSWAY COMP LTD -	298.000,00	HKD	7,150	211.332,84		0,72	0,70
SHANGAI ELECTRIC GROUP CO LTD -	686.000,00	HKD	3,590	244.266,13		0,83	0,81
SINOTRANS LTD -	613.000,00	HKD	1,380	83.904,31		0,29	0,28
ZHEJIANG EXPRESSWAY CO. -	382.000,00	HKD	5,040	190.958,32		0,65	0,64
<u>South Korea</u>							
DOOSAN HEAVY INDS & CONSTRUCTION CO -	9.702,00	KRW	65.100,000	422.342,27		1,44	1,41
E1 CORP -	2.354,00	KRW	53.100,000	83.584,02		0,28	0,28

KOREA ELECTRIC POWER (KEPCO) CORP -	58.980,00	KRW	25.550,000	1.007.669,16		3,43	3,36
KOREA GAS CORP -	6.552,00	KRW	41.700,000	182.697,35		0,62	0,61
MACQUARIE KOREA INFRA FUND -	72.593,00	KRW	5.000,000	242.709,65		0,83	0,81
SAMCHULLY CO LTD -	1.390,00	KRW	91.500,000	85.046,84		0,29	0,28
STX PAN OCEAN COMPANY LTD -	31.687,00	KRW	6.080,000	128.827,03		0,44	0,43
<u>Hong Kong</u>							
BEIJING CAPITAL INTL AIRPORT-H -	532.000,00	HKD	3,900	205.788,42		0,70	0,69
CHEUNG KONG INFRASTRUCTURE -	100.000,00	HKD	45,500	451.290,39		1,53	1,50
CHINA EVERBRIGHT INTL -	892.000,00	HKD	2,810	248.608,44		0,85	0,83
CHINA MERCHANTS HLDGS INTL -	244.000,00	HKD	22,550	545.734,07		1,86	1,82
CHINA POWER INTERNATIONAL -	1.202.000,00	HKD	1,820	216.980,42		0,74	0,72
CHINA RESOURCES POWER HOLDINGS CO -	363.800,00	HKD	14,980	540.529,25		1,84	1,80
CLP -	424.000,00	HKD	66,050	2.777.687,41		9,44	9,26
COSCO PACIFIC -	366.000,00	HKD	9,070	329.255,52		1,12	1,10
GUANGDONG INVESTMENT -	576.000,00	HKD	4,710	269.084,13		0,92	0,90
HONG KONG CHINA GAS -	985.506,00	HKD	18,000	1.759.448,14		5,98	5,86
HOPEWELL HIGHWAY INFRASTRUCTURE -	654.000,00	HKD	3,890	252.331,83		0,86	0,84
MTR CORPORATION -	315.000,00	HKD	25,150	785.766,00		2,67	2,62
ORIENT OVERSEAS INTL LTD -	54.500,00	HKD	45,350	245.142,43		0,83	0,82
POWER ASSETS HOLDINGS LTD -	320.000,00	HKD	57,450	1.823.411,56		6,20	6,07
SHENZHEN EXPRESSWAY CY LTD _H /	270.000,00	HKD	3,280	87.837,97		0,30	0,29
ZHUZHOU CSR TIMES ELECTRIC CO -	115.000,00	HKD	17,020	194.134,22		0,66	0,65
<u>Cayman islands</u>							
CHINA INFRASTRUCTURE MACHINERY HLD -	508.000,00	HKD	2,620	132.010,87		0,45	0,44
TIANJIN PORT DEVELOPMENT HOLDING LTD -	1.514.000,00	HKD	1,020	153.168,95		0,52	0,51
XINAO GAS HOLDINGS LTD -	166.000,00	HKD	24,900	409.970,05		1,39	1,37
<u>Indonesia</u>							
PERUSAHAAN GAS NEGARA PT -	2.251.000,00	IDR	3.175,000	607.163,79		2,06	2,02
PT BERLIAN LAJU TANKER TBK -	3.961.166,00	IDR	189,000	63.602,10		0,22	0,21
<u>India</u>							
ABB LTD INDIA -	10.564,00	INR	583,300	89.384,00		0,30	0,30
BF INVESTMENT LTD -	8.737,00	INR	44,250	5.608,09		0,02	0,02
BF UTILITIES LTD -	8.737,00	INR	278,700	35.321,47		0,12	0,12
BHARAT HEAVY ELECTRICALS LTD -	107.072,00	INR	238,850	370.971,54		1,26	1,24
CESC LIMITED -	23.827,00	INR	201,400	69.609,46		0,24	0,23
CONTAINER CORP OF INDIA LTD -	10.223,00	INR	839,000	124.417,01		0,42	0,41
CROMPTON GREAVES LTD -	32.978,00	INR	126,100	60.322,43		0,21	0,20
ESSAR PORTS LTD -	75.140,00	INR	50,900	55.478,97		0,19	0,19
ESSAR SHIPPING LTD -	37.570,00	INR	18,700	10.191,13		0,04	0,03
GAIL INDIA LTD -	69.153,00	INR	383,650	384.844,83		1,31	1,28
GAMMON INDIA LTD -	26.212,00	INR	43,250	16.444,69		0,06	0,06
GMR INFRASTRUCTURE LTD -	139.318,00	INR	21,000	42.439,08		0,14	0,14
GREAT EASTERN SHIPPING CO LTD -	33.539,00	INR	189,500	92.193,17		0,31	0,31
GUJARAT INDUSTRIES POWER CO LTD -	32.020,00	INR	65,100	30.237,21		0,10	0,10
GVK POWER & INFRASTRUCTURE LTD -	325.690,00	INR	11,550	54.566,47		0,19	0,18
IVRCL LTD -	48.204,00	INR	28,250	19.753,36		0,07	0,07
JAIPRAKASH ASSOCIATES LTD -	147.687,00	INR	52,400	112.256,88		0,38	0,37
JAIPRAKASH HYDRO POWER LTD -	90.545,00	INR	35,050	46.035,40		0,16	0,15
KALPATARU POWER TRANSMISSION -	27.175,00	INR	93,600	36.896,47		0,13	0,12
LANCO INFRATECH LTD -	201.238,00	INR	9,500	27.731,48		0,09	0,09
LARSEN & TOUBRO LTD. -	35.656,00	INR	994,650	514.449,01		1,75	1,71
NEYVELI LIGNITE CORP -	304.760,00	INR	72,850	322.052,71		1,10	1,07
NTPC LTD -	141.349,00	INR	160,850	329.801,96		1,12	1,10
PETRONET LNG LTD -	152.169,00	INR	155,800	343.900,71		1,17	1,15
RELIANCE ENERGY LTD -	19.576,00	INR	340,800	96.774,95		0,33	0,32

RELIANCE POWER LTD -	29.554,00	INR	70,950	30.416,42		0,10	0,10
SHIPPING CORP OF INDIA LTD -	78.210,00	INR	48,150	54.625,82		0,19	0,18
SIEMENS INDIA LTD -	14.036,00	INR	642,000	130.712,71		0,44	0,44
TATA POWER COMPANY LTD -	145.180,00	INR	87,250	183.743,36		0,63	0,61
TORRENT POWER LTD -	26.753,00	INR	197,050	76.469,52		0,26	0,26
<u>Malaya</u>							
MALAYSIA AIRPORTS HLDS BHD -	108.900,00	MYR	5,800	153.484,64		0,52	0,51
MALAYSIAN BULK CARRIERS BHD -	282.800,00	MYR	1,540	105.830,09		0,36	0,35
MISC BERHAD LOCAL	262.160,00	MYR	5,470	348.467,92		1,18	1,16
PETRONAS GAS BHD -	159.300,00	MYR	15,200	588.394,25		2,00	1,96
TENAGA NASIONAL (BHD) -	626.375,00	MYR	5,900	898.039,58		3,05	2,99
YTL POWER INTERNATIONAL BHD -	496.290,00	MYR	1,780	214.666,65		0,73	0,72
<u>Philippines</u>							
FIRST GEN CORP -	819.601,00	PHP	14,620	210.477,47		0,72	0,70
MANILA ELECTRIC CY -	70.990,00	PHP	247,200	308.248,81		1,05	1,03
MANILA WATER CO -	490.500,00	PHP	19,400	167.146,20		0,57	0,56
<u>Singapore</u>							
HYFLUX LIMITED -	209.500,00	SGD	1,205	149.971,78		0,51	0,50
MACQUARIE INTL INFRA FUND LTD -	397.000,00	SGD	0,530	124.998,51		0,43	0,42
SEMBCORP INDUSTRIES LTD -	225.000,00	SGD	4,050	541.347,35		1,84	1,80
SOUND GLOBAL LTD -	397.000,00	SGD	0,500	117.923,13		0,40	0,39
<u>Taiwan</u>							
CHINESE MARITIME TRANSPORT LTD -	88.000,00	TWD	41,100	92.014,85		0,31	0,31
CTCI CORP -	186.000,00	TWD	41,300	195.432,33		0,66	0,65
EVERGREEN INTERNATIONAL STORAG -	165.000,00	TWD	14,150	59.398,27		0,20	0,20
EVERGREEN MARINE -	401.498,00	TWD	15,300	156.281,74		0,53	0,52
FIRST STEAMSHIP CO LTD -	85.671,00	TWD	35,300	76.938,19		0,26	0,26
KERRY TJ LOGISTICS CO LTD -	157.000,00	TWD	31,100	124.220,55		0,42	0,41
SINCERE NAVIGATION -	174.450,00	TWD	25,400	112.729,64		0,38	0,38
U-MING MARINE TRANSPORT CORP -	127.000,00	TWD	44,850	144.910,41		0,49	0,48
WANHAI LINES LINES LTD -	341.572,00	TWD	14,650	127.307,30		0,43	0,42
YANG MING MARINE TRANSPORT COR -	415.664,00	TWD	12,100	127.956,16		0,44	0,43
<u>Thailand</u>							
AIRPORTS OF THAILAND PCL LOCAL	301.300,00	THB	45,000	331.044,74		1,13	1,10
BANGKOK EXPRESSWAY PUBLIC CO LTD FOREIGN	243.800,00	THB	18,200	108.337,83		0,37	0,36
ELECTRIC GENERATING PUBLIC -FOR-	23.500,00	THB	96,250	55.226,01		0,19	0,18
GLOW ENERGY PCL FOREIGN	116.700,00	THB	57,000	162.412,99		0,55	0,54
PRECIOUS SHIPPING PUBLIC CO LTD -	323.200,00	THB	16,200	127.838,42		0,44	0,43
RATCHABURI ELEC GEN HOLDING PUBLIC FOREIGN	286.000,00	THB	44,000	307.251,32		1,04	1,02
REG. CONT. LINES FOREIGN	360.500,00	THB	6,600	58.093,06		0,20	0,19
THORSEN THAI AGENCIES PCL FOREIGN	218.000,00	THB	19,700	104.857,08		0,36	0,35
Total shares				28.238.608,82		95,98	94,07
Options and futures							
Traded futures							
<u>Hong Kong</u>							
HANG SENG CHINA ENTERPR INDEX JAN 12	3,00	HKD	9.971,000	148.345,60		0,50	0,49
Memorandum items (future)							
<u>Hong Kong</u>							
HANG SENG CHINA ENTERPR INDEX JAN 12	-1.519.837,50	HKD	1,000	-150.744,63		-0,51	-0,50
Total options and futures				-2.399,03		-0,01	-0,01

Warrants						
<u>Malaya</u>						
YTL POWER INTERNATIONAL BHD CW18	67,00	MYR	0,760	12,37		
Total warrants				12,37		
Futures and forward contracts		EUR		894,60		0,00
TOTAL SECURITIES PORTFOLIO				29.421.159,89	100,00	98,01
COLLATERAL RECEIVED						
<u>Belgium</u>						
KBC GROUP COLLATERAL EUR	970.677,06	EUR	1,000	970.677,06		3,23
TOTAL COLLATERAL RECEIVED				970.677,06		3,23
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP EURO	220.181,97	EUR	1,000	220.181,97		0,73
KBC GROUP HKD	32.671,85	HKD	1,000	3.240,55		0,01
KBC GROUP SGD	5.152,02	SGD	1,000	3.060,67		0,01
KBC GROUP USD	530.892,46	USD	1,000	408.945,05		1,36
Total demand accounts				635.428,24		2,12
Managed futures accounts						
<u>Belgium</u>						
KBC GROUP FUT. REK. HKD	-179.060,17	HKD	1,000	-17.760,03		-0,06
Total managed futures accounts				-17.760,03		-0,06
TOTAL CASH AT BANK AND IN HAND				617.668,21		2,06
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR A RECEVOIR	5.152,48	EUR	1,000	5.152,48		0,02
<u>Netherlands</u>						
KBC CLEARING NV DEKKING HKD	178.950,00	HKD	1,000	17.749,10		0,06
Total receivables				22.901,58		0,08
Debts						
<u>Belgium</u>						
KBC GROUP EUR A PAYER	-37.119,62	EUR	1,000	-37.119,62		-0,12
KBC GROUP TEGENPOST COLLATERAL EUR	-970.677,06	EUR	1,000	-970.677,06		-3,23
Total debts				-1.007.796,68		-3,36
TOTAL OTHER RECEIVABLES AND PAYABLES				-984.895,10		-3,28
OTHER						
Interest receivable		EUR		16.483,00		0,06
Accrued interest		EUR		7.629,39		0,03
Prepaid expenses		EUR		-32.462,06		-0,11
Deferred charges		EUR		1.593,39		0,01
TOTAL OTHER				-6.756,28		-0,02
TOTAL NET ASSETS				30.017.853,78		100,00

Geographical allocation (as a % of the securities portfolio)

	30/06/20 10	31/12/20 10	30/06/20 11	31/12/20 11
Belgium	0,04	0,02	-0,01	0,01
Bermuda	1,37	1,14	0,99	1,18
China	13,72	13,54	11,45	11,79
Cayman islands	2,24	2,79	2,54	2,36
Hong Kong	28,98	28,22	32,13	36,47
India	27,58	25,89	22,53	16,28
Indonesia	2,61	2,96	3,00	2,28
Ireland	0,00	0,00	0,00	0,54
South Korea	6,25	6,84	6,74	7,32
Malaya	6,98	7,62	8,60	7,85
Philippines	1,92	2,11	2,47	2,33
Singapore	3,04	3,42	3,77	3,18
Thailand	1,88	1,65	1,74	4,27
Taiwan	3,39	3,80	4,05	4,14
Total	100,00	100,00	100,00	100,00

Sector allocation (as a % of the securities portfolio)

	30/06/20 10	31/12/2 010	30/06/20 11	31/12/20 11
Cyclical sectors	28,88	29,46	25,62	24,11
Consumer discretionary	23,91	24,02	24,25	23,81
Consumer staples	0,25	0,38	0,40	0,16
Pharmaceuticals	0,26	0,46	0,43	0,19
Financials	2,39	3,44	3,92	2,66
Technology	1,72	2,13	2,25	1,03
Telecommunications	0,08	0,06	0,04	0,09
Utilities	42,35	39,84	42,95	47,93
Property	0,16	0,21	0,14	0,03
Sundry	0,00	0,00	0,00	-0,01
Total	100,00	100,0 0	100,00	100,00

Currency allocation (as a % of net assets)

	30/06/20 10	31/12/20 10	30/06/20 11	31/12/20 11
EUR	1,54	0,55	-0,06	0,67
HKD	45,65	45,40	47,21	51,29
IDR	2,57	2,94	3,05	2,23
INR	27,13	25,75	22,52	15,96
KRW	6,15	6,80	6,73	7,17
MYR	6,86	7,58	8,59	7,69
PHP	1,89	2,10	2,47	2,28
SGD	3,00	3,41	3,77	3,12
THB	1,85	1,64	1,74	4,18
TWD	3,33	3,78	4,04	4,05
USD	0,03	0,05	-0,06	1,36
Total	100,00	100,00	100,00	100,00

**2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF HORIZON ACCESS FUND
ASIAN INFRASTRUCTURE (IN THE CURRENCY OF THE SUB-FUND)**

	1st half	2nd half	Year
Buy	8.207.067,51	2.875.843,75	11.082.911,26
Sell	3.036.074,53	15.814.987,52	18.851.062,04
Total 1	11.243.142,03	18.690.831,27	29.933.973,30
Subscriptions	12.974.820,01	4.253.327,42	17.228.147,43
Redemptions	8.174.948,73	16.766.761,11	24.941.709,84
Total 2	21.149.768,74	21.020.088,53	42.169.857,27
Monthly average of total assets	46.566.655,99	34.323.042,02	40.418.116,22
Turnover rate	-21,27 %	-6,79 %	-30,27 %

	1st half	2nd half	Year
Buy	8.207.067,51	2.875.843,75	11.082.911,26
Sell	3.036.074,53	15.814.987,52	18.851.062,04
Total 1	11.243.142,03	18.690.831,27	29.933.973,30
Subscriptions	12.974.820,01	4.253.327,42	17.228.147,43
Redemptions	8.174.948,73	16.766.761,11	24.941.709,84
Total 2	21.149.768,74	21.020.088,53	42.169.857,27
Monthly average of total assets	46.729.371,26	41.000.831,93	42.528.532,09
Adjusted turnover rate	-21,20 %	-5,68 %	-28,77 %

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 (turnover rate) at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or 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 ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
KBC COLLATERAL EUR	EUR	970.677,06	970.677,06	n.a.	30.12.2011
KBCCLEAR DEKKING HKD	HKD	178.950,00	17.749,10	n.a.	29.12.2011
HANGSCHE 01/12/2012	HKD	1.495.650,01	148.345,60	50,00	23.12.2011
KBC AK-VK HKD-EUR 120615-111227 10.1577	HKD	1.496.100,00	148.390,23	n.a.	27.12.2011

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

Classic shares

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	27.841,09	7.729,12	50.001,90	6.379,00	66.921,84	12.717,12	79.638,96
2010 - 12	31.834,54	11.226,21	13.974,73	4.484,00	84.781,60	19.459,33	104.240,92
2011 - 12	29.285,59	3.205,02	59.661,69	5.403,96	54.405,49	17.260,39	71.665,88

Period	Amounts received and paid by the CIU (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	9.875.147,06	2.788.484,27	14.395.051,34	1.938.110,40
2010 - 12	14.458.736,11	5.033.016,94	6.254.804,08	2.018.425,95
2011 - 12	12.311.800,30	1.387.808,56	22.923.770,96	2.150.178,74

Period	Net asset value At the end of the period (in the currency of the class)		
Year	Of the class	Of one unit	
		Cap.	Dis.
2009 - 12	31.486.041,27	395,36	395,36
2010 - 12	48.794.367,76	468,44	466,59
2011 - 12	26.373.448,90	368,79	365,52

Institutional B shares

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2011 - 12	9.955,00		78,00		9.877,00		9.877,00

Period	Amounts received and paid by the CIU (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2011 - 12	3.546.966,50		28.534,52	

Period	Net asset value At the end of the period (in the currency of the class)		
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Year	Of the class	Of one unit	
		Cap.	Dis.
2011 - 12	3.644.404,83	368,98	

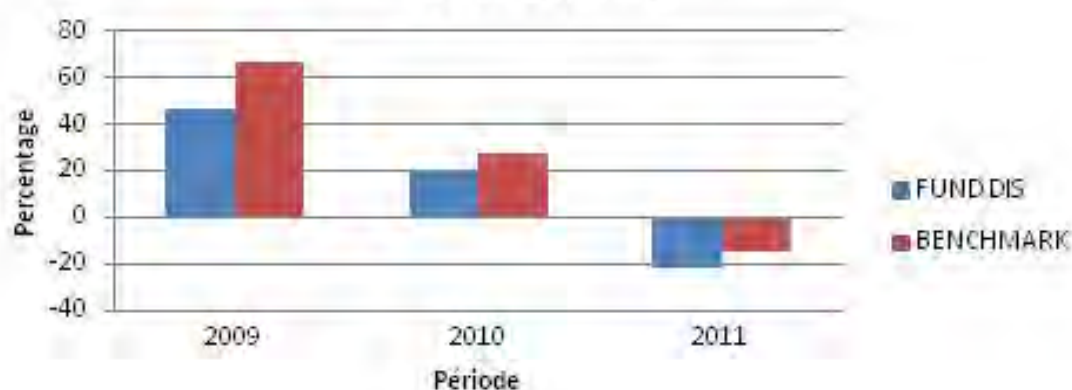
2.4.5 PERFORMANCE FIGURES

Classic shares

BE0948014338

Horizon - Access Fund Asian Infrastructure - DIS:

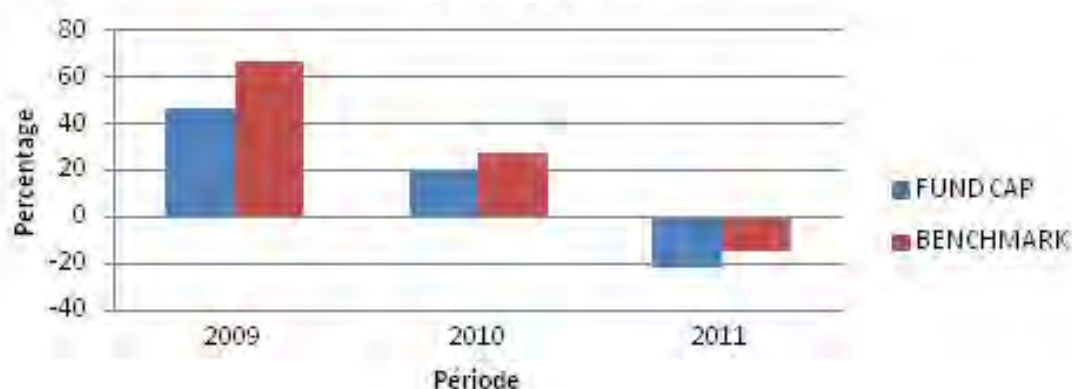
Performance sur base annuelle par rapport au benchmark en date du 31/12/2011 (en EUR)



BE0948015343

Horizon - Access Fund Asian Infrastructure - CAP:

Performance sur base annuelle par rapport au benchmark en date du 31/12/2011 (en EUR)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948015343	EUR	-21.71%	-14.54%	10.85%	22.15%					04/02/2008	-7.50%
DIS	BE0948014338	EUR	-21.72%	-14.54%	10.85%	22.15%					04/02/2008	-7.50%

* The performance figures are annualised.

This information reflects past performance and is no guarantee of future performance.

Institutional B shares

The cumulative returns are given if they are available for a period of at least one year.

Classic shares

- The bar chart shows the performance for full financial years.
- The figures take no account of possible 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 (DIS)

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:

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

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

with C a factor that is determined by all of the dividends and from the date of calculating D and the reference date.

For dividend i to date D_i with value W_i we apply:

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

$i = 1 \dots N$

where $C = C_0 * \dots * C_N$.

- 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 units.

Dividend at ex-dividend date 30/03/2012: EUR 3.24 net (EUR 4.10 gross).

Pursuant to the Royal Decree of 10 November 2006 concerning the accounting and financial statements of certain undertakings for collective investment, investors should note that the collective investment undertaking has paid out a dividend even if a negative carryforward was booked for the financial year concerned by that dividend. Investors should likewise note that the dividend to be paid out derives directly from interest, dividends and realised capital gains received on investments made in the financial year to which the dividend to be distributed relates.

2.4.6 COSTS

Total expenses ratio (TER): *

Classic shares: 1.714%

Institutional B shares: Not applicable.

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

- transaction charges;
- interest payments on borrowings;
- payments in respect of financial derivatives;
- fees and charges paid directly by the investor;
- any soft commissions.

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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. 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 belonging to the KBC Group.

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

In addition: 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 sub-fund's average total net assets.

Auditor's fee: EUR 1,700 per year. This fee does not include VAT and will be indexed 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 in 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 mutual fund 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:

- the security may not be influenced negatively for the shareholders;
- the rules covering corporate governance must be respected, except for those relating to minority shareholders' rights;
- 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 ICVC (Investment Company with Variable Capital).

Financial derivatives on financial indexes:

The following financial indexes were used as assets underlying financial derivatives:

The **Hang Seng China Enterprises** index is a market capitalization-weighted stock market index made up of shares of Chinese public-sector undertakings (H shares) listed on the Stock Exchange of Hong Kong. The index was launched on 3 January 2000 with a baseline value of 2000.

The index is published daily in L'Echo, De Tijd and The Financial Times.

Stock Exchange of Hong Kong holds all proprietary rights to the index. Stock Exchange of Hong Kong in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in this institution for collective investment. Stock Exchange of Hong Kong disclaims any responsibility for the issue and offering of shares of this institution for collective investment.

The values and the compositions, insofar as their circulation is permitted, of the above financial indexes are available in the branches providing the financial service.

Name	Maximum management fee
Horizon-Access India Fund-Classic Shares	1,50
Horizon-Access Fund Asian Infrastructure-Classic Shares	1,50
Horizon-Access Fund Asian Infrastructure-Institutional B Shares	1,50

Securities lending

In accordance with the Royal Decree of 7 March 2006 on securities lending, the collective investment undertaking has concluded a securities lending agreement with a Principal, to which ownership of the securities lent is transferred, this transfer of ownership not being expressed in terms of book values.

For the period from 01/01/2011 to 31/12/2011, the remuneration on the securities lent amounts to EUR 19.317.41. KBC Asset Management SA receives half of the net remuneration paid for the securities lent.

The detailed list of transactions involving securities lending is available for consultation at the registered office of the collective investment undertaking, Avenue du Port 2, 1080 Brussels, Belgium.

Composition of the assets lent at 31/12/2011

Bills	Currency	Quantity	Price	Valuation in the currency of the portfolio
CHINA SHIPP.CONTAINER LINES -H-	HKD	686.642	1,770	120.544,76
CLP HOLDINGS	HKD	71.000	66,050	465.131,62
DATANG INTL POWER GENERATION -H-	HKD	66.999	2,570	17.078,36
ENN ENERGY HOLDINGS LTD	HKD	40.000	24,900	98.787,96
HUANENG POWER INTERNATIONAL INC -H-	HKD	763.999	4,130	312.959,06
ZHUZHOU CSR TIMES ELECTRIC - H	HKD	5.000	17,020	8.440,62
			Total	1.022.942,38

Details of the collateral received for assets lent

Name	Currency	Nominal	Currency of the portfolio	Value in the currency of the portfolio
OESTERREICH 2003 3.8% 20/10/13	EUR	153.000	EUR	162.813,42
BUNDESREPUB.DTL. 2002 5% 04/07/12	EUR	53.000	EUR	55.677,35
BUNDESREPUB.DTL. 2004 4 1/4% 04/07/14	EUR	181.000	EUR	202.981,73
OAT FRANCE 2005 3% 25/10/15	EUR	10.000	EUR	10.560,98
FRANCE 2008 3,75% 12/01/2013	EUR	88.000	EUR	94.393,29
NEDERLAND 2002 5% 15/07/12	EUR	329.000	EUR	345.454,28
NEDERLAND 2009 4.00% 15/07/19	EUR	85.000	EUR	98.796,01
			Total	970.677,06

The collateral receivable in this list is valued according to indicative prices provided by the Collateral Management Department of KBC Bank.

This table shows that the value of the collateral received equates to less than 105% of the value of the securities lent. It might therefore be concluded, incorrectly, that the securities lending activity is under-collateralised. An additional bank business day is required for settlement of the daily collateral adjustment (i.e. the lodging or reimbursing of collateral). In other words, the collateral indicated on the date of the report reflects the collateral actually lodged and hence the partial contribution of assets on the bank business day preceding the date of the report. The mandatory collateralisation rate of 105% is complied once this correction is applied.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB GLOBAL GROWTH PLUS 8

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 31 March 2008
Subscription price: 10 CZK
Maturity date: 30 April 2012
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse the initial subscription price per unit of 10 CZK at maturity (capital protection). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). The different types of 'swaps' in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection at maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash (including money in fixed-term deposit or demand accounts). These investments may have different durations and coupon payment dates which are aligned with the expiry dates of the sub-fund's commitments through the use of the swaps referred to in the section *Permitted swap transactions (2)*.

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area;
- (2) Debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) Investments with an analogous structure and identical counterparty risk as those referred to under points (1) and (2) above.

The investments under (3) may consist of:

(A) An investment in notes listed on a stock exchange that are issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency score indicated in the section *Characteristics of the bonds and debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit at maturity (before charges and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged) to make up for this shortfall by allocating the management fee it received during the current financial year from this sub-fund and, if appropriate, from any other sub-fund of the ICVC. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management fee to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, derivatives (financial derivatives), liquid assets and any other instrument permitted under the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

The average rating for bonds and other debt instruments for the duration of the sub-fund is at least equivalent to "A-" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of rating, an average credit risk profile that the manager considers to be equivalent.

The rating for bonds and other long-term debt instruments when the investment is launched must be equivalent to at least "A-" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent .

The rating for bonds and other short-term debt instruments when the investment is launched must be equivalent to at least "A-1" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent.

All terms are taken into consideration when selecting bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. Under these swaps, the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved by using this technique.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These 'swaps' are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk of issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of default by an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value at maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of 30 top-quality corporate units (as defined below) with a high market capitalisation and a relatively low price/earnings ratio; 130% of any rise in value of the basket of 30 shares (= *Final Value after deduction of the Base Value*) divided by the *Base Value*) exceeding the full initial subscription value will be distributed at maturity.

MATURITY: Monday, 30 April 2012 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK, fluctuations of the CZK against the local currencies of the shares in the basket are not relevant.

BASE VALUE: Value of the basket based on the average stock market price of shares in the basket on the first ten Valuation Dates from Monday 7 April 2008 (inclusive).

FINAL VALUE: The value of the basket based on the average stock market price of shares in the basket on the last quarterly Valuation Date for the last 16 quarters before maturity, more precisely from June 2008 to March 2012 (inclusive).

PRICE:

For all shares, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of a share in the basket as calculated and published at closing time by the competent stock-exchange entity (or its legal successor) where the security is listed. For shares listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each share in the basket, this is a trading day for the stock exchange on which the share is listed and which is the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market for that share (suspension or limitation of trading in that security) or early close of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market for a share in the basket is disrupted or closes early, the original Valuation Date for this share becomes the next trading day on which there is no disruption or early closing, provided that date is not already a scheduled Valuation Date or already replaces a scheduled Valuation Date postponed due to disruption or early close of trading.

However, if the market is disrupted or closes early on each of the eight trading days following the scheduled Valuation Date, (i) this eighth trading day will be deemed to be the scheduled Valuation Date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closing which occurred in respect of one or more shares, (b) the change in the conditions for determining the Base Value and/or Final Value, and (c) the terms and conditions for distribution in accordance with the investment objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, on the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 4 years, which pays, at maturity, the full amount of any rise in value of the basket beyond the full initial subscription value of 10 CZK. The Base Value of the

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	140	100% * 40% = 40%	10 + 40% * 10 = 14 CZK (rendement actuariel : 8.77%, avant frais et impôts)
Scénario Neutre	115	100% * 15% = 15%	10 + 15% * 10 = 11.5 CZK (rendement actuariel : 3.55%, avant frais et impôts)
Scénario Négatif	90	100% * 0% = 0%	10 + 0% * 10 = 10 CZK (rendement actuariel : 0%, avant frais et impôts)

Basket is 100.

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share's serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ALLIANZ SE-REG	ALV GY Equity	Frankfurt	4.00%
2	ALTRIA GROUP INC	MO UN Equity	New York	4.00%
3	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	4.00%
4	BANCO SANTANDER SA	SAN SM Equity	Madrid	3.00%
5	BASF AG	BAS GY Equity	Frankfurt	5.00%
6	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.00%
7	CITIGROUP INC	C UN Equity	New York	3.00%
8	CREDIT SUISSE GROUP-REG	CSGN VX Equity	Virt-x	2.00%
9	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	4.00%
10	DIAGEO PLC	DGE LN Equity	London	2.00%
11	ENEL SPA	ENEL IM Equity	Milan	6.00%
12	FORTUM OYJ	FUM1V FH Equity	Helsinki	3.00%
13	HSBC HOLDINGS PLC	HSBA LN Equity	London	4.00%
14	ING GROEP NV-CVA	INGA NA Equity	Amsterdam	6.00%
15	INTESA SANPAOLO	ISP IM Equity	Milan	4.00%
16	JPMORGAN CHASE & CO	JPM UN Equity	New York	2.00%
17	KBC GROEP NV	KBC BB Equity	Brussels	3.00%
18	KRAFT FOODS INC-A	KFT UN Equity	New York	4.00%
19	MERCK & CO. INC.	MRK UN Equity	New York	3.00%
20	NESTLE SA-REG	NESN VX Equity	Virt-x	3.00%
21	NOKIA OYJ	NOK1V FH Equity	Helsinki	3.00%
22	PFIZER INC	PFE UN Equity	New York	4.00%
23	REYNOLDS AMERICAN INC	RAI UN Equity	New York	4.00%
24	ROYAL DUTCH SHELL PLC	RDSANA Equity	Amsterdam	2.00%
25	RWE AG	RWE GY Equity	Frankfurt	3.00%
26	SIEMENS AG-REG	SIE GY Equity	Frankfurt	2.00%
27	SUNTRUST BANKS INC	STI UN Equity	New York	2.00%
28	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
29	TOTAL	FP FP Equity	Paris	2.00%
30	VIVENDI	VIV FP Equity	Paris	3.00%

Selection criteria for the basket:

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) the share has a major market capitalisation and a low price/earnings ratio, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the Maturity Date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the Maturity Date as profit on the share for the purpose of calculating the final rise in value of the basket on the Maturity Date.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code*.

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) resident in another EU Member State (or one of the dependent or associated territories) is obliged to inform the Belgian authorities of this payment. The Belgian authorities will in turn pass on the information to the tax authorities in the beneficial owner's country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor held the units.

This tax is levied at 15%.

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, with the exception of technical and legal setup and updating of the sub-fund, to KBC Fund Management Ltd., Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 INVESTMENT POLICY

Composition of the basket on the date of the report

Name	Value
ALLIANZ SE-REG	2,2614
ALTRIA GROUP INC	5,5126
BANCO BILBAO VIZCAYA ARGENTA	1,8968
BANCO SANTANDER SA	1,4152
BASF SE	5,8949
BRITISH AMERICAN TOBACCO PLC	4,7830
CITIGROUP INC	0,3389
CREDIT SUISSE GROUP AG-REG	0,8032
DEUTSCHE POST AG-REG	2,3274
DIAGEO PLC	2,6654
ENEL SPA	3,0095
FORTUM OYJ	1,9450
HSBC HOLDINGS PLC (LONDON)	2,6528
ING GROEP NV-CVA	1,7107
INTESA SANPAOLO	1,1710
JPMORGAN CHASE & CO	1,5172
KBC GROEP NV	0,3348
KRAFT FOODS INC-CLASS A	4,8295
MERCK & CO. INC.	2,7785
NESTLE SA-REG	3,1554
NOKIA OYJ	0,5525
PFIZER INC	4,1754
REYNOLDS AMERICAN INC	5,7166
ROYAL DUTCH SHELL PLC-A SHS (AMSTRDAM)	2,4243
RWE AG	1,0354
SIEMENS AG-REG	2,0846
SUNTRUST BANKS INC	0,6598
TELEFONICA SA (SM)	2,0995
TOTAL SA	1,5784
VIVENDI	1,9601
TOTAL	73,29

Performance of the index or basket

Index:	BASKET
31/12/2010:	78,59
30/06/2011:	81,52
29/12/2011:	73,29
Performance since 31 December 2010 or since the launch of the sub-fund:	-6,74%
Performance since 30 June 2011 or since the launch of the sub-fund:	-10,10%
Index at the launch of the sub-fund	100,00
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	CZK

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at launch: IV

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. The risk is rated on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating:

The risk rating is (re)calculated in accordance with FSMA Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive interim evaluation rounds put it in a different rating category to the original rating.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
TOTAL NET ASSETS	87.756.215,83	94.314.095,19
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	78.622.990,68	86.325.916,85
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-26.979,59	-449.378,69
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		20.351,75
B. Debts		
a) Accounts payable (-)		-214.699,24
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	1.393.192,51	430.870,37
B. Term accounts at banks	7.750.387,50	8.181.275,60
VI. Accruals and deferrals		
B. Accrued income	23.206,94	26.856,50
C. Accrued expenses (-)	-6.582,21	-7.097,95
TOTAL CAPITAL AND RESERVES	87.756.215,83	94.314.095,19
A. Capital	88.994.352,31	92.827.090,00
B. Share in profit	-29.829,66	-43.964,75
D. Result for the financial year	-1.208.306,82	1.530.969,94

OFF-BALANCE-SHEET ITEMS

IV Notional amounts of swap contracts (+)	89.931.970,00	93.620.560,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-1.645.501,91	79.518,27
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	396.947,83	1.697.848,92
G. Receivables, deposits, cash at bank and in hand, and payables	-888,10	1.950,70
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-1.103,51	-1.724,82
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	1.291.609,68	1.468.902,36
b) Deposits and cash at bank and in hand	98.998,74	140.391,62
C. Interest on borrowings (-)	-12,58	
D. Swap contracts (+/-)	-92.738,98	-469.324,91
III. Other income		
A. Fees to cover the costs for the renewal and disposal of assets, to discourage redemption and to cover delivery costs	53.495,69	70.325,78
B. Other	-17.075,93	28.891,36
IV. Operating expenses		
B. Financial expenses (-)	-16.802,74	-19.682,95
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-1.186.059,93	-1.330.313,83
b) Administration and accounting management	-45.947,85	-48.546,97
F. Formation and organisation expenses (-)	-11.193,50	-13.592,08
G. Remuneration, social security charges and pensions (-)	-90,10	-146,56
H. Services and sundry goods (-)	-18.424,96	-33.930,13
J. Taxes	-1.040,41	-26.143,49
K. Other expenses (-)	-6.390,01	-6.905,95
Income and expenditure for the period		
Subtotal II + III + IV before tax on the profit	42.238,87	-246.623,13
V. Profit (loss) on ordinary activities before tax	-1.208.306,82	1.530.969,94
VII. Result for the financial year	-1.208.306,82	1.530.969,94

Profit appropriation account

	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Profit to be allocated (loss to be recognised)		
Profit for the period available for appropriation (loss to be recognised)	-1.238.136,48	1.487.005,19
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-29.829,66	-43.964,75
II. (Appropriations to) Deductions from capital	1.238.136,48	-1.487.005,19

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF ASSETS OF HORIZON CSOB GLOBAL GROWTH PLUS 8

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 23/09-21/03 3.63%	8.050.000,00	CZK	97,445	7.875.251,27		10,02	8,97
BEECHWOOD STRUCTURED FIN PLC 6P-10 23/09-23/03 3.63%	8.100.000,00	CZK	96,471	7.845.227,49		9,98	8,94
BROOKFIELDS CAPITAL PLC 6P-10 23/09-23/03 3.63%	8.050.000,00	CZK	97,737	7.898.720,16		10,05	9,00
EPERON FINANCE PLC 6P-10 23/09-23/03 3.63%	8.050.000,00	CZK	97,349	7.867.475,05		10,01	8,97
ESPACCIO SECURITIES PLC 6P-10 23/09-23/03 3.63%	4.050.000,00	CZK	96,491	3.923.443,83		4,99	4,47
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 23/09-23/03 3.63%	4.050.000,00	CZK	96,548	3.925.722,04		5,00	4,47
NIMROD CAPITAL PLC 6P-10 23/09-23/03 3.63%	4.050.000,00	CZK	97,616	3.968.992,36		5,05	4,52
OPAL FINANCIAL PRODUCTS PLC 6P-10 23/09-23/03 3.63%	4.050.000,00	CZK	96,742	3.933.593,09		5,01	4,48
PROFILE FINANCE PLC 6P-10 23/09-23/03 3.63%	4.050.000,00	CZK	97,253	3.954.305,36		5,03	4,51
RECOLTE SECURITIES PLC 6P-10 23/09-23/03 3.63%	4.050.000,00	CZK	96,358	3.918.063,73		4,99	4,47
SILVERSTATE FIN INV PLC 6P-10 23/09-23/03 3.63%	4.000.000,00	CZK	96,921	3.892.188,33		4,95	4,44
VESPUCCI STRUCTURED FIN PROD 6P-10 23/09-23/03 3.63%	4.050.000,00	CZK	97,112	3.948.567,52		5,02	4,50
VIGADO CAPITAL PLC 6P-10 23/09-23/03 3.63%	4.050.000,00	CZK	96,406	3.919.975,53		4,99	4,47
VOYCE INVESTMENTS PLC 6P-10 23/09-23/03 3.63%	4.000.000,00	CZK	97,865	3.929.950,13		5,00	4,48
WATERFORD CAPITAL INC PLC 6P-10 23/09-23/03 3.63%	4.050.000,00	CZK	96,268	3.914.396,58		4,98	4,46
WAVES FINANCIAL INV PLC 6P-10 23/09-23/03 3.63%	4.000.000,00	CZK	97,294	3.907.118,21		4,97	4,45
Total bonds				78.622.990,68		100,03	89,59
Swaps							
<u>Belgium</u>							
KBC SWAPS	89.931.970,00	CZK	-0,030	-26.979,59		-0,03	-0,03
Total swaps				-26.979,59		-0,03	-0,03
TOTAL SECURITIES PORTFOLIO				78.596.011,09		100,00	89,56
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	1.357.768,33	CZK	1,000	1.357.768,33			1,55
KBC GROUP EURO	1.389,02	EUR	1,000	35.424,18			0,04
Total demand accounts				1.393.192,51			1,59
Time deposit accounts							
<u>Belgium</u>							
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	7.750.000,00	CZK	100,005	7.750.387,50			8,83
Total time deposit accounts				7.750.387,50			8,83
TOTAL CASH AT BANK AND IN HAND				9.143.580,01			10,42

OTHER						
Accrued interest		CZK		23.206,94		0,03
Expenses payable		CZK		-6.582,21		-0,01
TOTAL OTHER				16.624,73		0,02
TOTAL NET ASSETS				87.756.215,83		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
EQLISWAP	CZK	89.931.970,00	89.931.970,00	n.a.	30.06.2011

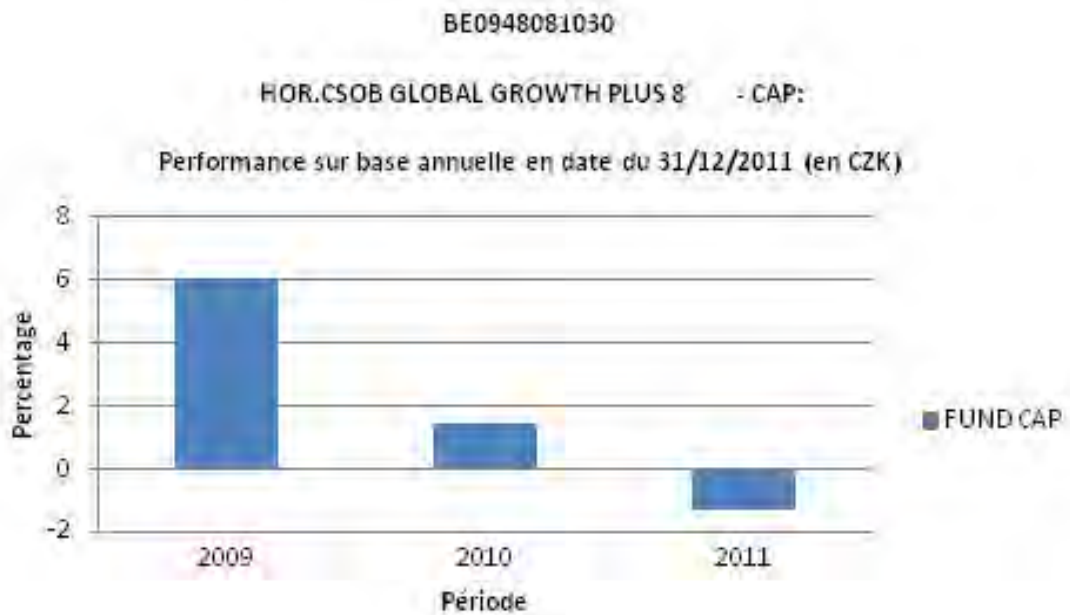
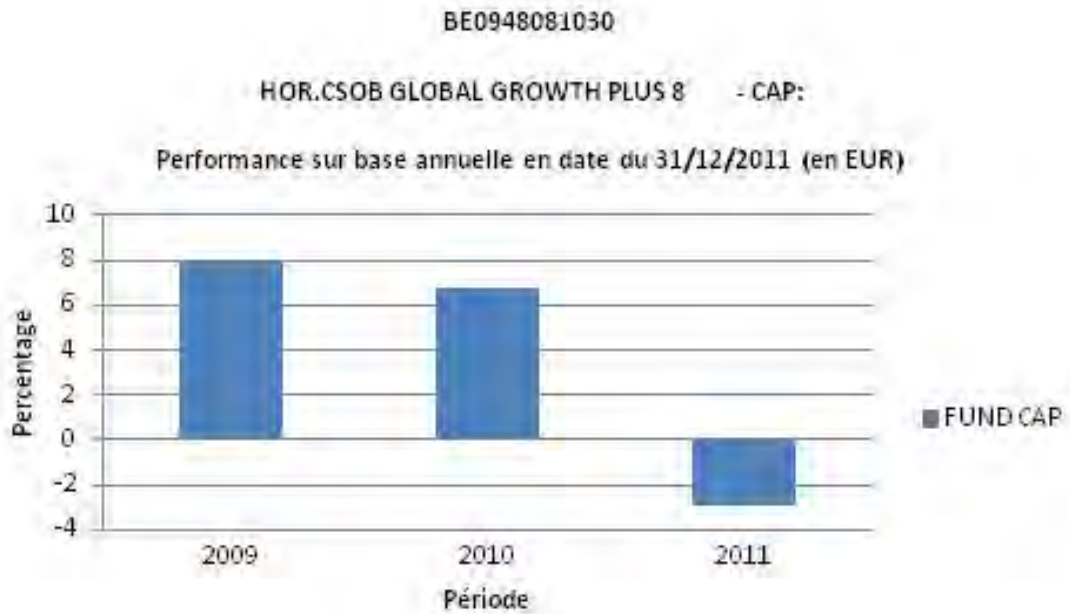
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		532.611,00		10.229.380,00		10.229.380,00
2010 - 12	6.000,00		704.190,00		9.531.190,00		9.531.190,00
2011 - 12	0,00		538.831,00		8.992.359,00		8.992.359,00

Period	Amounts received and paid by the UCI (in the sub-fund's currency)			
	Subscriptions		Redemptions	
	Capitalisation	Distribution	Capitalisation	Distribution
2009 - 12	0,00		5.009.592,06	
2010 - 12	59.640,00		6.972.941,66	
2011 - 12	0,00		5.349.572,54	

Period	Net asset value At the end of the period (in the currency of the sub-fund)		
	of the sub-fund	of one unit	
		Capitalisation	Distribution
2009 - 12	99.696.426,91	9,75	
2010 - 12	94.314.095,19	9,90	
2011 - 12	87.756.215,83	9,76	

2.4.5 PERFORMANCE FIGURES



Cap Dis	ISIN code	Curren- cy	1 year		3 years*		5 years*		10 years*		Since launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948081030	EUR	-2.91%		3.79%						31/03/2008	-0.50%
CAP	BE0948081030	CZK	-1.31%		2.03%						31/03/2008	-0.65%

* Performance figures shown are annualised.

Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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.
- 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

- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.436%

* 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 UCI.

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

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1 000 euros per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB KRATKODOBEHO RUSTU 8

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 31 March 2008
Initial subscription price: 10 CZK
Maturity date: 31 January 2012
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse the initial subscription price per unit of CZK 10 at maturity (capital protection). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection at maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash (including money in fixed-term deposit or demand accounts). These investments may have different durations and coupon payment dates which are aligned with the expiry dates of the sub-fund's commitments through the use of the swaps referred to in the section *Permitted swap transactions*(2).

Characteristics to be met by the investments

The deposits, bonds and other debt instruments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area;
- (2) Debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) Investments with an analogous structure and identical counterparty risk as those referred to under points (1) and (2) above.

The investments under (3) may consist of:

- (A) An investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit at maturity (before charges and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and, if appropriate, from any other sub-fund of the ICVC. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, derivatives (financial derivatives), liquid assets and any other instrument permitted under the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

The average rating for bonds and other debt instruments for the duration of the sub-fund is at least equivalent to "A-" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of rating, an average credit risk profile that the manager considers to be equivalent.

The rating for bonds and other long-term debt instruments when the investment is launched must be equivalent to at least "A-" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent .

The rating for bonds and other short-term debt instruments when the investment is launched must be equivalent to at least "A-1" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent.

All terms are taken into consideration when selecting bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. Under these swaps, the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved by using this technique.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value at maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of 30 top-quality corporate units (as defined below) with a high market capitalisation and a relatively low price/earnings ratio; 120% of any rise in value of the basket of 30 shares (= *Final Value after deduction of the Base Value*) divided by the *Base Value*) exceeding the full initial subscription value will be distributed at maturity.

MATURITY: Tuesday, 31 January 2012 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against the local currencies of the equities in the basket are not relevant.

BASE VALUE: Value of the basket based on the average stock market price of shares in the basket on the first ten Valuation Dates from Monday 7 April 2008 (inclusive).

FINAL VALUE: The value of the basket based on the average stock market price of shares in the basket on the last quarterly Valuation Date for the last 15 quarters before maturity, more precisely from June 2008 to December 2011 (inclusive).

PRICE:

For all shares, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of an equity in the basket as calculated and published at closing the stock exchange close by the competent stock-exchange entity (or its legal successor) where the security is listed. For shares listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each share in the basket, this is a trading day for the stock exchange on which the share is listed and which is the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market for that share (suspension or limitation of trading in that security) or early close of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market in a share in the basket is disrupted or closes early, the original Valuation Date for this share is replaced by the next trading day on which there is no disruption or early closing, provided that date is not already a scheduled Valuation Date or already replaces a scheduled Valuation Date postponed because of disruption or early closing of the market.

However, if the market is disrupted or closes early on each of the eight trading days following the scheduled Valuation Date, (i) this eighth trading day will be deemed to be the scheduled Valuation Date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closing which occurred in respect of one or more shares, (b) the change in the conditions for determining the Base Value and/or Final Value, and (c) the terms and conditions for distribution in accordance with the investment objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 3 years and 9 months which pays, at maturity, the full amount of any rise in value of the basket beyond the full initial subscription value of 10 CZK. The Base

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	140	100% * 40% = 40%	10 + 40% * 10 = 14 CZK (rendement actuariel : 9.38%, avant frais et impôts)
Scénario Neutre	115	100% * 15% = 15%	10 + 15% * 10 = 11.5 CZK (rendement actuariel : 3.79%, avant frais et impôts)
Scénario Négatif	90	100% * 0% = 0%	10 + 0% * 10 = 10 CZK (rendement actuariel : 0%, avant frais et impôts)

Value of the Basket is 100.

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share's serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ALLIANZ SE-REG	ALV GY Equity	Frankfurt	4.00%
2	ALTRIA GROUP INC	MO UN Equity	New York	4.00%
3	ASSICURAZIONI GENERALI	G IM Equity	Milan	2.00%
4	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	4.00%
5	BANCO SANTANDER SA	SAN SM Equity	Madrid	3.00%
6	BASF AG	BAS GY Equity	Frankfurt	5.00%
7	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.00%
8	CITIGROUP INC	C UN Equity	New York	3.00%
9	CREDIT SUISSE GROUP-REG	CSGN VX Equity	Virt-x	2.00%
10	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	4.00%
11	DIAGEO PLC	DGE LN Equity	London	2.00%
12	ENI SPA	ENI IM EQUITY	Milan	6.00%
13	FORTUM OYJ	FUM1V FH Equity	Helsinki	3.00%
14	HSBC HOLDINGS PLC	HSBA LN Equity	London	4.00%
15	ING GROEP NV-CVA	INGA NA Equity	Amsterdam	6.00%
16	INTESA SANPAOLO	ISP IM Equity	Milan	4.00%
17	JPMORGAN CHASE & CO	JPM UN Equity	New York	2.00%
18	KBC GROEP NV	KBC BB Equity	Brussels	3.00%
19	KRAFT FOODS INC-A	KFT UN Equity	New York	4.00%
20	MERCK & CO. INC.	MRK UN Equity	New York	3.00%
21	NATIONAL GRID PLC	NG/ LN Equity	London	4.00%
22	NESTLE SA-REG	NESN VX Equity	Virt-x	3.00%
23	NOKIA OYJ	NOK1V FH Equity	Helsinki	3.00%
24	PFIZER INC	PFE UN Equity	New York	4.00%
25	RWE AG	RWE GY Equity	Frankfurt	3.00%
26	SIEMENS AG-REG	SIE GY Equity	Frankfurt	2.00%
27	SUNTRUST BANKS INC	STI UN Equity	New York	2.00%
28	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
29	TOTAL	FP FP Equity	Paris	2.00%
30	VIVENDI	VIV FP Equity	Paris	3.00%

Selection criteria for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) the share has a major market capitalisation and a low price/earnings ratio, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the Maturity Date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the Maturity Date as profit on the share for the purpose of calculating the final rise in value of the basket on the Maturity Date.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor held the units. This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 INVESTMENT POLICY

Composition of the basket on the date of the report

Name	Value
ALLIANZ SE-REG	2,2614
ALTRIA GROUP INC	5,5126
ASSICURAZIONI GENERALI	0,7793
BANCO BILBAO VIZCAYA ARGENTA	1,8968
BANCO SANTANDER SA	1,4152
BASF SE	5,8949
BRITISH AMERICAN TOBACCO PLC	4,7830
CITIGROUP INC	0,3389
CREDIT SUISSE GROUP AG-REG	0,8032
DEUTSCHE POST AG-REG	2,3274
DIAGEO PLC	2,6654
ENI SPA	4,0835
FORTUM OYJ	1,9450
HSBC HOLDINGS PLC (LONDON)	2,6528
ING GROEP NV-CVA	1,7107
INTESA SANPAOLO	1,1710
JPMORGAN CHASE & CO	1,5172
KBC GROEP NV	0,3348
KRAFT FOODS INC-CLASS A	4,8295
MERCK & CO. INC.	2,7785
NATIONAL GRID PLC	3,8627
NESTLE SA-REG	3,1554
NOKIA OYJ	0,5525
PFIZER INC	4,1754
RWE AG	1,0354
SIEMENS AG-REG	2,0846
SUNTRUST BANKS INC	0,6598
TELEFONICA SA (SM)	2,0995
TOTAL SA	1,5784
VIVENDI	1,9601
TOTAL	70,86

Performance of the index or basket

Index: **BASKET**

31/12/2010: **76,96**

30/06/2011: **78,94**

29/12/2011: **70,87**

Performance since 31 December 2010 or since the launch of the sub-fund: **-7,91%**

Performance since 30 June 2011 or since the launch of the sub-fund: **-10,22%**

Index at the launch of the sub-fund **100,00**

Minimum guaranteed return in local currency on the maturity date: **10,00**

Local currency: **CZK**

Fixings

Period	Final date	Final value	Cap
1	30/12/2011	n.a.	0,00%

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at launch: IV

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. The risk is rated on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with FSMA Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive interim evaluation rounds puts it in different rating category to the original rating.

The new risk rating will be specified in the annual (interim) reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
TOTAL NET ASSETS	83.082.216,26	93.099.679,74
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	74.530.159,52	85.528.888,61
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	66.651,54	-518.407,54
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		19.922,21
B. Debts		
a) Accounts payable (-)		-411.642,00
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	1.210.784,50	821.655,25
B. Term accounts at banks	7.261.089,00	7.641.183,80
VI. Accruals and deferrals		
B. Accrued income	19.763,33	25.074,50
C. Accrued expenses (-)	-6.231,63	-6.995,09
TOTAL CAPITAL AND RESERVES	83.082.216,26	93.099.679,74
A. Capital	84.081.266,07	91.717.758,92
B. Share in profit	-2.138,20	12.966,18
D. Result for the financial year	-996.911,61	1.368.954,64

OFF-BALANCE-SHEET ITEMS

IV Notional amounts of swap contracts (+)	83.314.425,00	92.572.775,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-1.546.208,93	73.955,37
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	516.120,55	1.474.421,85
G. Receivables, deposits, cash at bank and in hand, and payables	-94,80	3.863,80
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-763,72	2.192,25
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	1.242.300,10	1.455.199,25
b) Deposits and cash at bank and in hand	87.348,30	139.795,04
C. Interest on borrowings (-)	-14,04	
D. Swap contracts (+/-)	-199.402,56	-589.213,33
III. Other income		
A. Fees to cover the costs for renewal and disposal of assets, to discourage redemption and to cover delivery costs	90.205,44	85.776,37
B. Other	-16.664,72	28.007,58
IV. Operating expenses		
B. Financial expenses (-)	-15.998,64	-25.264,18
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-1.067.263,44	-1.145.328,64
b) Administration and accounting management	-43.142,29	-48.161,59
F. Formation and organisation expenses (-)	-10.654,95	-13.475,70
G. Remuneration, social security charges and pensions (-)	-85,28	-143,98
H. Services and sundry goods (-)	-19.476,30	-33.721,43
J. Taxes	-986,00	-25.598,67
K. Other expenses (-)	-6.042,08	-6.801,97
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	34.035,29	-185.478,63
V. Profit (loss) on ordinary activities before tax	-996.911,61	1.368.954,64
VII. Result for the financial year	-996.911,61	1.368.954,64

Profit appropriation account

	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Profit to be allocated (loss to be recognised)		
Profit for the period available for appropriation (loss to be recognised)	-999.049,81	1.381.920,82
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-996.911,61	1.368.954,64
	-2.138,20	12.966,18
II. (Appropriations to) Deductions from capital	999.049,81	-1.381.920,82

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF ASSETS OF HORIZON CSOB KRATKODOBEHO RUSTU 8

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 23/09-21/03 3.63%	7.600.000,00	CZK	97,445	7.435.019,83		9,97	8,95
BEECHWOOD STRUCTURED FIN PLC 6P-10 23/09-23/03 3.63%	7.700.000,00	CZK	96,471	7.457.808,84		10,00	8,98
BROOKFIELDS CAPITAL PLC 6P-10 23/09-23/03 3.63%	7.600.000,00	CZK	97,737	7.457.176,79		10,00	8,98
EPERON FINANCE PLC 6P-10 23/09-23/03 3.63%	7.650.000,00	CZK	97,349	7.476.544,61		10,02	9,00
ESPACCIO SECURITIES PLC 6P-10 23/09-23/03 3.63%	3.850.000,00	CZK	96,491	3.729.693,52		5,00	4,49
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 23/09-23/03 3.63%	3.850.000,00	CZK	96,548	3.731.859,22		5,00	4,49
NIMROD CAPITAL PLC 6P-10 23/09-23/03 3.63%	3.800.000,00	CZK	97,616	3.723.992,83		4,99	4,48
OPAL FINANCIAL PRODUCTS PLC 6P-10 23/09-23/03 3.63%	3.850.000,00	CZK	96,742	3.739.341,58		5,01	4,50
PROFILE FINANCE PLC 6P-10 23/09-23/03 3.63%	3.850.000,00	CZK	97,253	3.759.031,02		5,04	4,52
RECOLTE SECURITIES PLC 6P-10 23/09-23/03 3.63%	3.850.000,00	CZK	96,358	3.724.579,10		4,99	4,48
SILVERSTATE FIN INV PLC 6P-10 23/09-23/03 3.63%	3.800.000,00	CZK	96,921	3.697.578,92		4,96	4,45
VESPUCCI STRUCTURED FIN PROD 6P-10 23/09-23/03 3.63%	3.800.000,00	CZK	97,112	3.704.828,79		4,97	4,46
VIGADO CAPITAL PLC 6P-10 23/09-23/03 3.63%	3.850.000,00	CZK	96,406	3.726.396,49		5,00	4,49
VOYCE INVESTMENTS PLC 6P-10 23/09-23/03 3.63%	3.800.000,00	CZK	97,865	3.733.452,63		5,01	4,49
WATERFORD CAPITAL INC PLC 6P-10 23/09-23/03 3.63%	3.850.000,00	CZK	96,268	3.721.093,04		4,99	4,48
WAVES FINANCIAL INV PLC 6P-10 23/09-23/03 3.63%	3.800.000,00	CZK	97,294	3.711.762,31		4,98	4,47
Total bonds				74.530.159,52		99,91	89,71
Swaps							
<u>Belgium</u>							
KBC SWAPS	83.314.425,00	CZK	0,080	66.651,54		0,09	0,08
Total swaps				66.651,54		0,09	0,08
TOTAL SECURITIES PORTFOLIO				74.596.811,06		100,00	89,79
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	1.184.680,39	CZK	1,000	1.184.680,39			1,43
KBC GROUP EURO	1.023,57	EUR	1,000	26.104,11			0,03
Total demand accounts				1.210.784,50			1,46
Time deposit accounts							
<u>Belgium</u>							
KBC BANK NV 23/09-20/01/12 KBCBANK 1.000 %	7.260.000,00	CZK	100,015	7.261.089,00			8,74
Total time deposit accounts				7.261.089,00			8,74
TOTAL CASH AT BANK AND IN HAND				8.471.873,50			10,20

OTHER						
Accrued interest		CZK		19.763,33		0,02
Expenses payable		CZK		-6.231,63		-0,01
TOTAL OTHER				13.531,70		0,02
TOTAL NET ASSETS				83.082.216,26		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
EQLISWAP	CZK	83.314.425,00	83.314.425,00	n.a.	30.11.2011

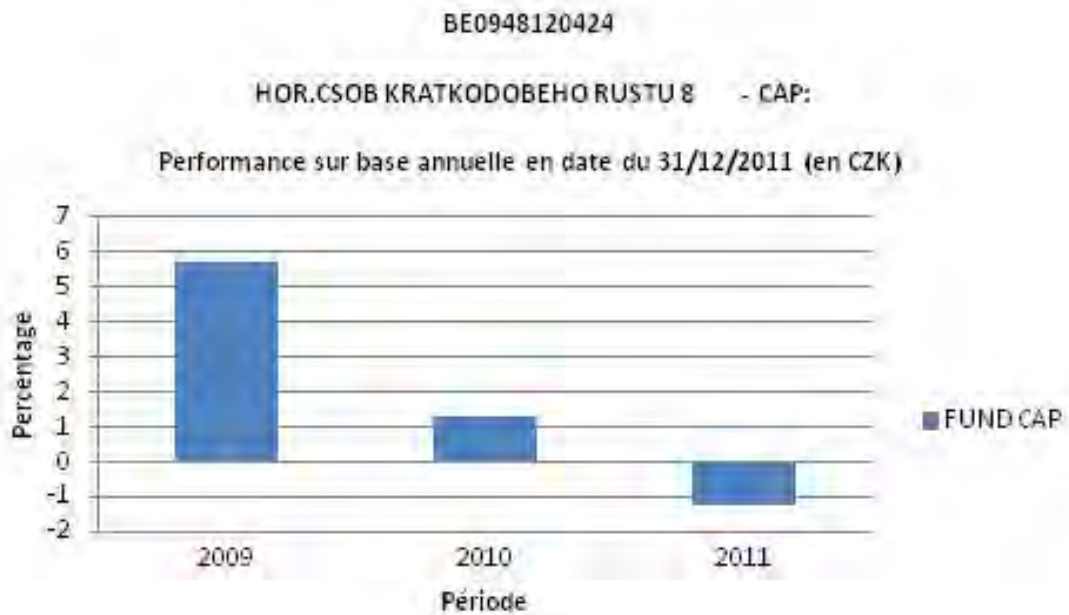
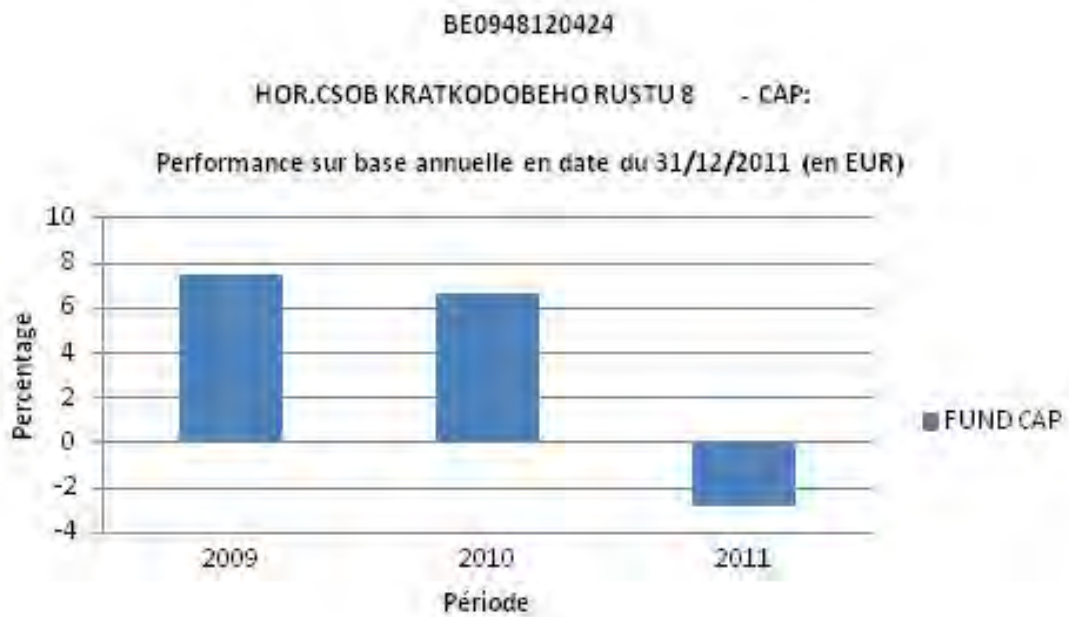
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		96.400,00		10.265.480,00		10.265.480,00
2010 - 12	3.050,00		864.328,00		9.404.202,00		9.404.202,00
2011 - 12	0,00		905.160,00		8.499.042,00		8.499.042,00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
	Subscriptions		Redemptions	
	Capitalisation	Distribution	Capitalisation	Distribution
2009 - 12	0,00		903.589,50	
2010 - 12	30.225,50		8.547.415,72	
2011 - 12	0,00		9.020.551,87	

Period	Net asset value At the end of the period (in the currency of the sub-fund)		
	of the sub-fund	of one unit	
		Capitalisation	Distribution
2009 - 12	100.247.915,32	9,77	
2010 - 12	93.099.679,74	9,90	
2011 - 12	83.082.216,26	9,78	

2.4.5 PERFORMANCE FIGURES



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948120424	EUR	-2.81%		3.67%						31/03/2008	-0.45%
CAP	BE0948120424	CZK	-1.21%		1.91%						31/03/2008	-0.59%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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.
- 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
- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.365%

- * 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of investment policy" in this report.

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In the event of discrepancies between the Dutch and the other language versions of the Annual or Interim Report, the Dutch shall prevail.

2 INFORMATION ON HORIZON ACCESS FUND VIETNAM

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 3 March 2008
Initial subscription price: 500 EUR
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND:

The main object 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 specified object.

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

PERMITTED DERIVATIVES TRANSACTIONS

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

Changes are made to investments at regular intervals in keeping with the sub-fund's investment strategy. **In addition, listed and unlisted derivatives may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indexes, 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 hedge some of the exposure to the currency exposure relative to the currency in which the fund is denominated (euro). They may therefore mitigate the exchange risk, expressed in EUR, and consequently also the market risk and return risk.

Derivatives are liquid instruments and readily negotiable. Hence, they have no impact on the liquidity risk.

Derivatives are also used for the purposes of the investment policy and strategy. Therefore they have no other impact on the market risk, return risk, concentration risk or the external risk factors or indeed on any other risk.

Strategy selected

The assets are invested primarily in Vietnamese shares.

Risk concentration

Vietnamese shares.

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

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests no more than 15% of its assets directly, or indirectly, in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:

- the Act 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 the 1992 Income Tax Code on withholding tax;*
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code;*
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

Because this UCITS invests no more than 15% of its assets directly, or indirectly, in debt claims within the meaning of the European Savings Directive, its income does not fall within the scope of the 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 of the 1992 Income Tax Code.)

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

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management to KBC Fund Management 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

Benchmark

Ho Chi Minh Stock. This benchmark is used as the reference for calculating the performance fee.

2.1.7 INVESTMENT POLICY

The biggest positions in KBC Horizon Access Fund Vietnam are Masan Group, Vincom, Bao Viet Holdings, Vietnam Dairy Products and FPT Corp. In 2011 the Ho Chi Minh Stock Index fell by 31% expressed in EUR. The fund performed approximately 1% better (after deduction of expenses) than the benchmark.

The Vietnamese market peaked in February but began falling from 11 February onwards after the State Bank of Vietnam (SBV) had devalued the dong by 9%. Before then the dong was being traded on the black market at around 10% below its official exchange rate. This was the fourth devaluation in Vietnam in 15 months aimed at getting the trade deficit under control and narrowing the gap between the official exchange rate and the exchange rate on the black market. The devaluation was positively received and the market had correctly anticipated the timing, although the devaluation was bigger than expected; the previous ones had been around 2-5%. The IMF emphasised that in view of the additional inflationary pressures that the devaluation would bring, Vietnam needed to take more extensive measures to restore macroeconomic stability. Investors' negative inflation expectations meant that the equity market - which was already falling - declined still further. At 12.3%, inflation in February remained at much the same high level as in January. When the increase in energy prices worked through into the CPI figures the rate of inflation rose, reaching 20.8% in June.

In early June the SBV surprised by cutting interest rates through open market operations by 1% (from 15% to 14%). It was suspected that the policymakers had brought down interest rates in response to the lower-than-expected GDP growth figures for the second quarter, which was announced in June. GDP growth for that quarter came in at 5.6%, below the target of 6%. Inflation nearly doubled in 2011, from 12% in January to 23% in August, as food prices rose less rapidly with an improvement in the supply. At the end of August the government unexpectedly announced a reduction in petrol prices for private individuals, followed by a reduction in both diesel and kerosene prices. The market responded positively to these decisions as they eased the pressure on the CPI and demonstrated that the government was intent on bringing inflation under control. In December the CPI stood at 18.1%. This meant that the SBV met its (revised) inflation target of 18% at the end of the year. Investor sentiment also improved in August on the announcement by the government that it would be keeping interest rates at the same level for the rest of the year. This brought an end to the monetary tightening cycle. Commercial lending rates were well above the policy rate, making it difficult for businesses to raise a loan. The SBV established a group consisting of the 12 largest banks, which meets every quarter to discuss policy. By taking this step the SBV emphasised its willingness to involve the market in policy formulation and so assure the smooth application of its policies. The trade deficit in 2011 amounted to 9.5 billion USD, approximately 23% lower than in the corresponding period the previous year and the lowest for the past 10 years. Exports remained surprisingly strong throughout the year and ended the period 39% up on 2010, the highest level since 1995. GDP growth in Vietnam in 2011 was 5.89%, in line with expectations. In November the National Assembly approved the economic five-year plan for 2011-2015. Under the plan, GDP growth is expected to grow by 6.5-7%, consumer price inflation is seen as remaining between 5% and 7% and the trade deficit is expected to fall to less than 10% of export earnings by 2015.

Horizon Access Fund Vietnam outperformed the Ho Chi Minh Stock Index during the period by around 1% (after deduction of expenses). The share allocation within the Consumer discretionary sector contributed towards the outperformance, together with our underweight position in Industrials. The main negative contributions to the performance came from Consumer Staples and Financials, on account of our respectively underweight and overweight positions.

2.1.8 FUTURE INVESTMENT POLICY

The slowing growth should help ensure a slower rise of the CPI in 2012. The Vietnamese central bank is aiming at inflation of less than 10% by the end of the year. Inflation will remain a continuing focus of attention for the government, but the latter also wants to stimulate growth. In our view the biggest, and growing, risk for the market today is that of an unduly rapid relaxation of policy. Vietnam does not have a strong tradition in this regard. The governor of the central bank recently hinted that interest rate cuts were in prospect. While the end of monetary tightening is good news for investors (with inflation going in the right direction, although it still remains very high) it is vital that policymakers manage their supporting measures efficiently. The SBV must give top priority to macroeconomic stability, and then to growth. Vietnam

remains an exceptional investment opportunity in the medium term. We continue to have confidence that it can post sustainable and strong economic growth within that time-horizon.

2.1.9 RISK RATING

On a scale from 0 to 6.

Current risk rating: 6

Risk rating at launch: 6

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
TOTAL NET ASSETS	11.099.268,46	14.095.679,91
II. Securities, money market instruments, UCIs and derivative financial instruments		
C. Shares and similar instruments		
a) Shares	10.963.857,32	13.923.178,54
D. Other securities		248.838,27
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	1.183,36	19.810,92
B. Debts		
a) Accounts payable (-)	-6.243,67	-27.416,87
c) Borrowings (-)		-106.427,30
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	132.477,44	4.954,28
VI. Accruals and deferrals		
A. Expenses to be carried forward	517,80	-44,49
B. Accrued income	21.633,20	49.292,53
C. Accrued expenses (-)	-14.156,99	-16.505,97
TOTAL CAPITAL AND RESERVES	11.099.268,46	14.095.679,91
A. Capital	11.340.853,70	9.805.600,81
B. Share in profit	-3.599,06	-101.614,92
C. Profit (loss) brought forward	4.275.197,41	3.036.334,84
D. Result for the financial year	-4.513.183,59	1.355.359,18

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Write-downs and capital gains and losses		
C. Shares and similar instruments		
a) Shares	-4.209.276,83	728.205,45
D. Other securities	1.733,82	-5.561,48
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-410.523,23	651.452,34
II. Investment income and expenses		
A. Dividends	427.611,77	269.788,70
B. Interest		
b) Deposits and cash at bank and in hand	1.008,19	566,73
C. Interest on borrowings (-)	-1.477,13	-665,55
III. Other income		
B. Other	-1.639,92	3.575,10
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-72.968,58	-62.351,35
B. Financial expenses (-)	-6.543,51	-1.384,11
C. Custodian's fee (-)	-10.839,93	-8.368,70
D. Manager's fee (-)		
a) Financial management	-200.517,48	-185.387,50
b) Administration and accounting management	-12.975,70	-12.894,51
E. Administrative expenses (-)	-35,69	
F. Formation and organisation expenses (-)	-1.646,34	-1.379,73
G. Remuneration, social security charges and pensions (-)	-13,03	-3,82
H. Services and sundry goods (-)	-3.096,37	-2.871,00
J. Taxes	-5.947,78	-12.038,67
K. Other expenses (-)	-6.035,85	-5.322,72
Income and expenditure for the period		
Subtotal II + III + IV before tax on the profit	104.882,65	-18.737,13
V. Profit (loss) on ordinary activities before tax	-4.513.183,59	1.355.359,18
VII. Result for the financial year year	-4.513.183,59	1.355.359,18

**Profit appropriation
statement**

	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
I. Profit to be allocated (loss to be recognised)	-241.585,24	4.290.079,10
Profit (loss) brought forward from the previous financial year	4.275.197,41	3.036.334,84
Profit for the year available for appropriation (Loss to be recognised)	-4.513.183,59	1.355.359,18
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-3.599,06	-101.614,92
II. (Appropriations to) Deductions from capital	270.880,23	
III. Profit (loss) to be carried forward		4.275.197,41
IV. (Dividends to be paid out)	-29.294,99	-14.881,69

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF ASSETS OF HORIZON ACCESS FUND VIETNAM

Name	Quantity as at 31/12/2011	Currency	Price in foreign currency	Valuation (in the sub-fund's currency)	% owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Equities							
Exchange-listed shares							
<u>Vietnam</u>							
AGRIBANK SECURITIES JSC -	362.328,00	VND	4.400,000	58.386,49		0,53	0,53
ALTA CO -	446,00	VND	12.000,000	196,01		0,00	0,00
AN PHA SG PETROL JSC -	6,00	VND	3.500,000	0,77			
BAOVIET HOLDINGS -	541.112,00	VND	41.000,000	812.510,24		7,41	7,32
BINH DUONG TRADE AND DEVELOPMENT -	751.710,00	VND	8.200,000	225.747,01		2,06	2,03
CAVICO VIETNAM MINING AND CO -	2,00	VND	2.900,000	0,21			
COMECO JOINT STOCK COMPANY -	390,00	VND	26.800,000	382,79		0,00	0,00
CORP FOR FINANCING AND PROMOTION TEC -	246.590,00	VND	49.700,000	448.838,05		4,09	4,04
COTEC CONSTRUCTION JSC -	6,00	VND	30.000,000	6,59			
DA NANG CONSTRUCTION BUILDING -	230,00	VND	3.500,000	29,48			
DEVELOPMENT INVESTMENT CONSTRUCTION -	147.259,00	VND	10.400,000	56.088,39		0,51	0,51
DHG PHARMACEUTICAL JSC -	97.419,00	VND	56.000,000	199.797,25		1,82	1,80
DIC INVESTMENT & TRADING JSC -	219,00	VND	6.600,000	52,94			
DO THANH TECHNOLOGY LIMITED -	2.622,00	VND	6.200,000	595,36		0,01	0,01
DOAN XA PORT JSC -	105,00	VND	24.000,000	92,29		0,00	0,00
DOMESCO MEDICAL IMPORT EXPORT -	4,00	VND	20.900,000	3,06			
DONG PHU RUBBER JSC -	70.530,00	VND	46.300,000	119.594,91		1,09	1,08
GEMADEPT -	131.690,00	VND	17.900,000	86.330,38		0,79	0,78
GENERAL MATERIALS BIOCHEMISTRY -	1.070,00	VND	9.000,000	352,68		0,00	0,00
HAGL JSC -	413.950,00	VND	19.500,000	295.624,43		2,70	2,66
HALONG CANNED FOOD STOCK CORPORATION -	10,00	VND	24.000,000	8,79			
HANG XANH MOTORS SERVICE JOI -	1.693,00	VND	4.800,000	297,62		0,00	0,00
HANOI MARITIME HOLDING CO -	3.726,00	VND	2.300,000	313,85		0,00	0,00
HANOI P&T CONSTRUCTION & INSTAL -	1.963,00	VND	4.400,000	316,32		0,00	0,00
HAPACO JSC -	4,00	VND	3.300,000	0,48			
HCM CITY INFRASTRUCTURE INV -	119.430,00	VND	21.600,000	94.476,76		0,86	0,85
HO CHI MINH CITY SECURITIES CO -	8,00	VND	14.000,000	4,10			
HOA PHAT GROUP JSC -	418.445,00	VND	17.500,000	268.184,86		2,45	2,42
HOA SEN GROUP -	1,00	VND	8.300,000	0,30			
HUNG VUONG CORP -	3.830,00	VND	20.100,000	2.819,37		0,03	0,03
JSC BK FOR FOREIGN TRADE OF VIETNAM -	230.486,00	VND	21.800,000	184.017,39		1,68	1,66
KINH BAC CITY DEVELOPMENT SHAR -	468.190,00	VND	10.100,000	173.181,43		1,58	1,56
KINHDO CORPORATION -	214.422,00	VND	26.000,000	204.174,03		1,86	1,84
LAM DONG MINERAL AND BUILDING -	900,00	VND	7.100,000	234,02		0,00	0,00
LONG AN FOOD PROCESSING EXPORT -	2,00	VND	14.400,000	1,05			
MASAN GROUP CORP -	290.630,00	VND	90.500,000	963.267,35		8,79	8,68
MINH PHU SEAFOOD JOINT STOCK CO -	195.810,00	VND	14.600,000	104.699,73		0,96	0,94
MY CHAU PRINTING AND PACKAGING -	5,00	VND	13.600,000	2,49			
NAM VIET JSC -	1.420,00	VND	7.300,000	379,64		0,00	0,00
NATIONAL SEED JOINT STOCK CO -	8,00	VND	42.100,000	12,33			
NHI HIEP BRICK-TILE JOINT STOCK -	318,00	VND	25.000,000	291,16		0,00	0,00
OCEAN GROUP JSC -	1.465.152,00	VND	8.000,000	429.269,95		3,92	3,87

PETROLIMEX GAS JOINT STOCK CO -	2,00	VND	4.900,000	0,36		
PETROLIMEX JOINT STOCK TANKER -	240,00	VND	5.400,000	47,46		
PETROVIETNAM DRILLING AND WELL -	212.396,00	VND	33.200,000	258.251,13	2,36	2,33
PETROVIETNAM FERTILIZER & CHEMICAL -	467.290,00	VND	23.800,000	407.306,43	3,72	3,67
PETROVIETNAM FINANCE JSC -	635.584,00	VND	7.200,000	167.595,85	1,53	1,51
PETROVIETNAM TRANSPORTATION CO -	1.191.806,00	VND	3.100,000	135.308,50	1,23	1,22
PHA LAI THERMAL POWER -	659.980,00	VND	7.000,000	169.194,65	1,54	1,52
PHAT DAT REAL ESTATE DEVELOPMENT -	251.460,00	VND	18.800,000	173.134,88	1,58	1,56
PHUOC HOA RUBBER JSC -	166.230,00	VND	26.200,000	159.502,87	1,46	1,44
PHUONG NAM CULTURAL JOINT STOCK -	6,00	VND	3.600,000	0,79		
POMINA STEEL CORP -	297.546,00	VND	9.200,000	100.253,55	0,91	0,90
QUOC CUONG GIA LAI JSC -	210.580,00	VND	13.400,000	103.342,68	0,94	0,93
REFRIGERATION ELECTRICAL ENGINEERING -	319.524,00	VND	11.300,000	132.232,97	1,21	1,19
RY NINH II HYDROELECTRIC JOINT STOCK -	1.584,00	VND	11.600,000	672,93	0,01	0,01
SACOMBANK -	717.083,00	VND	15.100,000	396.555,70	3,62	3,57
SACOMBANK -	394.360,00	VND	3.100,000	44.772,61	0,41	0,40
SAGIANG IMPORT EXPORT CORP -	90,00	VND	16.400,000	54,06		
SAIGON BEVERAGES JOINT STOCK CO -	1.500,00	VND	1.900,000	104,38	0,00	0,00
SAIGON GARMENT MANUFACTURING -	8,00	VND	14.700,000	4,31		
SAIGON HOTEL CORP -	290,00	VND	63.300,000	672,29	0,01	0,01
SAIGON MARITIME JSC -	760,00	VND	2.900,000	80,72	0,00	0,00
SAIGON SECURITIES INC -	578.660,00	VND	13.700,000	290.336,64	2,65	2,62
SAIGON TELECOMMUNICATION & TEC -	5,00	VND	7.700,000	1,41		
SAO TA FOODS JOINT STOCK CO -	600,00	VND	9.900,000	217,54	0,00	0,00
SEAFOOD JSC NO 1 -	11,00	VND	26.000,000	10,47		
SIEU THANH JSC -	118,00	VND	11.300,000	48,83		
SMC TRADING INVESTMENT JSC -	3,00	VND	7.600,000	0,84		
SONGDA URBAN & INDUSTRIAL ZONE -	228.060,00	VND	22.800,000	190.432,81	1,74	1,72
SOUTHERN RUBBER INDUSTRY JSC/T -	2,00	VND	8.900,000	0,65		
TAICERA ENTERPRISE CO LTD -	91,00	VND	5.200,000	17,33		
TAN TAO INDUSTRIAL PARK CORPORATION -	594.519,00	VND	6.500,000	141.526,22	1,29	1,28
TAY NINH CABLE CAR TOUR COMPANY -	40,00	VND	44.000,000	64,46	0,00	0,00
TAY NINH RUBBER CO -	65.480,00	VND	33.900,000	81.295,44	0,74	0,73
THANH CONG TEXTILE GARMENT JSC -	1.037,00	VND	8.400,000	319,02	0,00	0,00
THANH THANH CERAMIC JOINT STOCK CO -	1.830,00	VND	2.600,000	174,25	0,00	0,00
THU DUC HOUSING DEVELOPMENT CORP -	5,00	VND	11.400,000	2,09		
THUAN THAO CORP -	757.060,00	VND	5.200,000	144.175,50	1,32	1,30
TRANSFORWARDING WAREHOUSING JSC -	820,00	VND	27.000,000	810,84	0,01	0,01
TRUONG THANH FURNITURE CORP -	4,00	VND	5.800,000	0,85		
TVC TELECOMMUNICATIONS JSC -	761,00	VND	2.500,000	69,68	0,00	0,00
VEGETABLE OIL PACKING JSC -	1.284,00	VND	6.500,000	305,66	0,00	0,00
VEGETEXCO PORT -	40,00	VND	12.800,000	18,75		
VIEN LIEN JSC -	159,00	VND	3.900,000	22,71		
VIETNAM DAIRY PRODUCT CO -	290.760,00	VND	86.500,000	921.103,83	8,40	8,30
VIETNAM EXPORT-IMPORT COMMERCIAL JSB -	800.883,00	VND	14.300,000	419.433,32	3,83	3,78
VIETNAM JSC COMMERCIAL BANK IND -	290.091,00	VND	17.700,000	188.046,54	1,72	1,69
VIETNAM OPPORTUNITY FUND LTD -	870,00	USD	1,270	851,10	0,01	0,01
VIKY PLASTIC JSC -	1.800,00	VND	900,000	59,33	0,00	0,00
VINAFCO JOINT STOCK CORP -	400,00	VND	6.900,000	101,08	0,00	0,00
VINCOM JSC -	251.011,00	VND	99.500,000	914.689,42	8,34	8,24
VINH SON - SONG HINH HYDROPOWER JSC -	344.755,00	VND	8.300,000	104.796,43	0,96	0,94
VINPEARL JSC -	198.496,00	VND	80.500,000	585.201,54	5,34	5,27
VITALY JSC -	1.000,00	VND	1.400,000	51,27		
Total equities				10.963.857,32	100,00	98,78
TOTAL SECURITIES PORTFOLIO				10.963.857,32	100,00	98,78

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP EURO	129.268,82	EUR	1,000	129.268,82		1,17
KBC GROUP USD	4.165,43	USD	1,000	3.208,62		0,03
Total demand accounts				132.477,44		1,19
TOTAL CASH AT BANK AND IN HAND				132.477,44		1,19
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLES	1.183,36	EUR	1,000	1.183,36		0,01
Total receivables				1.183,36		0,01
Debts						
<u>Belgium</u>						
KBC GROUP EUR PAYABLES	-5.571,79	EUR	1,000	-5.571,79		-0,05
KBC GROUP VND TE BETALEN	-18.345.800,00	VND	1,000	-671,88		-0,01
Total payables				-6.243,67		-0,06
TOTAL RECEIVABLES AND PAYABLES				-5.060,31		-0,05
OTHER						
Interest receivable		EUR		21.633,20		0,20
Expenses payable		EUR		-14.156,99		-0,13
Expenses to be carried forward		EUR		517,80		0,01
TOTAL OTHER				7.994,01		0,07
TOTAL NET ASSETS				11.099.268,46		100,00

Geographical allocation (as % of securities portfolio)

	30/06/2010	31/12/2010	30/06/2011	31/12/2011
Vietnam	100,00	100,00	100,00	100,00
Total	100,00	100,00	100,00	100,00

Sector allocation (as % of securities portfolio)

	30/06/2010	31/12/2010	30/06/2011	31/12/2011
Cyclical sectors	20,34	20,28	22,84	19,11
Consumer discretionary	6,55	7,85	10,87	13,30
Consumer staples	9,49	6,94	7,48	10,30
Pharmaceuticals	0,70	0,99	1,33	1,82
Financials	49,75	52,11	43,65	40,51
Technology	4,16	3,53	3,68	4,09
Utilities	1,95	1,65	2,07	2,51
Property	7,06	6,65	8,08	8,36
Total	100,00	100,00	100,00	100,00

Currency allocation (as % of net assets)

	30/06/2010	31/12/2010	30/06/2011	31/12/2011
EUR	0,88	-0,89	1,96	1,13
USD	0,05	0,04	0,04	0,04
VND	99,07	100,85	98,00	98,83
Total	100,00	100,00	100,00	100,00

**2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF HORIZON ACCESS FUND
VIETNAM (IN THE CURRENCY OF THE SUB-FUND)**

	1st half	2nd half	Year
Buy	11.185.124,16	1.990.147,15	13.175.271,31
Sell	8.874.231,19	2.929.314,09	11.803.545,28
Total 1	20.059.355,35	4.919.461,24	24.978.816,58
Subscriptions	10.795.517,03	2.178.204,34	12.973.721,37
Redemptions	8.028.591,23	3.407.440,59	11.436.031,82
Total 2	18.824.108,26	5.585.644,93	24.409.753,19
Monthly average of total assets	14.397.883,41	12.286.827,46	13.293.774,65
Turnover rate	8,58 %	-5,42 %	4,28 %

	1st half	2nd half	Year
Buy	11.185.124,16	1.990.147,15	13.175.271,31
Sell	8.874.231,19	2.929.314,09	11.803.545,28
Total 1	20.059.355,35	4.919.461,24	24.978.816,58
Subscriptions	10.795.517,03	2.178.204,34	12.973.721,37
Redemptions	8.028.591,23	3.407.440,59	11.436.031,82
Total 2	18.824.108,26	5.585.644,93	24.409.753,19
Monthly average of total assets	9.952.840,92	13.521.081,63	8.620.866,46
Adjusted turnover rate	12,41 %	-4,93 %	6,60 %

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 (turnover rate) at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transaction 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 ICVC or fund, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil.

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

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	12.436,96	2.958,00	6.362,24	1.023,00	23.642,92	5.940,00	29.582,92
2010 - 12	24.606,22	3.804,16	20.240,99	1.700,00	28.008,14	8.044,16	36.052,30
2011 - 12	34.587,32	2.130,00	28.056,94	3.470,49	34.538,52	6.703,66	41.242,18

Period	Amounts received and paid by the UCI (in the sub-fund's currency)			
Year	Subscriptions		Redemptions	
	Capitalisation	Distribution	Capitalisation	Distribution
2009 - 12	4.488.880,85	1.088.761,44	2.456.607,33	329.424,35
2010 - 12	9.253.842,28	1.411.532,87	7.996.716,13	657.897,18
2011 - 12	12.281.093,93	736.700,79	10.320.093,95	1.167.478,30

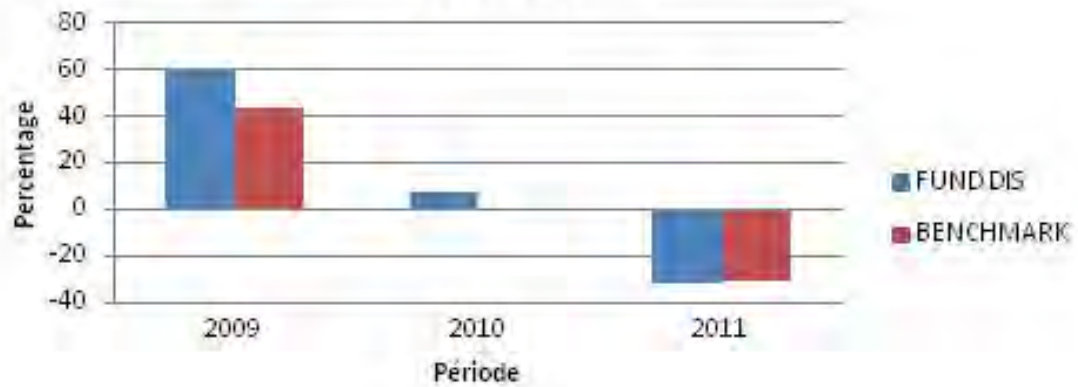
Period	Net asset value At the end of the period (in the currency of the sub-fund)		
Year	of the sub-fund	of one unit	
		Capitalisation	Distribution
2009 - 12	10.729.558,90	362,69	362,69
2010 - 12	14.095.679,91	390,98	390,99
2011 - 12	11.099.268,46	269,34	268,02

2.4.5 PERFORMANCE FIGURES

BE0948065843

Horizon - Access Fund Vietnam - DIS:

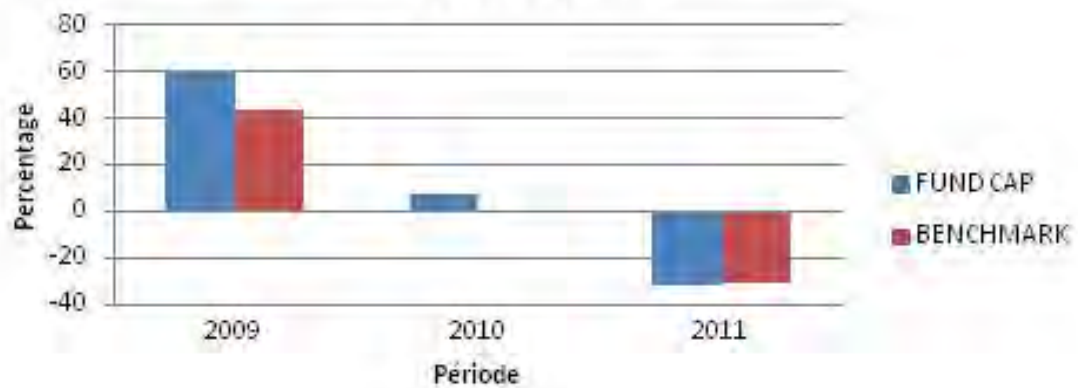
Performance sur base annuelle par rapport au benchmark en date du 31/12/2011 (en EUR)



BE0948066858

Horizon - Access Fund Vietnam - CAP:

Performance sur base annuelle par rapport au benchmark en date du 31/12/2011 (en EUR)



CAP DIS	ISIN code	Curren- cy	1 year		3 years*		5 years*		10 years*		Since launch*	
			Share classes	Bench mark	Equities classes	Bench mark	Equities classes	Bench mark	Equities classes	Bench mark	Launch	Share classes
CAP	BE0948066858	EUR	-31.11%	-30.51%	5.85%	-0.29%					03/03/2008	-14.92%
DIS	BE0948065843	EUR	-31.07%	-30.51%	5.87%	-0.29%					03/03/2008	-14.91%

* Performance figures are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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 by 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 ... N

from which C = C₀ * ... * 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 nth 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 units.

Dividend on ex-dividend date 30 March 2012: 3.45 EUR net (4.37 EUR gross).

In accordance with the Royal Decree of 10 November 2006 on the accounting and the annual accounts of certain public undertakings for collective investment, investors are informed that the General Meeting of the fund will decide to pay a dividend despite the fact that a negative result available for appropriation was recorded in the corresponding financial year.

Investors are also informed that the dividend to be paid stems directly from the interest, dividends and realised capital gains received from the investments made during the financial year corresponding to the dividend to be paid out.

2.4.6 COSTS

Total expenses ratio (TER): * 1.875%

* 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, where appropriate, the manager delegated may receive 'soft commissions'.

The beneficiary has established an internal policy on the acceptance of soft commissions and the prevention of any conflict of interests in this regard. It has put in place the appropriate internal audit procedure to ensure compliance with this policy. More detailed information can be found in the General Part of the annual report.

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 belonging to 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 undertakings for collective investment undertaking in UCI units 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. 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 maximum 1.5% calculated on that part of the portfolio that manages, without the total management fee received by the management company being exceeded.

Plus: 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: EUR 1,700 per year. This fee does not include 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 ICVC 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 ICVC.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON SUSTAINABLES SKK 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 9 April 2008

Launch price: 10 SKK

Maturity date: 28 February 2013

Currency: SKK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse the initial subscription price per unit of 10 SKK at maturity (capital protection). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection at maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash (including money in fixed-term deposit or demand accounts). These investments may have different durations and coupon payment dates which are aligned with the expiry dates of the sub-fund's commitments through the use of the swaps referred to in the section *Permitted swap transactions (2)*.

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area;
- (2) Debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) Investments with an analogous structure and identical counterparty risk to a direct investment in the deposits and / or debt instruments referred to under points (1) and (2) above.

The investments under (3) may consist of:

- (A) An investment in stock-exchange-listed bonds issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management S.A. or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit at maturity (before charges and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and, if appropriate, from any other sub-fund of the ICVC. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, derivatives (financial derivatives), liquid assets and any other instrument permitted under the applicable legislation and regulations.

The investment instruments used guarantee the Sustainability and Corporate Social Responsibility of the investments. The requirements are defined by a specialised team from KBC Asset Management which confers with the External Advisory Board on Sustainability.

This External Advisory Board on Sustainability supervises the quality of the methodology and the work of the KBC research team. The methodology can be adapted by the External Advisory Board.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average rating for bonds and other debt instruments for the duration of the sub-fund is at least equivalent to "A-" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of rating, an average credit risk profile that the manager considers to be equivalent.

The rating for bonds and other long-term debt instruments when the investment is launched must be equivalent to at least "A-" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent .

The rating for bonds and other short-term debt instruments when the investment is launched must be equivalent to at least "A-1" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent.

All maturities are taken into consideration when selecting bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. Under these swaps, the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value at Maturity, and secondly, to generate a potential capital gain contingent on any rise in value per Period of a basket of 30 shares of Sustainable and Socially Responsible companies (*). Shares in companies which have undergone an in-depth sustainability screening by a specialised team from KBC Asset Management, seconded by the External Advisory Board on Sustainability Screenings. 90% of any rise in the basket of 30 shares (= *Final Value less Base Value*) divided by the Base Value) which exceeds the full initial subscription value will be distributed at maturity.

(*) SUSTAINABLE AND SOCIALLY RESPONSIBLE:

When the sub-fund is launched, shares in companies in the basket must meet the requirements on business and corporate social responsibility. These requirements are defined by a specialised team from KBC Asset Management which shall confer with the External Advisory Board on Sustainability Screenings. All issues by companies are subject to a corporate analysis.

If during the life of a sub-fund, a share in the basket no longer meets the requirements on business and corporate social responsibility, the manager may confer with the counterparty with whom the swap was conducted and replace this share with another that does meet the conditions.

Corporate analysis

The specialised team from KBC Asset Management evaluates whether companies are being managed according to the following criteria on business and corporate social responsibility:

- economic policy and social role;
- corporate ethics and healthy management;
- environmental impact;
- internal social policy;
- respect for human rights;
- socially accountable practices and technologies.

Change in criteria

Each of the criteria used is sub-divided into several measurable indicators. The relevance of these criteria and indicators is constantly evaluated. Subject to approval by the External Advisory Board on Sustainability Screenings, the criteria may be adapted as the company evolves.

Guarantee of quality and independence

The independence of the External Advisory Board on Sustainability is the guarantor of an objective assessment of companies and countries and of the credibility of sustainability screenings. This External Advisory Board on Sustainability supervises the quality of the methodology and the work of the KBC research team. The External Advisory Board is also authorised to change the methodology used in the sustainability screenings.

MATURITY: Thursday, 28 February 2013 (Payment with a value date of D + 1 bank business day)

CURRENCY: SKK, changes to the local currency exchange rates for shares in the basket with respect to the SKK are not relevant.

BASE VALUE: Value of the basket based on the average stock market price of shares in the basket on the first ten Valuation Dates from Wednesday, 6 June 2008 (inclusive).

LAST VALUE: Value of the basket on the basis of the average price of the shares in the basket on the last appraisal day of the month for the last 24 months before the renewal date, specifically February 2011 to January 2013 (inclusive).

PRICE:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of a share in the basket as calculated and published at the stock exchange close by the competent stock-exchange entity (or its legal successor) where the security is listed. For shares listed on the Milan stock exchange, this is the reference price.

VALUATION DATE:

For each share in the basket, this is a trading day for the stock exchange on which the share is listed and which is the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market for that share (suspension or limitation of trading in that security) or early close of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market for a share in the basket is disrupted or closes early, the original Valuation Date for this equity is replaced by the next trading day on which there is no disruption or early closing, provided that date is not already a scheduled Valuation Date or already replaces a scheduled Valuation Date postponed because of disruption or early closing of the market.

However, if the market is disrupted or closes early on each of the eight trading days following the scheduled Valuation Date, (i) this eighth trading day will be deemed to be the scheduled Valuation Date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closing which occurred in respect of one or more shares, (b) the change in the conditions for determining the Base Value and/or Final Value, and (c) the terms and conditions for distribution in accordance with the investment objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, on the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 4 years and 10 months which pays, at maturity, 90% of any rise in value of a basket of shares beyond the full initial subscription value of 10 SKK. The Base Value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	140	90% * 40% = 36%	10 + 36% * 10 = 13.6 SKK (rendement actuariel : 6.56%, avant frais et impôts)
Scénario Neutre	127	90% * 27% = 24.3%	10 + 24.3% * 10 = 12.43 SKK (rendement actuariel : 4.6%, avant frais et impôts)
Scénario Négatif	90	90% * 0% = 0%	10 + 0% * 10 = 10 SKK (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share's serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ALLIANZ SE-REG	ALV GY Equity	Frankfurt	3.00%
2	BANK OF AMERICA CORP	BAC UN Equity	New York	3.00%
3	BASF AG	BAS GY Equity	Frankfurt	2.00%
4	BNP PARIBAS	BNP FP Equity	Paris	5.00%
5	DEXIA SA	DEXB BB Equity	Brussels	4.00%
6	ELI LILLY & CO	LLY UN Equity	New York	3.00%
7	ENERGIAS DE PORTUGAL	EDP PL Equity	Lisbon	3.00%
8	ENI SPA	ENI IM Equity	Milan	6.00%
9	FORTIS	FORB BB Equity	Brussels	4.00%
10	FORTUM OYJ	FUM1V FH Equity	Helsinki	2.00%
11	HSBC HOLDINGS PLC	HSBA LN Equity	London	5.00%
12	IBERDROLA SA	IBE SM Equity	Madrid	3.00%
13	ING GROEP NV-CVA	INGA NA Equity	Amsterdam	5.00%
14	KBC GROEP NV	KBC BB Equity	Brussels	4.00%
15	KONINKLIJKE KPN NV	KPN NA Equity	Amsterdam	2.00%
16	KRAFT FOODS INC-A	KFT UN Equity	New York	2.00%
17	MERCK & CO. INC.	MRK UN Equity	New York	3.00%
18	NESTLE	NESN VX Equity	Virt-x	2.00%
19	NOVARTIS AG-REG	NOVN VX Equity	Virt-X	3.00%
20	PFIZER INC	PFE UN Equity	New York	4.00%
21	PROCTER & GAMBLE CO	PG UN Equity	New York	3.00%
22	ROCHE HOLDING AG-GENUSSCHEIN	ROG VX Equity	Virt-X	3.00%
23	SOCIETE GENERALE	GLE FP Equity	Paris	3.00%
24	TAKEDA PHARMACEUTICAL CO LTD	4502 JT Equity	Tokyo	2.00%
25	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
26	TNT NV	TNT NA Equity	Amsterdam	2.00%
27	UNICREDIT SPA	UCG IM Equity	Milan	5.00%
28	VEOLIA ENVIRONNEMENT	VIE FP Equity	Paris	4.00%
29	WACHOVIA CORP	WB UN Equity	New York	4.00%
30	ZURICH FINANCIAL SERVICE-REG	ZURN VX Equity	Virt-X	3.00%

Selection criteria for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) the ICVC Board of Directors, after informing the manager (see (*) SUSTAINABILITY AND BUSINESS AND CORPORATE SOCIAL RESPONSIBILITY) approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

The number of shares in the basket will always be equal to the initial number unless the issuer of the basket is declared bankrupt (see § Bankruptcy).

If the number of shares decreases subsequent to a merger, an additional share will be added to the basket. The additional share or share resulting from the merger will receive the same weighting in the basket.

Merger, acquisitions, nationalisation or disqualification

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation.

If one or more issuers of shares in the basket are involved in a merger, acquisition or nationalisation or another event with the result that one or more shares in the basket no longer fulfil the selection criteria ('Disqualification'), the ICVC Board of Directors may replace the shares not satisfying the selection criteria with other shares issued by other issuers which have an international standing and corresponding solvency and which fulfil the selection criteria.

Demerger

If an issuer of a share in the basket conducts a demerger, the share of the issuer concerned may be replaced by a basket consisting of shares resulting from the merger and fulfilling the selection criteria. This basket will be treated as one share for the purpose of calculating the number of shares in the basket.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Merger, acquisition, nationalisation or disqualification' will apply.

Bankruptcy

If an issuer of a share in the basket is declared bankrupt before the maturity date, the share is disposed of at the last known price before its elimination. The liquidation amount is then invested up to the maturity date of the underlying swap transaction at the rate on the money or bond market prevailing at the time of elimination for a term equal to the period remaining up to the maturity of the sub-fund's underlying swap transaction.

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

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the sustainability as defined in the prospectus and the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 INVESTMENT POLICY

Composition of the basket on the date of the report

Name	Value
AGEAS	0,2794
ALLIANZ SE-REG	1,6988
BANK OF AMERICA CORP	0,4348
BASF SE	2,3130
BNP PARIBAS	2,2756
DEXIA SA (BRUSSELS)	0,0672
ELI LILLY & CO	2,4914
ENERGIAS DE PORTUGAL SA	1,7387
ENI SPA	3,9246
FORTUM OYJ	1,2144
HSBC HOLDINGS PLC (LONDON)	3,3042
IBERDROLA SA (SM)	1,5025
ING GROEP NV-CVA	1,4442
KBC GROEP NV	0,4448
KONINKLIJKE KPN NV	1,5492
KRAFT FOODS INC-CLASS A	2,4270
MERCK & CO. INC.	2,8633
NESTLE SA-REG	2,1502
NOVARTIS AG-REG	3,1931
PFIZER INC	4,2821
POSTNL	0,1963
PROCTER & GAMBLE CO/THE	2,9900
ROCHE HOLDING AG- GENUSSCHEIN	2,7766
SOCIETE GENERALE	0,7179
TAKEDA PHARMACEUTICAL CO LTD	1,2373
TELEFONICA SA (SM)	2,1196
TNT EXPRESS NV	0,4700
UNICREDIT SPA	0,7911
VEOLIA ENVIRONNEMENT	0,7455
WELLS FARGO & CO	0,7684
ZURICH FINANCIAL SERVICE-REG	2,0205
TOTAL	54,43

Performance of the index or basket

Index: **BASKET**

31/12/2010: **64,61**

30/06/2011: **64,54**

29/12/2011: **54,43**

Performance since 31 December 2010 or since the launch of the sub-fund: **-15,76%**

Performance since 30 June 2011 or since the launch of the sub-fund: **-15,66%**

Index at the launch of the sub-fund: **100,00**

Minimum guaranteed return in local currency on the maturity date: **10,00**

Local currency: **SKK**

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
02/01/2009	WACHOVIA CORP	WELLS FARGO & CO	Acquisition
30/04/2010	FORTIS (BRUSSELS)	AGEAS	Change of name
26/05/2011	TNT NV	PostNL	Change of name
26/05/2011		TNT EXPRESS NV	Spin-off TNT NV

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at launch: IV

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating:

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
TOTAL NET ASSETS	2.960.887,25	3.068.592,94
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	2.718.836,80	2.928.656,65
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-15.071,41	-19.819,72
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		645,21
B. Debts		
a) Accounts payable (-)		-2.535,18
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	45.544,43	31.271,51
B. Term accounts at banks	210.077,70	130.016,79
VI. Accruals and deferrals		
B. Accrued income	1.721,81	620,27
C. Accrued expenses (-)	-222,08	-262,59
TOTAL CAPITAL AND RESERVES	2.960.887,25	3.068.592,94
A. Capital	2.976.485,32	3.010.909,49
D. Result for the financial year	-15.598,07	57.683,45

OFF-BALANCE-SHEET ITEMS

IV Notional amounts of swap contracts (+)	3.014.281,22	3.145.987,05
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-21.364,36	6.723,54
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	1.653,22	57.132,27
G. Receivable, deposits, cash at bank and in hand, and payables	60,91	2,10
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-0,17	-0,30
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	41.865,01	32.230,64
b) Deposits and cash at bank and in hand	4.474,18	1.798,64
D. Swap contracts (+/-)	7.149,66	8.362,53
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	921,03	2.865,29
B. Other	-558,97	2.178,18
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-0,07	0,08
B. Financial expenses (-)	-586,68	-414,88
C. Custodian's fee (-)	-250,00	-250,00
D. Manager's fee (-)		
a) Financial management	-44.752,17	-47.988,53
b) Administration and accounting management	-3.029,11	-2.379,68
F. Formation and organisation expenses (-)	-362,48	-478,40
G. Remuneration, social security charges and pensions (-)	-3,01	-4,89
H. Services and sundry goods (-)	-593,78	-1.194,41
J. Taxes	0,78	-883,13
K. Other expenses (-)	-222,06	-15,60
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	4.052,33	-6.174,16
V. Profit (loss) on ordinary activities before tax	-15.598,07	57.683,45
VII. Result for the financial year	-15.598,07	57.683,45

**Profit appropriation
statement**

	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Profit to be allocated (loss to be recognised)		
Profit for the period available for appropriation (loss to be recognised)	-15.598,07	57.683,45
II. (Appropriations to) Deductions from capital	15.598,07	-57.683,45

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF ASSETS OF HORIZON SUSTAINABLES SKK 1

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMBER PRO BOND PTF 6E-0.07 10/01-10/07	276.000,00	EUR	97,944	272.665,65		10,09	9,21
AMETHYST STRUCTURED FIN PLC 6E-7 10/07-10/01_4.277%	51.000,00	EUR	97,393	50.103,00		1,85	1,69
BEECHWOOD STRUCTURED FIN PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	96,419	50.578,64		1,87	1,71
BROOKFIELDS CAPITAL PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	97,685	51.237,00		1,90	1,73
CARMINI PRO BAND PFT 6E-0.07 10/01-10/07	276.000,00	EUR	97,818	272.318,49		10,07	9,20
CORAL PRO BOND PTF 6E-0.07 10/01-10/07	276.000,00	EUR	97,875	272.473,53		10,08	9,20
EMERALD PRO BOND PTF 6E-0.07 10/01-10/07	276.000,00	EUR	97,976	272.753,72		10,09	9,22
EPERON FINANCE PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	97,297	51.035,17		1,89	1,72
ESPACCIO SECURITIES PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	96,439	50.589,29		1,87	1,71
GREENSTREET STRUCT. FIN. PROD. PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	96,496	50.618,54		1,87	1,71
INDIGO PRO BOND PTF 6E-0.07 10/01-10/07	138.000,00	EUR	98,025	136.444,63		5,05	4,61
IVORY PRO BOND PTF 6E-0.07 10/01-10/07	138.000,00	EUR	97,833	136.179,54		5,04	4,60
MAGENTA PRO BOND PTF 6E-0.07 10/01-10/07	138.000,00	EUR	97,842	136.191,79		5,04	4,60
NIMROD CAPITAL PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	97,564	51.174,11		1,89	1,73
OPAL FINANCIAL PRODUCTS PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	96,690	50.719,60		1,88	1,71
PROFILE FINANCE PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	97,201	50.985,54		1,89	1,72
RECOLTE SECURITIES PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	96,306	50.520,22		1,87	1,71
SEPIA PRO BOND PTF 6E-0.07 10/01-10/07	138.000,00	EUR	97,708	136.007,21		5,03	4,59
SILVERSTATE FIN INV PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	96,869	50.812,66		1,88	1,72
TAUPE PRO BOND PTF 6E-0.07 10/01-10/07	138.000,00	EUR	97,825	136.168,75		5,04	4,60
VERMILION PRO BOND PTF 6E-0.07 10/01-10/07	138.000,00	EUR	97,707	136.006,25		5,03	4,59
VESPUCCI STRUCTURED FIN PROD 6E-7 10/07-10/01_4.277%	52.000,00	EUR	97,060	50.911,87		1,88	1,72
VIGADO CAPITAL PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	96,354	50.544,76		1,87	1,71
VOYCE INVESTMENTS PLC 6E-7 10/07-10/01_4.277%	51.000,00	EUR	97,813	50.316,96		1,86	1,70
WATERFORD CAPITAL INC PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	96,216	50.473,13		1,87	1,71
WAVES FINANCIAL INV PLC 6E-7 10/07-10/01_4.277%	52.000,00	EUR	97,242	51.006,75		1,89	1,72
Total bonds				2.718.836,80		100,56	91,83
Swaps							
<u>Belgium</u>							
KBC SWAPS	90.808.236,00	SKK	-0,500	-15.071,41		-0,56	-0,51
Total swaps				-15.071,41		-0,56	-0,51
TOTAL SECURITIES PORTFOLIO				2.703.765,39		100,00	91,32

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP EURO	45.544,43	EUR	1,000	45.544,43		1,54
Total demand accounts				45.544,43		1,54
Time deposit accounts						
<u>Belgium</u>						
KBC BANK NV 08/07-10/01/12 KBCBANK 1.740 %	140.000,00	EUR	100,037	140.051,80		4,73
KBC BANK NV 25/07-10/01/12 KBCBANK 1.750 %	70.000,00	EUR	100,037	70.025,90		2,37
Total time deposit accounts				210.077,70		7,10
TOTAL CASH AT BANK AND IN HAND				255.622,13		8,63
OTHER						
Accrued interest		EUR		1.721,81		0,06
Expenses payable		EUR		-222,08		-0,01
TOTAL OTHER				1.499,73		0,05
TOTAL NET ASSETS				2.960.887,25		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
EQLISWAP	SKK	90.808.236,00	3.014.281,22	n.a.	08.07.2011

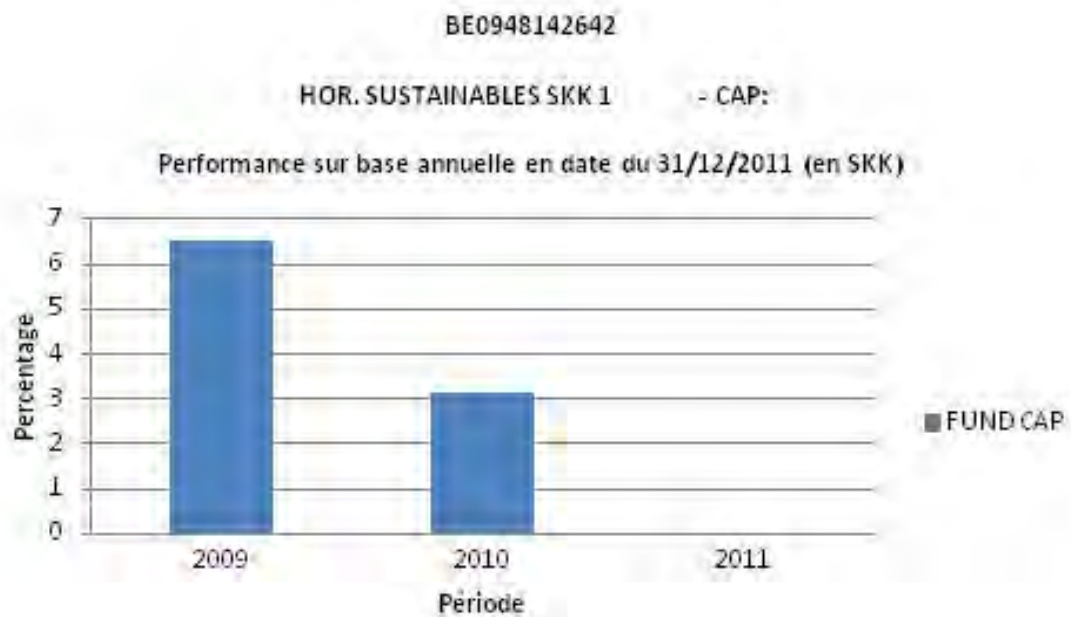
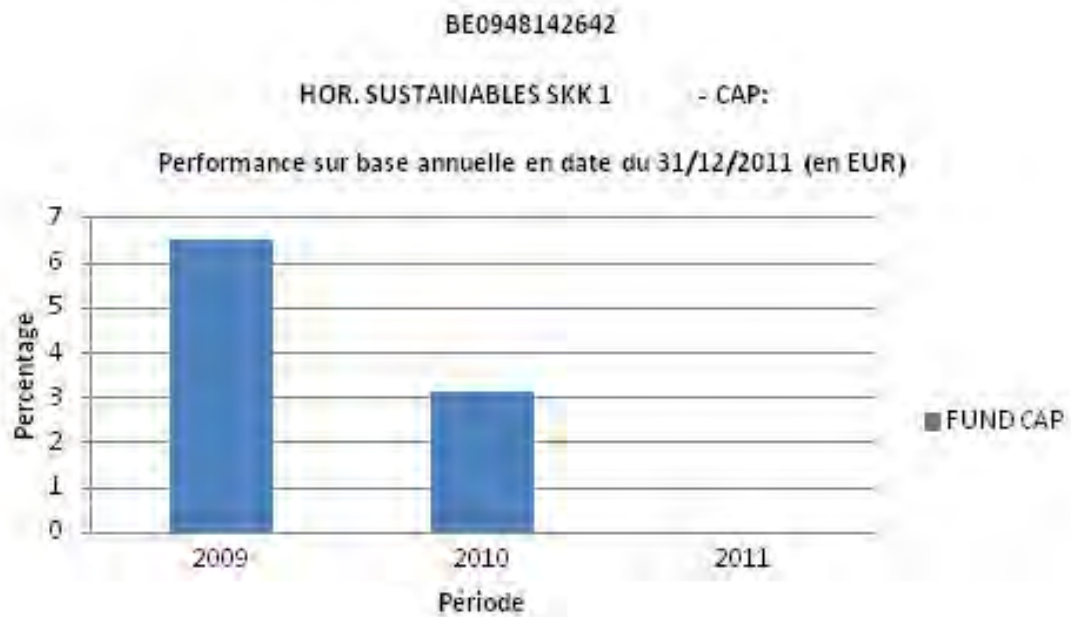
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	21.045.567,8 2		11.230.119,4 7		10.168.396,0 0		10.168.396,00
2010 - 12	0,00		868.299,00		9.300.097,00		9.300.097,00
2011 - 12	0,00		279.114,00		9.020.983,00		9.020.983,00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
Year	Subscriptions		Redemptions	
	Capitalisation	Distribution	Capitalisation	Distribution
2009 - 12	0,00		142.842,55	
2010 - 12	0,00		286.538,67	
2011 - 12	0,00		92.107,62	

Period	Net asset value At the end of the period (in the currency of the sub fund)		
Year	of the sub-fund	of one unit	
		Capitalisation	Distribution
2009 - 12	3.297.448,15	0,32	
2010 - 12	3.068.592,94	0,33	
2011 - 12	2.960.887,26	0,33	

2.4.5 PERFORMANCE FIGURES



Cap Dis	ISIN code	Curren- cy	1 year		3 years*		5 years*		10 years*		Since launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948142642	EUR	0.00%		3.18%						09/04/2008	2.59%
CAP	BE0948142642	SKK	0.00%		3.18%						09/04/2008	-0.16%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible restructuring.
- Calculated in SKK and 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:
$$[\text{NAV}(D) / \text{NAV}(Y)]^{[1 / X]} - 1$$
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
- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.669%

- * 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% to 60% if the distributor is an entity belonging to KBC Group NV, to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB PRIVATE BANKING EUROPE INDEX JUMPER 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 31 March 2008

Launch price: 10 CZK

Maturity date: 30 April 2013

Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND

The object of this sub-fund is to generate the highest possible return for its unit holders. To this end, an investment strategy has been developed which consists of:

- (1) an investment in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits and liquid assets (including funds placed on a fixed-term deposit account or demand account) (see under *Permitted asset classes*);
- (2) An investment in 'swaps' (exchange contracts). The sub-fund therefore assigns part of its future income from the investments indicated under the point dealing with *Permitted asset classes* to the counterparty(-ies) for the life of the sub-fund. In exchange, the counterparty(-ies) commit to offering a potential return. The different types of swaps in which the sub-fund can invest are explained under the section *Permitted swap transactions*.

No formal guarantee is granted to the sub-fund or its unit holders. No guaranteed return or capital protection is offered by the sub-fund during the period concerned or at Maturity.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public undertakings for collective investment, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable laws and regulations. These investments may be of various durations and coupon payment dates that are aligned to the expiry dates of the sub-fund's commitments through the use of the swaps described in the point dealing with *Permitted swap transactions (2)*.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

The sub-fund may invest in stock-exchange-listed bonds issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management S.A. or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of

diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average rating for bonds and other debt instruments for the duration of the sub-fund is at least equivalent to "A-" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of rating, an average credit risk profile that the manager considers to be equivalent.

The rating for bonds and other long-term debt instruments when the investment is launched must be equivalent to at least "A-" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent .

The rating for bonds and other short-term debt instruments when the investment is launched must be equivalent to at least "A-1" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent.

All terms are taken into considering when selecting bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are conducted with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. Under these swaps, the sub-fund transfers a portion of its future earnings from the investments indicated under the section *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The use of swaps in this sub-fund may lead to (full or partial) loss of the initial capital invested.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the investments referred to under *Permitted asset classes*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these 'swaps'.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The object of the sub-fund is to obtain a potential capital gain that is contingent on the performance of the EURO STOXX 50[®] index and an '*Index Jumper*' structure.

The 'Index Jumper' structure entails early if one of the Observation Values is more than 90% of the Base Value. In this case, the capital gain paid over and above the initial subscription price will be 12% multiplied by the serial number of the Observation Value resulting in early exercise. There are a total of 4 Observation Values.

If no Observation Value triggers early exercise, there are two other possibilities at maturity:

Scenario 1:

If the Final Value is higher than 90% the Base Value, the net asset value at Maturity takes into account both the initial net asset value and a fixed capital gain of 60% (9.72% yield to maturity, before costs and taxes).

Scenario 2

If the Final Value is less than 90% of the Base Value, to calculate the net assets at maturity, the full amount of the fall in the EURO STOXX 50[®] index (= *Final Value less Base Value*), divided by the Base Value) is deducted from the initial net asset value.

If the criterion for early exercise is met, the ICVC's Board of Directors will take the decision to close the sub-fund on the Early Exercise Date.

MATURITY: Tuesday, 30 April 2013 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK, the change in the exchange rate of the EURO STOXX 50[®] index with respect to the CZK is not relevant.

BASE VALUE: the average prices of the index on the first ten Valuation Dates from 7 April 2008 (inclusive).

FINAL VALUE: the average price of the index on the first ten Valuation Dates in April 2013.

EARLY EXERCISE DATE: the last Belgian bank business day in the month when an Observation Value resulted in early exercise. (Payment with a value date of D + 1 bank business day)

OBSERVATION VALUE: every year from 2009 to 2012 (inclusive) an Observation Value is calculated by taking the average index price on the first ten Appraisal Dates in April of the year in question. 4 Observation Values are therefore calculated over the life of the sub-fund.

PRICE:

Closing price, i.e. the price on the EURO STOXX 50[®] index, as calculated at closure of the stock exchanges and notified by the authority responsible (index sponsor), namely Stoxx Limited (or its legal successor).

VALUATION DATE:

A trading day on which the competent stock exchange body calculates and publishes the index price.

If, however, **[A]** the competent stock exchange body (i) makes significant changes to the formula and/or method for calculating the index, on or before the Valuation Date, and/or (ii) does not calculate and publish the index (although all the data are available), the ICVC will calculate the index, in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last

known index-calculation method and formula; and/or **[B]** an event occurs on the Valuation Date which disrupts the market (preventing calculation of the index) or if the market closes early (the competent body has announced that the market will, on that day, close earlier than on other trading days), the original Valuation Date will be replaced by the next trading day on which there is no disruption or early closure, provided that date is not already an original Valuation Date or already replaces an original Reference Date postponed because of disruption or early closure of the market.. However, if the market is disrupted or closes early on each of the eight trading days which follow the original Valuation Date, (i) this eighth trading day will be deemed to be the original Valuation Date, and (ii) the ICVC will estimate the index price, in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index calculation formula and method, and (iii) the ICVC will inform the unit holders of (a) the exceptional circumstances which have arisen, (b) the amended conditions for determining the Base Value and/or Final Value for the Period, and (c) the terms and conditions for distribution of the amounts in the light of the investment objectives achieved.

If changes are made to an index (e.g. calculation by another sponsor, change to the calculation method, etc.), the ICVC will confer with the prime counterparty(-ies) with whom the swap contract has been concluded in order to decide how the index is to be determined. In the event of substantial changes to the index or if the index ceases to be calculated, it may be replaced by another index, provided this new index is representative of the same geographical and/or economic sectors.

The EURO STOXX 50[®] is a weighted equity index computed by Stoxx Ltd, the dividend not being reinvested, in principle. The main purpose of this index is to provide a continuous indication of market trends on the European stock markets. This index has a base value of 1000, calculated using the underlying prices recorded on 31 December 1991.

The EURO STOXX 50[®] index 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), Netherlands (Amsterdam), Portugal (Lisbon) and Spain (Madrid). The index consists of the 50 largest European shares in terms of freely negotiable equities, and the shares are accordingly weighted on the basis of this criterion.

Stoxx Limited retains all proprietary rights over the index. Stoxx Limited does not provide any guarantee for, does not subscribe to, or is involved in any other way in the issue and offer of shares by Horizon CSOB Private Banking Europe Index Jumper 1. Stoxx Limited does not accept any liability for the issue and offer of shares by this undertaking for collective investment.

The EURO STOXX 50[®] index is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

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- do not make any claim as to whether or not a transaction involving the units of Horizon CSOB Private Banking Europe Index Jumper 1 is appropriate, nor do they sell or promote those units;
- do not make any recommendation as to whether someone should invest in Horizon Private Banking Europe Index Jumper 1, or any other security whatsoever;
- do not have any responsibility or liability for or make any decisions about the launch date, amount or pricing of Horizon CSOB Private Banking Europe Index Jumper 1 units;
- do not have any responsibility or liability for the administration, management or marketing of Horizon CSOB Private Banking Europe Index Jumper 1;
- are not obliged to consider the requirements of Horizon CSOB Private Banking Europe Index Jumper 1, or of owners of its units when determining, compiling or calculating the EURO STOXX 50[®] index.

STOXX and its licensors accept no responsibility in relation to Horizon CSOB Private Banking Europe Index Jumper 1. Specifically,

- STOXX and its licensors do not make any warranty, express or implied, and disclaim any and all warranties as regards:
 - the results to be obtained by Horizon CSOB Private Banking Europe Index Jumper 1, the holders of units in Horizon CSOB Private Banking Europe Index Jumper 1 or any other person in connection with the use of the EURO STOXX 50[®] index and the data included in the EURO STOXX 50[®] index;
 - the accuracy or completeness of the EURO STOXX 50[®] index and its data;
 - the negotiability and fitness for a particular purpose or use of the EURO STOXX 50[®] index and its data;
- STOXX and its licensors shall not be held liable for any errors, omissions or interruptions whatsoever in the EURO STOXX 50[®] index or its data;
- Under no circumstances shall STOXX or its Licensors be held liable for any loss of earnings whatsoever, nor for any consequential damages or losses, even if STOXX or its licensors is aware that they might occur.

The license contract between KBC and STOXX has been entered into in their sole interest and not in that of the holders of units in Horizon CSOB Private Banking Europe Index Jumper 1 or third parties.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, on the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5 years, on the clear understanding that the structure may be terminated early if the Observation Value is not less than 90% of the Base Value, that the percentage fixed for calculation of the interim capital gain is 11%, that the fixed capital gain on Maturity is 55% (provided no Observation Value results in early exercise and the Final Value is not less than the full Base Value) and that any fall in value at Maturity is only taken into account if the Final Value is less than 90% of the Base Value. The Base Value is 100 in each of the examples and the initial subscription value is 10 CZK.

Positive scenario:

Observation Moment	Observation Value/ Final Value	Capital gain	Value on the Early Exercise Date/ Value at Maturity
End of year 1	111	11% * 1 = 11%	11.1 CZK

Yield to maturity: 11%, before costs and taxes.

Neutral scenario :

Observation Moment	Observation Value/ Final Value	Capital gain	Value on the Early Exercise Date/ Value at Maturity
End of year 1	80	Not applicable	Not applicable
End of year 2	85	Not applicable	Not applicable
End of year 3	87	Not applicable	Not applicable
End of year 4	89	Not applicable	Not applicable
End of year 5	95	11% * 5 = 55%	15.5 CZK

Yield to maturity: 9.16%, before costs and taxes.

Negative scenario:

Observation Moment	Observation Value/ Final Value	Capital gain	Value on the Early Exercise Date/Value at Maturity
End of year 1	89	Not applicable	Not applicable
End of year 2	86	Not applicable	Not applicable
End of year 3	82	Not applicable	Not applicable
End of year 4	75	Not applicable	Not applicable
End of year 5	85 (< 90)	Not applicable	8.5 CZK

Yield to maturity: -3.20%, before costs and taxes.

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

The following information is of a general nature 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 its interpretation 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.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 INVESTMENT POLICY

Performance of the index or basket

	Index: EURO STOXX 50 INDEX
	31/12/2010: 2.792,82
	30/06/2011: 2.848,53
	29/12/2011: 2.292,28
Performance since 31 December 2010 or since the launch of the sub-fund:	-17,92%
Performance since 30 June 2011 or since the launch of the sub-fund:	-19,53%
Index at the launch of the sub-fund:	3.751,74

Fixings

Period	Final date	Final value	Cap
1	16/04/2009	2.213,490	0,00%
2	17/04/2010	2.983,926	0,00%
3	17/04/2011	2.956,416	0,00%

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
01/01/2011	DOW JONES EUROSTOXX 50	EURO STOXX 50 INDEX	Change of name

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: 6

Risk rating at launch: 5

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
TOTAL NET ASSETS	45.022.005,41	71.334.028,83
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	40.772.451,25	62.591.293,94
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-31.783.253,80	
m) On financial indexes		
Swap contracts (+/-)		-7.160.968,16
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		14.503,78
c) Collateral	31.941.597,00	10.201.734,00
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	717.403,10	847.337,62
B. Term accounts at banks	3.285.913,50	4.798.612,60
VI. Accruals and deferrals		
B. Accrued income	91.271,26	46.865,50
C. Accrued expenses (-)	-3.376,90	-5.350,45
TOTAL CAPITAL AND RESERVES	45.022.005,41	71.334.028,83
A. Capital	70.084.528,83	77.668.556,40
B. Share in the profit	-8.000,00	-9.000,00
D. Result for the financial year	-25.054.523,42	-6.325.527,57

OFF-BALANCE-SHEET ITEMS

I Security in the form of real property (+/-)		
I.A Collateral (+/-)		
I.A.B Deposits and cash at bank and in hand	31.940.000,00	10.200.000,00
IV Notional amounts of swap contracts (+)	79.478.004,00	79.478.004,00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-877.940,71	32.378,86
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-24.622.285,64	
l) On financial indexes		
Swap contracts (+/-)		-6.722.954,77
G. Receivable, deposits, cash at bank and in hand, and payables	-2.836,10	1.169,10
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	8.012,62	-6.999,73
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	886.224,29	1.048.317,05
b) Deposits and cash at bank and in hand	129.467,05	126.346,90
c) Collateral (+/-)	74.968,79	68.631,02
C. Interest on loans taken out (-)	-272,95	-551,85
D. Swap contracts (+/-)	-193.704,45	-502.664,97
F. Other investment income		16.128,75
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	12.574,99	68.049,94
B. Other	-11.911,69	21.615,47
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-0,08	
B. Financial expenses (-)	-21.369,67	-24.104,69
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-391.781,62	-372.618,90
b) Administration and accounting management	-10.945,44	-10.637,59
F. Formation and organisation expenses (-)	-7.508,91	-9.622,09
G. Remuneration, social security charges and pensions (-)	-73,24	-97,10
H. Services and sundry goods (-)	-15.092,01	-27.552,13
J. Taxes	-728,67	-18.625,84
K. Other expenses (-)	-3.231,73	-5.187,62
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	440.526,41	370.878,97
V. Profit (loss) on ordinary activities before tax	-25.054.523,42	-6.325.527,57
VII. Result for the financial year	-25.054.523,42	-6.325.527,57

**Profit appropriation
statement**

	31/12/2011 <small>(in the sub fund's currency)</small>	31/12/2010 <small>(in the sub fund's currency)</small>
I. Profit to be allocated (loss to be recognised)		
Profit for the period available for appropriation (loss to be recognised)	-25.062.523,42	-6.334.527,57
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-25.054.523,42	-6.325.527,57
	-8.000,00	-9.000,00
II. (Appropriations to) Deductions from capital	25.062.523,42	6.334.527,57

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF ASSETS OF HORIZON CSOB PRIVATE BANKING ASIAN JUMPSTART 1

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 23/09-21/03 3.63%	4.200.000,00	CZK	97,445	4.108.826,75		45,71	9,13
BEECHWOOD STRUCTURED FIN PLC 6P-10 23/09-23/03 3.63%	4.250.000,00	CZK	96,471	4.116.323,07		45,79	9,14
BROOKFIELDS CAPITAL PLC 6P-10 23/09-23/03 3.63%	4.200.000,00	CZK	97,737	4.121.071,39		45,85	9,15
EPERON FINANCE PLC 6P-10 23/09-23/03 3.63%	4.200.000,00	CZK	97,349	4.104.769,59		45,66	9,12
ESPACCIO SECURITIES PLC 6P-10 23/09-23/03 3.63%	2.100.000,00	CZK	96,491	2.034.378,28		22,63	4,52
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 23/09-23/03 3.63%	2.100.000,00	CZK	96,548	2.035.559,58		22,65	4,52
NIMROD CAPITAL PLC 6P-10 23/09-23/03 3.63%	2.050.000,00	CZK	97,616	2.008.996,13		22,35	4,46
OPAL FINANCIAL PRODUCTS PLC 6P-10 23/09-23/03 3.63%	2.100.000,00	CZK	96,742	2.039.640,86		22,69	4,53
PROFILE FINANCE PLC 6P-10 23/09-23/03 3.63%	2.100.000,00	CZK	97,253	2.050.380,56		22,81	4,55
RECOLTE SECURITIES PLC 6P-10 23/09-23/03 3.63%	2.100.000,00	CZK	96,358	2.031.588,60		22,60	4,51
SILVERSTATE FIN INV PLC 6P-10 23/09-23/03 3.63%	2.050.000,00	CZK	96,921	1.994.746,52		22,19	4,43
VESPUCCI STRUCTURED FIN PROD 6P-10 23/09-23/03 3.63%	2.100.000,00	CZK	97,112	2.047.405,38		22,78	4,55
VIGADO CAPITAL PLC 6P-10 23/09-23/03 3.63%	2.100.000,00	CZK	96,406	2.032.579,91		22,61	4,52
VOYCE INVESTMENTS PLC 6P-10 23/09-23/03 3.63%	2.050.000,00	CZK	97,865	2.014.099,44		22,41	4,47
WATERFORD CAPITAL INC PLC 6P-10 23/09-23/03 3.63%	2.100.000,00	CZK	96,268	2.029.687,11		22,58	4,51
WAVES FINANCIAL INV PLC 6P-10 23/09-23/03 3.63%	2.050.000,00	CZK	97,294	2.002.398,08		22,28	4,45
Total bonds				40.772.451,25		453,57	90,56
Swaps							
<u>Belgium</u>							
KBC SWAPS	79.478.004,00	CZK	-39,990	-31.783.253,80		-353,57	-70,60
Total swaps				-31.783.253,80		-353,57	-70,60
TOTAL SECURITIES PORTFOLIO				8.989.197,45		100,00	19,97
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	554.935,47	CZK	1,000	554.935,47			1,23
KBC GROUP EURO	6.370,53	EUR	1,000	162.467,63			0,36
Total demand accounts				717.403,10			1,59
Time deposit accounts							
<u>Germany</u>							
DZ BANK AG 23/09-23/03/12 DZBANK 0.550 %	3.270.000,00	CZK	99,875	3.265.912,50			7,25

<u>Belgium</u>						
KBC BANK NV 07/12-23/03/12 KBCBANK 1.100 %	10.000,00	CZK	100,005	10.000,50		0,02
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	10.000,00	CZK	100,005	10.000,50		0,02
Total time deposit accounts				3.285.913,50		7,30
TOTAL CASH AT BANK AND IN HAND				4.003.316,60		8,89
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC BANK NV 07/12-23/03/12 KBCBAN 1.100 % C	4.060.000,00	CZK	100,005	4.060.203,00		9,02
KBC BANK NV 23/09-23/03/12 KBCBAN 1.100 % C	27.880.000,00	CZK	100,005	27.881.394,00		61,93
Total receivables				31.941.597,00		70,95
TOTAL OTHER RECEIVABLES AND PAYABLES				31.941.597,00		70,95
OTHER						
Accrued interest		CZK		91.271,26		0,20
Expenses payable		CZK		-3.376,90		-0,01
TOTAL OTHER				87.894,36		0,20
TOTAL NET ASSETS				45.022.005,41		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
KBCBANK 23/09-23/03/12 KBCBAN 1.100 % C	CZK	27.880.000,00	27.880.000,00	n.a.	05.12.2011
KBCBANK 07/12-23/03/12 KBCBAN 1.100 % C	CZK	4.060.000,00	4.060.000,00	n.a.	05.12.2011
EQLISWAP	CZK	79.478.004,00	79.478.004,00	n.a.	30.04.2010

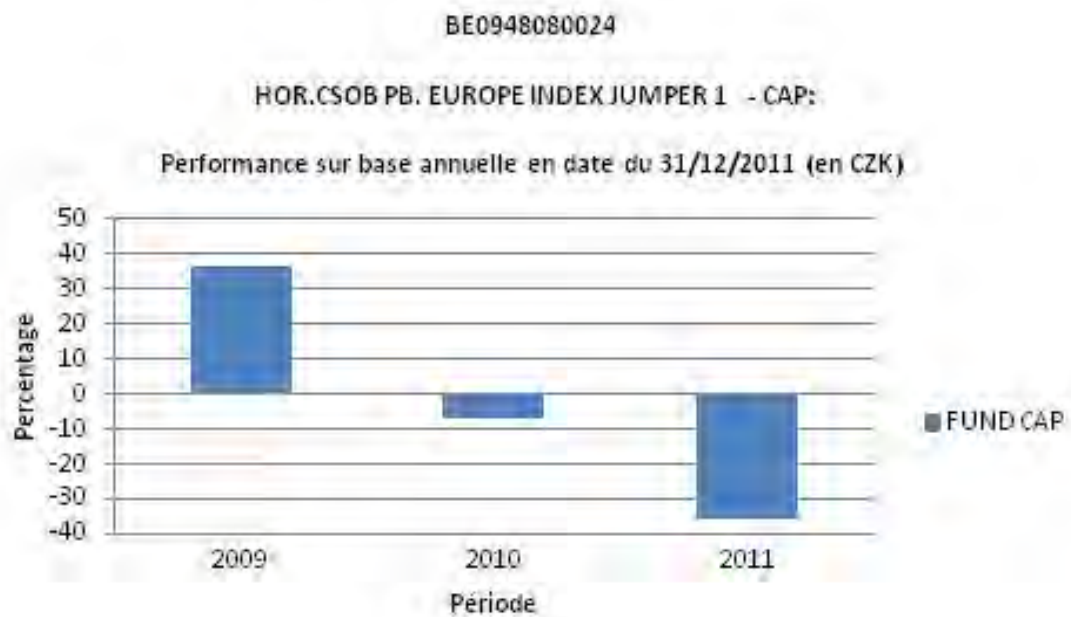
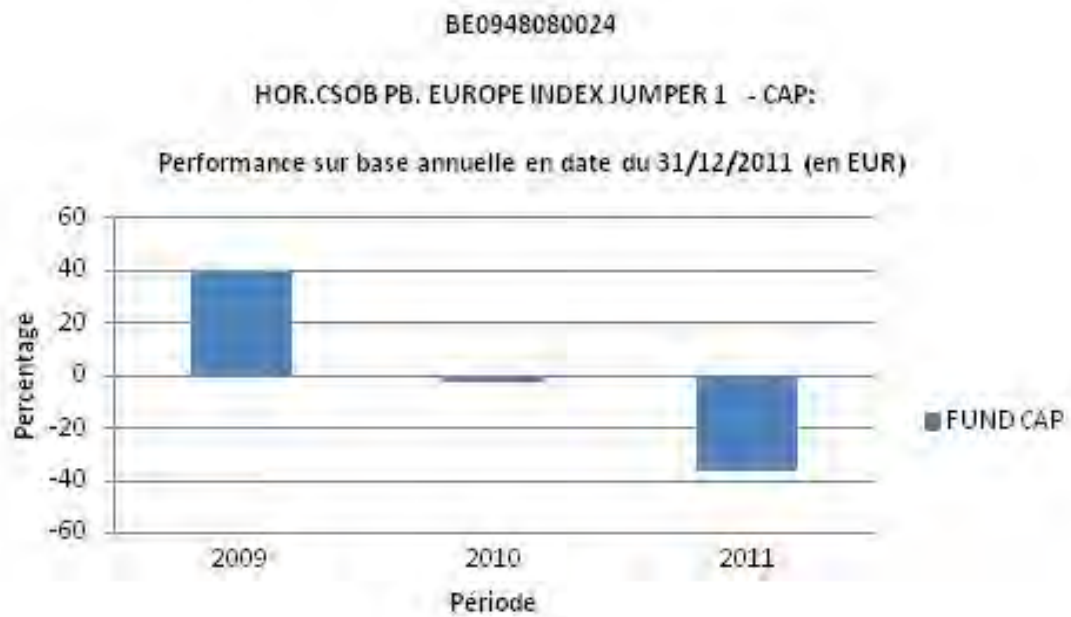
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		150.000,00		8.910.000,00		8.910.000,00
2010 - 12	0,00		800.000,00		8.110.000,00		8.110.000,00
2011 - 12	0,00		150.000,00		7.960.000,00		7.960.000,00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
Year	Subscriptions		Redemptions	
	Capitalisation	Distribution	Capitalisation	Distribution
2009 - 12	0,00		1.287.000,00	
2010 - 12	0,00		6.805.000,00	
2011 - 12	0,00		1.257.500,00	

Period	Net asset value At the end of the period (in the currency of the sub fund)		
Year	of the sub-fund	of one unit	
		Capitalisation	Distribution
2009 - 12	84.464.556,40	9,48	
2010 - 12	71.334.028,83	8,80	
2011 - 12	45.022.005,41	5,66	

2.4.5 PERFORMANCE FIGURES



Cap Dis	ISIN code	Curren- cy	1 year		3 years*		5 years*		10 years*		Since launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948080024	EUR	-36.72%		-4.91%						31/03/2008	-13.96%
CAP	BE0948080024	CZK	-35.68%		-6.53%						31/03/2008	-14.08%

* Performance figures shown are annualised.

Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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.
- 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
- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 0.768%

* 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% to 60% if the distributor is an entity belonging to KBC Group NV, to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB GLOBALNIHO RUSTU PLUS 9

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 16 May 2008
Launch price: 10 CZK
Maturity date: 31 May 2012
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before charges and taxes):

- (1) To reimburse the initial subscription price per unit of CZK 10 at maturity (capital protection). This capital protection is achieved by putting in place a financial mechanism, as explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date.
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection at maturity entails investing the total amounts subscribed in bonds and other debt instruments, deposits and/or cash (including money in fixed-term deposit or demand accounts). These investments may have different durations and coupon payment dates which are aligned with the expiry dates of the sub-fund's commitments through the use of the swaps referred to in the section *Permitted swap transactions (2)*.

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) An investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of and established in a Member State of the European Economic Area;
- (2) Debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) Investments with an analogous structure and identical counterparty risk as those referred to under points (1) and (2) above.

The investments under (3) may consist of:

(A) An investment in stock-exchange-listed bonds issued by '*Special Purpose Vehicles*' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset classes* and *Characteristics of the bonds and debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses are available electronically at <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC. The annual and interim reports are also available electronically at <http://www.kbc.be/>.

(B) An investment in:

- Deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- Debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have the minimum solvency rating indicated in the section *Characteristics of the bonds and debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit at maturity (before charges and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and, if appropriate, from any other sub-fund of the ICVC. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund conducts swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

SUB-FUND'S INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the Royal Decree of 4 March 2005 on certain public undertakings for collective investment, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in undertakings for collective investment, deposits, derivatives (financial derivatives), liquid assets and any other instrument permitted under the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 on certain public undertakings for collective investment shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND DEBT INSTRUMENTS

The average rating for bonds and other debt instruments for the duration of the sub-fund is at least equivalent to "A-" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of rating, an average credit risk profile that the manager considers to be equivalent.

The rating for bonds and other long-term debt instruments when the investment is launched must be equivalent to at least "A-" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent .

The rating for bonds and other short-term debt instruments when the investment is launched must be equivalent to at least "A-1" from Standard & Poor's or the equivalent from Moody's or Fitch or in the absence of a rating, an average credit-risk profile that the manager considers to be equivalent.

All terms are taken into considering when selecting bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are conducted with one or more prime counterparty(-ies) subject to the limits laid down by law.

(1) To generate a potential return, the sub-fund conducts swaps. Under these swaps, the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) undertake(s) to offer a potential return, as set out in the section *Strategy selected*.

The swaps referred to under (1) are essential to achieve the sub-fund's investment objectives, given that a potential return may be achieved using this technique.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conduct swaps to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conduct swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to repay 100% of the initial subscription value at maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of 30 top-quality corporate shares (as defined below) with a high market capitalisation and a low price/earnings ratio. 110% of any rise in value of the basket of 30 shares (= *Last Value after deduction of the Base Value*) divided by the *Base Value*, which exceed 100% of the initial subscription value will be distributed at maturity.

MATURITY: Thursday, 31 May 2012 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against the local currencies of the equities in the basket are not relevant.

BASE VALUE: Value of the basket based on the average stock market price of shares in the basket on the first ten Valuation Dates from Friday, 23 May 2008 (inclusive).

FINAL VALUE: The value of the basket based on the average of the prices for the equities in the basket on the last Valuation Date of the quarter in each of the last 16 quarters before Maturity, more precisely from July 2008 to April 2012 (inclusive).

PRICE:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of a share in the basket as calculated and published at the stock exchange close by the competent stock-exchange entity (or its legal successor) where the security is listed. For shares listed on the Milan stock exchange, this is the reference price.

VALUATION DATE:

For each share in the basket, this is a trading day for the stock exchange on which the share is listed and which is the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market for that share (suspension or limitation of trading in that security) or early close of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market for a share in the basket is disrupted or closes early, the original Valuation Date for this equity is replaced by the next trading day on which there is no disruption or early closing, provided that date is not already a scheduled Valuation Date or already replaces a scheduled Valuation Date postponed because of disruption or early closing of the market.ⁱ

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled Valuation Date, (i) this eighth trading day will be deemed to be the scheduled Valuation Date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which affected one or more shares, (b) the change in the conditions for determining the Base Value and/or Final Value, and (c) the terms and conditions for distribution subject to the investment objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, on the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 4 years, which pays, at maturity, the full amount of any rise in value of a basket of shares beyond the full initial subscription value of 10 CZK. The Base Value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	140	100% * 40% = 40%	10 + 40% * 10 = 14 CZK (rendement actuariel : 8.77%, avant frais et impôts)
Scénario Neutre	115	100% * 15% = 15%	10 + 15% * 10 = 11.5 CZK (rendement actuariel : 3.55%, avant frais et impôts)
Scénario Négatif	90	100% * 0% = 0%	10 + 0% * 10 = 10 CZK (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET:

The table below sets out, in columns running from left to right, the share's serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ALLIANZ SE-REG	ALV GY Equity	Frankfurt	4.00%
2	ALTRIA GROUP INC	MO UN Equity	New York	4.00%
3	ASSICURAZIONI GENERALI	G IM Equity	Milan	2.00%
4	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	4.00%
5	BANCO SANTANDER SA	SAN SM Equity	Madrid	3.00%
6	BASF AG	BAS GY Equity	Frankfurt	5.00%
7	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.00%
8	CITIGROUP INC	C UN Equity	New York	3.00%
9	CREDIT SUISSE GROUP-REG	CSGN VX Equity	Virt-x	2.00%
10	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	4.00%
11	DIAGEO PLC	DGE LN Equity	London	2.00%
12	ENI SPA	ENI IM EQUITY	Milan	6.00%
13	FORTUM OYJ	FUM1V FH Equity	Helsinki	3.00%
14	HSBC HOLDINGS PLC	HSBA LN Equity	London	4.00%
15	ING GROEP NV-CVA	INGA NA Equity	Amsterdam	6.00%
16	INTESA SANPAOLO	ISP IM Equity	Milan	4.00%
17	JPMORGAN CHASE & CO	JPM UN Equity	New York	2.00%
18	KBC GROEP NV	KBC BB Equity	Brussels	3.00%
19	KRAFT FOODS INC-A	KFT UN Equity	New York	4.00%
20	MERCK & CO. INC.	MRK UN Equity	New York	3.00%
21	NATIONAL GRID PLC	NG/ LN Equity	London	4.00%
22	NESTLE SA-REG	NESN VX Equity	Virt-x	3.00%
23	NOKIA OYJ	NOK1V FH Equity	Helsinki	3.00%
24	PFIZER INC	PFE UN Equity	New York	4.00%
25	RWE AG	RWE GY Equity	Frankfurt	3.00%
26	SIEMENS AG-REG	SIE GY Equity	Frankfurt	2.00%
27	SUNTRUST BANKS INC	STI UN Equity	New York	2.00%
28	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
29	TOTAL	FP FP Equity	Paris	2.00%
30	VIVENDI	VIV FP Equity	Paris	3.00%

Selection criteria for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) the share has a major market capitalisation and a low price/earnings ratio, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the Maturity Date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the Maturity Date as profit on the share for the purpose of calculating the final rise in value of the basket on the Maturity Date.

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

The following information is of a general nature 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 its interpretation can change. Investors who wish to have more information about the tax implications – both in Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

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.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax*;
- the Royal Decree of 27 September 2009 *implementing Article 338bis, § 2, of the 1992 Income Tax Code*;
- the Royal Decree of 27 September 2009 *concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, to an individual (beneficial owner) 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 country 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 of the 1992 Income Tax Code).

UCITS capitalisation and distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code applies only to unit holders subject to personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor held the units.

This tax is levied at 15%.

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 intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, 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

Not applicable.

2.1.7 INVESTMENT POLICY

Composition of the basket on the date of the report

Name	Value
ALLIANZ SE-REG	2,4588
ALTRIA GROUP INC	2,6891
ASSICURAZIONI GENERALI	0,8543
BANCO BILBAO VIZCAYA ARGENTA	1,9101
BANCO SANTANDER SA	1,4202
BASF SE	5,5793
BRITISH AMERICAN TOBACCO PLC	4,8644
CITIGROUP INC	0,3759
CREDIT SUISSE GROUP AG-REG	0,8317
DEUTSCHE POST AG-REG	2,2832
DIAGEO PLC	2,8608
ENI SPA	3,6464
FORTUM OYJ	1,6122
HSBC HOLDINGS PLC (LONDON)	2,6542
ING GROEP NV-CVA	1,7638
INTESA SANPAOLO	1,3297
JPMORGAN CHASE & CO	1,5816
KBC GROEP NV	0,3684
KRAFT FOODS INC-CLASS A	4,6899
MERCK & CO. INC.	2,9402
NATIONAL GRID PLC	3,8110
NESTLE SA-REG	3,1423
NOKIA OYJ	0,6276
PFIZER INC	4,5576
PHILIP MORRIS INTERNATIONAL	3,0581
RWE AG	0,9889
SIEMENS AG-REG	2,0423
SUNTRUST BANKS INC	0,6931
TELEFONICA SA (SM)	2,1744
TOTAL SA	1,4125
VIVENDI	1,8921
TOTAL	71,11

Evolution de l'indice ou basket

Indice: **BASKET**

31/12/2010: **76,96**

30/06/2011: **79,11**

29/12/2011: **71,11**

Performance since 31 December 2012 or since the launch of the sub-fund: **-7,60%**

Performance since 30 June 2011 or since the launch of the sub-fund: **-10,11%**

Index at the launch of the sub-fund: **100,00**

Minimum guaranteed return in local currency on the maturity date: **10,00**

Local currency: **CZK**

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
31/03/2008		PHILIP MORRIS INTERNATIONAL	Spin Off Altria

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at launch: IV

The synthetic risk rating indicates the degree of risk associated with investing in an undertaking for collective investment (UCI) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is (re)calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. Changes in market volatility, for instance, will affect the risk profile.

The risk rating should be changed if the score awarded to a UCI sub-fund in two successive monthly valuation rounds put it in different rating category to the original one.

The new risk rating will be specified in the (interim) annual reports, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
TOTAL NET ASSETS	60.273.294,58	65.000.857,20
II. Securities, money market instruments, UCIs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	54.119.887,42	59.855.158,47
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-49.164,74	-468.315,25
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		14.065,96
B. Debts		
a) Accounts payable (-)		-253.135,30
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	850.835,41	559.990,65
B. Term accounts at banks	5.340.267,00	5.280.736,60
VI. Accruals and deferrals		
B. Accrued income	15.990,33	17.231,50
C. Accrued expenses (-)	-4.520,84	-4.875,43
TOTAL CAPITAL AND RESERVES	60.273.294,58	65.000.857,20
A. Capital	61.003.230,69	63.859.168,63
B. Share in the profit	-22.377,43	-31.131,10
D. Result for the financial year	-707.558,68	1.172.819,67

OFF-BALANCE-SHEET ITEMS

IV Notional amounts of swap contracts (+)	61.455.928,00	66.902.178,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-1.132.302,23	49.398,47
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	365.081,49	1.307.682,09
G. Receivable, deposits, cash at bank and in hand, and payables	-469,60	2.702,30
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-1.958,88	-1.835,92
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	891.795,04	1.011.152,10
b) Deposits and cash at bank and in hand	67.969,94	100.624,64
D. Swap contracts (+/-)	-123.331,61	-386.095,82
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	40.200,01	53.175,16
B. Other	-11.797,44	19.894,07
IV. Operating expenses		
B. Financial expenses (-)	-15.635,71	-20.853,40
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-723.203,96	-863.483,26
b) Administration and accounting management	-31.611,89	-33.371,97
F. Formation and organisation expenses (-)	-7.555,88	-9.319,40
G. Remuneration, social security charges and pensions (-)	-62,15	-100,45
H. Services and sundry goods (-)	-13.531,16	-27.368,71
J. Taxes	-667,76	-18.090,75
K. Other expenses (-)	-4.388,64	-4.742,10
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	62.090,54	-185.127,27
V. Profit (loss) on ordinary activities before tax	-707.558,68	1.172.819,67
VII. Result for the financial year	-707.558,68	1.172.819,67

**Profit appropriation
statement**

	31/12/2011 (in the sub fund's currency)	31/12/2010 (in the sub fund's currency)
I. Profit to be allocated (loss to be recognised)		
Profit for the period available for appropriation (loss to be recognised)	-729.936,11	1.141.688,57
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-707.558,68	1.172.819,67
	-22.377,43	-31.131,10
II. (Appropriations to) Deductions from capital	729.936,11	-1.141.688,57

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 STATEMENT OF ASSETS OF HORIZON CSOB GLOBAL GROWTH PLUS 9

Name	Quantity at 31 December 2011	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% owned by the UCI	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 23/09-21/03 3.63%	5.550.000,00	CZK	97,445	5.429.521,06		10,04	9,01
BEECHWOOD STRUCTURED FIN PLC 6P-10 23/09-23/03 3.63%	5.550.000,00	CZK	96,471	5.375.433,65		9,94	8,92
BROOKFIELDS CAPITAL PLC 6P-10 23/09-23/03 3.63%	5.550.000,00	CZK	97,737	5.445.701,48		10,07	9,04
EPERON FINANCE PLC 6P-10 23/09-23/03 3.63%	5.550.000,00	CZK	97,349	5.424.159,82		10,03	9,00
ESPACCIO SECURITIES PLC 6P-10 23/09-23/03 3.63%	2.800.000,00	CZK	96,491	2.712.504,37		5,02	4,50
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 23/09-23/03 3.63%	2.800.000,00	CZK	96,548	2.714.079,43		5,02	4,50
NIMROD CAPITAL PLC 6P-10 23/09-23/03 3.63%	2.750.000,00	CZK	97,616	2.694.994,82		4,98	4,47
OPAL FINANCIAL PRODUCTS PLC 6P-10 23/09-23/03 3.63%	2.800.000,00	CZK	96,742	2.719.521,15		5,03	4,51
PROFILE FINANCE PLC 6P-10 23/09-23/03 3.63%	2.800.000,00	CZK	97,253	2.733.840,74		5,06	4,54
RECOLTE SECURITIES PLC 6P-10 23/09-23/03 3.63%	2.800.000,00	CZK	96,358	2.708.784,80		5,01	4,49
SILVERSTATE FIN INV PLC 6P-10 23/09-23/03 3.63%	2.750.000,00	CZK	96,921	2.675.879,48		4,95	4,44
VESPUCCI STRUCTURED FIN PROD 6P-10 23/09-23/03 3.63%	2.750.000,00	CZK	97,112	2.681.126,10		4,96	4,45
VIGADO CAPITAL PLC 6P-10 23/09-23/03 3.63%	2.800.000,00	CZK	96,406	2.710.106,54		5,01	4,50
VOYCE INVESTMENTS PLC 6P-10 23/09-23/03 3.63%	2.750.000,00	CZK	97,865	2.701.840,72		5,00	4,48
WATERFORD CAPITAL INC PLC 6P-10 23/09-23/03 3.63%	2.800.000,00	CZK	96,268	2.706.249,48		5,01	4,49
WAVES FINANCIAL INV PLC 6P-10 23/09-23/03 3.63%	2.750.000,00	CZK	97,294	2.686.143,78		4,97	4,46
Total bonds				54.119.887,42		100,09	89,79
Swaps							
<u>Belgium</u>							
KBC SWAPS	61.455.928,00	CZK	-0,080	-49.164,74		-0,09	-0,08
Total swaps				-49.164,74		-0,09	-0,08
TOTAL SECURITIES PORTFOLIO				54.070.722,68		100,00	89,71
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	773.825,02	CZK	1,000	773.825,02			1,28
KBC GROUP EURO	3.019,66	EUR	1,000	77.010,39			0,13
Total demand accounts				850.835,41			1,41
Time deposit accounts							
<u>Belgium</u>							
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	5.340.000,00	CZK	100,005	5.340.267,00			8,86
Total time deposit accounts				5.340.267,00			8,86
TOTAL CASH AT BANK AND IN HAND				6.191.102,41			10,27

OTHER						
Accrued interest		CZK		15.990,33		0,03
Expenses payable		CZK		-4.520,84		-0,01
TOTAL OTHER				11.469,49		0,02
TOTAL NET ASSETS				60.273.294,58		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the sub-fund's currency	Lot size	Transaction date
EQLISWAP	CZK	61.455.928,00	61.455.928,00	n.a.	31.08.2011

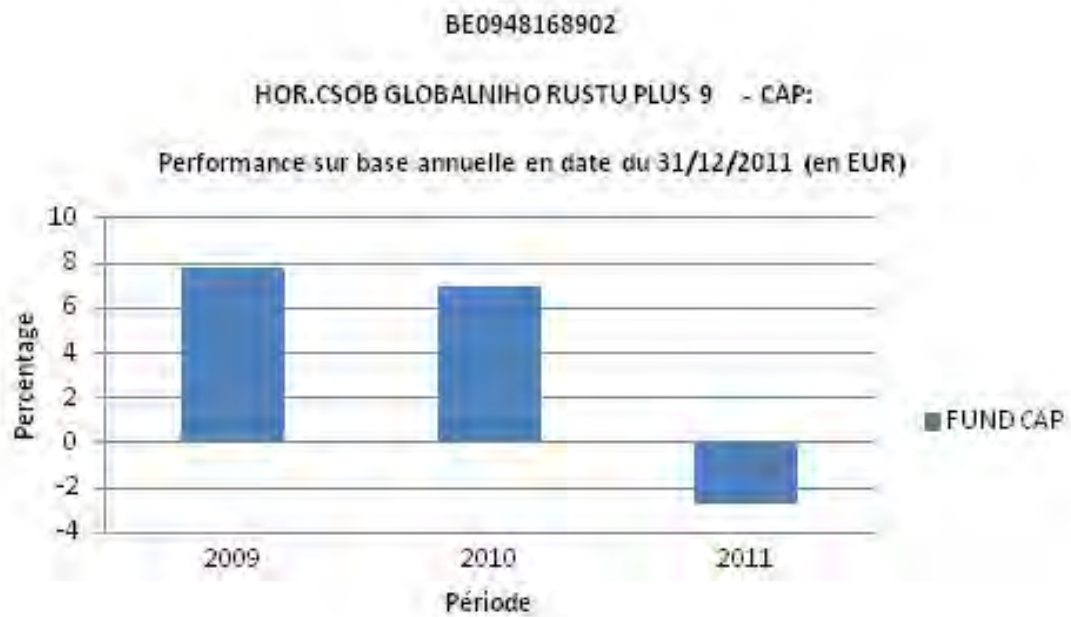
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		269.277,00		7.122.921,00		7.122.921,00
2010 - 12	0,00		538.778,00		6.584.143,00		6.584.143,00
2011 - 12	0,00		405.421,00		6.178.722,00		6.178.722,00

Period	Amounts received and paid by the UCI (in the sub fund's currency)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		2.499.667,65	
2010 - 12	0,00		5.317.522,20	
2011 - 12	0,00		4.020.003,94	

Period	Net asset value At the end of the period (in the currency of the sub fund)		
	of the sub-fund	of one unit	
		Cap.	Dis.
2009 - 12	69.145.559,73	9,71	
2010 - 12	65.000.857,20	9,87	
2011 - 12	60.273.294,58	9,75	

2.4.5 PERFORMANCE FIGURES



Cap Dis	ISIN code	Curren- cy	1 year		3 years*		5 years*		10 years*		Since launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948168902	EUR	-2.72%		3.90%						16/05/2008	-1.16%
CAP	BE0948168902	CZK	-1.11%		2.14%						16/05/2008	-0.67%

* Performance figures shown are annualised.
Past returns are no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures do not take account of possible 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.
- 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

- 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 nth 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.297%

* 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% to 60% if the distributor is an entity belonging to KBC Group NV, to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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. These limitations may only be amended following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each interim period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each interim period.

Auditor's fee: 1,000 EUR per year. This fee does not include VAT and will be increased at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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.

Financial derivatives on financial indexes: more detailed information on any financial indexes underlying financial derivatives is provided in the section "Goal and key principles of investment policy" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB BYCI A MEDVEDI 3

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 30.04.08
Initial subscription price: CZK 10
Maturity date: 30 November 2012
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse on maturity the initial subscription price per unit of CZK 10 (capital protection). This capital protection is achieved by putting in place a financial mechanism which is explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date;
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection on maturity entails investing the total subscribed amounts in bonds and other debt instruments, deposits and/or liquid assets (including money placed on fixed-term deposit or demand accounts). These investments may be of various durations and coupon payment dates that are aligned to the expiry dates of the sub-fund's commitments through the use of the swaps set out in the section *Permitted swap transactions*(2).

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) an investment covered by an investment strategy with an analogous structure and a counterparty risk identical to a direct investment in the deposits and /or debt instruments referred to in points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be accessed via the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

(B) an investment in:

- deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt securities issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have a minimum solvency rating, as explained in the section *Characteristics of the bonds and other debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit on maturity (before costs and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged to do so) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and potentially from other of the ICVC's sub-funds. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the bonds and other debt instruments will have an average solvency score equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if not rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into considering when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies), subject to the limits laid down by law.

To achieve a potential return, the sub-fund concludes swaps. Under these 'swaps', the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that using this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conclude swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on Maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a

basket of 30 shares of top-quality companies (as set out below) with a high market capitalisation and a low price/earnings ratio. This is done through a **'Conditional Bull and Bear' structure**.

The 'Conditional Bull & Bear' structure means that:

- If the basket increases in value (= *(Last Value less Base Value) divided by the Base Value > 0*), half of the rise which exceeds the full initial subscription value will be distributed on maturity.
- If the basket does not increase in value (= *(Last Value less Base Value) divided by the Base Value <= 0*), 40% of the absolute value of the fall which exceeds the full initial subscription value will be distributed on maturity, the maximum gain being, however, 20% (4.07% yield to maturity, before costs and taxes). Absolute value means that the fall in value (negative percentage) is converted into a positive percentage of the same magnitude.

MATURITY: Friday, 30 November 2012 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against in the local currencies of the equities in the basket are not relevant.

BASE VALUE: The value of the basket based on the average of the prices for the shares in the basket on the first ten Valuation Dates from Friday, 9 May 2008 (inclusive).

LAST VALUE: The value of the basket based on the average of the prices for the shares in the basket on the last Valuation Date of the month in each of the last 18 months before maturity, more precisely from May 2011 to October 2012 (inclusive).

Price:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of an equity in the basket as calculated and published at the stock market close by the stock-exchange body (or its legal successor) competent for the place where the security is listed. For equities listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each equity in the basket, this is a trading day for the stock exchange on which the share is listed and for the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market in that share (suspension or limitation of trading on that security) or early closure of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market in a share in the basket is disrupted or closes early, the scheduled Valuation Date for this equity is replaced by the next trading day on which there is no disruption or early closure, provided this day is not already a scheduled Valuation Date or is already replacing a scheduled Valuation Date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled Valuation Date, (i) this eighth trading day will be deemed to be the scheduled Valuation Date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which occurred with regard to one or more shares, (b) the change in the conditions for determining the Base Value and/or Last Value, and (c) the terms and conditions for the distribution of amounts in the light of the objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 4 years and 6 months, which pays 60% of any rise in value of the basket on maturity or half of the absolute value of any fall in the value of the basket, the maximum gain being 20%, in addition to full initial subscription value (of CZK 10). The Base Value of the basket is 100.

	Last Value of the basket	Relevant performance	Value on Maturity
Positive scenario	160	60% * 60% = 36% (*)	10 + 36% * 10 = CZK 13.6 (yield to maturity: 7.07% on maturity, before costs and taxes)
Positive scenario	50	50% * 50% = 25% (**)	10 + 20% * 10 = CZK 12(***) (yield to maturity: 4.13% on maturity, before costs and taxes)
Neutral scenario	125	60% * 25% = 15% (*)	10 + 15% * 10 = CZK 11.5 (yield to maturity: 3.15% on maturity, before costs and taxes)
Neutral scenario	90	50% * 10% = 5% (**)	10 + 5% * 10 = CZK 10.5 (yield to maturity: 1.09% on maturity, before costs and taxes)
Negative scenario	100	0%	10 + 0% * 10 = CZK 10 (yield to maturity: 0% on maturity, before costs and taxes)

(*) Relevant rise = increase in the take-up rate of the underlying basket ($(Last\ Value - Base\ Value) / Base\ Value$).

(**) Relevant fall = the take-up rate at the absolute value of any fall in the value of the underlying basket ($(Base\ Value - Last\ Value) / Base\ Value$).

(***) (***) Capital gain limited to 20%

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ALLIANZ SE-REG	ALV GY Equity	Frankfurt	4.00%
2	ALTRIA GROUP INC	MO UN Equity	New York	4.00%
3	ASSICURAZIONI GENERALI	G IM Equity	Milan	2.00%
4	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	4.00%
5	BANCO SANTANDER SA	SAN SM Equity	Madrid	3.00%
6	BASF AG	BAS GY Equity	Frankfurt	5.00%
7	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.00%
8	CITIGROUP INC	C UN Equity	New York	3.00%
9	CREDIT SUISSE GROUP-REG	CSGN VX Equity	Virt-x	2.00%
10	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	4.00%
11	DIAGEO PLC	DGE LN Equity	London	2.00%
12	ENI SPA	ENI IM EQUITY	Milan	6.00%
13	FORTUM OYJ	FUM1V FH Equity	Helsinki	3.00%
14	HSBC HOLDINGS PLC	HSBA LN Equity	London	4.00%
15	ING GROEP NV-CVA	INGA NA Equity	Amsterdam	6.00%
16	INTESA SANPAOLO	ISP IM Equity	Milan	4.00%
17	JPMORGAN CHASE & CO	JPM UN Equity	New York	2.00%
18	KBC GROEP NV	KBC BB Equity	Brussels	3.00%
19	KRAFT FOODS INC-A	KFT UN Equity	New York	4.00%
20	MERCK & CO. INC.	MRK UN Equity	New York	3.00%
21	NATIONAL GRID PLC	NG/ LN Equity	London	4.00%
22	NESTLE SA-REG	NESN VX Equity	Virt-x	3.00%
23	NOKIA OYJ	NOK1V FH Equity	Helsinki	3.00%
24	PFIZER INC	PFE UN Equity	New York	4.00%
25	RWE AG	RWE GY Equity	Frankfurt	3.00%
26	SIEMENS AG-REG	SIE GY Equity	Frankfurt	2.00%
27	SUNTRUST BANKS INC	STI UN Equity	New York	2.00%
28	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
29	TOTAL	FP FP Equity	Paris	2.00%
30	VIVENDI	VIV FP Equity	Paris	3.00%

Criteria for selection for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) it has a high market capitalisation and a low price/earnings ratio, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the maturity date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket on maturity.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax;
- the Royal Decree of 27 September 2009 implementing Article 338bis, paragraph 2, of the 1992 Income Tax Code;
- the Royal Decree of 27 September 2009 concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 this information to the tax authorities in the beneficial owner's country 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 of the 1992 Income Tax Code)

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19*bis* of the 1992 Income Tax Code only applies to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units.
This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
ALLIANZ SE-REG	2,2922
ALTRIA GROUP INC	2,6914
ASSICURAZIONI GENERALI	0,8196
BANCO BILBAO VIZCAYA ARGENTA	1,8072
BANCO SANTANDER SA	1,3307
BASF SE	5,7751
BRITISH AMERICAN TOBACCO PLC	4,6711
CITIGROUP INC	0,3517
CREDIT SUISSE GROUP AG-REG	0,7825
DEUTSCHE POST AG-REG	2,2199
DIAGEO PLC	2,7611
ENI SPA	3,6280
FORTUM OYJ	1,6844
HSBC HOLDINGS PLC (LONDON)	2,5634
ING GROEP NV-CVA	1,7010
INTESA SANPAOLO	1,2479
JPMORGAN CHASE & CO	1,4725
KBC GROEP NV	0,3505
KRAFT FOODS INC-CLASS A	4,7081
MERCK & CO. INC.	2,8617
NATIONAL GRID PLC	3,8670
NESTLE SA-REG	3,1505
NOKIA OYJ	0,6065
PFIZER INC	4,3440
PHILIP MORRIS INTERNATIONAL	3,0027
RWE AG	1,0358
SIEMENS AG-REG	1,9542
SUNTRUST BANKS INC	0,6345
TELEFONICA SA (SM)	2,0829
TOTAL SA	1,4044
VIVENDI	1,9505
TOTAL	69,75

Performance of the index or basket

Index:	BASKET
31/12/2010:	75,40
30/06/2011:	77,50
29/12/2011:	69,75
Performance since 31/12/2010 or since the launch of the sub-fund:	-7,49%
Performance since 30/06/2011 or since the launch of the sub-fund:	-10,00%
Index at the launch of the sub-fund	100,00
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	CZK

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
31/03/2008		PHILIP MORRIS INTERNATIONAL	Spin Off Altria

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at the launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	80.213.836,19	85.797.973,89
II. Securities, money market instruments, CIUs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	65.908.388,04	76.324.737,66
a) Collateral received in the form of bonds	4.814.241,63	
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	7.682.293,73	5.508.180,80
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		19.225,97
B. Debts		
a) Amounts payable (-)		-31.511,70
d) Collateral (-)	-4.814.241,63	
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	402.598,19	493.773,41
B. Fixed-term deposits at banks	6.214.565,00	3.479.648,60
VI. Accruals and deferrals		
B. Accrued income	12.007,72	10.356,50
C. Accrued expenses (-)	-6.016,49	-6.437,35
TOTAL CAPITAL AND RESERVES	80.213.836,19	85.797.973,89
A. Capital	78.750.974,31	83.558.806,21
B. Share in the profit	-647,70	21.267,95
D. Result for the financial year	1.463.509,58	2.217.899,73

OFF-BALANCE-SHEET ITEMS

I Security in the form of real property (+/-)		
I.A Collateral (+/-)		
I.A.A Securities/money market instruments	4.814.241,63	
IV Swap contracts - notional amounts (+)	72.817.950,00	79.254.400,00

2.3 INCOME STATEMENT

Income statement	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-1.398.308,69	70.708,52
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	2.726.980,21	2.278.823,40
G. Receivables, deposits, cash at bank and in hand, and payables	-5.083,60	1.408,10
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	645,65	-4.139,31
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	1.113.147,86	1.282.563,39
b) Deposits and cash at bank and in hand	56.696,19	114.327,58
D. Swap contracts (+/-)	-306.988,02	-674.394,41
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	70.476,42	93.367,47
B. Other	-16.156,11	101.472,20
IV. Operating expenses		
A. Investment transaction and delivery costs (-)		-0,08
B. Financial expenses (-)	-21.717,98	-26.217,49
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-674.591,90	-888.839,23
b) Administration and accounting management	-40.337,53	-45.095,28
F. Formation and organisation expenses (-)	-10.232,24	-15.593,79
G. Remuneration, social security costs and pensions (-)	-80,70	-139,60
H. Services and sundry goods (-)	-18.064,96	-32.816,94
J. Taxes	-944,85	-24.734,68
K. Other expenses (-)	-5.841,92	-6.252,74
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	139.276,01	-128.900,98
V. Profit (loss) on ordinary activities before tax	1.463.509,58	2.217.899,73
VII. Result for the financial year	1.463.509,58	2.217.899,73

**Profit appropriation
statement**

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit available for appropriation (loss to be recognised)	1.462.861,88	2.239.167,68
Profit for the year available for appropriation (Loss to be recognised)	1.463.509,58	2.217.899,73
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-647,70	21.267,95
II. Appropriation to capital/Transfers from capital	-1.462.861,88	-2.239.167,68

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB BYCI A MEDVEDI 3

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% held by the CIU	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 23/09-21/03 3.63%	6.750.000,00	CZK	97,445	6.603.471,56		8,97	8,23
BEECHWOOD STRUCTURED FIN PLC 6P-10 23/09-23/03 3.63%	6.800.000,00	CZK	96,471	6.586.116,90		8,95	8,21
BROOKFIELDS CAPITAL PLC 6P-10 23/09-23/03 3.63%	6.750.000,00	CZK	97,737	6.623.150,45		9,00	8,26
EPERON FINANCE PLC 6P-10 23/09-23/03 3.63%	6.750.000,00	CZK	97,349	6.596.951,13		8,96	8,22
ESPACCIO SECURITIES PLC 6P-10 23/09-23/03 3.63%	3.400.000,00	CZK	96,491	3.293.755,31		4,48	4,11
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 23/09-23/03 3.63%	3.400.000,00	CZK	96,548	3.295.667,88		4,48	4,11
NIMROD CAPITAL PLC 6P-10 23/09-23/03 3.63%	3.350.000,00	CZK	97,616	3.282.993,68		4,46	4,09
OPAL FINANCIAL PRODUCTS PLC 6P-10 23/09-23/03 3.63%	3.400.000,00	CZK	96,742	3.302.275,68		4,49	4,12
PROFILE FINANCE PLC 6P-10 23/09-23/03 3.63%	3.400.000,00	CZK	97,253	3.319.663,75		4,51	4,14
RECOLTE SECURITIES PLC 6P-10 23/09-23/03 3.63%	3.400.000,00	CZK	96,358	3.289.238,68		4,47	4,10
SILVERSTATE FIN INV PLC 6P-10 23/09-23/03 3.63%	3.350.000,00	CZK	96,921	3.259.707,73		4,43	4,06
VESPUCCI STRUCTURED FIN PROD 6P-10 23/09-23/03 3.63%	3.400.000,00	CZK	97,112	3.314.846,80		4,50	4,13
VIGADO CAPITAL PLC 6P-10 23/09-23/03 3.63%	3.400.000,00	CZK	96,406	3.290.843,65		4,47	4,10
VOYCE INVESTMENTS PLC 6P-10 23/09-23/03 3.63%	3.350.000,00	CZK	97,865	3.291.333,24		4,47	4,10
WATERFORD CAPITAL INC PLC 6P-10 23/09-23/03 3.63%	3.400.000,00	CZK	96,268	3.286.160,09		4,47	4,10
WAVES FINANCIAL INV PLC 6P-10 23/09-23/03 3.63%	3.350.000,00	CZK	97,294	3.272.211,51		4,45	4,08
Total bonds				65.908.388,04		89,56	82,17
Swaps							
<u>Belgium</u>							
KBC SWAPS	72.817.950,00	CZK	10,550	7.682.293,73		10,44	9,58
Total swaps				7.682.293,73		10,44	9,58
TOTAL SECURITIES PORTFOLIO				73.590.681,77		100,00	91,74
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	188.771,58	EUR	1,000	4.814.241,63			6,00
TOTAL COLLATERAL RECEIVED				4.814.241,63			6,00
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	334.640,09	CZK	1,000	334.640,09			0,42
KBC GROUP EURO	2.664,71	EUR	1,000	67.958,10			0,09
Total demand accounts				402.598,19			0,50

Fixed-term deposit accounts						
<u>Germany</u>						
DZ BANK AG 23/09-23/03/12 DZBANK 0.550 %	4.420.000,00	CZK	99,875	4.414.475,00		5,50
<u>Belgium</u>						
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	1.800.000,00	CZK	100,005	1.800.090,00		2,24
Total fixed-term deposit accounts				6.214.565,00		7,75
TOTAL CASH AT BANK AND IN HAND				6.617.163,19		8,25
OTHER RECEIVABLES AND PAYABLES						
Debts						
<u>Belgium</u>						
KBC GROUP TEGENPOST COLLATERAL EUR	-188.771,58	EUR	1,000	-4.814.241,63		-6,00
Total debts				-4.814.241,63		-6,00
TOTAL RECEIVABLES AND PAYABLES				-4.814.241,63		-6,00
OTHER						
Accrued interest		CZK		12.007,72		0,02
Prepaid expenses		CZK		-6.016,49		-0,01
TOTAL OTHER				5.991,23		0,01
TOTAL NET ASSETS				80.213.836,19		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port/Havenlaan 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
KBC COLLATERAL EUR	EUR	188.771,58	4.814.241,63	n.a.	29.12.2011
EQLISWAP	CZK	72.817.950,00	72.817.950,00	n.a.	16.12.2011

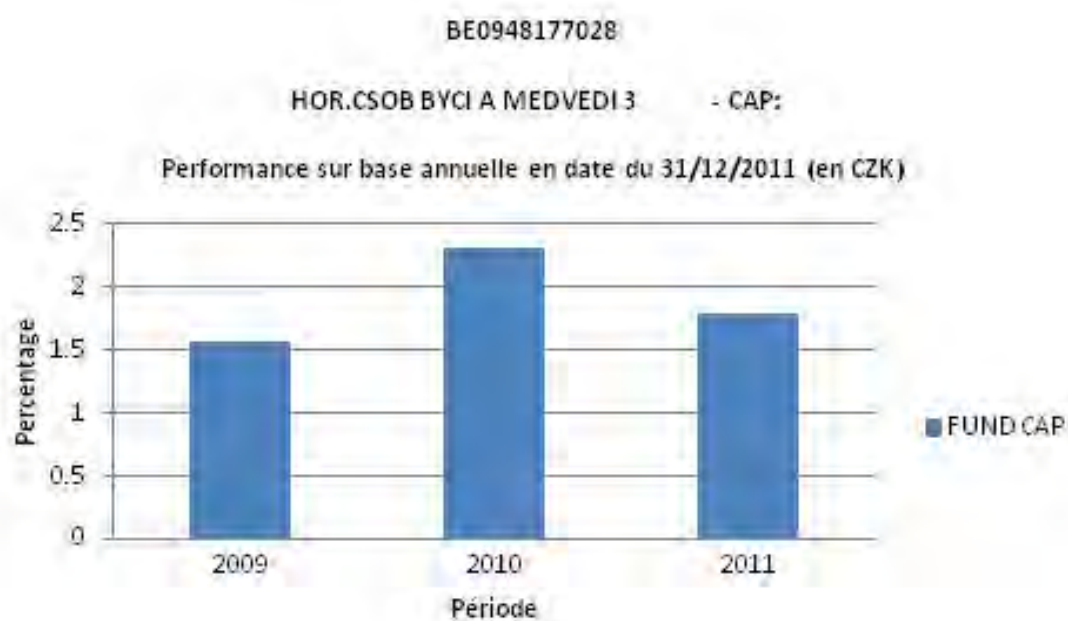
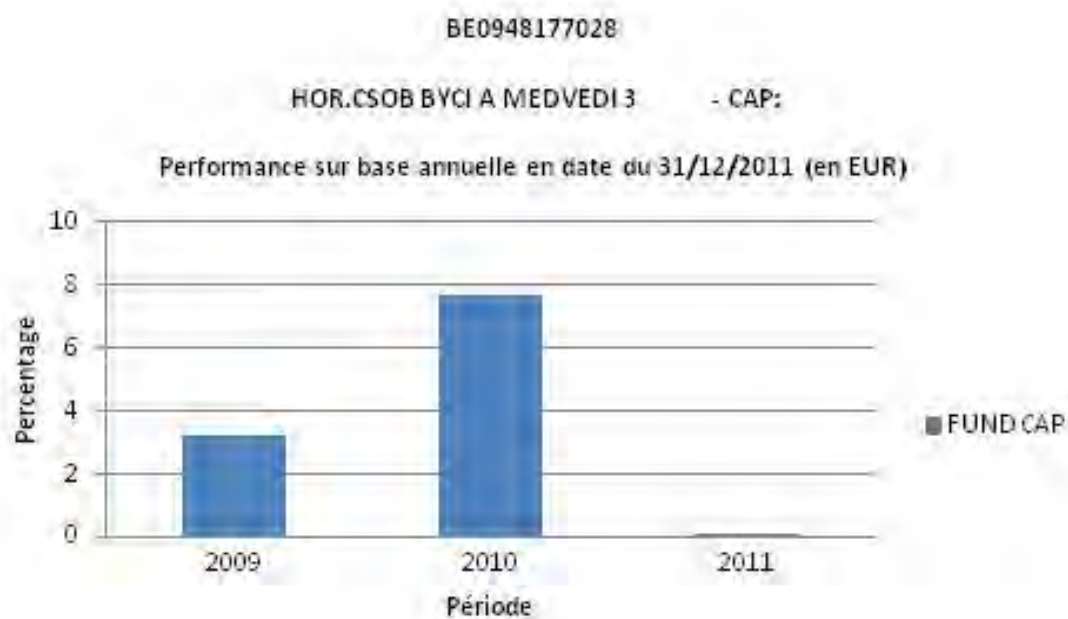
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		846.259,00		8.959.344,00		8.959.344,00
2010 - 12	474,00		875.634,00		8.084.184,00		8.084.184,00
2011 - 12	0,00		653.781,00		7.430.403,00		7.430.403,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)				
Year	Subscriptions		Redemptions		
	Cap.	Dis.	Cap.	Dis.	
2009 - 12	0,00		8.649.187,45		
2010 - 12	5.052,84		9.331.702,05		
2011 - 12	0,00		7.047.647,28		

Period	Net asset value At the end of the period (in the currency of the sub-fund)			
Year	Of the sub-fund		Of one unit	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	92.906.723,37		10,37	
2010 - 12	85.797.973,89		10,61	
2011 - 12	80.213.836,19		10,80	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948177028	EUR	0.14%		3.65%						30/04/2008	2.27%
CAP	BE0948177028	CZK	1.79%		1.89%						30/04/2008	2.12%

* The performance figures are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no 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.
- 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
- 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 0.953%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each six-month period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each six-month period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and is indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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 includes the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indexes: More detailed information on any financial indices underlying financial derivatives are provided in the section "*Goal and key principles of the investment policy*" in this report.

Details of the collateral received for financial derivatives

Name	Currency	Nominal	Currency of the portfolio	Value in the currency of the portfolio
KFW 02/12 5.25% 04/07	EUR	180.000	CZK	4.814.241,63
Total				4.814.241,63

The collateral receivable in this list is valued on the basis of indicative prices provided by the Collateral Management Department of KBC Bank.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB FIXOVANEHO RUSTU 5

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 30 May 2008
Initial subscription price: CZK 10
Maturity date: 30 March 2012
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse on maturity the initial subscription price per unit of CZK 10 (capital protection). This capital protection is achieved by putting in place a financial mechanism which is explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date;
- (2) To offer a potential return through investment in 'swaps' (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection on maturity entails investing the total subscribed amounts in bonds and other debt instruments, deposits and/or liquid assets (including money placed on fixed-term deposit or demand accounts). These investments may be of various durations and coupon payment dates that are aligned to the expiry dates of the sub-fund's commitments through the use of the swaps set out in the section *Permitted swap transactions*(2).

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) an investment covered by an investment strategy with an analogous structure and a counterparty risk identical to a direct investment in the deposits and /or debt instruments referred to in points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be accessed via the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

(B) an investment in:

- deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt securities issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have a minimum solvency rating, as explained in the section *Characteristics of the bonds and other debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit on maturity (before costs and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged to do so) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and potentially from other of the ICVC's sub-funds. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the bonds and other debt instruments will have an average solvency score equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies), subject to the limits laid down by law.

To achieve a potential return, the sub-fund concludes swaps. Under these swaps, the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that using this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conclude swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of 30 shares of top-quality companies (as set out below) with a high market capitalisation and

a low price/earnings ratio, calculated on the basis of a 'Fix Upside' structure. The full amount of any rise in the value of the basket of shares (= (Last Value less Base Value) divided by the Base Value) will be distributed on maturity. It should be borne in mind, however, the Last Value of the shares is determined on the basis of the calculation method described under "Last Value of a share".

MATURITY: 30.03.12 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against in the local currencies of the equities in the basket are not relevant.

BASE VALUE OF A SHARE: for each share in the basket, the average of the prices on the first ten Valuation Dates from Friday, 6 June 2008 (inclusive).

LAST VALUE OF A SHARE:

- Scenario 1: if the Last Value of a share is higher than the Base Value of this share and irrespective of the actual difference, a 40% rise in value over the Base Value will be booked as the Last Value for that share.
- Scenario 2: if the Last Price of the share is less than or equal to the Base Value of this share, the share's Last Price will be booked as its Last Value.

BASE VALUE OF THE BASKET: the average weighted Base Value of the shares in the basket.

LAST PRICE: for each share in the basket, the average of the prices on the first 10 Valuation Dates in March 2012.

LAST VALUE OF THE BASKET: the weighted average Last Value of the shares in the basket.

Price:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of an equity in the basket as calculated and published at the stock market close by the stock-exchange body (or its legal successor) competent for the place where the security is listed. For equities listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each equity in the basket, this is a trading day for the stock exchange on which the share is listed and for the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market in that share (suspension or limitation of trading on that security) or early closure of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market in a share in the basket is disrupted or closes early, the scheduled Valuation Date for this equity is replaced by the next trading day on which there is no disruption or early closure, provided this day is not already a scheduled Valuation Date or is already replacing a scheduled Valuation Date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled Valuation Date, (i) this eighth trading day will be deemed to be the scheduled Valuation Date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which occurred with regard to one or more shares, (b) the change in the conditions for determining the Base Value and/or Last Value, and (c) the terms and conditions for the distribution of amounts in the light of the objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following example illustrates the investment objectives described above. The example is based on a duration of 3 years and 9 months and a basket of 3 equally weighted shares, each priced at 100 for the purposes of determining the Base Value.

In the event of a rise in value, no matter how small (>0%), of an individual share as compared with its Base Value, the contribution of this share to the capital gain generated by the basket will be set at 30%.

However, in the event of a fall in value (< 0%) of an individual share as compared with its Base Value, that fall in value will be included in determining the contribution of this share to the capital gain generated by the basket.

Example

Positive scenario

Share A	Share B	Share C	Calculation of the potential capital gain
115 (30%)(*)	135 (30%)(*)	105 (30%)(*)	$(30\%+30\%+30\%)/3= 30\%$ yield to maturity: 7.24% before costs and taxes

(*) The Last Price and, moreover, the contribution of each share.

Neutral scenario

Share A	Share B	Share C	Calculation of the potential capital gain
110 (30%)(*)	105 (30%)(*)	85 (-15%)(*)	$(30\%+30\%-15\%)/3= 15\%$ yield to maturity: 3.79% before costs and taxes

(*) The Last Price and, moreover, the contribution of each share.

Negative scenario

Share A	Share B	Share C	Calculation of the potential capital gain (**)
95 (-5%)(*)	90(-10%)(*)	99 (-1%)(*)	$(-5\%-10\%-1\%)/3= 0\%$ yield to maturity: 0% before costs and taxes

(*) The Last Price and, moreover, the contribution of each share.

(**) Negative performances by the basket are not taken into account.

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	AKZO NOBEL	AKZA NA Equity	Amsterdam	3.333%
2	ATLAS COPCO AB-A SHS	ATCOA SS Equity	Stockholm	3.333%
3	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	3.333%
4	BANCO SANTANDER SA	SAN SM Equity	Madrid	3.333%
5	BNP PARIBAS	BNP FP Equity	Paris	3.333%
6	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.333%
7	CARREFOUR SA	CA FP Equity	Paris	3.333%
8	CIE FINANCIERE RICHEMON-BR A	CFR VX Equity	Virt-x	3.333%
9	CITIGROUP INC	C UN Equity	New York	3.333%
10	CREDIT SUISSE GROUP-REG	CSGN VX Equity	Virt-x	3.333%
11	FORTIS	FORB BB Equity	Brussels	3.333%
12	HSBC HOLDINGS PLC	HSBA LN Equity	London	3.333%
13	IBERDROLA SA	IBE SM Equity	Madrid	3.333%
14	INDITEX	ITX SM Equity	Madrid	3.333%
15	ING GROEP NV-CVA	INGA NA Equity	Amsterdam	3.333%
16	INTESA SANPAOLO	ISP IM Equity	Milan	3.333%
17	JPMORGAN CHASE & CO	JPM UN Equity	New York	3.333%
18	KBC GROEP NV	KBC BB Equity	Brussels	3.333%
19	MERCK & CO. INC.	MRK UN Equity	New York	3.333%
20	NOKIA OYJ	NOK1V FH Equity	Helsinki	3.333%
21	PEUGEOT SA	UG FP Equity	Paris	3.333%
22	PFIZER INC	PFE UN Equity	New York	3.333%
23	RWE AG	RWE GY Equity	Frankfurt	3.333%
24	SUEZ SA	SZE FP Equity	Paris	3.333%
25	SUNTRUST BANKS INC	STI UN Equity	New York	3.333%
26	TELEFONICA SA	TEF SM Equity	Madrid	3.333%
27	TOTAL SA	FP FP Equity	Paris	3.333%
28	VERIZON COMMUNICATIONS INC	VZ UN Equity	New York	3.333%
29	VINCI SA	DG FP Equity	Paris	3.333%
30	VIVENDI	VIV FP Equity	Paris	3.333%

Criteria for selection for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) it has a high market capitalisation and a low price/earnings ratio, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the maturity date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket on maturity.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax;
- the Royal Decree of 27 September 2009 implementing Article 338*bis*, paragraph 2, of the 1992 Income Tax Code;
- *the Royal Decree of 27 September 2009 concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 this information to the tax authorities in the beneficial owner's country 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 19*bis* of the 1992 Income Tax Code)

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19*bis* of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19*bis* of the 1992 Income Tax Code only applies to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units.

This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
AGEAS	0,2905
AKZO NOBEL	2,5049
ATLAS COPCO AB-A SHS	5,0343
BANCO BILBAO VIZCAYA ARGENTA	1,7002
BANCO SANTANDER SA	1,6867
BNP PARIBAS	1,7011
BRITISH AMERICAN TOBACCO PLC	5,5316
CARREFOUR SA	1,5028
CIE FINANCIERE RICHEMON-BR A	4,2435
CITIGROUP INC	0,4429
CREDIT SUISSE GROUP AG-REG	1,4686
GDF SUEZ	1,6570
HSBC HOLDINGS PLC (LONDON)	2,2831
IBERDROLA SA (SM)	1,8004
INDITEX (SM)	6,9327
ING GROEP NV-CVA	1,0442
INTESA SANPAOLO	1,2048
JPMORGAN CHASE & CO	2,8784
KBC GROEP NV	0,4148
MERCK & CO. INC.	3,5158
NOKIA OYJ	0,7539
PEUGEOT SA	1,0864
PFIZER INC	4,0601
RWE AG	1,1127
SUNTRUST BANKS INC	1,3844
TELEFONICA SA (SM)	2,5095
TOTAL SA	2,4722
VERIZON COMMUNICATIONS INC	3,8723
VINCI SA	2,5741
VIVENDI	2,1649
TOTAL	69,83

Performance of the index or basket

Index:	BASKET
31/12/2010:	82,71
30/06/2011:	83,23
29/12/2011:	69,83
Performance since 31/12/2010 or since the launch of the sub-fund:	-15,57%
Performance since 30/06/2011 or since the launch of the sub-fund:	-16,10%
Index at the launch of the sub-fund	100,00
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	CZK

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
22/07/2008	SUEZ SA (PARIS)	GDF SUEZ	Acquisition
30/04/2010	FORTIS (BRUSSELS)	AGEAS	Name change

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at the launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011	31/12/2010
	(in the currency of the sub-fund)	(in the currency of the sub-fund)
TOTAL NET ASSETS	66.565.433,32	73.105.213,80
II. Securities, money market instruments, CIUs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	60.451.692,77	69.626.563,46
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	27.584,85	447.348,84
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		16.229,97
B. Debts		
a) Amounts payable (-)		-148.797,00
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	269.572,95	578.616,60
B. Fixed-term deposits at banks	5.800.081,40	2.580.089,40
VI. Accruals and deferrals		
B. Accrued income	21.494,13	10.645,83
C. Accrued expenses (-)	-4.992,78	-5.483,30
TOTAL CAPITAL AND RESERVES	66.565.433,32	73.105.213,80
A. Capital	68.337.249,12	73.574.800,08
B. Share in the profit	335,00	31.533,19
D. Result for the financial year	-1.772.150,80	-501.119,47

OFF-BALANCE-SHEET ITEMS

IV Swap contracts - notional amounts (+)	68.962.118,00	72.153.038,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-1.273.229,37	85.395,42
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-422.635,82	-95.952,55
G. Receivables, deposits, cash at bank and in hand, and payables	-8,00	-386,70
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-1.610,85	-12.447,65
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	979.272,36	1.153.379,17
b) Deposits and cash at bank and in hand	62.277,52	91.022,53
C. Interest on borrowings (-)	-12,58	
D. Swap contracts (+/-)	-82.083,20	-505.453,24
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	47.676,27	67.025,95
B. Other	-13.602,21	22.576,40
IV. Operating expenses		
B. Financial expenses (-)	-21.750,30	-20.027,24
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-941.244,10	-1.156.383,33
b) Administration and accounting management	-69.818,11	-56.782,41
F. Formation and organisation expenses (-)	-8.387,08	-10.750,09
G. Remuneration, social security costs and pensions (-)	-69,14	-116,94
H. Services and sundry goods (-)	-15.250,59	-29.462,33
J. Taxes	-743,36	-20.880,52
K. Other expenses (-)	-4.843,99	-5.328,56
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	-74.666,76	-477.727,99
V. Profit (loss) on ordinary activities before tax	-1.772.150,80	-501.119,47
VII. Result for the financial year	-1.772.150,80	-501.119,47

**Profit appropriation
statement**

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit available for appropriation (loss to be recognised)	-1.771.815,80	-469.586,28
Profit for the year available for appropriation (Loss to be recognised)	-1.772.150,80	-501.119,47
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	335,00	31.533,19
II. Appropriation to capital/Transfers from capital	1.771.815,80	469.586,28

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB FIXOVANEHO RUSTU 5

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% held by the CIU	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	6.150.000,00	CZK	97,387	6.030.857,86		9,97	9,06
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	6.200.000,00	CZK	96,412	6.019.467,24		9,95	9,04
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	6.200.000,00	CZK	97,679	6.097.964,64		10,09	9,16
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	6.200.000,00	CZK	97,290	6.073.900,08		10,04	9,13
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	3.100.000,00	CZK	96,433	3.010.369,00		4,98	4,52
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 10/07-10/01 3.10 %	3.100.000,00	CZK	96,489	3.012.112,82		4,98	4,53
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	3.100.000,00	CZK	97,558	3.045.233,31		5,04	4,58
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	3.100.000,00	CZK	96,684	3.018.137,57		4,99	4,53
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	3.100.000,00	CZK	97,195	3.033.991,41		5,02	4,56
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	3.100.000,00	CZK	96,300	3.006.250,90		4,97	4,52
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	3.100.000,00	CZK	96,863	3.023.685,12		5,00	4,54
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	3.100.000,00	CZK	97,053	3.029.599,48		5,01	4,55
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	3.100.000,00	CZK	96,347	3.007.714,26		4,97	4,52
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	3.050.000,00	CZK	97,807	3.003.709,37		4,97	4,51
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	3.100.000,00	CZK	96,210	3.003.443,94		4,97	4,51
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	3.100.000,00	CZK	97,236	3.035.255,77		5,02	4,56
Total bonds				60.451.692,77		99,95	90,82
Swaps							
<u>Belgium</u>							
KBC SWAPS	68.962.118,00	CZK	0,040	27.584,85		0,05	0,04
Total swaps				27.584,85		0,05	0,04
TOTAL SECURITIES PORTFOLIO				60.479.277,62		100,00	90,86
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	215.768,51	CZK	1,000	215.768,51			0,32
KBC GROUP EURO	2.109,73	EUR	1,000	53.804,44			0,08
Total demand accounts				269.572,95			0,41
Fixed-term deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	5.410.000,00	CZK	100,001	5.410.054,10			8,13

France						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	390.000,00	CZK	100,007	390.027,30		0,59
Total fixed-term deposit accounts				5.800.081,40		8,71
TOTAL CASH AT BANK AND IN HAND				6.069.654,35		9,12
OTHER						
Accrued interest		CZK		21.494,13		0,03
Prepaid expenses		CZK		-4.992,78		-0,01
TOTAL OTHER				16.501,35		0,03
TOTAL NET ASSETS				66.565.433,32		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port/Havenlaan 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
EQLISWAP	CZK	68.962.118,00	68.962.118,00	n.a.	29.04.2011

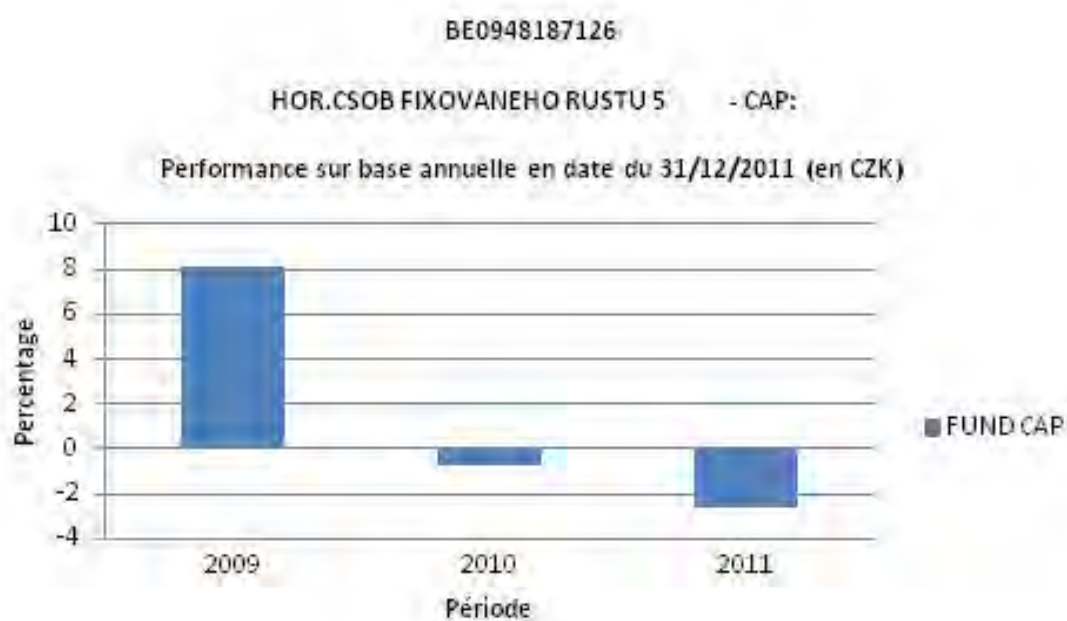
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		127.220,00		7.960.886,00		7.960.886,00
2010 - 12	0,00		665.631,00		7.295.255,00		7.295.255,00
2011 - 12	0,00		475.028,00		6.820.227,00		6.820.227,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		1.256.092,40	
2010 - 12	0,00		6.702.598,96	
2011 - 12	0,00		4.767.629,68	

Period	Net asset value At the end of the period (in the currency of the sub-fund)		
	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	80.308.932,23	10,09	
2010 - 12	73.105.213,80	10,02	
2011 - 12	66.565.433,32	9,76	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948187126	EUR	-4.17%		3.26%						30/05/2008	-1.90%
CAP	BE0948187126	CZK	-2.59%		1.51%						30/05/2008	-0.68%

* The performance figures are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no 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.
- 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
- 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.551%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each six-month period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each six-month period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and is indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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 includes the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indexes: More detailed information on any financial indices underlying financial derivatives are provided in the section "*Goal and key principles of the investment policy*" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB ROZVOJOVE TRHY 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 30 May 2008
Initial subscription price: CZK 10
Maturity date: 30 September 2013
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) (1) To reimburse a minimum of 95% of the initial subscription price per unit of CZK 10 on maturity, that is to say CZK 9.5, through the use of the investments set out in the section *Permitted asset classes*.
- (2) To offer a potential return through investment in swaps (exchange contracts). To this end, the sub-fund transfers a portion of its future earnings from the investments indicated under the section *Permitted asset classes* to the counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return. The different types of swaps in which the sub-fund can invest are explained under the section *Permitted swap transactions*.

No formal guarantee of redemption of at least 95% of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the investments specified in the section *Permitted asset classes* is an absolute priority.

If the objective of reimbursing at least 95% of the initial subscription price per share is not achieved at maturity, KBC Asset Management may decide (but is under no obligation to do so) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and potentially from other of the ICVC's sub-funds. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

This objective of reimbursing at least 95% of the initial subscription price per unit does not extend, however, to unit holders who sell their units before the maturity date.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable laws and regulations. These investments may be of different durations and coupon payment dates, being aligned to the expiry dates of the sub-fund's commitments through the use of the swaps set out in the section *Permitted swap transactions*(2).

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes will be complied with at all times.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be accessed via the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the bonds and other debt instruments will have an average solvency score equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies), subject to the limits laid down by law.

To achieve a potential return, the sub-fund concludes swaps. Under these swaps, the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

The use of 'swaps' in this sub-fund may lead to a maximum loss of 5% of the initial capital invested.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that via this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the investments referred to under Permitted asset classes.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conclude swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to reimburse 95% of the initial subscription value on maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of emerging market share indexes (as set out below). 80% of any rise in the value of the basket of share indexes (= *Last Value less Base Value*) divided by the *Base Value* which exceeds 95% of the initial subscription value will be distributed on maturity.

MATURITY: 30.09.13 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against the local currencies of the indexes in the basket are not relevant.

BASE VALUE: The value of the basket based on the average of the prices for the indexes in the basket on the first ten Valuation Dates from Friday, 6 June 2008 (inclusive).

LAST VALUE: The value of the basket based on the average price for the indexes in the basket on the last Valuation Date of the month in each of the last 24 months before maturity, more precisely from September 2011 to August 2013 (inclusive).

PRICE:

For all the indexes in the basket, the closing price, that is to say the price of an index as calculated and published at the stock exchange close by the competent stock-exchange body (or its legal successor).

VALUATION DATE:

For each index in the basket, a trading day on which the competent stock exchange body calculates and publishes the index price. If, however, **[A]** the competent stock exchange body (i) makes significant changes to the formula and/or method for calculating the index, on or before the Valuation Date, and/or (ii) does not calculate and publish the index (although all the data are available), the ICVC will calculate the index, in consultation with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index-calculation method and formula; and/or **[B]** an event occurs on the Valuation Date which disrupts the market (preventing calculation of the index) or if the market closes early (the competent body has announced that the market will, on that day, close earlier than on other trading days), the original Valuation Date will be replaced by the next trading day on which there is no disruption or early closure, provided that date is not already an original Valuation Date or already replaces an original Reference Date postponed because of disruption or early closure of the market. However, if the market is disrupted or closes early on each of the eight trading days which follow the original Valuation Date, (i) this eighth trading day will be deemed to be the original Valuation Date, and (ii) the ICVC will estimate the index price, in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, based on the last known index calculation formula and method, and (iii) the ICVC will inform the unit holders of (a) the exceptional circumstances which have arisen, (b) the amended conditions for determining the Base Value and/or Last Value for the Period, and (c) the terms and conditions for distribution of the amounts in the light of the investment objectives achieved.

If changes are made to an index in the basket (e.g. calculation by another sponsor, change to the calculation method, etc.), the ICVC will confer with the prime counterparty(-ies) with whom the swap contract has been concluded in order to decide how the index is to be determined. In the event of substantial changes to a basket index or if the index ceases to be calculated, it may be replaced by another index, provided this new index is representative of the same geographical and/or economic sectors.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5 years and 3 months, which pays, on Maturity, 80% of any rise in value (= (Last Value less the Base Value) divided by the Base Value) which exceeds 95% of the full initial subscription value (of CZK 10). The Base Value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	160	80% * 60% = 48%	9.5 + 48% * 10 = 14.3 CZK (rendement actuariel : 7.05%, avant frais et impôts)
Scénario Neutre	130	80% * 30% = 24%	9.5 + 24% * 10 = 11.9 CZK (rendement actuariel : 3.36%, avant frais et impôts)
Scénario Négatif	90	80% * 0% = 0%	9.5 + 0% * 10 = 9.5 CZK (rendement actuariel : -0.98%, avant frais et impôts)

(*) Negative performances are not taken into account.

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the sponsor for the index in the basket and its initial weighting in the basket.

1	MSCI Singapore Cash Index	SGY	Morgan Stanley Capital International	30%
2	Kospi 200 Index	KOSPI2	KRX-Stock Market Division	30%
3	Hang Seng China Enterprises Index	HSCEI	Stock Exchange of Hong Kong	20%
4	FTSE/JSE Africa Top 40	TOP40	Financial Times Ltd.	15%
5	Bovespa Index USD	USIBOV	Sao Paulo Stock Exchange	5%

The **Bovespa USD** is an index weighted by traded volume and, in principle, the dividend is protected by being reinvested. The index contains the most traded stocks listed on the Sao Paulo stock exchange in Brazil.

The index price can be consulted daily in all KBC branches.

Sao Paulo Stock Exchange holds all proprietary rights to the index. Sao Paulo Stock Exchange in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon CSOB Rozvojove Trhy 1. Sao Paulo Stock Exchange disclaims any responsibility for the issue and offering of shares of this institution for collective investment.

The **Hang Seng China Enterprises** index is a market capitalization-weighted stock market index made up of shares of Chinese public-sector undertakings (H shares) listed on the Stock Exchange of Hong Kong. The index was launched on 3 January 2000 with a baseline value of 2000. The index is published daily in L'Echo, De Tijd and The Financial Times.

Stock Exchange of Hong Kong holds all proprietary rights to the index. Stock Exchange of Hong Kong in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon CSOB Rozvojove Trhy 1. Stock Exchange of Hong Kong disclaims any responsibility for the issue and offering of shares of this institution for collective investment.

The **KOSPI 200** index, or the Korean Stock Price Index 200, is a market capitalization-weighted stock market index which is made up of 200 shares listed on the Korean Stock Exchange. The index was launched on 3 January 1990 with a baseline value of 100. The index price can be consulted daily in all KBC branches.

KRX-Stock Market Division holds all proprietary rights to the index. KRX-Stock Market Division in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon CSOB Rozvojove Trhy 1. KRX-Stock Market Division disclaims any responsibility for the issue and offering of shares of this institution for collective investment.

The **MSCI Singapore Cash** index is a market capitalization-weighted stock market index which is made up of corporate shares in Singapore. The index has been published since 1 January 1988. The index price can be consulted daily in all KBC branches.

MSCI holds all proprietary rights to the index. MSCI in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon CSOB Rozvojove Trhy 1. MSCI disclaims any responsibility for the issue and offering of shares of this institution for collective investment

The **FTSE/JSE Africa Top 40** index is a market capitalization-weighted stock market index. The index is made up of the shares of the 40 companies in the FTSE/JSE All Shares Index with the greatest capitalisation. The latter index contains shares listed on the Johannesburg stock market in South Africa. The index has been published since 21 June 2002. The index is published daily in The Financial Times.

Financial Times Ltd holds all ownership rights with regard to the index. Financial Times Ltd in no way sponsors, endorses, or is involved in any other way in the issuing and offering of units in Horizon CSOB Rozvojove Trhy 1. Financial Times Ltd disclaims any responsibility for the issue and offering of shares of this institution for collective investment.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax;
- the Royal Decree of 27 September 2009 implementing Article 338*bis*, paragraph 2, of the 1992 Income Tax Code;
- *the Royal Decree of 27 September 2009 concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 this information to the tax authorities in the beneficial owner's country 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 of the 1992 Income Tax Code)

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code only applies to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units.

This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
Bovespa Brazil Ibovespa USD	3,6320
FTSE/JSE AFRICA TOP 40	14,5755
HS CHINA ENTERPRISES INDEX	15,7260
KOSPI 200 INDEX	31,7855
MSCI SINGAPORE FREE	24,5850
TOTAL	90,30

Performance of the index or basket

	Index: BASKET
	31/12/2010: 106,37
	30/06/2011: 105,12
	29/12/2011: 90,30
Performance since 31/12/2010 or since the launch of the sub-fund:	-15,11%
Performance since 30/06/2011 or since the launch of the sub-fund:	-14,10%
Index at the launch of the sub-fund	100,00
Minimum guaranteed return in local currency on the maturity date:	9,50
Local currency:	CZK

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
04/10/2010	MSCI SINGAPORE CASH	MSCI SINGAPORE FREE	Index discontinued

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: III

Risk rating at the launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	46.718.257,67	55.757.216,46
II. Securities, money market instruments, CIUs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	44.629.876,60	48.628.380,14
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-1.951.743,67	1.910.918,72
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		11.446,31
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	258.473,32	346.519,41
B. Fixed-term deposits at banks	3.770.124,10	4.840.404,60
VI. Accruals and deferrals		
B. Accrued income	15.030,79	23.809,72
C. Accrued expenses (-)	-3.503,47	-4.262,44
TOTAL CAPITAL AND RESERVES	46.718.257,67	55.757.216,46
A. Capital	51.612.761,32	54.328.848,51
B. Share in the profit	3.388,88	15.373,65
D. Result for the financial year	-4.897.892,53	1.412.994,30

OFF-BALANCE-SHEET ITEMS

IV Swap contracts - notional amounts (+)	50.826.658,00	53.377.618,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-941.476,74	58.271,52
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-3.882.559,88	1.813.205,77
G. Receivables, deposits, cash at bank and in hand, and payables	-280,50	-485,60
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-1.196,26	-2.265,57
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	716.192,22	817.917,99
b) Deposits and cash at bank and in hand	49.957,77	69.623,61
D. Swap contracts (+/-)	-131.326,67	-432.733,32
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	41.410,64	42.698,00
B. Other	-9.126,82	15.743,21
IV. Operating expenses		
B. Financial expenses (-)	-23.458,12	-20.143,52
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-636.693,35	-850.022,62
b) Administration and accounting management	-51.851,41	-41.067,67
F. Formation and organisation expenses (-)	-6.149,83	-7.568,60
G. Remuneration, social security costs and pensions (-)		-81,13
H. Services and sundry goods (-)	-11.290,17	-24.714,61
J. Taxes	-566,09	-14.712,10
K. Other expenses (-)	-3.389,07	-4.123,68
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	-72.379,15	-455.731,82
V. Profit (loss) on ordinary activities before tax	-4.897.892,53	1.412.994,30
VII. Result for the financial year	-4.897.892,53	1.412.994,30

**Profit appropriation
statement**

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit available for appropriation (loss to be recognised)	-4.894.503,65	1.428.367,95
Profit for the year available for appropriation (Loss to be recognised)	-4.897.892,53	1.412.994,30
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	3.388,88	15.373,65
II. Appropriation to capital/Transfers from capital	4.894.503,65	-1.428.367,95

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB ROZVOJOVE TRHY 1

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% held by the CIU	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	4.550.000,00	CZK	97,387	4.461.854,19		10,46	9,55
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	4.600.000,00	CZK	96,412	4.466.056,34		10,47	9,56
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	4.550.000,00	CZK	97,679	4.475.119,22		10,49	9,58
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	4.600.000,00	CZK	97,290	4.506.442,00		10,56	9,65
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	2.300.000,00	CZK	96,433	2.233.499,58		5,23	4,78
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 10/07-10/01 3.10 %	2.300.000,00	CZK	96,489	2.234.793,38		5,24	4,78
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	2.250.000,00	CZK	97,558	2.210.249,98		5,18	4,73
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	2.300.000,00	CZK	96,684	2.239.263,36		5,25	4,79
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	2.300.000,00	CZK	97,195	2.251.025,88		5,27	4,82
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	2.300.000,00	CZK	96,300	2.230.444,21		5,23	4,77
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	2.250.000,00	CZK	96,863	2.194.610,16		5,14	4,70
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	2.300.000,00	CZK	97,053	2.247.767,35		5,27	4,81
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	2.300.000,00	CZK	96,347	2.231.529,93		5,23	4,78
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	2.250.000,00	CZK	97,807	2.215.851,17		5,19	4,74
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	2.300.000,00	CZK	96,210	2.228.361,63		5,22	4,77
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	2.250.000,00	CZK	97,236	2.203.008,22		5,16	4,72
Total bonds				44.629.876,60		104,57	95,53
Swaps							
<u>Belgium</u>							
KBC SWAPS	50.826.658,00	CZK	-3,840	-1.951.743,67		-4,57	-4,18
Total swaps				-1.951.743,67		-4,57	-4,18
TOTAL SECURITIES PORTFOLIO				42.678.132,93		100,00	91,35
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	190.109,98	CZK	1,000	190.109,98			0,41
KBC GROUP EURO	2.680,60	EUR	1,000	68.363,34			0,15
Total demand accounts				258.473,32			0,55
Fixed-term deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	2.330.000,00	CZK	100,001	2.330.023,30			4,99

France						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	1.440.000,00	CZK	100,007	1.440.100,80		3,08
Total fixed-term deposit accounts				3.770.124,10		8,07
TOTAL CASH AT BANK AND IN HAND				4.028.597,42		8,62
OTHER						
Accrued interest		CZK		15.030,79		0,03
Prepaid expenses		CZK		-3.503,47		-0,01
TOTAL OTHER				11.527,32		0,03
TOTAL NET ASSETS				46.718.257,67		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port/Havenlaan 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
EQLISWAP	CZK	50.826.658,00	50.826.658,00	n.a.	16.06.2011

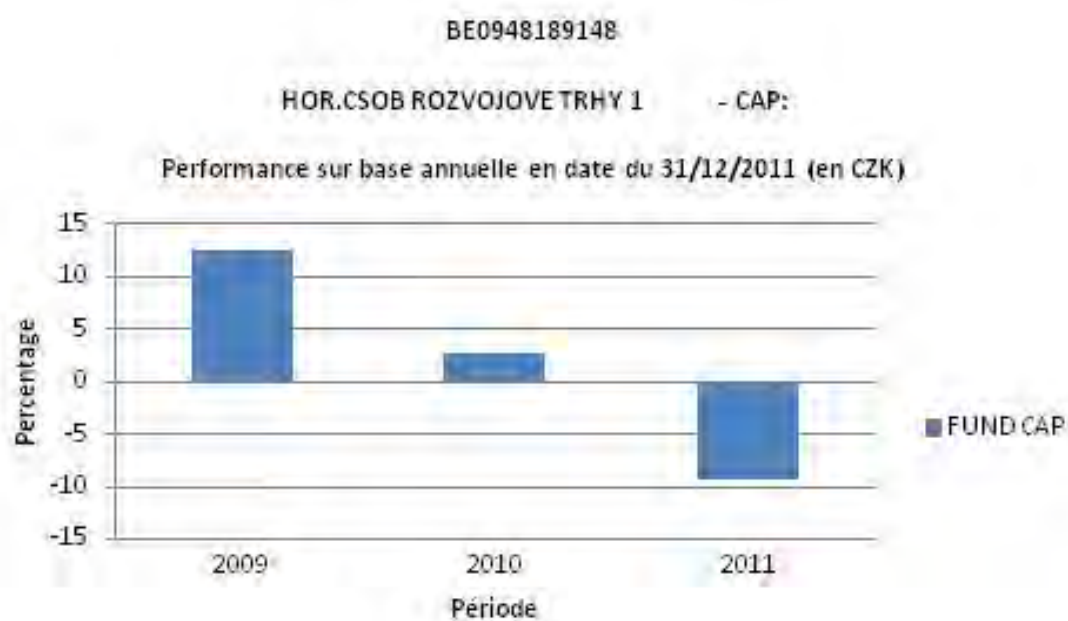
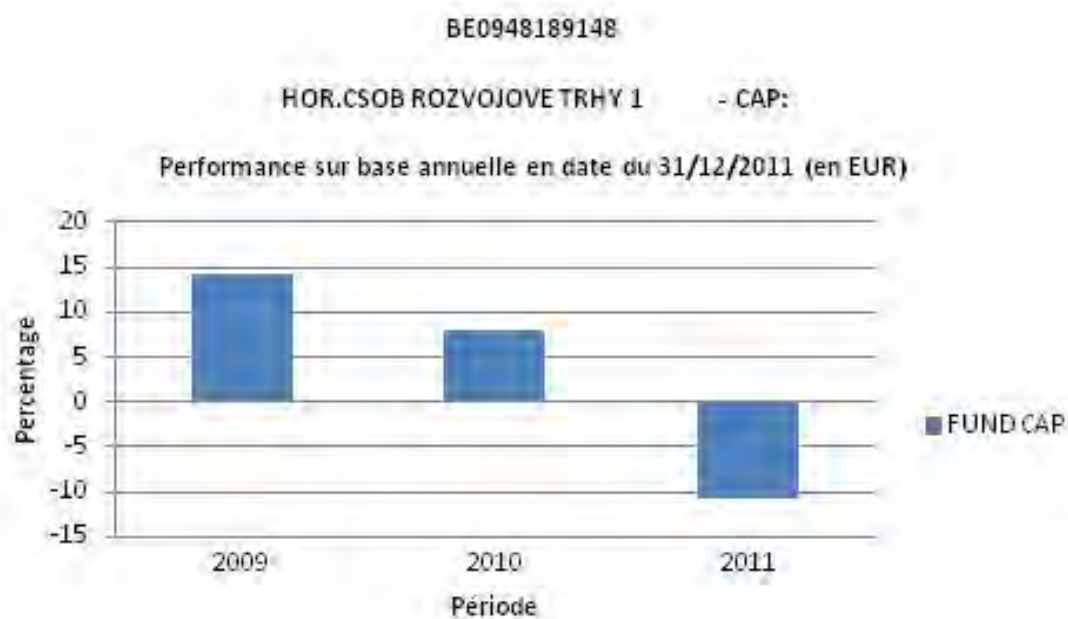
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	452.386,00		229.774,00		5.820.199,00		5.820.199,00
2010 - 12	19.670,00		411.955,00		5.427.914,00		5.427.914,00
2011 - 12	0,00		415.866,00		5.012.048,00		5.012.048,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	4.213.944,19		2.083.761,16	
2010 - 12	201.814,20		4.067.987,92	
2011 - 12	0,00		4.141.066,26	

Period	Net asset value At the end of the period (in the currency of the sub-fund)		
	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	58.210.395,88	10,00	
2010 - 12	55.757.216,46	10,27	
2011 - 12	46.718.257,67	9,32	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948189148	EUR	-10.72%		3.34%						30/05/2008	-3.16%
CAP	BE0948189148	CZK	-9.25%		1.59%						30/05/2008	-1.94%

* The performance figures are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no 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.
- 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
- 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.458%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each six-month period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each six-month period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and is indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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 includes the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indexes: More detailed information on any financial indices underlying financial derivatives are provided in the section "*Goal and key principles of the investment policy*" in this report.

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 - 2.1.1. Launch date, initial subscription price and maturity date
 - 2.1.2. Stock exchange listing
 - 2.1.3. Goal and key principles of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy pursued during the financial year
 - 2.1.8. Risk rating
 - 2.2. Balance sheet
 - 2.3. Income statement
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Changes in the composition of the assets
 - 2.4.3. Commitments in respect of financial derivatives positions
 - 2.4.4. Changes in the number of subscriptions and redemptions, and in the net asset value
 - 2.4.5. Performance figures
 - 2.4.6. Costs
 - 2.4.7. Notes to the financial statements and other data

In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB SVETOVY LOOKBACK 2

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 4 June 2008
Initial subscription price: CZK 10
Maturity date: 10 December 2013
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse on maturity the initial subscription price per unit of CZK 10 (capital protection). This capital protection is achieved by putting in place a financial mechanism which is explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date;
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection on maturity entails investing the total subscribed amounts in bonds and other debt instruments, deposits and/or liquid assets (including money placed on fixed-term deposit or demand accounts). These investments may be of various durations and coupon payment dates, being aligned to the expiry dates of the sub-fund's commitments through the use of the swaps set out in the section *Permitted swap transactions*(2).

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) an investment covered by an investment strategy with an analogous structure and a counterparty risk identical to a direct investment in the deposits and /or debt instruments referred to in points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be accessed via the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

(B) an investment in:

- deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

Investments in debt securities issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have a minimum solvency rating, as explained in the section *Characteristics of the bonds and other debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit on maturity (before costs and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged to do so) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and potentially from other of the ICVC's sub-funds. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the bonds and other debt instruments will have an average solvency score equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if not rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into considering when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies), subject to the limits laid down by law.

To achieve a potential return, the sub-fund concludes swaps. Under these swaps, the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that using this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conclude swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a

basket of 30 shares in top-quality companies (as set out below) with high market capitalisation and a low price/earnings ratio (as set out below) through a "Best Timing" structure.

This Best Timing structure means that account is taken, in calculating the net asset value on maturity, firstly, of the initial subscription value and, secondly, of the performance of the basket as compared with the Minimum Base Value. 70% of any rise in the value ($= \frac{\text{Last Value less Minimum Base Value}}{\text{Base Value}}$) is taken into account, with no ceiling.

The Minimum Base Value is whichever is the lowest of the Base Value and the lowest value of the basket recorded during the Initial Observation Dates. It is always less than or equal to the Base Value. Consequently, it is in the interests of investors for the basket to fall in value during the initial period of the duration of the sub-fund (notably on the Initial Observation Dates) given that the lowest price recorded during the Initial Observation Dates and the Base Value are taken into consideration in calculating any rise in the value of the basket.

MATURITY: Tuesday, 10 December 2013 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against in the local currencies of the equities in the basket are not relevant.

BASE VALUE: The value of the basket based on the average of the prices for the shares in the basket on the first ten Valuation Dates from Wednesday, 11 June 2008 (inclusive).

LAST VALUE: the value of the basket based on the average of the price for the equities in the basket on the last Valuation Date of the month in each of the last 18 months before maturity, more precisely from June 2012 to November 2013 (inclusive).

MINIMUM BASE VALUE: Whichever is the lowest of the Base Value and the lowest value of the basket for all the Initial Observation Dates.

INITIAL OBSERVATION DATES: The first Valuation Date of each month, from July until December 2008 (inclusive).

Price:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of an equity in the basket as calculated and published at the stock market close by the stock-exchange body (or its legal successor) competent for the place where the security is listed. For equities listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each equity in the basket, this is a trading day for the stock exchange on which the share is listed and for the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market in that share (suspension or limitation of trading on that security) or early closure of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market in a share in the basket is disrupted or closes early, the scheduled Valuation Date for this equity is replaced by the next trading day on which there is no disruption or early closure, provided this day is not already a scheduled Valuation Date or is already replacing a scheduled Valuation Date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled Valuation Date, (i) this eighth trading day will be deemed to be the scheduled Valuation Date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which occurred with regard to one or more shares, (b) the change in the conditions for determining the Base Value and/or Last Value, and (c) the terms and conditions for the distribution of amounts in the light of the objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5 years and 6 months, which pays, on Maturity, 85% of any rise in value (= (Last Value less the Minimum Base Value) divided by the Base Value) beyond the full initial subscription value (of CZK 10). The Base Value of the basket is 100.

	Valeur de Départ du Panier	Valeur Finale du Panier	Valeur de Départ Minimale	Plus-Value pertinente	Valeur à l'Echéance
Scénario Positif	100	130	80	$85\% * (130-80)/100 = 42.5\%$	$10 + 0.425 * 10 = 14.25$ CZK (rendement actuariel : 6.65%, avant frais et impôts)
Scénario Neutre	100	110	90	$85\% * (110-90)/100 = 17\%$	$10 + 0.17 * 10 = 11.7$ CZK (rendement actuariel : 2.89%, avant frais et impôts)
Scénario Négatif	100	60	80	$85\% * (60-80)/100 = 0\%$	$10 + 0 * 10 = 10$ CZK (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances are not taken into account.

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ALLIANZ SE-REG	ALV GY Equity	Frankfurt	4.00%
2	ALTRIA GROUP INC	MO UN Equity	New York	4.00%
3	ASSICURAZIONI GENERALI	G IM Equity	Milan	2.00%
4	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	4.00%
5	BANCO SANTANDER SA	SAN SM Equity	Madrid	3.00%
6	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.00%
7	CITIGROUP INC	C UN Equity	New York	3.00%
8	CREDIT SUISSE GROUP-REG	CSGN VX Equity	Virt-x	2.00%
9	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	4.00%
10	DIAGEO PLC	DGE LN Equity	London	2.00%
11	ENI SPA	ENI IM EQUITY	Milan	6.00%
12	FORTUM OYJ	FUM1V FH Equity	Helsinki	3.00%
13	HSBC HOLDINGS PLC	HSBA LN Equity	London	4.00%
14	ING GROEP NV-CVA	INGA NA Equity	Amsterdam	6.00%
15	INTESA SANPAOLO	ISP IM Equity	Milan	4.00%
16	JPMORGAN CHASE & CO	JPM UN Equity	New York	2.00%
17	KBC GROEP NV	KBC BB Equity	Brussels	3.00%
18	KRAFT FOODS INC-A	KFT UN Equity	New York	4.00%
19	MERCK & CO. INC.	MRK UN Equity	New York	3.00%
20	NATIONAL GRID PLC	NG/ LN Equity	London	4.00%
21	NESTLE SA-REG	NESN VX Equity	Virt-x	3.00%
22	NOKIA OYJ	NOK1V FH Equity	Helsinki	3.00%
23	PFIZER INC	PFE UN Equity	New York	5.00%
24	RWE AG	RWE GY Equity	Frankfurt	3.00%
25	SIEMENS AG-REG	SIE GY Equity	Frankfurt	2.00%
26	SUNTRUST BANKS INC	STI UN Equity	New York	2.00%
27	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
28	TOTAL	FP FP Equity	Paris	2.00%
29	VERIZON COMMUNICATIONS INC	VZ UN Equity	New York	4.00%
30	VIVENDI	VIV FP Equity	Paris	3.00%

Criteria for selection for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) it has a high market capitalisation and a low price/earnings ratio, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the maturity date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket on maturity.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax;
- the Royal Decree of 27 September 2009 implementing Article 338bis, paragraph 2, of the 1992 Income Tax Code;
- the Royal Decree of 27 September 2009 concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 this information to the tax authorities in the beneficial owner's country 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 of the 1992 Income Tax Code)

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19bis of the 1992 Income Tax Code only applies to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units.

This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
ALLIANZ SE-REG	2,5267
ALTRIA GROUP INC	5,7225
ASSICURAZIONI GENERALI	0,8941
BANCO BILBAO VIZCAYA ARGENTA	2,0661
BANCO SANTANDER SA	1,5356
BRITISH AMERICAN TOBACCO PLC	5,0655
CITIGROUP INC	0,4052
CREDIT SUISSE GROUP AG-REG	0,8953
DEUTSCHE POST AG-REG	2,5729
DIAGEO PLC	2,9788
ENI SPA	3,9043
FORTUM OYJ	1,6092
HSBC HOLDINGS PLC (LONDON)	2,7746
ING GROEP NV-CVA	1,9174
INTESA SANPAOLO	1,4810
JPMORGAN CHASE & CO	1,7427
KBC GROEP NV	0,3787
KRAFT FOODS INC-CLASS A	5,0150
MERCK & CO. INC.	3,1902
NATIONAL GRID PLC	4,0455
NESTLE SA-REG	3,2698
NOKIA OYJ	0,6877
PFIZER INC	6,1432
RWE AG	1,0138
SIEMENS AG-REG	1,9903
SUNTRUST BANKS INC	0,8867
TELEFONICA SA (SM)	2,2779
TOTAL SA	1,4990
VERIZON COMMUNICATIONS INC	4,7370
VIVENDI	1,9854
TOTAL	75,21

Performance of the index or basket

	Index: BASKET
	31/12/2010: 80,35
	30/06/2011: 81,91
	29/12/2011: 75,21
Performance since 31/12/2010 or since the launch of the sub-fund:	-6,40%
Performance since 30/06/2011 or since the launch of the sub-fund:	-8,18%
Index at the launch of the sub-fund	67,28
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	CZK

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: III

Risk rating at the launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	100.890.161,37	107.933.035,90
II. Securities, money market instruments, CIUs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	87.796.426,72	93.716.671,49
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	5.176.311,89	5.792.297,75
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		23.305,85
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	621.903,11	811.992,12
B. Fixed-term deposits at banks	7.270.483,10	7.560.576,90
VI. Accruals and deferrals		
B. Accrued income	32.613,70	36.297,91
C. Accrued expenses (-)	-7.577,15	-8.106,12
TOTAL CAPITAL AND RESERVES	100.890.161,37	107.933.035,90
A. Capital	103.534.125,59	108.430.368,99
B. Share in the profit	8.817,60	25.267,36
D. Result for the financial year	-2.652.781,82	-522.600,45

OFF-BALANCE-SHEET ITEMS

IV Swap contracts - notional amounts (+)	96.572.983,00	100.735.613,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-1.873.686,25	116.790,13
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-449.480,66	156.634,00
G. Receivables, deposits, cash at bank and in hand, and payables	-93,80	-94,70
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-4.058,01	-5.552,10
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	1.384.805,34	1.553.343,82
b) Deposits and cash at bank and in hand	106.622,92	139.009,53
C. Interest on borrowings (-)	-16,21	
D. Swap contracts (+/-)	-45.379,16	-596.160,92
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	43.900,88	49.438,79
B. Other	-19.569,62	31.782,79
IV. Operating expenses		
B. Financial expenses (-)	-29.071,50	-24.645,95
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-1.613.587,14	-1.764.841,33
b) Administration and accounting management	-104.001,04	-81.797,78
F. Formation and organisation expenses (-)	-13.048,99	-15.257,11
G. Remuneration, social security costs and pensions (-)	-107,20	-164,07
H. Services and sundry goods (-)	-21.365,04	-36.683,44
J. Taxes	-1.210,40	-29.977,58
K. Other expenses (-)	-7.347,69	-7.877,15
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	-325.463,10	-790.377,78
V. Profit (loss) on ordinary activities before tax	-2.652.781,82	-522.600,45
VII. Result for the financial year	-2.652.781,82	-522.600,45

**Profit appropriation
statement**

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit available for appropriation (loss to be recognised)	-2.643.964,22	-497.333,09
Profit for the year available for appropriation (Loss to be recognised)	-2.652.781,82	-522.600,45
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	8.817,60	25.267,36
II. Appropriation to capital/Transfers from capital	2.643.964,22	497.333,09

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB SVETOVY LOOKBACK 2

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% held by the CIU	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10%	8.950.000,00	CZK	97,387	8.776.614,28		9,44	8,70
BEECHWOOD STRUCTURED FIN PLC 6P-10 10/07-10/01 3.10	9.050.000,00	CZK	96,412	8.786.480,41		9,45	8,71
BROOKFIELDS CAPITAL PLC 6P-10 10/07-10/01 3.10	9.000.000,00	CZK	97,679	8.851.884,16		9,52	8,78
EPERON FINANCE PLC 6P-10 10/07-10/01 3.10%	9.000.000,00	CZK	97,290	8.816.951,74		9,48	8,74
ESPACCIO SECURITIES PLC 6P-10 10/07-10/01 3.10 %	4.500.000,00	CZK	96,433	4.369.890,49		4,70	4,33
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 10/07-10/01 3.10 %	4.500.000,00	CZK	96,489	4.372.421,83		4,70	4,33
NIMROD CAPITAL PLC 6P-10 10/07-10/01 3.10%	4.500.000,00	CZK	97,558	4.420.499,96		4,76	4,38
OPAL FINANCIAL PRODUCTS PLC 6P-10 10/07-10/01 3.10%	4.500.000,00	CZK	96,684	4.381.167,44		4,71	4,34
PROFILE FINANCE PLC 6P-10 10/07-10/01 3.10%	4.500.000,00	CZK	97,195	4.404.181,07		4,74	4,37
RECOLTE SECURITIES PLC 6P-10 10/07-10/01 3.10%	4.500.000,00	CZK	96,300	4.363.912,60		4,69	4,33
SILVERSTATE FIN INV PLC 6P-10 10/07-10/01 3.10%	4.500.000,00	CZK	96,863	4.389.220,33		4,72	4,35
VESPUCCI STRUCTURED FIN PROD 6P-10 10/07-10/01 3.10%	4.500.000,00	CZK	97,053	4.397.805,70		4,73	4,36
VIGADO CAPITAL PLC 6P-10 10/07-10/01 3.10 %	4.500.000,00	CZK	96,347	4.366.036,82		4,70	4,33
VOYCE INVESTMENTS PLC 6P-10 10/07-10/01 3.10	4.450.000,00	CZK	97,807	4.382.461,21		4,71	4,34
WATERFORD CAPITAL INC PLC 6P-10 10/07-10/01 3.10 %	4.500.000,00	CZK	96,210	4.359.837,98		4,69	4,32
WAVES FINANCIAL INV PLC 6P-10 10/07-10/01 3.10%	4.450.000,00	CZK	97,236	4.357.060,70		4,69	4,32
Total bonds				87.796.426,72		94,43	87,02
Swaps							
<u>Belgium</u>							
KBC SWAPS	96.572.983,00	CZK	5,360	5.176.311,89		5,57	5,13
Total swaps				5.176.311,89		5,57	5,13
TOTAL SECURITIES PORTFOLIO				92.972.738,61		100,00	92,15
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	498.477,77	CZK	1,000	498.477,77			0,49
KBC GROUP EURO	4.839,64	EUR	1,000	123.425,34			0,12
Total demand accounts				621.903,11			0,62
Fixed-term deposit accounts							
<u>Belgium</u>							
KBC BANK NV 08/07-10/01/12 KBCBANK 0.750 %	430.000,00	CZK	100,001	430.004,30			0,43

France						
NATIXIS 11/07-10/01/12 NATIXIS 0.950 %	6.840.000,00	CZK	100,007	6.840.478,80		6,78
Total fixed-term deposit accounts				7.270.483,10		7,21
TOTAL CASH AT BANK AND IN HAND				7.892.386,21		7,82
OTHER						
Accrued interest		CZK		32.613,70		0,03
Prepaid expenses		CZK		-7.577,15		-0,01
TOTAL OTHER				25.036,55		0,03
TOTAL NET ASSETS				100.890.161,37		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port/Havenlaan 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
EQLISWAP	CZK	96.572.983,00	96.572.983,00	n.a.	16.12.2011

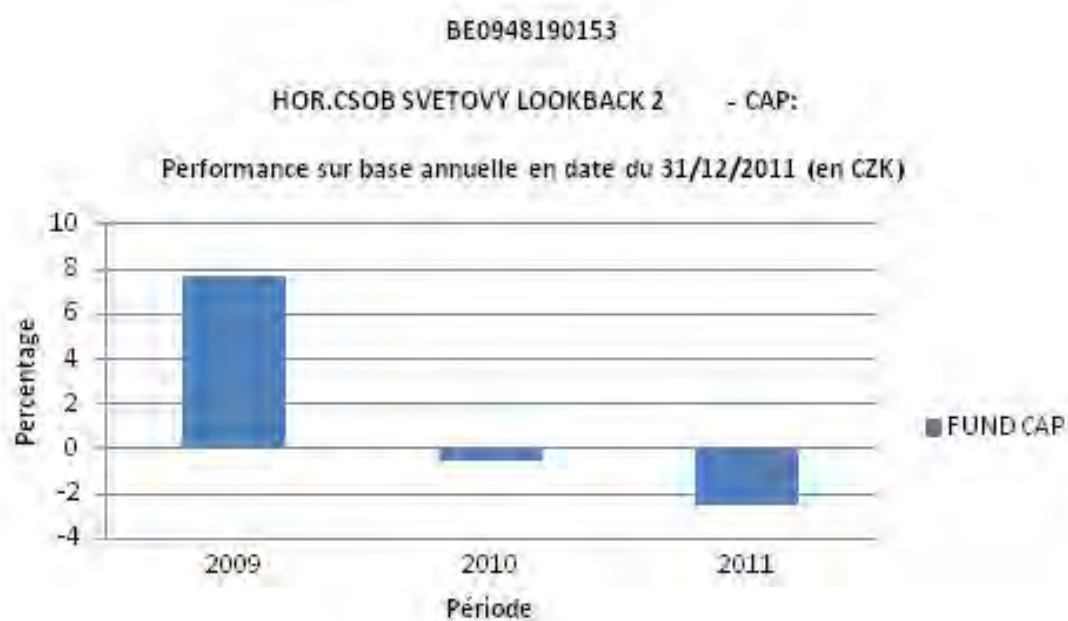
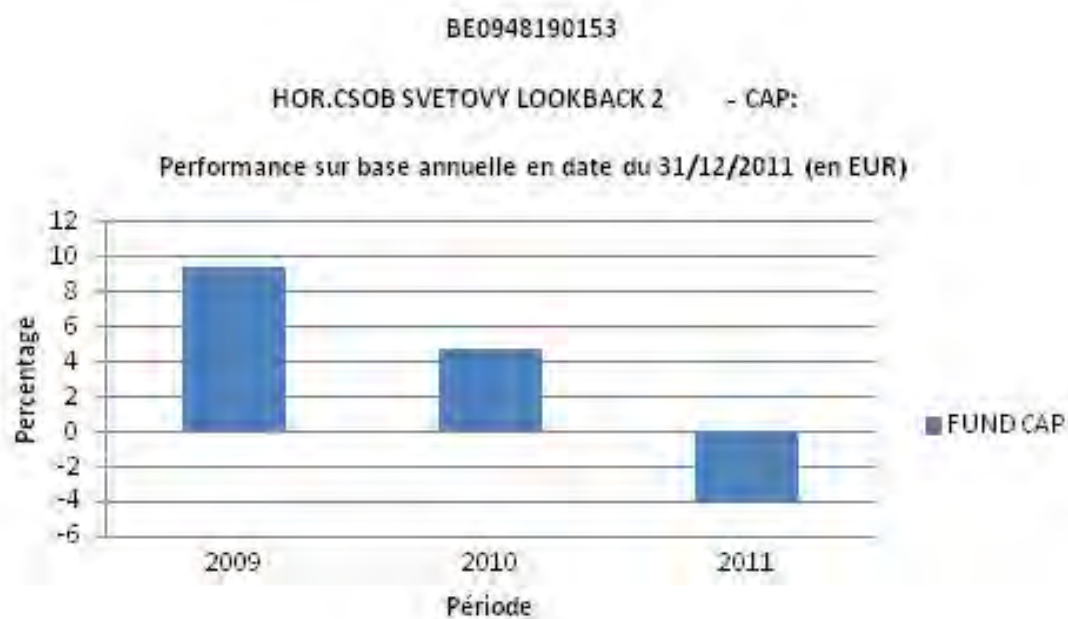
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		172.545,00		10.747.455,00		10.747.455,00
2010 - 12	0,00		468.311,00		10.279.144,00		10.279.144,00
2011 - 12	0,00		424.758,00		9.854.386,00		9.854.386,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		1.693.002,57	
2010 - 12	0,00		4.943.882,92	
2011 - 12	0,00		4.390.092,71	

Period	Net asset value At the end of the period (in the currency of the sub-fund)			
	Of the sub-fund	Of one unit		
		Cap.	Dis.	
2009 - 12	113.399.519,27	10,55		
2010 - 12	107.933.035,90	10,50		
2011 - 12	100.890.161,37	10,24		

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948190153	EUR	-4.06%		3.22%						04/06/2008	0.11%
CAP	BE0948190153	CZK	-2.48%		1.47%						04/06/2008	0.67%

* The performance figures are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no 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.
- 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
- 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.716%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each six-month period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each six-month period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and is indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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 includes the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indexes: More detailed information on any financial indices underlying financial derivatives are provided in the section "*Goal and key principles of the investment policy*" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON HORIZON CSOB GLOBALNIHO RUSTU PLUS 10

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 30 June 2008
Initial subscription price: CZK 10
Maturity date: 31 July 2012
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse on maturity the initial subscription price per unit of CZK 10 (capital protection). This capital protection is achieved by putting in place a financial mechanism which is explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date;
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection on maturity entails investing the total subscribed amounts in bonds and other debt instruments, deposits and/or liquid assets (including money placed on fixed-term deposit or demand accounts). These investments may be of various durations and coupon payment dates, being aligned to the expiry dates of the sub-fund's commitments through the use of the swaps set out in the section *Permitted swap transactions*(2).

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) an investment covered by an investment strategy with an analogous structure and a counterparty risk identical to a direct investment in the deposits and /or debt instruments referred to in points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be accessed via the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

(B) an investment in:

- deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

investments in debt securities issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have a minimum solvency rating, as explained in the section *Characteristics of the bonds and other debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit on maturity (before costs and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged to do so) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and potentially from other of the ICVC's sub-funds. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the bonds and other debt instruments will have an average solvency score equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into consideration when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies), subject to the limits laid down by law.

To achieve a potential return, the sub-fund concludes swaps. Under these swaps, the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that using this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conclude swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on Maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of 30 shares of top-quality companies (as set out below) with a high market capitalisation and

a low price/earnings ratio. 110% of any rise in the value of the basket of 30 shares (= *Last Value less Base Value*) divided by the *Base Value* which exceeds the full initial subscription value will be distributed on maturity.

MATURITY: Tuesday, 31 July 2012 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against in the local currencies of the equities in the basket are not relevant.

BASE VALUE: The value of the basket based on the average of the prices for the shares in the basket on the first ten Valuation Dates from Monday, 7 July 2008 (inclusive).

LAST VALUE: The value of the basket based on the average of the prices for the shares in the basket on the last Valuation Date of the quarter in each of the last 16 quarters before maturity, more precisely from September 2008 to June 2012 (inclusive).

Price:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of an equity in the basket as calculated and published at the stock market close by the stock-exchange body (or its legal successor) competent for the place where the security is listed. For equities listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each equity in the basket, this is a trading day for the stock exchange on which the share is listed and for the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market in that share (suspension or limitation of trading on that security) or early closure of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market in a share in the basket is disrupted or closes early, the scheduled Valuation Date for this equity is replaced by the next trading day on which there is no disruption or early closure, provided this day is not already a scheduled Valuation Date or is already replacing a scheduled Valuation Date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled Valuation Date, (i) this eighth trading day will be deemed to be the scheduled Valuation Date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which occurred with regard to one or more shares, (b) the change in the conditions for determining the Base Value and/or Last Value, and (c) the terms and conditions for the distribution of amounts in the light of the objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 4 years, which pays, on maturity, the full amount of any rise in value of a basket of shares beyond the full initial subscription value of CZK 10. The Base Value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	140	100% * 40% = 40%	10 + 40% * 10 = 14 CZK (rendement actuariel : 8.77%, avant frais et impôts)
Scénario Neutre	115	100% * 15% = 15%	10 + 15% * 10 = 11.5 CZK (rendement actuariel : 3.55%, avant frais et impôts)
Scénario Négatif	90	100% * 0% = 0%	10 + 0% * 10 = 10 CZK (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances by the basket are not taken into account.

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	ALLIANZ SE-REG	ALV GY Equity	Frankfurt	4.00%
2	ALTRIA GROUP INC	MO UN Equity	New York	4.00%
3	A.SSICURAZIONI GENERALI	G IM Equity	Milan	2.00%
4	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	4.00%
5	BANCO SANTANDER SA	SAN SM Equity	Madrid	3.00%
6	BRITISH AMERICAN TOBACCO PLC	BATS LN Equity	London	3.00%
7	CITIGROUP INC	C UN Equity	New York	3.00%
8	CREDIT SUISSE GROUP-REG	CSGN VX Equity	Virt-x	2.00%
9	DEUTSCHE POST AG-REG	DPW GY Equity	Frankfurt	4.00%
10	DIAGEO PLC	DGE LN Equity	London	2.00%
11	ENI SPA	ENI IM EQUITY	Milan	6.00%
12	FORTUM OYJ	FUM1V FH Equity	Helsinki	3.00%
13	HSBC HOLDINGS PLC	HSBA LN Equity	London	4.00%
14	ING GROEP NV-CVA	INGA NA Equity	Amsterdam	6.00%
15	INTESA SANPAOLO	ISP IM Equity	Milan	4.00%
16	JPMORGAN CHASE & CO	JPM UN Equity	New York	2.00%
17	KBC GROEP NV	KBC BB Equity	Brussels	3.00%
18	KRAFT FOODS INC-A	KFT UN Equity	New York	4.00%
19	MERCK & CO. INC.	MRK UN Equity	New York	3.00%
20	NATIONAL GRID PLC	NG/ LN Equity	London	4.00%
21	NESTLE SA-REG	NESN VX Equity	Virt-x	3.00%
22	NOKIA OYJ	NOK1V FH Equity	Helsinki	3.00%
23	PFIZER INC	PFE UN Equity	New York	5.00%
24	RWE AG	RWE GY Equity	Frankfurt	3.00%
25	SIEMENS AG-REG	SIE GY Equity	Frankfurt	2.00%
26	SUNTRUST BANKS INC	STI UN Equity	New York	2.00%
27	TELEFONICA SA	TEF SM Equity	Madrid	3.00%
28	TOTAL	FP FP Equity	Paris	2.00%
29	VERIZON COMMUNICATIONS INC	VZ UN Equity	New York	4.00%
30	VIVENDI	VIV FP Equity	Paris	3.00%

Criteria for selection for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) it has a high market capitalisation and a low price/earnings ratio, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the maturity date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket on maturity.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax;
- the Royal Decree of 27 September 2009 implementing Article 338bis, paragraph 2, of the 1992 Income Tax Code;
- *the Royal Decree of 27 September 2009 concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 this information to the tax authorities in the beneficial owner's country 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 of the 1992 Income Tax Code)

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19*bis* of the 1992 Income Tax Code only applies to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units.

This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
ALLIANZ SE-REG	2,7011
ALTRIA GROUP INC	5,7118
ASSICURAZIONI GENERALI	0,9804
BANCO BILBAO VIZCAYA ARGENTA	2,3363
BANCO SANTANDER SA	1,6434
BRITISH AMERICAN TOBACCO PLC	5,2766
CITIGROUP INC	0,4829
CREDIT SUISSE GROUP AG-REG	1,0288
DEUTSCHE POST AG-REG	3,0181
DIAGEO PLC	3,1722
ENI SPA	4,2270
FORTUM OYJ	1,7004
HSBC HOLDINGS PLC (LONDON)	2,9974
ING GROEP NV-CVA	2,1626
INTESA SANPAOLO	1,5566
JPMORGAN CHASE & CO	1,9030
KBC GROEP NV	0,4378
KRAFT FOODS INC-CLASS A	5,1498
MERCK & CO. INC.	3,0666
NATIONAL GRID PLC	4,2153
NESTLE SA-REG	3,6311
NOKIA OYJ	0,6976
PFIZER INC	6,0423
RWE AG	1,0352
SIEMENS AG-REG	2,0817
SUNTRUST BANKS INC	1,1153
TELEFONICA SA (SM)	2,2880
TOTAL SA	1,5824
VERIZON COMMUNICATIONS INC	4,8784
VIVENDI	2,0093
TOTAL	79,13

Performance of the index or basket

	Index: BASKET
	31/12/2010: 85,09
	30/06/2011: 86,67
	29/12/2011: 79,13
Performance since 31/12/2010 or since the launch of the sub-fund:	-7,00%
Performance since 30/06/2011 or since the launch of the sub-fund:	-8,70%
Index at the launch of the sub-fund	100,00
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	CZK

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: II

Risk rating at the launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011	31/12/2010
	(in the currency of the sub-fund)	(in the currency of the sub-fund)
TOTAL NET ASSETS	121.447.663,92	133.622.871,62
II. Securities, money market instruments, CIUs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	108.094.935,20	121.303.075,32
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	455.852,96	-483.838,14
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		28.537,62
B. Debts		
a) Amounts payable (-)	-104.536,60	-211.178,51
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	2.318.087,92	695.622,21
B. Fixed-term deposits at banks	10.660.533,00	12.261.256,20
VI. Accruals and deferrals		
B. Accrued income	31.920,77	39.468,00
C. Accrued expenses (-)	-9.129,33	-10.071,08
TOTAL CAPITAL AND RESERVES	121.447.663,92	133.622.871,62
A. Capital	122.722.401,23	131.981.727,15
B. Share in the profit	-69.147,91	-58.756,23
D. Result for the financial year	-1.205.589,40	1.699.900,70

OFF-BALANCE-SHEET ITEMS

IV Swap contracts - notional amounts (+)	123.203.503,00	134.399.483,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-2.286.161,72	118.398,80
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	879.243,54	1.952.103,73
G. Receivables, deposits, cash at bank and in hand, and payables	-723,20	4.709,30
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-1.614,45	-2.186,34
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	1.809.931,20	2.069.867,83
b) Deposits and cash at bank and in hand	134.222,69	187.305,92
C. Interest on borrowings (-)	-16,94	
D. Swap contracts (+/-)	25.394,09	-482.422,71
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	110.699,78	92.275,49
B. Other	-23.923,09	40.313,32
IV. Operating expenses		
B. Financial expenses (-)	-18.074,71	-32.113,67
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-1.709.415,87	-2.065.226,69
b) Administration and accounting management	-64.380,64	-68.114,18
F. Formation and organisation expenses (-)	-15.987,10	-19.156,40
G. Remuneration, social security costs and pensions (-)	-126,48	-205,54
H. Services and sundry goods (-)	-28.252,31	-42.586,52
J. Taxes	-1.459,38	-36.714,67
K. Other expenses (-)	-8.856,56	-9.799,59
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	203.666,43	-373.124,79
V. Profit (loss) on ordinary activities before tax	-1.205.589,40	1.699.900,70
VII. Result for the financial year	-1.205.589,40	1.699.900,70

**Profit appropriation
statement**

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit available for appropriation (loss to be recognised)	-1.274.737,31	1.641.144,47
Profit for the year available for appropriation (Loss to be recognised)	-1.205.589,40	1.699.900,70
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-69.147,91	-58.756,23
II. Appropriation to capital/Transfers from capital	1.274.737,31	-1.641.144,47

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB GLOBALNIHO RUSTU PLUS 10

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% held by the CIU	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 23/09-21/03 3.63%	11.050.000,00	CZK	97,445	10.810.127,52		9,96	8,90
BEECHWOOD STRUCTURED FIN PLC 6P-10 23/09-23/03 3.63%	11.150.000,00	CZK	96,471	10.799.294,62		9,95	8,89
BROOKFIELDS CAPITAL PLC 6P-10 23/09-23/03 3.63%	11.100.000,00	CZK	97,737	10.891.402,95		10,04	8,97
EPERON FINANCE PLC 6P-10 23/09-23/03 3.63%	11.100.000,00	CZK	97,349	10.848.319,64		9,99	8,93
ESPACCIO SECURITIES PLC 6P-10 23/09-23/03 3.63%	5.600.000,00	CZK	96,491	5.425.008,75		5,00	4,47
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 23/09-23/03 3.63%	5.550.000,00	CZK	96,548	5.379.693,16		4,96	4,43
NIMROD CAPITAL PLC 6P-10 23/09-23/03 3.63%	5.550.000,00	CZK	97,616	5.438.989,53		5,01	4,48
OPAL FINANCIAL PRODUCTS PLC 6P-10 23/09-23/03 3.63%	5.550.000,00	CZK	96,742	5.390.479,42		4,97	4,44
PROFILE FINANCE PLC 6P-10 23/09-23/03 3.63%	5.550.000,00	CZK	97,253	5.418.862,90		4,99	4,46
RECOLTE SECURITIES PLC 6P-10 23/09-23/03 3.63%	5.550.000,00	CZK	96,358	5.369.198,45		4,95	4,42
SILVERSTATE FIN INV PLC 6P-10 23/09-23/03 3.63%	5.500.000,00	CZK	96,921	5.351.758,96		4,93	4,41
VESPUCCI STRUCTURED FIN PROD 6P-10 23/09-23/03 3.63%	5.550.000,00	CZK	97,112	5.410.999,94		4,99	4,46
VIGADO CAPITAL PLC 6P-10 23/09-23/03 3.63%	5.550.000,00	CZK	96,406	5.371.818,32		4,95	4,42
VOYCE INVESTMENTS PLC 6P-10 23/09-23/03 3.63%	5.500.000,00	CZK	97,865	5.403.681,43		4,98	4,45
WATERFORD CAPITAL INC PLC 6P-10 23/09-23/03 3.63%	5.550.000,00	CZK	96,268	5.364.173,09		4,94	4,42
WAVES FINANCIAL INV PLC 6P-10 23/09-23/03 3.63%	5.550.000,00	CZK	97,294	5.421.126,52		4,99	4,46
Total bonds				108.094.935,20		99,58	89,01
Swaps							
<u>Belgium</u>							
KBC SWAPS	123.203.503,00	CZK	0,370	455.852,96		0,42	0,38
Total swaps				455.852,96		0,42	0,38
TOTAL SECURITIES PORTFOLIO				108.550.788,16		100,00	89,38
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	2.281.524,78	CZK	1,000	2.281.524,78			1,88
KBC GROUP EURO	1.433,68	EUR	1,000	36.563,14			0,03
Total demand accounts				2.318.087,92			1,91
Fixed-term deposit accounts							
<u>Belgium</u>							
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	10.660.000,00	CZK	100,005	10.660.533,00			8,78
Total fixed-term deposit accounts				10.660.533,00			8,78
TOTAL CASH AT BANK AND IN HAND				12.978.620,92			10,69

OTHER RECEIVABLES AND PAYABLES							
Debts							
<u>Belgium</u>							
KBC GROUP CZK A PAYER	-104.536,60	CZK	1,000	-104.536,60			-0,09
Total debts				-104.536,60			-0,09
TOTAL RECEIVABLES AND PAYABLES				-104.536,60			-0,09
OTHER							
Accrued interest		CZK		31.920,77			0,03
Prepaid expenses		CZK		-9.129,33			-0,01
TOTAL OTHER				22.791,44			0,02
TOTAL NET ASSETS				121.447.663,92			100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port/Havenlaan 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
EQLISWAP	CZK	123.203.503,00	123.203.503,00	n.a.	23.09.2011

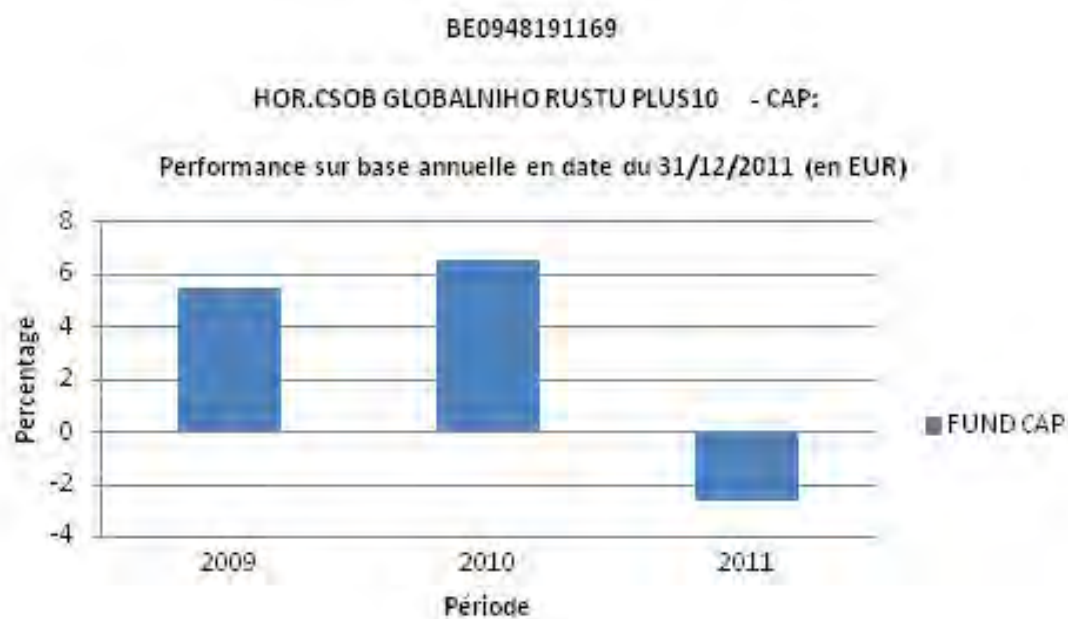
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		597.631,00		14.482.442,00		14.482.442,00
2010 - 12	12.300,00		924.562,00		13.570.180,00		13.570.180,00
2011 - 12	5.100,00		1.113.264,00		12.462.016,00		12.462.016,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	0,00		5.592.516,22	
2010 - 12	121.524,00		9.106.032,11	
2011 - 12	50.184,00		11.019.802,30	

Period	Net asset value At the end of the period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	140.907.479,03	9,73	
2010 - 12	133.622.871,62	9,85	
2011 - 12	121.447.663,92	9,75	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948191169	EUR	-2.62%		3.04%						30/06/2008	-1.98%
CAP	BE0948191169	CZK	-1.02%		1.30%						30/06/2008	-0.72%

* The performance figures are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no 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.
- 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
- 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.472%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each six-month period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each six-month period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and is indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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 includes the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indexes: More detailed information on any financial indices underlying financial derivatives are provided in the section "*Goal and key principles of the investment policy*" in this report.

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In the event of discrepancies between the Dutch and the other language versions of the Annual or Interim Report, the Dutch shall prevail.

2 INFORMATION ON THE HORIZON CSOB KOMODITNI FOND

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 30 June 2008
Initial subscription price: CZK 1000
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

The main object of this sub-fund is to generate the highest possible return for its unit holders by investing directly or indirectly in transferable securities and/or commodity indexes. This is reflected in its pursuit of capital gains and income.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

The sub-fund may invest in securities, money market instruments, units in collective investment undertakings, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with its specified object. The sub-fund shall invest no more than 10% of its assets in units of other collective investment undertakings.

PERMITTED DERIVATIVES TRANSACTIONS

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

Corrections are made to investments at regular intervals in keeping with the sub-fund's investment strategy. **In addition, listed and unlisted derivatives may be used by the sub-fund to achieve the objectives:** these may be forward contracts, options or swaps on securities, indexes, 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.** The sub-fund aims to conclude transactions that are as effective as possible, subject to compliance with the relevant legislation and regulations and with the Articles of Association.

Derivatives may be used to hedge some of the exposure to the currency in which the fund is denominated (CZK). They may therefore mitigate the exchange risk, expressed in CZK.

Derivatives are liquid instruments that are readily negotiable. Hence, they have no impact on the liquidity risk.

Derivatives are also used for the purposes of the investment policy and strategy. Therefore they have no other impact on the market risk, return risk, concentration risk or the external risk factors or indeed on any other risk.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

The assets may be partly invested in bonds and debt instruments issued by companies and public entities. The average rating for the investments equates to a Standard & Poor's "AA", or an equivalent Moody's or Fitch rating, or, if no rating is available, a credit-risk profile that is at least equivalent. All maturities are taken into consideration when selecting the bonds and other debt instruments.

STRATEGY SELECTED

The investment strategy is to offer a return which reflects the price trend on the broad commodities market.

The assets are primarily invested in:

- **liquid and negotiable securities, the income from which is used to conclude swaps on commodities indexes with one or more prime counterparty(-ies), subject to the limits laid down by law; and/or,**
- **equities with a performance that is affected, directly or indirectly, by price trends on the commodities market; and/or,**
- **securities which represent the price trends on the commodities market.**

The commodities indexes referred to above must have a sufficiently diversified composition: Each component can be allocated a maximum weighting of 20%, with the exception of just one component which can represent 35% of the composition of the index. A few examples of commodities indexes in which the sub-fund may invest through swaps are given below. Dow Jones AIG Commodity Excess Return Index and S&P GSCI Ultra Light Energy Index Excess Return.

Equities directly affected by commodities price trends are corporate shares whose earnings are totally dependent on the processing or sale of commodities, such as companies operating, in full or in part, in oil production, mining companies operating in the metals and commodities segments, agricultural producers and manufacturers of cement.

Equities indirectly affected by commodities price trends are the shares of the suppliers to those companies. In the oil sector, this includes firms undertaking seismic and exploration research and manufacturers of production platforms. In the mining sector, this includes manufacturers of cutting tools, heavy vehicles and processing plant.

Other securities representing commodities price trends include securities which follow commodities futures prices or commodity indexes.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS may invest all or part of its assets directly, or indirectly, in debt claims within the meaning of the European Savings Directive. The percentage of such claims is determined on the basis of a regular assets test: Every six months, the composition of the portfolio is examined, the percentage of debt instruments is determined and the average of the debt instruments percentages obtained is calculated. The average percentage thus obtained is valid for twelve months from the first day of the fifth month which follows the close of the financial year.

For the results of the assets test and the tax consequences in practice, please refer to the appendix relating to information revised annually.

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

The European Savings Directive has been implemented in Belgium through:

- the Act 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 the 1992 Income Tax Code on withholding tax;
- the Royal Decree of 27 September 2009 implementing Article 338*bis*, § 2, of the 1992 Income Tax Code;
- the Royal Decree of 27 September 2009 implementing Article 338*bis*, § 2, paragraphs 1-3, of the 1992 Income Tax Code.

Dividends

If the UCITS invest more than 15% of its assets, directly or indirectly, in debts instruments, a paying agent based in Belgium that pays dividends (coupons) issued by that 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 country of residence.

Income generated by the transfer, redemption or buy-back of units

If the UCITS invests more than 25% of its assets directly or indirectly in debt instruments, the interest income realised if the units are transferred, redeemed or bought back falls within the scope of the European Savings Directive. Where this is the case, a paying agent 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 country 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 19*bis* of the 1992 Income Tax Code)

If the UCITS invests more than 40% of its assets directly or indirectly in debt instruments, the capitalisation and distribution units fall within the scope of Article 19*bis* of the 1992 Income Tax Code in the event of redemption or total or partial distribution of the equity capital.

The tax levied under Article 19*bis* of the 1992 Income Tax Code applies only to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units. This tax is charged at 15%.

The debt claim return is the sum total of the income arising, directly or indirectly, from the return, in the form of interest or capital gains or losses, on the assets invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The Financial portfolio management is not delegated.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Tracking of Indexes

The objective of the sub-fund is to track the composition of an index, in accordance with and subject to the limits imposed under the provisions of Article 27 of the Royal Decree of 4 March 2005.

Indexes concerned: DJAIG AIG Commodity IDX Index.

Index tracking method:

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

As in 2010, there were growing doubts about the sustainability of the US recovery in Spring 2011. There was no impressive growth in employment in the USA. Growth in Europe accelerated in the first part of the year, with major differences between countries. Asia therefore became the driving force for world economic growth. Following a series of rate hikes in China, the markets feared a hard landing for the Chinese economy. The outlook remained good in the first half of the year and the stock market held up well, thanks to the money injected by the Central American Bank to sustain growth. The tide turned in the second half of the year, with pessimism taking hold. Growth figures were revised downwards. The US economy saw little growth in the first half of the year, feeding fears of a new recession. Negotiations on the debt ceiling stalled in the summer and the US government debt rating was downgraded one notch by S&P. In Europe, the euro crisis worsened following political inertia.

In the light of these problems, the global stock markets nosedived in the summer. Le MSCI Europe consequently fell by 11% (in EUR) in 2011. This figure masks a *status quo* in the first half of the year, a decline in the summer and a turnaround in the fourth quarter. The commodity markets followed the lead of the stock markets. All the commodities were out of favour, with the exception of gold and oil. All eyes were focused on the economic figures in the USA and on growth and inflation in China.

The Dow Jones UBS index (formerly the DJ AIG) dropped 2.6% in the first six months but closed the year with a loss of 13.4%, in line with the stock markets. There were major differences to be seen between the segments, however. Precious metals (+4.5%) and oil surged ahead in the wake of the unrest in North Africa. Industrial metals performed badly, while cereals and plants were in line with the Dow Jones UBS index. Gas was the weakest.

Horizon CSOB is a passive management sub-fund launched for Czech customers at the request of the CSOB. It aims to track the performance of the Dow Jones UBS All Commodities index as closely as possible in CZK. To this end, it invests primarily in swaps linked to the commodities in the DJAIG All Commodity index in CZK. The capital is invested in fixed-income products and short-term bonds.

2.1.8 FUTURE INVESTMENT POLICY

The commodity markets should continue to reflect global economic trends. All eyes are turned to the USA and, more specifically, China, which has become a major consumer of raw materials.

The investment strategy will remain unchanged. The fund still aims to track the performance of the Dow Jones UBS All Commodities index as closely as possible in CZK.

2.1.9 RISK RATING

On a scale from 0 to 6.

Current risk rating: 5

Risk rating at the launch: 5

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
TOTAL NET ASSETS	288.437.135,11	191.364.575,41
II. Securities, money market instruments, CIUs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	308.252.127,39	124.239.603,02
F. Financial derivatives		
j) On currencies		
Future and forward contracts (+/-)	-8.085.560,00	-473.132,91
a) On financial derivatives		
Swap contracts (+/-)	-43.862.779,00	34.379.000,00
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable	413.802,15	10.518.867,01
B. Debts		
a) Amounts payable (-)	-126.805,12	-1.134.352,47
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	7.050.159,11	23.950.627,55
B. Fixed-term deposits at banks	25.000.000,00	
VI. Accruals and deferrals		
A. Deferred charges	-747,25	
B. Accrued income	14.555,55	
C. Accrued expenses (-)	-217.617,72	-116.036,79
TOTAL CAPITAL AND RESERVES	288.437.135,11	191.364.575,41
A. Capital	310.200.114,98	159.700.847,51
B. Share in the profit	-232.196,37	69.569,98
C. Profit (loss) brought forward	31.663.727,90	12.010.723,06
D. Result for the financial year	-53.194.511,40	19.583.434,86

OFF-BALANCE-SHEET ITEMS

III Swap contract notional amounts (+)		
III.A Futures and forward contracts purchased	203.550.000,00	39.978.400,07
IV Swap contracts - notional amounts (+)	331.000.000,00	155.000.000,00

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-1.095.497,73	-295.669,77
F. Financial derivatives		
m) On financial derivatives		
Swap contracts (+/-)	-50.553.579,00	20.291.100,00
H. Foreign-exchange positions and transactions		
a) Financial derivatives		
Futures and forward contracts	-7.612.427,09	-179.064,48
b) Other foreign-exchange positions and transactions	7.184.249,75	-138.791,58
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	3.395.151,25	1.729.564,10
b) Deposits and cash at bank and in hand	174.474,09	99.936,36
C. Interest on borrowings (-)	-1.371,48	-2.800,80
III. Other income		
B. Other	-16.152,39	31.060,04
IV. Operating expenses		
B. Financial expenses (-)	-18.080,33	-13.035,16
C. Custodian's fee (-)	-96.668,36	-72.066,17
D. Manager's fee (-)		
a) Financial management	-3.972.715,08	-1.562.582,85
b) Administration and accounting management	-303.238,84	-126.549,91
F. Formation and organisation expenses (-)	-36.849,55	-14.865,73
G. Remuneration, social security costs and pensions (-)	-318,00	-143,47
H. Services and sundry goods (-)	-55.436,24	-35.819,05
J. Taxes	-67.439,85	-74.922,85
K. Other expenses (-)	-118.612,55	-51.913,82
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	-1.117.257,33	-94.139,31
V. Profit (loss) on ordinary activities before tax	-53.194.511,40	19.583.434,86
VII. Result for the financial year	-53.194.511,40	19.583.434,86

**Profit appropriation
statement**

	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Profit available for appropriation (loss to be recognised)	-21.762.979,87	31.663.727,90
Profit (loss) brought forward from the previous financial year	31.663.727,90	12.010.723,06
Profit for the year available for appropriation (Loss to be recognised)	-53.194.511,40	19.583.434,86
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-232.196,37	69.569,98
II. Appropriation to capital/Transfers from capital	21.762.979,87	
III. Profit (loss) to be carried forward		31.663.727,90

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF THE HORIZON CSOB KOMODITNI FOND

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% held by the CIU	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Government bonds							
<u>Germany</u>							
GERMANY 10/12 0.5% 15/06	1.000.000,00	EUR	100,258	25.639.523,31		10,00	8,89
GERMANY 10/12 1% 16/3	900.000,00	EUR	100,238	23.191.701,74		9,05	8,04
GERMANY 2010/2012 1% 14/12	1.000.000,00	EUR	101,020	25.777.763,59		10,06	8,94
<u>France</u>							
FRANCE 07/12 3.75% 12/01	1.100.000,00	EUR	100,105	29.111.697,35		11,36	10,09
FRANCE 10/12 0.75% 20/09	1.200.000,00	EUR	100,425	30.800.140,56		15,17	10,68
<u>Netherlands</u>							
NETHERLANDS 11/12 0.00%	1.000.000,00	EUR	100,098	25.527.993,07		9,96	8,85
NETHERLANDS 29/02/12 0.00%	1.000.000,00	EUR	100,063	25.519.067,02		9,96	8,85
<u>Czech Republic</u>							
CZECHIA 07/12 3.55% 18/10	27.000.000,00	CZK	102,050	27.755.849,42		10,83	9,62
Bonds issued by credit institutions							
<u>France</u>							
FRANCE 07/12 4.50% 12/07	1.000.000,00	EUR	102,300	26.641.437,23		10,39	9,24
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 23/09-21/03 3.63%	7.000.000,00	CZK	97,886	6.880.231,16		2,68	2,39
BEECHWOOD STRUCTURED FIN PLC 6P-10 23/09-23/03 3.63%	7.000.000,00	CZK	96,553	6.786.935,16		2,65	2,35
BROOKFIELDS CAPITAL PLC 6P-10 23/09-23/03 3.63%	7.000.000,00	CZK	97,585	6.859.203,16		2,68	2,38
EPERON FINANCE PLC 6P-10 23/09-23/03 3.63%	7.000.000,00	CZK	97,496	6.852.945,16		2,67	2,38
ESPACCIO SECURITIES PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	96,338	3.385.946,08		1,32	1,17
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	96,604	3.395.273,58		1,33	1,18
NIMROD CAPITAL PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	97,891	3.440.311,58		1,34	1,19
OPAL FINANCIAL PRODUCTS PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	96,932	3.406.725,58		1,33	1,18
PROFILE FINANCE PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	96,991	3.408.818,58		1,33	1,18
RECOLTE SECURITIES PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	96,599	3.395.070,58		1,33	1,18
SILVERSTATE FIN INV PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	97,413	3.423.571,08		1,34	1,19
VESPUCCI STRUCTURED FIN PROD 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	97,056	3.411.065,58		1,33	1,18
VIGADO CAPITAL PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	96,413	3.388.581,58		1,32	1,18
VOYCE INVESTMENTS PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	98,073	3.446.681,58		1,35	1,20
WATERFORD CAPITAL INC PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	96,451	3.389.890,58		1,32	1,18
WAVES FINANCIAL INV PLC 6P-10 23/09-23/03 3.63%	3.500.000,00	CZK	97,188	3.415.703,08		1,33	1,18
Total bonds				308.252.127,39		120,27	106,87

Swaps							
<u>Germany</u>							
HYPOVEREINS FINANCE NV CLS OP DJUBS 3	150.000.000,00	CZK	-12,450	-18.675.000,00		-7,29	-6,48
<u>France</u>							
NATIXIS CLS OP DJUBS 3	181.000.000,00	CZK	-13,916	-25.187.779,00		-9,83	-8,73
Total swaps				-43.862.779,00		-17,11	-15,21
Futures and forward contracts		CZK		-8.085.560,00			-2,80
TOTAL SECURITIES PORTFOLIO				256.303.788,39		100,00	88,86
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	2.545.045,21	CZK	1,000	2.545.045,21			0,88
KBC GROUP EURO	176.650,35	EUR	1,000	4.505.113,90			1,56
Total demand accounts				7.050.159,11			2,44
Fixed-term deposit accounts							
<u>Belgium</u>							
KBC BANK NV 19/12/11-19/06/12 1.31%	25.000.000,00	CZK	100,000	25.000.000,00			8,67
Total fixed-term deposit accounts				25.000.000,00			8,67
TOTAL CASH AT BANK AND IN HAND				32.050.159,11			11,11
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP CZK A RECEVOIR	413.802,15	CZK	1,000	413.802,15			0,14
Total receivables				413.802,15			0,14
Debts							
<u>Belgium</u>							
KBC GROUP CZK A PAYER	-126.805,12	CZK	1,000	-126.805,12			-0,04
Total debts				-126.805,12			-0,04
TOTAL RECEIVABLES AND PAYABLES				286.997,03			0,10
OTHER							
Accrued interest		CZK		14.555,55			0,01
Prepaid expenses		CZK		-217.617,72			-0,08
Deferred charges		CZK		-747,25			
TOTAL OTHER				-203.809,42			-0,07
TOTAL NET ASSETS				288.437.135,11			100,00

Geographical allocation (as a % of the securities portfolio)

	30/06/2010	31/12/2010	30/06/2011	31/12/2011
Belgium	-3,51	-0,30	-0,09	-3,42
Czech Republic	0,00	0,00	0,00	10,88
Germany	26,08	56,21	34,09	21,97
France	0,00	0,00	31,12	23,57
Ireland	77,43	44,09	24,61	26,85
Netherlands	0,00	0,00	10,27	20,15
Total	100,00	100,00	100,00	100,00

Sector allocation (as a % of the securities portfolio)

	30/06/2010	31/12/2010	30/06/2011	31/12/2011
Financials	73,92	65,61	22,90	6,11
Government	26,08	34,39	77,10	93,89
Total	100,00	100,00	100,00	100,00

Currency allocation (as a % of net assets)

	30/06/2010	31/12/2010	30/06/2011	31/12/2011
CZK	87,40	92,30	96,84	99,10
EUR	12,60	7,70	3,16	0,90
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF HORIZON CSOB KOMODITNI FOND (IN THE CURRENCY OF THE SUB-FUND)

	1st half	2nd half	Year
Purchases	241.324.859,64	202.664.818,88	443.989.678,51
Sales	100.265.600,57	167.482.401,88	267.748.002,45
Total 1	341.590.460,20	370.147.220,76	711.737.680,96
Subscriptions	177.458.960,04	69.204.249,66	246.663.209,70
Redemptions	45.365.115,71	50.798.826,52	96.163.942,23
Total 2	222.824.075,75	120.003.076,18	342.827.151,93
Monthly average of total assets	277.983.213,66	310.114.218,63	294.177.240,16
Turnover rate	42,72 %	80,66 %	125,40 %

	1st half	2nd half	Year
Purchases	241.324.859,64	202.664.818,88	443.989.678,51
Sales	100.265.600,57	167.482.401,88	267.748.002,45
Total 1	341.590.460,20	370.147.220,76	711.737.680,96
Subscriptions	177.458.960,04	69.204.249,66	246.663.209,70
Redemptions	45.365.115,71	50.798.826,52	96.163.942,23
Total 2	222.824.075,75	120.003.076,18	342.827.151,93
Monthly average of total assets	225.393.096,71	261.585.912,39	236.881.985,56
Adjusted turnover rate	52,69 %	95,63 %	155,74 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take into account the 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 to the assets (excluding deposits and cash) in a given period only involved 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 ICVC (Investment Company with Variable Capital) or the Fund, Avenue du Port/Havenlaan 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
KBC AK-VK CZK-EUR 120316-110301 24.432	CZK	22.500.000,00	22.500.000,00	n.a.	01.03.2011
KBC AK-VK CZK-EUR 120112-110307 24.155	CZK	12.500.000,00	12.500.000,00	n.a.	07.03.2011
KBC AK-VK CZK-EUR 120112-110504 24.07	CZK	15.000.000,00	15.000.000,00	n.a.	04.05.2011
KBC AK-VK CZK-EUR 120615-110616 23.965	CZK	24.100.000,00	24.100.000,00	n.a.	16.06.2011
KBC AK-VK CZK-EUR 121214-110628 24.07	CZK	24.000.000,00	24.000.000,00	n.a.	28.06.2011
KBC AK-VK CZK-EUR 120920-110629 24.26	CZK	12.000.000,00	12.000.000,00	n.a.	29.06.2011
KBC AK-VK CZK-EUR 120920-110720 24.272	CZK	17.250.000,00	17.250.000,00	n.a.	20.07.2011
KBC AK-VK CZK-EUR 120229-110921 24.44297	CZK	24.500.000,00	24.500.000,00	n.a.	21.09.2011
KBC AK-VK CZK-EUR 120427-111103 24.74606	CZK	24.700.000,00	24.700.000,00	n.a.	03.11.2011
KBC AK-VK CZK-EUR 120712-111216 25.69122	CZK	27.000.000,00	27.000.000,00	n.a.	16.12.2011
BAYHYPVE	CZK	150.000.000,00	150.000.000,00	n.a.	21.06.2011
NATIXIS	CZK	181.000.000,00	181.000.000,00	n.a.	13.12.2011

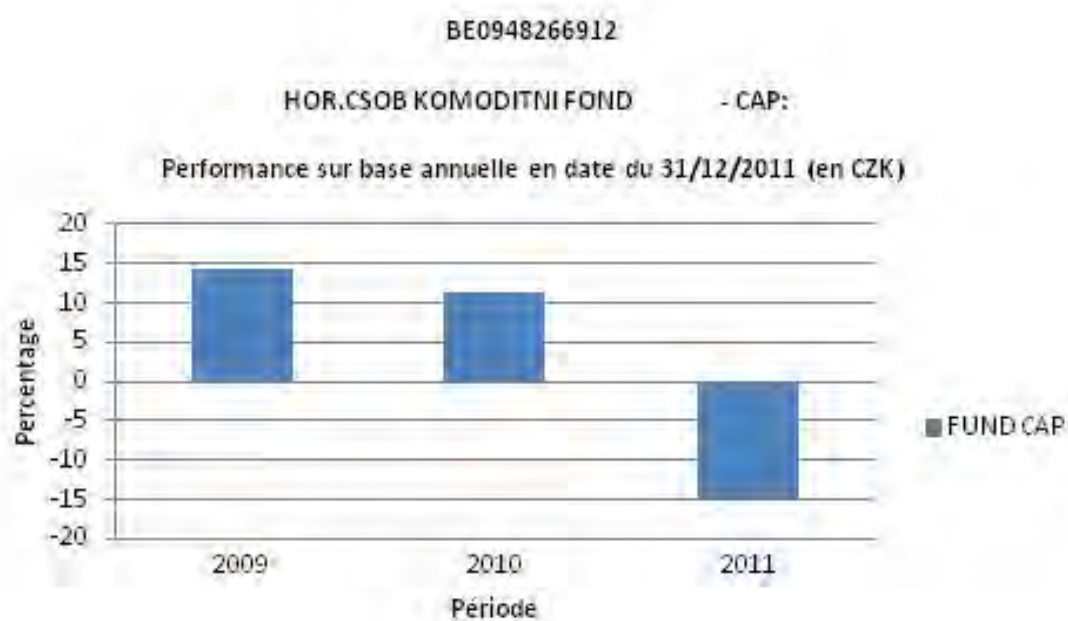
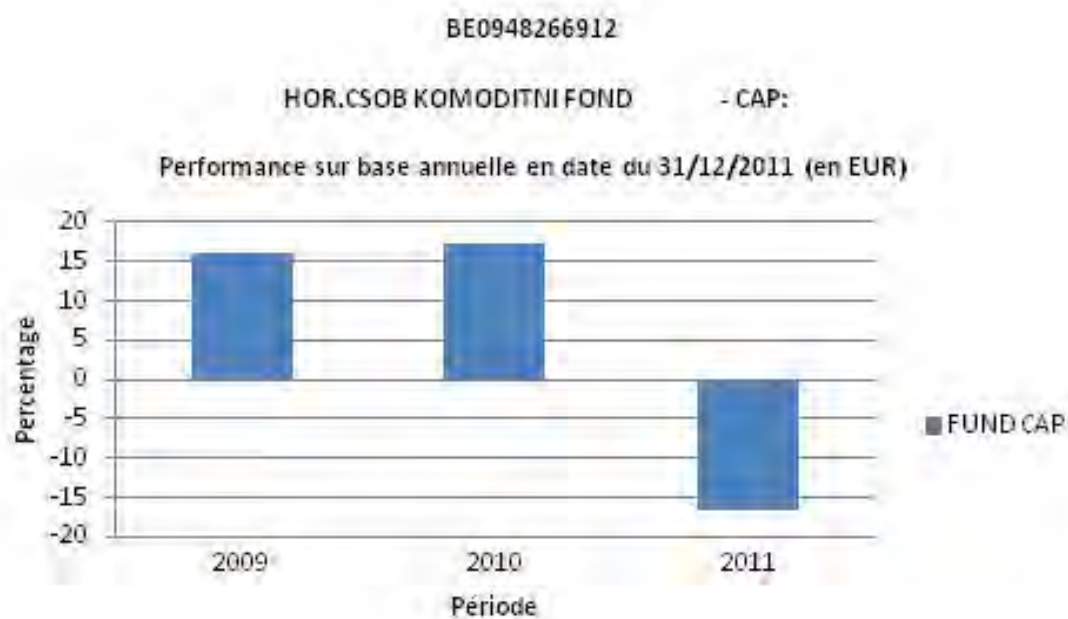
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	132.903,14		26.405,53		166.437,44		166.437,44
2010 - 12	169.475,09		34.826,60		301.085,94		301.085,94
2011 - 12	390.149,72		156.141,91		535.093,74		535.093,74

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	67.663.897,50		13.660.255,58	
2010 - 12	96.083.630,20		19.251.610,61	
2011 - 12	246.173.778,66		95.906.707,56	

Period	Net asset value At the end of the period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	94.949.120,96	570,48	
2010 - 12	191.364.575,41	635,58	
2011 - 12	288.437.135,11	539,04	

2.4.5 PERFORMANCE FIGURES



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948266912	EUR	-16.56%		4.37%						30/06/2008	-17.24%
CAP	BE0948266912	CZK	-15.19%		2.60%						30/06/2008	-16.18%

* The performance figures are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no 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.
- 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
- 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.593%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Management fee: 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 belonging to the KBC Group.

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

Auditor's fee: EUR 1,700 per year. This fee does not include VAT and is indexed 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 belonging to 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 includes 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 ICVC portfolio.

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

- there must be no adverse impact on the security from the point of view of the shareholders;
- the rules covering corporate governance must be complied with, except for those relating to minority shareholders' rights;
- 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 ICVC (Investment Company with Variable Capital).

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON THE HORIZON CSOB PRIVATE BANKING EUROPE LOOKBACK 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 30 May 2008
Initial subscription price: CZK 10
Maturity date: 31 March 2014
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse on maturity the initial subscription price per unit of CZK 10 (capital protection). This capital protection is achieved by putting in place a financial mechanism which is explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date;
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection on maturity entails investing the total subscribed amounts in bonds and other debt instruments, deposits and/or liquid assets (including money placed on fixed-term deposit or demand accounts). These investments may be of various durations and coupon payment dates, being aligned to the expiry dates of the sub-fund's commitments through the use of the swaps set out in the section *Permitted swap transactions*(2).

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) an investment covered by an investment strategy with an analogous structure and a counterparty risk identical to a direct investment in the deposits and /or debt instruments referred to in points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be accessed via the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

(B) an investment in:

- deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

investments in debt securities issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have a minimum solvency rating, as explained in the section *Characteristics of the bonds and other debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit on maturity (before costs and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged to do so) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and potentially from other of the ICVC's sub-funds. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the bonds and other debt instruments will have an average solvency score equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if not rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into considering when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies), subject to the limits laid down by law.

To achieve a potential return, the sub-fund concludes swaps. Under these swaps, the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that using this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conclude swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of 30 shares of European companies (as set out below) through a 'Best Timing' structure.

This Best Timing structure means that account is taken, in calculating the net asset value on maturity, firstly, of the initial subscription value and, secondly, of the performance of the basket as compared with the Minimum Base Value. 72% of any rise in the value (= *Last Value less Minimum Base Value*) divided by the Base Value) is taken into account, with no ceiling.

The Minimum Base Value is whichever is the lowest of the Base Value and the lowest value of the basket recorded during the Initial Observation Dates. It is always less than or equal to the Base Value. Consequently, it is in the interests of investors for the basket to fall in value during the initial period of the duration of the sub-fund (notably on the Initial Observation Dates) given that the lowest price recorded during the Initial Observation Dates and the Base Value are taken into consideration in calculating any rise in the value of the basket.

MATURITY: Monday, 31 March 2014 (Payment with a value date of D + 1 bank business day)

CURRENCY: CZK; fluctuations of the CZK against in the local currencies of the equities in the basket are not relevant.

BASE VALUE: The value of the basket based on the average of the prices for the shares in the basket on the first ten Valuation Dates from 6 June 2008 (inclusive).

LAST VALUE: the value of the basket based on the average of the prices for the equities in the basket on the last Valuation Date of the month in each of the last 18 months before maturity, more precisely from September 2012 to February 2014 (inclusive).

MINIMUM BASE VALUE: Whichever is the lowest of the Base Value and the lowest value of the basket for all the Initial Observation Dates.

INITIAL OBSERVATION DATES: The first Valuation Date of each month, from July until December 2008 (inclusive).

Price:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of an equity in the basket as calculated and published at the stock market close by the stock-exchange body (or its legal successor) competent for the place where the security is listed. For equities listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each equity in the basket, this is a trading day for the stock exchange on which the share is listed and for the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market in that share (suspension or limitation of trading on that security) or early closure of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market in a share in the basket is disrupted or closes early, the scheduled Valuation Date for this equity is replaced by the next trading day on which there is no disruption or early closure, provided this day is not already a scheduled Valuation Date or is already replacing a scheduled Valuation Date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled Valuation Date, (i) this eighth trading day will be deemed to be the scheduled Valuation Date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which occurred with regard to one or more shares, (b) the change in the conditions for determining the Base Value and/or Last Value, and (c) the terms and conditions for the distribution of amounts in the light of the objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 5 years and 9 months, which pays, on Maturity, 75% of any rise in value (= (Last Value less the Minimum Base Value) divided by the Base Value) beyond the full initial subscription value (of CZK 10). The Base Value of the basket is 100.

	Valeur de Départ du Panier	Valeur Finale du Panier	Valeur de Départ Minimale	Plus-Value pertinente	Valeur à l'Echéance
Scénario Positif	100	150	80	$75\% * (150-80)/100 = 52.5\%$	$10 + 52.5\% * 10 = 15.25$ CZK (rendement actuariel : 7.61%, avant frais et impôts)
Scénario Neutre	100	120	90	$75\% * (120-90)/100 = 22.5\%$	$10 + 22.5\% * 10 = 12.25$ CZK (rendement actuariel : 3.59%, avant frais et impôts)
Scénario Négatif	100	60	80	0%(*)	10 CZK (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances are not taken into account.

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	AKZO NOBEL	AKZA NA Equity	Amsterdam	3.00%
2	ALLIANZ SE-REG	ALV GY Equity	Frankfurt	2.00%
3	ASSICURAZIONI GENERALI	G IM Equity	Milan	3.00%
4	AXA	CS FP Equity	Paris	4.00%
5	BANCO SANTANDER SA	SAN SM Equity	Madrid	5.00%
6	BASF AG	BAS GY Equity	Frankfurt	4.00%
7	BAYER AG	BAY GY Equity	Frankfurt	2.00%
8	BRITISH AMERICAN TOBACCO PLC	BATS LN EQUITY	London	4.00%
9	DAIMLER AG	DAI GY Equity	Frankfurt	2.00%
10	DEUTSCHE POST A G-REG	DPW GY Equity	Frankfurt	3.00%
11	DIAGEO PLC	DGE LN Equity	London	3.00%
12	ENI SPA	ENI IM EQUITY	Milan	2.00%
13	GROUPE DANONE	BN FP Equity	Paris	2.00%
14	HENNES & MAURITZ AB-B SHS	HMB SS Equity	Stockholm	3.00%
15	ING GROEP NV-CVA	INGA NA Equity	Amsterdam	2.00%
16	INTESA SANPAOLO	ISP IM Equity	Milan	6.00%
17	KBC GROEP NV	KBC BB Equity	Brussels	2.00%
18	KONINKLIJKE KPN NV	KPN NA Equity	Amsterdam	5.00%
19	NATIONAL GRID PLC	NG/ LN Equity	London	5.00%
20	NESTLE SA-REG	NESN VX Equity	Virt-X	4.00%
21	NOKIA OYJ	NOK1V FH Equity	Helsinki	5.00%
22	PEUGEOT SA	UG FP Equity	Paris	2.00%
23	ROCHE HOLDING A G-GENUSSCHEIN	ROG VX Equity	Virt-X	2.00%
24	RWE AG	RWE GY Equity	Frankfurt	3.00%
25	TELEFONICA SA	TEF SM Equity	Madrid	4.00%
26	TOTAL SA	FP FP Equity	Paris	5.00%
27	VIVENDI	VIV FP Equity	Paris	3.00%
28	IBERDROLA SA	IBE SM Equity	Madrid	5.00%
29	TNT NV	TNT NA Equity	Amsterdam	2.00%
30	SUEZ SA	SZE FP Equity	Paris	3.00%

Criteria for selection for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) it relates to a European company, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the maturity date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket on maturity.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax;
- the Royal Decree of 27 September 2009 implementing Article 338bis, paragraph 2, of the 1992 Income Tax Code;
- *the Royal Decree of 27 September 2009 concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 this information to the tax authorities in the beneficial owner's country 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 of the 1992 Income Tax Code)

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19*bis* of the 1992 Income Tax Code only applies to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units.

This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
AKZO NOBEL	2,2547
ALLIANZ SE-REG	1,2709
ASSICURAZIONI GENERALI	1,3194
AXA	1,9181
BANCO SANTANDER SA	2,5300
BASF SE	9,0556
BAYER AG	1,8194
BRITISH AMERICAN TOBACCO PLC	6,6385
DAIMLER CHRYSLER	1,5114
DANONE	1,9567
DEUTSCHE POST AG-REG	1,8774
DIAGEO PLC	4,3858
ENI SPA	1,2757
GDF SUEZ	1,4914
HENNES & MAURITZ AB-B SHS	3,9854
IBERDROLA SA (SM)	2,7008
ING GROEP NV-CVA	0,6266
INTESA SANPAOLO	2,1688
KBC GROEP NV	0,2489
KONINKLIJKE KPN NV	4,0445
NATIONAL GRID PLC	4,9960
NESTLE SA-REG	4,2718
NOKIA OYJ	1,1310
PEUGEOT SA	0,6519
POSTNL	0,1963
ROCHE HOLDING AG-GENUSSCHEIN	1,7925
RWE AG	1,0015
TELEFONICA SA (SM)	3,0117
TNT EXPRESS NV	0,4698
TOTAL SA	3,7086
VIVENDI	1,9486
TOTAL	76,26

Performance of the index or basket

Index:	BASKET
31/12/2010:	87,05
30/06/2011:	88,22
29/12/2011:	76,26
Performance since 31/12/2010 or since the launch of the sub-fund:	-12,40%
Performance since 30/06/2011 or since the launch of the sub-fund:	-13,56%
Index at the launch of the sub-fund	70,89
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	CZK

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
22/07/2008	SUEZ SA (PARIS)	GDF SUEZ	Acquisition
30/04/2009	GROUPE DANONE	DANONE	Name change
26/05/2011	TNT NV	PostNL	Name change
26/05/2011		TNT EXPRESS NV	Spin-off TNT NV

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: III

Risk rating at the launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	101.244.366,37	108.560.710,93
II. Securities, money market instruments, CIUs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	88.900.501,99	91.351.650,14
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	5.249.978,36	5.731.706,17
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		22.679,35
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	655.719,95	768.706,23
B. Fixed-term deposits at banks	6.433.887,00	10.660.501,20
VI. Accruals and deferrals		
B. Accrued income	11.872,97	33.610,50
C. Accrued expenses (-)	-7.593,90	-8.142,66
TOTAL CAPITAL AND RESERVES	101.244.366,37	108.560.710,93
A. Capital	103.424.080,93	109.498.249,87
B. Share in the profit	1.500,00	-1.000,00
D. Result for the financial year	-2.181.214,56	-936.538,94

OFF-BALANCE-SHEET ITEMS

IV Swap contracts - notional amounts (+)	97.402.196,00	101.625.996,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-1.885.142,04	69.780,89
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-271.804,95	-517.158,06
G. Receivables, deposits, cash at bank and in hand, and payables	-6.614,20	4.806,90
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	2.269,33	-4.024,04
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	1.428.454,65	1.507.578,49
b) Deposits and cash at bank and in hand	96.189,04	159.065,64
C. Interest on borrowings (-)	-480,81	
D. Swap contracts (+/-)	-185.655,17	-554.557,54
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	51.351,26	10.399,99
B. Other	-19.039,86	30.860,09
IV. Operating expenses		
A. Investment transaction and delivery costs (-)		-0,07
B. Financial expenses (-)	-22.194,93	-30.260,28
C. Custodian's fee (-)	-6.088,25	-6.547,38
D. Manager's fee (-)		
a) Financial management	-1.265.291,81	-1.464.416,57
b) Administration and accounting management	-52.020,42	-54.063,45
F. Formation and organisation expenses (-)	-13.148,82	-14.821,93
G. Remuneration, social security costs and pensions (-)	-108,17	-157,89
H. Services and sundry goods (-)	-23.299,94	-35.942,83
J. Taxes	-1.216,44	-29.151,20
K. Other expenses (-)	-7.373,03	-7.929,70
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	-19.922,70	-489.944,63
V. Profit (loss) on ordinary activities before tax	-2.181.214,56	-936.538,94
VII. Result for the financial year	-2.181.214,56	-936.538,94

**Profit appropriation
statement**

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit available for appropriation (loss to be recognised)	-2.179.714,56	-937.538,94
Profit for the year available for appropriation (Loss to be recognised)	-2.181.214,56	-936.538,94
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	1.500,00	-1.000,00
II. Appropriation to capital/Transfers from capital	2.179.714,56	937.538,94

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB PRIVATE BANKING EUROPE LOOKBACK 1

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the currency of the sub-fund)	% held by the CIU	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMETHYST STRUCTURED FIN PLC 6P-10 23/09-21/03 3.63%	9.050.000,00	CZK	97,445	8.853.543,35		9,40	8,75
BEECHWOOD STRUCTURED FIN PLC 6P-10 23/09-23/03 3.63%	9.100.000,00	CZK	96,471	8.813.774,09		9,36	8,71
BROOKFIELDS CAPITAL PLC 6P-10 23/09-23/03 3.63%	9.050.000,00	CZK	97,737	8.879.927,63		9,43	8,77
EPERON FINANCE PLC 6P-10 23/09-23/03 3.63%	9.050.000,00	CZK	97,349	8.844.801,14		9,39	8,74
ESPACCIO SECURITIES PLC 6P-10 23/09-23/03 3.63%	4.600.000,00	CZK	96,491	4.456.257,19		4,73	4,40
GREENSTREET STRUCT. FIN. PROD. PLC 6P-10 23/09-23/03 3.63%	4.600.000,00	CZK	96,548	4.458.844,78		4,74	4,40
NIMROD CAPITAL PLC 6P-10 23/09-23/03 3.63%	4.550.000,00	CZK	97,616	4.458.991,42		4,74	4,40
OPAL FINANCIAL PRODUCTS PLC 6P-10 23/09-23/03 3.63%	4.600.000,00	CZK	96,742	4.467.784,74		4,75	4,41
PROFILE FINANCE PLC 6P-10 23/09-23/03 3.63%	4.600.000,00	CZK	97,253	4.491.309,79		4,77	4,44
RECOLTE SECURITIES PLC 6P-10 23/09-23/03 3.63%	4.600.000,00	CZK	96,358	4.450.146,46		4,73	4,40
SILVERSTATE FIN INV PLC 6P-10 23/09-23/03 3.63%	4.550.000,00	CZK	96,921	4.427.364,23		4,70	4,37
VESPUCCI STRUCTURED FIN PROD 6P-10 23/09-23/03 3.63%	4.600.000,00	CZK	97,112	4.484.792,74		4,76	4,43
VIGADO CAPITAL PLC 6P-10 23/09-23/03 3.63%	4.600.000,00	CZK	96,406	4.452.317,89		4,73	4,40
VOYCE INVESTMENTS PLC 6P-10 23/09-23/03 3.63%	4.550.000,00	CZK	97,865	4.470.318,28		4,75	4,42
WATERFORD CAPITAL INC PLC 6P-10 23/09-23/03 3.63%	4.600.000,00	CZK	96,268	4.445.981,29		4,72	4,39
WAVES FINANCIAL INV PLC 6P-10 23/09-23/03 3.63%	4.550.000,00	CZK	97,294	4.444.346,97		4,72	4,39
Total bonds				88.900.501,99		94,42	87,81
Swaps							
<u>Belgium</u>							
KBC SWAPS	97.402.196,00	CZK	5,390	5.249.978,36		5,58	5,19
Total swaps				5.249.978,36		5,58	5,19
TOTAL SECURITIES PORTFOLIO				94.150.480,35		100,00	92,99
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	555.726,51	CZK	1,000	555.726,51			0,55
KBC GROUP EURO	3.920,85	EUR	1,000	99.993,44			0,10
Total demand accounts				655.719,95			0,65
Fixed-term deposit accounts							
<u>Germany</u>							
DZ BANK AG 23/09-23/03/12 DZBANK 0.550 %	4.950.000,00	CZK	99,875	4.943.812,50			4,88

<u>Belgium</u>						
KBC BANK NV 23/09-23/03/12 KBCBANK 1.100 %	1.490.000,00	CZK	100,005	1.490.074,50		1,47
Total fixed-term deposit accounts				6.433.887,00		6,36
TOTAL CASH AT BANK AND IN HAND				7.089.606,95		7,00
OTHER						
Accrued interest		CZK		11.872,97		0,01
Prepaid expenses		CZK		-7.593,90		-0,01
TOTAL OTHER				4.279,07		0,00
TOTAL NET ASSETS				101.244.366,37		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port/Havenlaan 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
EQLISWAP	CZK	97.402.196,00	97.402.196,00	n.a.	30.11.2011

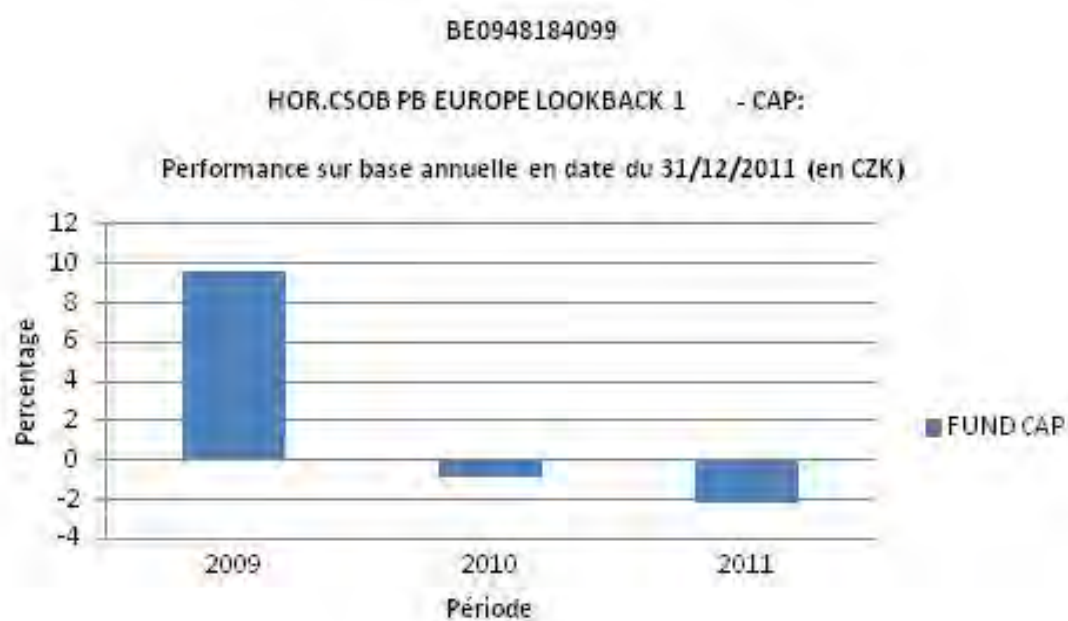
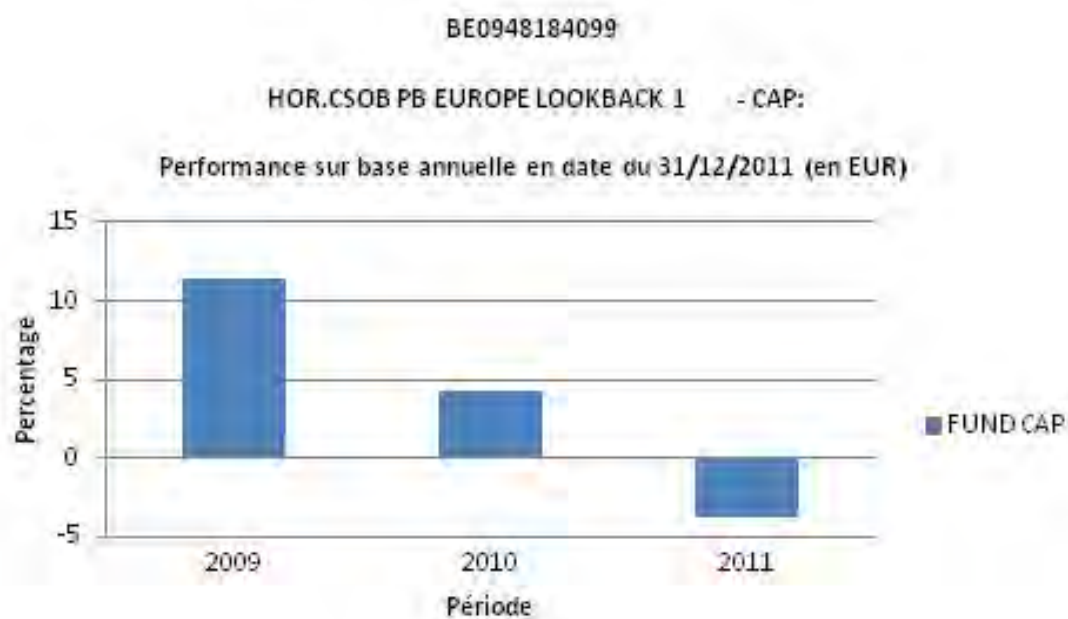
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	0,00		100.000,00		10.470.000,00		10.470.000,00
2010 - 12	0,00		100.000,00		10.370.000,00		10.370.000,00
2011 - 12	0,00		481.000,00		9.889.000,00		9.889.000,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)				
Year	Subscriptions		Redemptions		
	Cap.	Dis.	Cap.	Dis.	
2009 - 12	0,00		899.000,00		
2010 - 12	0,00		1.040.000,00		
2011 - 12	0,00		5.135.130,00		

Period	Net asset value At the end of the period (in the currency of the sub-fund)			
Year	Of the sub-fund		Of one unit	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	110.537.249,87		10,56	
2010 - 12	108.560.710,93		10,47	
2011 - 12	101.244.366,37		10,24	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948184099	EUR	-3.78%		3.83%						30/05/2008	-0.58%
CAP	BE0948184099	CZK	-2.20%		2.07%						30/05/2008	0.66%

* The performance figures are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no 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.
- 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
- 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.323%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each six-month period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each six-month period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and is indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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 includes the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indexes: More detailed information on any financial indices underlying financial derivatives are provided in the section "*Goal and key principles of the investment policy*" in this report.

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In the event of discrepancies between the French and the other language versions of the Annual or Interim Report, the French shall prevail.

2 INFORMATION ON THE HORIZON CSOB SVETOVEHO RUSTU USD 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Launch date: 31 July 2008
Initial subscription price: USD 10
Maturity date: 30 November 2012
Currency: USD

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

DESCRIPTION OF THE OBJECT OF THE SUB-FUND

The sub-fund has a twofold objective (before costs and taxes):

- (1) To reimburse on maturity the initial subscription price per unit of USD 10 (capital protection). This capital protection is achieved by putting in place a financial mechanism which is explained in greater detail under the section *Capital protection*. This capital protection does not extend, however, to unit holders who sell their units before the maturity date;
- (2) To offer a potential return through investment in swaps (exchange contracts). The different types of swaps in which the sub-fund can invest are explained under the section *Potential return*.

CAPITAL PROTECTION

Financial mechanism for capital protection

The financial mechanism used to achieve capital protection on maturity entails investing the total subscribed amounts in bonds and other debt instruments, deposits and/or liquid assets (including money placed on fixed-term deposit or demand accounts). These investments may be of various durations and coupon payment dates, being aligned to the expiry dates of the sub-fund's commitments through the use of the swaps set out in the section *Permitted swap transactions*(2).

Characteristics to be met by the investments

The investments must meet one of the following criteria:

- (1) an investment in deposits and/or debt instruments, placed with or issued by financial institutions under the prudential supervision of, and established in, a Member State of the European Economic Area;
- (2) an investment in debt instruments issued or guaranteed by a Member State of the European Economic Area;
- (3) an investment covered by an investment strategy with an analogous structure and a counterparty risk identical to a direct investment in the deposits and /or debt instruments referred to in points (1) and (2) above.

The investments under (3) may consist of:

- (A) an investment in stock-exchange-listed bonds issued by 'Special Purpose Vehicles' (SPVs).

These SPVs are managed by KBC Asset Management SA or one of its subsidiaries.

The asset underlying the bonds issued by these SPVs is a diversified portfolio of deposits issued by financial institutions, bonds and other debt instruments and derivatives (financial derivatives). These underlying assets are selected on the basis of diversification and solvency criteria (see under *Permitted asset categories* and *Characteristics of bonds and other debt instruments*) in order to reduce counterparty risk.

Further details of the criteria that the underlying deposits, bonds, other debt instruments and derivatives (financial derivatives) must fulfil are given in the sales prospectuses for the SPVs. These sales prospectuses can be accessed via the site <http://www.kbc.be/prospectus/spv/>.

The investments of both the sub-fund and the SPVs are explained for investors in the annual and interim reports of the sub-fund's umbrella ICVC (Investment Company with Variable Capital). The annual and interim reports may also be viewed at <http://www.kbc.be/>.

(B) an investment in:

- deposits with financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia; and/or,
- debt instruments issued or guaranteed by the United States of America, Japan, Canada or Australia.

Prudential supervision of financial bodies in the United States of America, Japan, Canada and Australia may be deemed equivalent to the prudential supervision of financial institutions in the Member States of the European Economic Area;

investments in debt securities issued by financial institutions subject to prudential supervision in the United States of America, Japan, Canada and Australia or issued or guaranteed by those countries have a minimum solvency rating, as explained in the section *Characteristics of the bonds and other debt instruments*.

(C) The investments in (A) and (B) may also be combined.

No formal guarantee

No formal guarantee of redemption of the initial subscription price is given to the sub-fund or its unit holders. In other words, capital protection is not a strict obligation for the sub-fund, although achieving this objective through the use of the financial mechanism is an absolute priority.

If, because of a weakness in the financial mechanism, the amount to be paid per unit on maturity (before costs and taxes) is less than the initial subscription price, KBC Asset Management may decide (but is not obliged to do so) to make up for this shortfall by allocating the management commission it received during the current financial year from this sub-fund, and potentially from other of the ICVC's sub-funds. This does not constitute a guarantee on the part of KBC Asset Management SA. It has full discretion to decide whether or not to use the management commission to this end.

Capital protection does not extend, however, to unit holders who sell their units before the maturity date.

POTENTIAL RETURN

To obtain a potential return, the sub-fund concludes swaps with one or more prime counterparties. The sub-fund therefore transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

In accordance with the provisions of the Royal Decree of 4 March 2005 relating to certain public collective investment schemes, the sub-fund may invest in negotiable securities (including bonds and other debt instruments), money market instruments, units in collective investment undertakings, deposits, derivatives (financial derivatives), liquid assets and all other instruments insofar as permitted by the applicable legislation and regulations.

The investment limits and restrictions laid down in the Royal Decree of 4 March 2005 relating to certain public collective investment schemes shall be complied with at all times.

CHARACTERISTICS OF THE BONDS AND OTHER DEBT INSTRUMENTS

For the duration of the sub-fund, the bonds and other debt instruments will have an average solvency score equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Long-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-" rating, or an equivalent Moody's or Fitch rating, or, if not rating is available, an average credit-risk profile that is at least equivalent in the judgement of the manager.

Short-term bonds and other debt instruments will have a solvency score when the investment is launched equating, at the very least, to a Standard & Poor's "A-1" rating, or an equivalent Moody's or Fitch rating, or, if no rating is available, an average credit-risk profile at least equivalent in the judgement of the manager.

All maturities are taken into considering when selecting the bonds and other debt instruments.

PERMITTED SWAP TRANSACTIONS

The swaps set out below are concluded with one or more prime counterparty(-ies), subject to the limits laid down by law.

To achieve a potential return, the sub-fund concludes swaps. Under these swaps, the sub-fund transfers a portion of its future investment income intended for capital protection to this/these counterparty(-ies) for the duration of the sub-fund. In exchange, the counterparty(-ies) commit(s) to offering a potential return, as set out in the section *Strategy selected*.

The swaps under (1) are essential to realise the investment objects of the sub-fund, given that using this method, the goal of achieving a potential return can be realised.

The sub-fund's risk profile is not affected by the use of these swaps.

(2) The sub-fund will, if necessary, conclude 'swaps' to ensure that the durations of the sub-fund's commitments coincide with the cash flows deriving from the deposits, bonds and other debt instruments referred to under *Characteristics to be met by the investments*.

These swaps are essential to achieve the sub-fund's investment objectives, given that there are insufficient bonds and other debt instruments on the market with coupons and maturities that coincide exactly with the due dates of the sub-fund's commitments.

The sub-fund's risk profile is not affected by the use of these swaps.

(3) The sub-fund may also conclude swaps to hedge the credit risk on issuers of bonds and other debt instruments. Under such swaps, one or more counterparty(-ies) will, in return for the payment of a premium by the sub-fund, take over the risk of the default of an issuer of a bond or other debt instrument held in the sub-fund portfolio.

The swaps under (3) serve to hedge credit risk.

The sub-fund's risk profile is not affected by the use of these swaps.

STRATEGY SELECTED

GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

The sub-fund has two investment objectives: firstly, to preserve the full initial subscription value on Maturity, and secondly, to generate a potential capital gain contingent on any rise in value of a basket of 30 shares of top-quality companies (as set out below) with a high market capitalisation and a low price/earnings ratio. 90% of any rise in the value of the basket of 30 shares (= *Last Value less Base Value*) divided by the *Base Value*) which exceeds the full initial subscription value will be distributed on maturity. The capital gain will be a maximum of 40% (yield to maturity: 8.09%, before costs and taxes).

MATURITY: Friday, 30 November 2012 (Payment with a value date of D + 1 bank business day)

CURRENCY: USD; fluctuations of the USD against the local currencies of the equities in the basket are not relevant.

BASE VALUE: The value of the basket based on the average of the prices for the shares in the basket on the first ten Valuation Dates from Thursday, 7 August 2008 (inclusive).

LAST VALUE: The value of the basket based on the average of the prices for the shares in the basket on the last Valuation Date of the month in each of the last 12 months before maturity, more precisely from November 2011 to October 2012 (inclusive).

Price:

For all equities, with the exception of those listed on the Milan stock exchange, the closing price, that is to say the price of an equity in the basket as calculated and published at the stock market close by the stock-exchange body (or its legal successor) competent for the place where the security is listed. For equities listed on the Milan stock exchange, it is the reference price.

VALUATION DATE:

For each equity in the basket, this is a trading day for the stock exchange on which the share is listed and for the largest stock exchange where options on that share are quoted, unless that day coincides with an event which disrupts the market in that share (suspension or limitation of trading on that security) or early closure of trading (the competent body announces that the market will close earlier than usual on this trading day). If the market in a share in the basket is disrupted or closes early, the scheduled Valuation Date for this equity is replaced by the next trading day on which there is no disruption or early closure, provided this day is not already a scheduled Valuation Date or is already replacing a scheduled Valuation Date postponed because of disruption or early closure of the market.

However, if the market is disrupted or closes early on each of the eight trading days which follow the scheduled Valuation Date, (i) this eighth trading day will be deemed to be the scheduled Valuation Date, and (ii) the ICVC will estimate, in good faith and in conjunction with the prime counterparty(-ies) with whom a swap contract has been concluded, the share price that would have been listed on this eighth trading day, and (iii) the ICVC will inform the unit holders of (a) the event disrupting the market or of the early closure which occurred with regard to one or more shares, (b) the change in the conditions for determining the Base Value and/or Last Value, and (c) the terms and conditions for the distribution of amounts in the light of the objectives achieved.

The explanations below set out how the sub-fund structure operates. The examples given are not an indication of the expected return. The sub-fund's actual return will depend, firstly, on the behaviour of the market over the life of the structure and, secondly, the actual terms and conditions of the sub-fund and, in particular, the performance of the underlying assets, the duration and the take-up rate, as set out in the section on the sub-fund's "Goal and key principles of its investment policy".

The following examples illustrate the aforementioned investment objectives for a structure of 4 years and 3 months, which pays, on Maturity, 80% of any rise in value (= (Last Value less the Base Value) divided by the Base Value) which exceeds the full amount of the full initial subscription value (of USD 10) up to a ceiling of 40%. The Base Value of the basket is 100.

	Valeur Finale du Panier	Performance pertinente (*)	Valeur à l'Echéance
Scénario Positif	160	80% * 60% = 40%	10 + 40% * 10 = 14 USD (rendement actuariel : 8.23%, avant frais et impôts)
Scénario Neutre	120	80% * 20% = 16%	10 + 16% * 10 = 11.6 USD (rendement actuariel : 3.55%, avant frais et impôts)
Scénario Négatif	90	80% * 0% = 0%	10 + 0% * 10 = 10 USD (rendement actuariel : 0%, avant frais et impôts)

(*) Negative performances are not taken into account.

RELEVANT BASKET

The table below sets out, in columns running from left to right, the share serial number, its name, its Bloomberg code, the stock exchange where it is listed and its initial weighting.

1	AT&T INC	T UN Equity	New York	3.00%
2	BANCO BILBAO VIZCAYA ARGENTA	BBVA SM Equity	Madrid	3.00%
3	BANK OF AMERICA CORP	BAC UN Equity	New York	3.00%
4	BAYER AG	BAY GY Equity	Frankfurt	3.00%
5	CARREFOUR SA	CA FP Equity	Paris	2.00%
6	DIAGEO PLC	DGE LN Equity	London	2.00%
7	ELI LILLY & CO	LLY UN Equity	New York	2.00%
8	ENI SPA	ENI IM Equity	Milan	2.00%
9	GENERAL ELECTRIC CO	GE UN Equity	New York	5.00%
10	HEINEKEN NV	HEIA NA Equity	Amsterdam	3.00%
11	HSBC HOLDINGS PLC	HSBA LN Equity	London	3.00%
12	KONINKLIJKE KPN NV	KPN NA Equity	Amsterdam	5.00%
13	KRAFT FOODS INC-CLASS A	KFT UN Equity	New York	2.00%
14	LAFARGE SA	LG FP Equity	Paris	3.00%
15	MERCK & CO. INC.	MRK UN Equity	New York	3.00%
16	NATIONAL GRID PLC	NG/ LN Equity	London	5.00%
17	NESTLE SA-REG	NESN VX Equity	Virt-x	2.00%
18	NOVARTIS AG-REG	NOVN VX Equity	Virt-x	5.00%
19	PEPSICO INC	PEP UN Equity	New York	5.00%
20	PFIZER INC	PFE UN Equity	New York	5.00%
21	PROCTER & GAMBLE CO	PG UN Equity	New York	7.00%
22	SAMSUNG ELECTRONICS CO LTD	005930 KS Equity	Korea SE	2.00%
23	SINGAPORE AIRLINES LTD	SIA SP Equity	Singapore	2.00%
24	TELEFONICA SA	TEF SM Equity	Madrid	2.00%
25	TNT NV	TNT NA Equity	Amsterdam	5.00%
26	TOYOTA	7203 JT Equity	Tokyo	3.00%
27	UNIBAIL-RODAMCO	UL FP Equity	Paris	3.00%
28	VERIZON COMMUNICATIONS INC	VZ UN Equity	New York	5.00%
29	VINCI SA	DG FP Equity	Paris	3.00%
30	VIVENDI	VIV FP Equity	Paris	2.00%

Criteria for selection for the basket

A share may only form part of the basket if (i) it is listed on a stock exchange, (ii) it forms part of a major share index, (iii) it has a high market capitalisation and a low price/earnings ratio, and (iv) the ICVC Board of Directors has approved its inclusion in the basket (the "Selection criteria").

Changes to the basket following a merger, acquisition, demerger, nationalisation, bankruptcy or disqualification:

Merger or acquisition

If one or more issuers of shares in the basket are involved in a merger or acquisition over the life of the sub-fund, the shares of the issuer concerned, provided they still meet the Selection Criteria, will subsequently be attributed a weighting in the basket equal to the sum of the weightings of the shares of all the issuers affected by the operation. If, in the wake of the operation, one of the issuers involved ceases to meet the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Demerger

If an issuer of a share in the basket undertakes a demerger, the weighting of the share concerned will be divided equally between the shares of all the issuers deriving from the restructuring that satisfy the Selection Criteria.

If, after the operation, none of the issuers deriving from the demerger satisfy the Selection Criteria, the procedure for 'Nationalisation, bankruptcy or disqualification' will apply.

Nationalisation, bankruptcy and disqualification

If an issuer of a share in the basket is nationalised, declared bankrupt or no longer satisfies the Selection Criteria ('disqualification'), the share is disposed of at the last known price before it is eliminated. The amount realised is then invested until the maturity date for the underlying swap transaction at the market rate applying on the money or bond market on the date on which the share is eliminated for a period of time equal to the term remaining until the maturity of the sub-fund's underlying swap transaction. The amount realised together with the interest is recognised on the maturity date as profit on the share for the purpose of calculating the final rise in value of the basket on maturity.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 its interpretation may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests more than 40% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:
the Act 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 the 1992 Income Tax Code on withholding tax;
- the Royal Decree of 27 September 2009 implementing Article 338bis, paragraph 2, of the 1992 Income Tax Code;
- *the Royal Decree of 27 September 2009 concerning entry into effect of Article 338bis, § 2, paragraphs 1-3, of the 1992 Income Tax Code.*

A paying agent based in Belgium that pays interest income relating to UCITS, in the form of a dividend payment (coupon) or through the sale, repayment or redemption of units, 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 this information to the tax authorities in the beneficial owner's country 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 of the 1992 Income Tax Code)

UCITS capitalisation and (dividend) distribution units both fall within the scope of Article 19bis of the 1992 Income Tax Code on redemption or full or partial distribution of the equity capital.

The tax levied under Article 19*bis* of the 1992 Income Tax Code only applies to unit holders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt claim returns included in the redemption or repayment price *pro rata* based on the length of time for which the investor has held the units.

This tax is charged at 15%.

The debt claim return is the sum total of the income arising directly, or indirectly in the form of interest or capital gains or losses, from capital contributions invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated intellectual portfolio management, with the exception of the constitution and the technical and legal aspects of maintenance of the sub-fund, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Not applicable.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Composition of the basket on the date of the report

Name	Value
AT&T INC	2,9034
BANCO BILBAO VIZCAYA ARGENTA	1,7514
BANK OF AMERICA CORP	0,5376
BAYER AG	2,7117
CARREFOUR SA	1,0791
DIAGEO PLC	2,8694
ELI LILLY & CO	1,7179
ENI SPA	1,4661
GENERAL ELECTRIC CO	3,0811
HEINEKEN NV	3,3193
HSBC HOLDINGS PLC (LONDON)	1,9922
KONINKLIJKE KPN NV	4,0807
KRAFT FOODS INC-CLASS A	2,3055
LAFARGE SA	1,0886
MERCK & CO. INC.	3,1737
NATIONAL GRID PLC	4,9835
NESTLE SA-REG	2,1764
NOVARTIS AG-REG	4,3114
PEPSICO INC	4,7813
PFIZER INC	5,5298
POSTNL	0,4932
PROCTER & GAMBLE CO/THE	6,6959
SAMSUNG ELECTRONICS CO LTD	3,6774
SINGAPORE AIRLINES LTD	1,5313
TELEFONICA SA (SM)	1,5891
TNT EXPRESS NV	1,1804
TOYOTA MOTOR CORP	1,5446
UNIBAIL-RODAMCO (PARIS)	3,2176
VERIZON COMMUNICATIONS INC	6,1976
VINCI SA	2,5923
VIVENDI	1,2787
TOTAL	85,86

Performance of the index or basket

Index:	BASKET
31/12/2010:	91,27
30/06/2011:	91,50
29/12/2011:	85,86
Performance since 31/12/2010 or since the launch of the sub-fund:	-5,93%
Performance since 30/06/2011 or since the launch of the sub-fund:	-6,16%
Index at the launch of the sub-fund	100,00
Minimum guaranteed return in local currency on the maturity date:	10,00
Local currency:	USD

Changes to the basket since the launch of the sub-fund

Date	REMOVAL	ADDITION	Remarks
26/05/2011	TNT NV	PostNL	Name change
26/05/2011		TNT EXPRESS NV	Spin-off TNT NV

2.1.8 RISK RATING

On a scale from 0 to 6.

Current risk rating: III

Risk rating at the launch: IV

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
TOTAL NET ASSETS	6.723.238,91	7.239.916,03
II. Securities, money market instruments, CIUs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	6.018.340,88	6.268.717,24
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	64.051,53	222.048,69
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable		1.492,29
B. Debts		
a) Amounts payable (-)	-3.844,01	-60.425,03
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	63.608,37	135.796,92
B. Fixed-term deposits at banks	580.080,60	670.132,20
VI. Accruals and deferrals		
B. Accrued income	1.506,56	2.742,15
C. Accrued expenses (-)	-505,02	-588,43
TOTAL CAPITAL AND RESERVES	6.723.238,91	7.239.916,03
A. Capital	6.955.184,56	7.263.780,26
B. Share in the profit	-124,46	322,57
D. Result for the financial year	-231.821,19	-24.186,80

OFF-BALANCE-SHEET ITEMS

IV Swap contracts - notional amounts (+)	6.672.034,00	6.960.774,00
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2.3 INCOME STATEMENT

Income statement	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	-71.127,21	4.792,80
F. Financial derivatives		
e) On shares		
Swap contracts (+/-)	-157.044,32	-17.401,94
G. Receivables, deposits, cash at bank and in hand, and payables	-51,60	109,10
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	271,96	376,28
II. Investment income and expenses		
B. Interest		
a) Securities and money market instruments	29.685,72	38.084,02
b) Deposits and cash at bank and in hand	4.542,95	4.793,24
C. Interest on borrowings (-)	-5,09	-19,37
D. Swap contracts (+/-)	52.774,19	44.810,63
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	2.888,42	2.987,28
B. Other	-1.392,48	2.162,07
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-0,21	
B. Financial expenses (-)	-1.669,29	-1.453,87
C. Custodian's fee (-)	-326,55	-362,70
D. Manager's fee (-)		
a) Financial management	-83.776,58	-93.577,54
b) Administration and accounting management	-3.503,80	-3.659,12
F. Formation and organisation expenses (-)	-884,02	-1.024,62
G. Remuneration, social security costs and pensions (-)	-7,28	-10,75
H. Services and sundry goods (-)	-1.559,05	-2.267,53
J. Taxes	-84,21	-2.026,19
K. Other expenses (-)	-552,74	-498,59
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	-3.870,02	-12.063,04
V. Profit (loss) on ordinary activities before tax	-231.821,19	-24.186,80
VII. Result for the financial year	-231.821,19	-24.186,80

**Profit appropriation
statement**

	31/12/2011 <small>(in the currency of the sub-fund)</small>	31/12/2010 <small>(in the currency of the sub-fund)</small>
I. Profit available for appropriation (loss to be recognised)	-231.945,65	-23.864,23
Profit for the year available for appropriation (Loss to be recognised)	-231.821,19	-24.186,80
Income equalisation on the creation of shares (income equalisation on the cancellation of shares)	-124,46	322,57
II. Appropriation to capital/Transfers from capital	231.945,65	23.864,23

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON CSOB SVETOVEHO RUSTU USD 1

Name	Quantity at 31.12.11	Currency	Price in foreign currency	Valuation (in the currency of the sub-fund)	% held by the CIU	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Private-sector corporate bonds							
<u>Ireland</u>							
AMBER PRO BOND PTF 6L-0.07 10/01-10/07	564.000,00	USD	97,918	553.159,70		9,09	8,23
AMETHYST STRUCTURED FIN PLC 6L-7 10/07-10/01 5.32063%	137.000,00	USD	97,367	133.612,30		2,20	1,99
BEECHWOOD STRUCTURED FIN PLC 6L-7 10/07-10/01 5.32063%	139.000,00	USD	96,393	134.208,22		2,21	2,00
BROOKFIELDS CAPITAL PLC 6L-7 10/07-10/01 5.32063%	138.000,00	USD	97,659	134.989,90		2,22	2,01
CARMINI PRO BAND PFT 6L-0.07 10/01-10/07	564.000,00	USD	97,792	552.450,28		9,08	8,22
CORAL PRO BOND PTF 6L-0.07 10/01-10/07	564.000,00	USD	97,849	552.767,11		9,09	8,22
EMERALD PRO BOND PTF 6L-0.07 10/01-10/07	564.000,00	USD	97,950	553.339,68		9,10	8,23
EPERON FINANCE PLC 6L-7 10/07-10/01 5.32063%	138.000,00	USD	97,271	134.454,27		2,21	2,00
ESPACCIO SECURITIES PLC 6L-7 10/07-10/01 5.321%	138.000,00	USD	96,413	133.270,98		2,19	1,98
GREENSTREET STRUCT. FIN. PROD. PLC 6L-7 10/07-10/01 5.32063%	137.000,00	USD	96,470	132.382,31		2,18	1,97
INDIGO PRO BOND PTF 6L-0.07 10/01-10/07	282.000,00	USD	97,999	276.808,33		4,55	4,12
IVORY PRO BOND PTF 6L-0.07 10/01-10/07	282.000,00	USD	97,807	276.266,63		4,54	4,11
MAGENTA PRO BOND PTF 6L-0.07 10/01-10/07	282.000,00	USD	97,816	276.291,65		4,54	4,11
NIMROD CAPITAL PLC 6L-7 10/07-10/01 5.32063%	137.000,00	USD	97,538	133.846,02		2,20	1,99
OPAL FINANCIAL PRODUCTS PLC 6L-7 10/07-10/01 5.32063%	140.000,00	USD	96,664	135.553,28		2,23	2,02
PROFILE FINANCE PLC 6L-7 10/07-10/01 5.32063%	139.000,00	USD	97,175	135.295,90		2,22	2,01
RECOLTE SECURITIES PLC 6L-7 10/07-10/01 5.32063%	140.000,00	USD	96,281	135.016,46		2,22	2,01
SEPIA PRO BOND PTF 6L-0.07 10/01-10/07	282.000,00	USD	97,682	275.914,47		4,54	4,10
SILVERSTATE FIN INV PLC 6L-7 10/07-10/01 5.32063%	138.000,00	USD	96,843	133.863,76		2,20	1,99
TAUPE PRO BOND PTF 6L-0.07 10/01-10/07	282.000,00	USD	97,799	276.244,59		4,54	4,11
VERMILION PRO BOND PTF 6L-0.07 10/01-10/07	282.000,00	USD	97,682	275.912,50		4,54	4,10
VESPUCCI STRUCTURED FIN PROD 6L-7 10/07-10/01 5.32063%	139.000,00	USD	97,034	135.098,97		2,22	2,01
VIGADO CAPITAL PLC 6L-7 10/07-10/01 5.32063%	138.000,00	USD	96,328	133.152,80		2,19	1,98
VOYCE INVESTMENTS PLC 6L-7 10/07-10/01 5.32063%	139.000,00	USD	97,787	136.146,00		2,24	2,03
WATERFORD CAPITAL INC PLC 6L-7 10/07-10/01 5.32063%	140.000,00	USD	96,190	134.889,69		2,22	2,01
WAVES FINANCIAL INV PLC 6L-7 10/07-10/01 5.32063%	137.000,00	USD	97,216	133.405,08		2,19	1,98
Total bonds				6.018.340,88		98,95	89,52
Swaps							
<u>Belgium</u>							
KBC SWAPS	6.672.034,00	USD	0,960	64.051,53		1,05	0,95
Total swaps				64.051,53		1,05	0,95
TOTAL SECURITIES PORTFOLIO				6.082.392,41		100,00	90,47

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP EURO	1.906,44	EUR	1,000	2.474,94		0,04
KBC GROUP USD	61.133,43	USD	1,000	61.133,43		0,91
Total demand accounts				63.608,37		0,95
Fixed-term deposit accounts						
<u>Germany</u>						
DZ BANK AG 08/07-10/01/12 DZBANK 0.550 %	180.000,00	USD	100,014	180.025,20		2,68
<u>Belgium</u>						
KBC BANK NV 08/07-10/01/12 KBCBANK 0.530 %	230.000,00	USD	100,013	230.029,90		3,42
KBC BANK NV 25/07-10/01/12 KBCBANK 0.580 %	170.000,00	USD	100,015	170.025,50		2,53
Total fixed-term deposit accounts				580.080,60		8,63
TOTAL CASH AT BANK AND IN HAND				643.688,97		9,57
OTHER RECEIVABLES AND PAYABLES						
Debts						
<u>Belgium</u>						
KBC GROUP USD A PAYER	-3.844,01	USD	1,000	-3.844,01		-0,06
Total debts				-3.844,01		-0,06
TOTAL RECEIVABLES AND PAYABLES				-3.844,01		-0,06
OTHER						
Accrued interest		USD		1.506,56		0,02
Prepaid expenses		USD		-505,02		-0,01
TOTAL OTHER				1.001,54		0,02
TOTAL NET ASSETS				6.723.238,91		100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS

The detailed list of transactions is available for consultation, free of charge, at the registered office of the ICVC, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

IN SECURITIES	Currency	In foreign currency	In the currency of the sub-fund	Lot size	Transaction date
EQLISWAP	USD	6.672.034,00	6.672.034,00	n.a.	16.12.2011

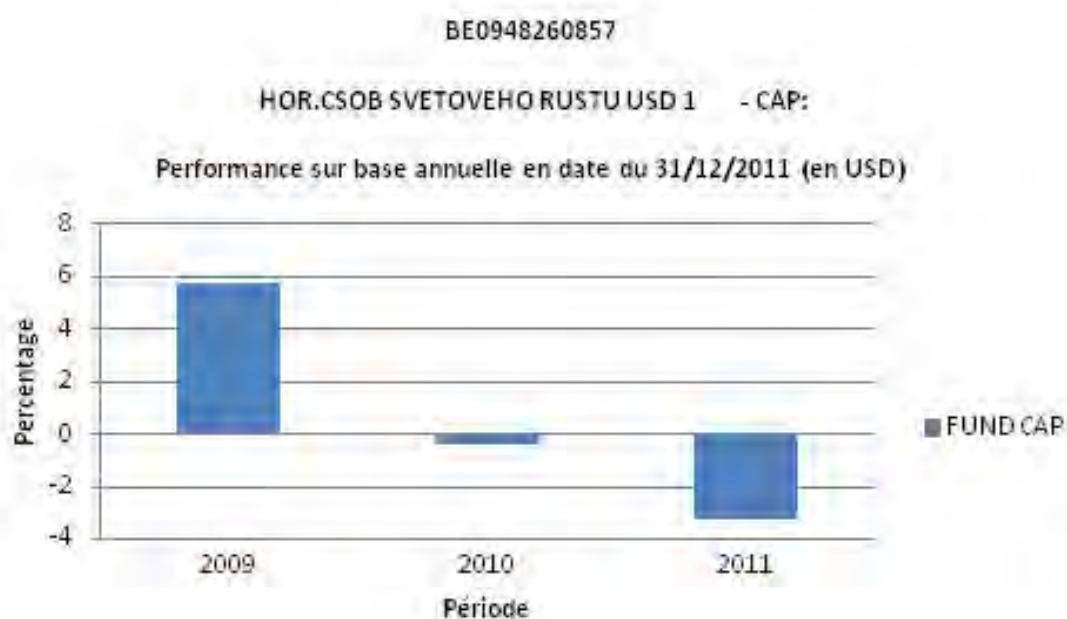
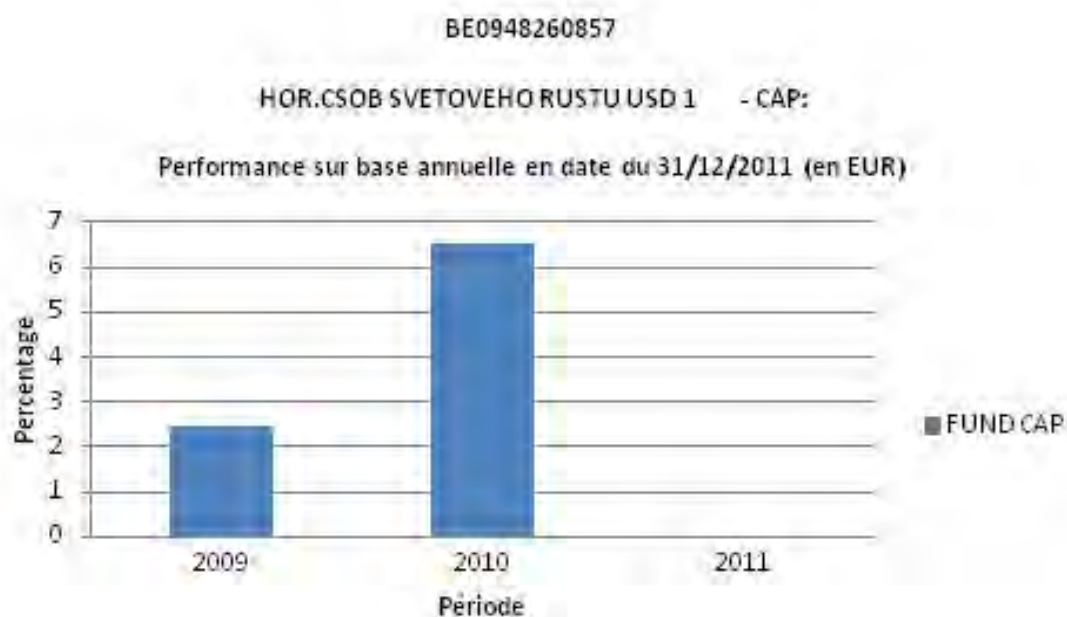
2.4.4 CHANGES IN THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS, AND IN THE NET ASSET VALUE

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	23.745,00		3.306,00		715.846,00		715.846,00
2010 - 12	10.996,00		18.141,00		708.701,00		708.701,00
2011 - 12	200,00		28.474,00		680.427,00		680.427,00

Period	Amounts received and paid by the CIU (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	235.176,77		32.274,62	
2010 - 12	113.625,51		185.103,30	
2011 - 12	1.994,00		286.849,93	

Period	Net asset value At the end of the period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one unit	
		Cap.	Dis.
2009 - 12	7.335.580,62	10,25	
2010 - 12	7.239.916,03	10,22	
2011 - 12	6.723.238,91	9,88	

2.4.5 RETURNS



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0948260857	EUR	0.00%		2.97%						31/07/2008	5.20%
CAP	BE0948260857	USD	-3.23%		0.65%						31/07/2008	-0.35%

* The performance figures are annualised.

This information reflects past performance and is no guarantee of future performance.

- The bar chart shows the performance for full financial years.
- The figures take no 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.
- 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
- 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 units.

2.4.6 COSTS

Total expenses ratio (TER): * 1.329%

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

The management fee is payable at the end of each month and is calculated on the basis of the number of units at the beginning of each six-month period.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the number of units issued at the beginning of each six-month period.

Auditor's fee: EUR 1,000 per year. This fee does not include VAT and is indexed at the end of the 3-year mandate.

Custody fee: This fee is paid at the beginning of the calendar year and is calculated on the value of the assets held in custody by the custodian at the end of the preceding 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 includes the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

Financial derivatives on financial indexes: More detailed information on any financial indices underlying financial derivatives are provided in the section "*Goal and key principles of the investment policy*" in this report.

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In the event of discrepancies between the Dutch and the other language versions of the Annual or Interim Report, the Dutch shall prevail.

2 INFORMATION ON THE HORIZON ACCESS INDIA FUND

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND INITIAL SUBSCRIPTION PRICE

Classic shares:

Launch date: 30 March 2005
Initial subscription price: USD 500
Currency: USD

Institutional B shares:

Launch date: 24 November 2011
Initial subscription price: USD 899.88
Currency: USD

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 KEY PRINCIPLES OF THE INVESTMENT POLICY SET OUT IN THE PROSPECTUS

OBJECT OF THE SUB-FUND

The main object of this sub-fund is to generate the highest possible return for its unit holders 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 primarily in equities either directly, or indirectly through financial instruments with a similar performance.

INVESTMENT POLICY

PERMITTED ASSET CLASSES

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

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

PERMITTED DERIVATIVES TRANSACTIONS

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

Changes are made to investments at regular intervals in keeping with the sub-fund's investment strategy. **In addition, listed and unlisted derivatives may be used by the sub-fund to achieve the objectives:** these may be forward contracts, options or swaps on securities, indexes, 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.** The sub-fund aims to conclude transactions that are as effective as possible, subject to compliance with the relevant legislation and regulations and with the Articles of Association.

STRATEGY SELECTED

The assets are primarily invested in the shares of Indian companies.

RISK CONCENTRATION

Indian equities.

The net asset value may be highly volatile due to the composition of the portfolio.

The following information is of a general nature 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 may 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.

The European Savings Directive and Belgian tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital.

This UCITS invests no more than 15% of its assets directly, or indirectly, in debt claims within the meaning of the European Savings Directive.

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

The European Savings Directive has been implemented in Belgium through:

- the Act 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 the 1992 Income Tax Code on withholding tax;
- the Royal Decree of 27 September 2009 implementing Article 338*bis*, § 2, of the 1992 Income Tax Code;
- the Royal Decree of 27 September 2009 implementing Article 338*bis*, § 2, paragraphs 1-3, of the 1992 Income Tax Code.

Because this UCITS invests no more than 15% of its assets directly or indirectly in debt claims within the meaning of the European Savings Directive, its income does not fall within the scope of the 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 19*bis* of the 1992 Income Tax Code)

The income from this UCITS is not subject to the Belgian Debt Claims Returns Tax imposed under Article 19*bis* of the 1992 Income Tax Code.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

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

2.1.5 DISTRIBUTORS

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

2.1.6 INDEX AND BENCHMARK

Benchmark

MSCI India Net Return. This benchmark serves as a reference for calculation of the performance commission.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

Horizon Access India Fund invests in Indian companies admitted to listing on the Mumbai stock exchange. Its benchmark index is the MSCI Emerging Markets India. The portfolio primarily consists of positions on Infosys Technologies, Reliance Industries, Housing Development Finance Corp, HDFC Bank and Tata Consultancy. The fund fell by -38% in USD in 2011; it therefore outperformed its benchmark index by -50 bps based on figures revised for costs.

The Indian equities market was the least dynamic in the region in 2011, in both absolute and relative terms. The market was hit by a wave of selling at the beginning of the year following a number of setbacks: 1) the Government was plunged into political turmoil as a result of various corruption scandals; 2) relatively high inflation led to a number of interest-rate hikes by the Reserve Bank of India (RBI); 3) high global oil prices exacerbated still further to the already strained fiscal pressures in India; 4) the global macro-economic climate deteriorated with the slowdown in growth and the European crisis.

The Indian market was a source of concern throughout the year due to the high inflationary pressures, triggered by tensions between supply and demand. Inflation was the priority for the central bank, but little was achieved despite its moves to tighten monetary policy. As part of efforts to curb inflation, the Government pursued its monetary policy normalization programme in 2011, with a cumulative rise in key rate by 225 basis points over the year. The wholesale price index remained above 9% throughout the year, peaking at 10% in October (revised figure) and falling to 9.1% in November. With regard to growth, the market was disappointed with the GNP figures for the 4th quarter and first quarter, which were below general expectations. Growth clearly levelled off in the 3rd quarter (5.9% as compared with 7.7% in the previous quarter). This lack of momentum was due, for the most part, to the slowing of the investment cycle coupled with restraint in domestic consumption. Investors were disappointed by the lack of political reform by the Government. The market therefore continued to slide during the year. Returns for foreign investors continued to be eaten away by the steep fall in the currency in the second half of 2011. The Indian rupee fell by some 15% against the euro following a worsening of conditions for financing the current account deficit. Given the macroeconomic confusion, foreign institutional investors preferred to stay away and portfolios continued to be on the defensive side. The markets were buoyed up by local institutions but these were unable to turn the tide.

Investor risk aversion was reflected in sectoral performance. The defensive sectors, consumer staples and healthcare performed exceptionally well throughout the year. Consumption made a relatively positive contribution to the economy thanks to improved demographic data and a favourable policy by the public authorities. The performance shown by IT services peaked at the end of the year, while the fall of the INR gained further momentum. Investor sentiment was also bolstered by sustained demand. Sectors sensitive to the economy accounted for the majority of the wave of selling: Financials (following successive rate hikes), capital goods (due to the vacillating confidence of business managers and slack order books), basic materials (affected by the overall correction of commodity prices) and telecommunications (the victim of increased competition and at the heart of the debate surrounding the corruption scandals).

2.1.8 FUTURE INVESTMENT POLICY

Given the strength of domestic demand set against the slowing of growth in investment and the explosion of prices for food, oil and other basic products, global inflation remained above than the RBI comfort zone in 2011. The delayed response by the Indian Government to the rise in inflation and its aggressive tightening of monetary policy led to a fall in growth that was more marked than anticipated. Over the past few months, however, inflation has peaked and begun to fall. We expect inflation to fall significantly in 2012, and not solely because of the strong base effects. The RBI will therefore have sufficient scope to cut interest rates to boost growth. The Indian domestic economy is sound and bolstered by the consumer needs of its immense population. Income levels are rising, the savings rate is high and lifestyle changes are driving demand for consumer goods. Underlying growth in India remains unchanged and the market has the potential for attractive investment in the medium term.

2.1.9 RISK RATING

On a scale from 0 to 6.

Current risk rating:

Classic shares: 6

Institutional B shares: 6

Risk rating at the launch:

Classic shares: 5

Institutional B shares: 5

The risk rating indicates the degree of risk associated with investing in a collective investment undertaking (CIU) or a sub-fund. There are seven risk ratings on a scale from zero (lowest risk) to six (highest risk).

Change in the risk rating

The risk rating is calculated in accordance with Belgian Financial Services and Markets Authority (FSMA) Circular ICB 3/2007 of 8 June 2007.

A risk rating may change over time. The risk profile will be affected by changes in market volatility, for instance.

The risk rating must be changed if the score awarded to a CIU sub-fund in two successive interim valuation rounds puts it in a risk category differing from the original rating.

The new risk rating will be specified in the annual (interim) report, along with the original risk rating.

2.2 BALANCE SHEET

Balance sheet summary	31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
TOTAL NET ASSETS	116.467.362,56	194.060.545,70
II. Securities, money market instruments, CIUs and derivative financial instruments		
A. Bonds and other debt instruments		
a) Bonds	4.665,79	
C. Shares and similar instruments		
a) Bonds	116.337.982,00	193.687.130,80
IV. Receivables and payables within one year		
A. Receivables		
a) Amounts receivable	12.019,31	340.789,82
B. Debts		
a) Amounts payable (-)	-35.509,18	-128.939,75
c) Borrowings (-)		-47.980,97
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	283.731,69	273.834,36
VI. Accruals and deferrals		
A. Deferred charges	6.701,63	-711,25
B. Accrued income		150.028,15
C. Accrued expenses (-)	-142.228,68	-213.605,46
TOTAL CAPITAL AND RESERVES	116.467.362,56	194.060.545,70
A. Capital	82.209.854,17	88.261.831,62
B. Share in the profit	-17.793,41	693.346,58
C. Profit (loss) brought forward	105.798.714,08	77.375.118,46
D. Result for the financial year	-71.523.412,88	27.730.249,04

OFF-BALANCE-SHEET ITEMS

2.3 INCOME STATEMENT

Income statement	31/12/2011 (in the currency of the sub-fund)	31/12/2010 (in the currency of the sub-fund)
I. Write-downs and capital gains and losses		
A. Bonds and other debt instruments		
a) Bonds	1.950,94	
C. Equities and similar instruments		
a) Bonds	-48.148.454,56	24.547.468,76
H. Foreign-exchange positions and transactions		
b) Other foreign-exchange positions and transactions	-22.153.997,83	4.530.810,22
II. Investment income and expenses		
A. Dividends	2.051.092,11	2.242.489,60
B. Interest		
a) Securities and money market instruments	2.701,35	
b) Deposits and cash at bank and in hand	20.202,98	17.776,37
C. Interest on borrowings (-)	-14.608,87	-10.547,77
III. Other income		
A. Fees to cover the costs for the purchase and disposal of assets, to discourage redemption and to cover delivery costs	11.682,22	
B. Other	-26.913,24	48.815,37
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-356.692,99	-434.245,46
B. Financial expenses (-)	-10.307,83	-20.946,51
C. Custodian's fee (-)	-142.903,32	-134.543,62
D. Manager's fee (-)		
a) Financial management		
Classic shares	-2.366.545,20	-2.588.507,13
Institutional B shares	-11.092,30	
b) Administration and accounting management	-156.187,81	-180.667,66
F. Formation and organisation expenses (-)	-22.623,17	-20.046,10
G. Remuneration, social security costs and pensions (-)	-216,81	-119,38
H. Services and sundry goods (-)	-55.674,10	-52.572,17
J. Taxes		
Classic shares	-91.049,58	-161.710,07
Institutional B shares	3.985,50	
K. Other expenses (-)	-57.760,37	-53.205,41
Income and expenditure for the (interim) period		
Subtotal II + III + IV before tax on the profit	-1.222.911,43	-1.348.029,94
V. Profit (loss) on ordinary activities before tax	-71.523.412,88	27.730.249,04
VII. Result for the financial year	-71.523.412,88	27.730.249,04

**Profit appropriation
statement**

- I. Profit available for appropriation (loss to be recognised)
 Profit (loss) brought forward from the previous financial year
 Profit for the year available for appropriation (Loss to be recognised)
 Income equalisation on the creation of shares (income equalisation on the cancellation of shares)
- III. Profit (loss) to be carried forward

31/12/2011 (in the sub-fund's currency)	31/12/2010 (in the sub-fund's currency)
34.257.507,79	105.798.714,08
105.798.714,08	77.375.118,46
-71.523.412,88	27.730.249,04
-17.793,41	693.346,58
34.257.507,79	105.798.714,08

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITION OF THE ASSETS OF HORIZON ACCESS INDIA FUND

Name	Quantity at 31.12.11	Currency	Price In foreign currency	Valuation (in the sub-fund's currency)	% held by the CIU	% Portfolio	% Net assets
ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Bonds issued by credit institutions							
<u>India</u>							
DR REDDY'S LABORATORIES LTD. 11/14 9.25% 17/03	1.937.190,00	INR	5,385	4.665,79		0,00	0,00
Total bonds				4.665,79		0,00	0,00
Equities							
Listed shares							
<u>India</u>							
ACC LTD -	31.556,00	INR	1.136,900	675.593,17		0,58	0,58
ADANI ENTERPRISES LTD -	120.915,00	INR	293,600	668.524,41		0,58	0,57
ADANI PORT AND SPECIAL ECONOMIC ZONE -	239.267,00	INR	120,050	540.911,24		0,47	0,46
ADITYA BIRLA NUVO LTD -	23.987,00	INR	740,150	334.331,05		0,29	0,29
AMBUJA CEMENTS LTD -	357.473,00	INR	155,350	1.045.768,46		0,90	0,90
ASIAN PAINTS LTD -	16.825,00	INR	2.592,350	821.352,80		0,71	0,71
AXIS BANK LIMITED -	131.164,00	INR	808,100	1.996.001,18		1,72	1,71
BAJAJ AUTO LTD. -	51.250,00	INR	1.591,400	1.535.869,30		1,32	1,32
BANK OF INDIA -	63.945,00	INR	266,350	320.730,55		0,28	0,28
BHARAT HEAVY ELECTRICALS LTD -	344.013,00	INR	238,850	1.547.323,55		1,33	1,33
BHARAT PETROLEUM CORP. LTD. -	49.682,00	INR	477,800	447.019,28		0,38	0,38
BHARTI AIRTEL LTD -	340.019,00	INR	343,500	2.199.434,14		1,89	1,89
CANARA BANK -	47.478,00	INR	364,500	325.889,96		0,28	0,28
CIPLA LTD -	194.587,00	INR	319,900	1.172.219,92		1,01	1,01
COAL INDIA LTD -	291.902,00	INR	300,650	1.652.644,01		1,42	1,42
DABUR INDIA LTD -	253.872,00	INR	99,450	475.445,37		0,41	0,41
DLF LTD -	242.238,00	INR	183,100	835.240,71		0,72	0,72
DR REDDY'S LABORATORIES LTD. -	59.436,00	INR	1.577,950	1.766.134,80		1,52	1,52
GAIL INDIA LTD -	223.377,00	INR	383,650	1.613.818,51		1,39	1,39
GMR INFRASTRUCTURE LTD -	537.985,00	INR	21,000	212.750,45		0,18	0,18
HCL TECHNOLOGIES LTD -	92.325,00	INR	387,950	674.490,92		0,58	0,58
HDFC BANK LTD -	889.639,00	INR	426,850	7.151.055,26		6,15	6,14
HERO MOTOCORP LTD. -	23.423,00	INR	1.905,150	840.335,53		0,72	0,72
HINDALCO INDUSTRIES LTD. -	660.987,00	INR	115,850	1.442.015,71		1,24	1,24
HINDUSTAN LEVER LTD. -	516.376,00	INR	407,400	3.961.577,07		3,41	3,40
HOUSING DEV. FIN. CORP. LTD. -	636.705,00	INR	652,050	7.818.081,52		6,72	6,71
ICICI BANK LTD. P.N.01/07/05	250.194,00	INR	684,650	3.225.719,04		2,77	2,77
IDEA CELLULAR LTD -	414.606,00	INR	82,300	642.564,09		0,55	0,55
INDIABULLS WHOLESALE SERVICES -	23.578,00	INR	4,250	1.887,02		0,00	0,00
INDUSIND BANK LTD -	50.315,00	INR	225,850	213.992,53		0,18	0,18
INFOSYS LTD -	217.616,00	INR	2.767,650	11.341.827,20		9,75	9,74
INFRASTRUCTURE DEVELOPMENT FIN -	566.113,00	INR	91,650	977.049,65		0,84	0,84
ITC LTD. -	1.319.599,00	INR	201,300	5.002.266,07		4,30	4,30
JAIPRAKASH ASSOCIATES LTD -	576.327,00	INR	52,400	568.697,46		0,49	0,49
JINDAL STEEL & POWER LTD -	217.309,00	INR	453,150	1.854.388,53		1,59	1,59

JSW STEEL LTD -	51.372,00	INR	507,200	490.666,89		0,42	0,42
KOTAK MAHINDRA BANK LTD -	161.919,00	INR	430,550	1.312.811,71		1,13	1,13
LARSEN & TOUBRO LTD. -	121.021,00	INR	994,650	2.266.794,03		1,95	1,95
LIC HOUSING FINANCE LTD -	165.850,00	INR	221,350	691.315,09		0,59	0,59
LUPIN LTD -	84.298,00	INR	447,850	710.936,62		0,61	0,61
MAHINDRA & MAHINDRA P.N. 22/04/05	179.783,00	INR	681,800	2.308.270,26		1,98	1,98
MARUTI UDYOG LTD -	40.936,00	INR	918,300	707.898,55		0,61	0,61
NTPC LTD -	349.922,00	INR	160,850	1.059.920,64		0,91	0,91
OIL & NATURAL GAS CORP LTD -	449.672,00	INR	256,600	2.172.868,95		1,87	1,87
PIRAMAL HEALTHCARE LTD -	40.827,00	INR	378,200	290.770,29		0,25	0,25
POWER FINANCE CORP LTD -	143.967,00	INR	138,150	374.537,13		0,32	0,32
POWER GRID CORP OF INDIA LTD -	659.007,00	INR	100,100	1.242.238,94		1,07	1,07
RANBAXY LABORATORIES LTD -	77.598,00	INR	404,900	591.669,71		0,51	0,51
RELIANCE CAPITAL LTD -	45.686,00	INR	235,000	202.177,13		0,17	0,17
RELIANCE COMMUNICATION LTD -	233.047,00	INR	70,050	307.420,41		0,26	0,26
RELIANCE ENERGY LTD -	60.065,00	INR	340,800	385.480,22		0,33	0,33
RELIANCE INDUSTRIES LTD -	761.699,00	INR	692,950	9.939.540,78		8,54	8,53
RELIANCE POWER LTD -	322.302,00	INR	70,950	430.622,22		0,37	0,37
RURAL ELECTRIFICATION CORP LTD -	165.120,00	INR	153,750	478.074,79		0,41	0,41
SATYAM COMPUTER SERVICES LTD. -	432.374,00	INR	65,200	530.870,02		0,46	0,46
SESA GOA LTD -	201.941,00	INR	163,400	621.380,46		0,53	0,53
SHRIRAM TRANSPORT FINANCE CO LTD -	72.182,00	INR	420,850	572.054,33		0,49	0,49
SIEMENS INDIA LTD -	40.653,00	INR	642,000	491.483,18		0,42	0,42
STATE BANK OF INDIA -	73.594,00	INR	1.619,050	2.243.797,73		1,93	1,93
STERLITE INDUSTRIES INDIA LTD -	776.627,00	INR	89,700	1.311.855,39		1,13	1,13
SUN PHARMACEUTICAL INDS LTD -	184.688,00	INR	497,650	1.730.787,39		1,49	1,49
SUZLON ENERGY LTD -	356.291,00	INR	18,000	120.769,81		0,10	0,10
TATA CONSULTANCY SVS LTD -	290.912,00	INR	1.160,650	6.358.342,92		5,47	5,46
TATA ENGIN. & LOCOMOTIVE P.N. 27/09/04	879.677,00	INR	178,700	2.960.252,96		2,54	2,54
TATA POWER COMPANY LTD -	559.300,00	INR	87,250	918.948,75		0,79	0,79
TATA STEEL LIMITED -	183.509,00	INR	335,350	1.158.875,32		1,00	1,00
TITAN INDUSTRIES LTD -	111.640,00	INR	171,000	359.498,41		0,31	0,31
ULTRATECH CEMENT LT-REG -	40.881,00	INR	1.166,500	898.022,65		0,77	0,77
UNITECH LTD -	710.945,00	INR	19,350	259.058,60		0,22	0,22
UNITED PHOSPHORUS LTD -	123.462,00	INR	126,900	295.036,65		0,25	0,25
UNITED SPIRITS LTD -	49.988,00	INR	491,900	463.045,45		0,40	0,40
WIPRO LTD -	344.790,00	INR	398,700	2.588.701,24		2,23	2,22
ZEE TELEFILMS LTD -	265.058,00	INR	117,850	588.235,92		0,51	0,51
Total des actions				116.337.982,00		100,00	99,89
TOTAL SECURITIES PORTFOLIO				116.342.647,79		100,00	99,89
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	9.052,23	EUR	1,000	11.751,60			0,01
KBC GROUP GBP	326,02	GBP	1,000	506,69			
KBC GROUP INR	12.959.336,80	INR	1,000	244.041,57			0,21
KBC GROUP USD	27.431,83	USD	1,000	27.431,83			0,02
Total demand accounts				283.731,69			0,24
TOTAL CASH AT BANK AND IN HAND				283.731,69			0,24

OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP USD A RECEVOIR	12.019,31	USD	1,000	12.019,31			0,01
Total receivables				12.019,31			0,01
Debts							
<u>Belgium</u>							
KBC GROUP USD A PAYER	-35.509,18	USD	1,000	-35.509,18			-0,03
Total debts				-35.509,18			-0,03
TOTAL RECEIVABLES AND PAYABLES				-23.489,87			-0,02
OTHER							
Prepaid expenses		USD		-142.228,68			-0,12
Deferred charges		USD		6.701,63			0,01
TOTAL OTHER				-135.527,05			-0,12
TOTAL NET ASSETS				116.467.362,56			100,00

Geographical allocation (as a % of the securities portfolio)

	30/06/2010	31/12/2010	30/06/2011	31/12/2011
India	100,00	100,00	100,00	100,00
Total	100,00	100,00	100,00	100,00

Sector allocation (as a % of the securities portfolio)

	30/06/2010	31/12/2010	30/06/2011	31/12/2011
Cyclical sectors	35,13	33,85	32,08	28,65
Consumer discretionary	7,85	8,31	9,43	10,30
Consumer staples	4,42	3,89	4,09	4,70
Pharmaceuticals	4,54	4,73	4,39	5,38
Financials	24,73	26,21	26,89	23,98
Technology	13,36	14,99	16,31	18,48
Telecommunications	1,38	0,58	0,39	2,71
Utilities	5,83	5,30	4,95	4,86
Property	2,76	2,14	1,47	0,94
Total	100,00	100,00	100,00	100,00

Currency allocation (as a % of net assets)

	30/06/2010	31/12/2010	30/06/2011	31/12/2011
EUR	0,23	0,02	-0,03	0,01
INR	99,41	99,91	100,27	99,99
USD	0,36	0,07	-0,24	0,00
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF THE HORIZON ACCESS INDIA FUND (IN THE CURRENCY OF THE SUB-FUND)

	1st half	2nd half	Year
Purchases	49.666.657,92	30.553.067,20	80.219.725,12
Sales	40.625.660,87	46.887.616,68	87.513.277,55
Total 1	90.292.318,79	77.440.683,88	167.733.002,66
Subscriptions	71.224.845,45	47.740.163,43	118.965.008,88
Redemptions	61.329.055,86	63.647.961,60	124.977.017,46
Total 2	132.553.901,31	111.388.125,03	243.942.026,34
Monthly average of total assets	179.254.542,44	138.139.489,09	158.783.030,52
Turnover rate	-23,58 %	-24,57 %	-48,00 %

	1st half	2nd half	Year
Purchases	49.666.657,92	30.553.067,20	80.219.725,12
Sales	40.625.660,87	46.887.616,68	87.513.277,55
Total 1	90.292.318,79	77.440.683,88	167.733.002,66
Subscriptions	71.224.845,45	47.740.163,43	118.965.008,88
Redemptions	61.329.055,86	63.647.961,60	124.977.017,46
Total 2	132.553.901,31	111.388.125,03	243.942.026,34
Monthly average of total assets	180.173.868,19	138.481.851,82	159.160.067,83
Adjusted turnover rate	-23,46 %	-24,51 %	-47,88 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take into account the 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 to the assets (excluding deposits and cash) in a given period only involved 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 ICVC (Investment Company with Variable Capital) or the Fund, Avenue du Port 2, 1080 Brussels, Belgium.

2.4.3 COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Not applicable

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

Classic shares

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2009 - 12	79.172,13	8.284,45	88.954,93	2.568,59	128.950,80	15.080,86	144.031,66
2010 - 12	83.159,10	6.393,44	86.612,00	5.658,21	125.497,90	15.816,09	141.313,99
2011 - 12	93.693,28	2.895,83	104.014,00	5.442,00	115.177,18	13.269,93	128.447,11

Period	Amounts received and paid by the CIU (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2009 - 12	70.567.164,47	7.343.102,04	72.141.593,77	2.364.190,60
2010 - 12	102.478.180,25	7.453.599,96	103.315.486,18	6.429.035,81
2011 - 12	105.017.942,83	3.213.301,25	116.441.089,71	6.030.908,12

Period	Net asset value At the end of the period (in the currency of the class)		
Year	Of the class	Of one unit	
		Cap.	Dis.
2009 - 12	166.143.038,44	1.160,95	1.090,00
2010 - 12	194.060.545,70	1.382,72	1.298,14
2011 - 12	108.772.770,83	852,19	800,34

Institutional B shares

Period	Changes in the number of units outstanding						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2011 - 12	11.333,00		2.308,00		9.025,00		9.025,00

Period	Amounts received and paid by the CIU (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Cap.	Dis.	Cap.	Dis.
2011 - 12	10.279.548,46		2.108.564,97	

Period	Net asset value At the end of the period (in the currency of the class)		
Year	Of the class	Of one unit	
		Cap.	Dis.
2011 - 12	7.694.591,73	852,59	

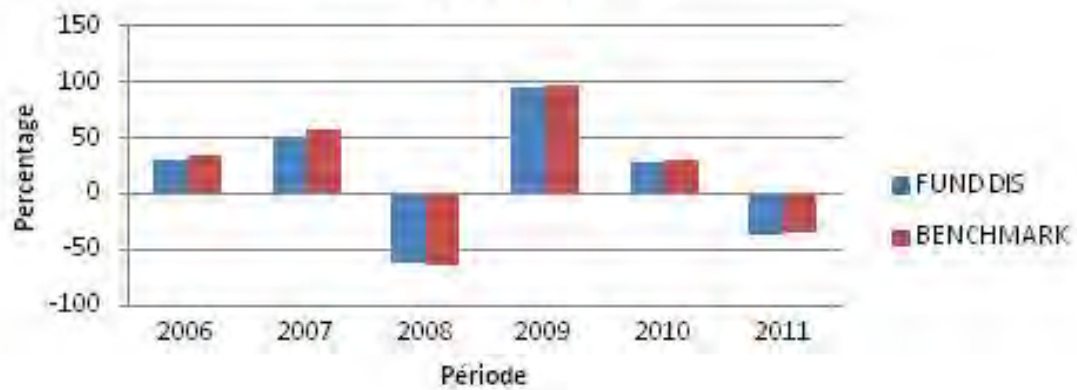
2.4.5 PERFORMANCE FIGURES

Classic shares

BE0944665794

Horizon - Access Fund India - DIS:

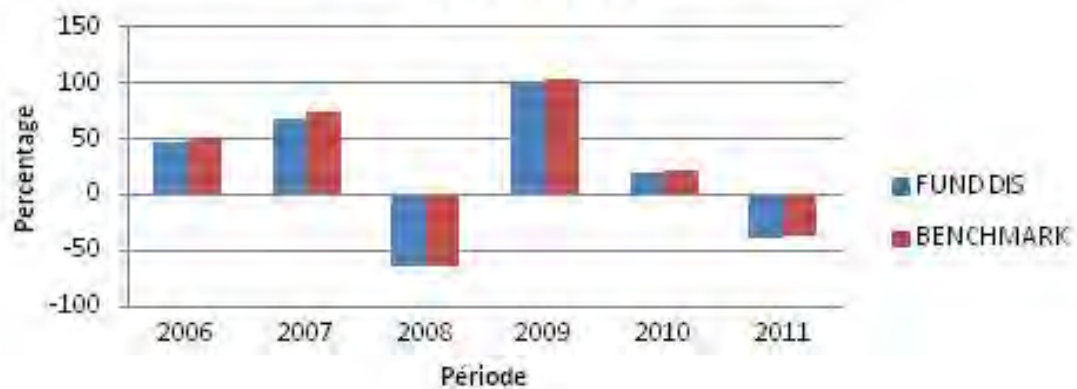
Performance sur base annuelle par rapport au benchmark en date du
31/12/2011 (en EUR)



BE0944665794

Horizon - Access Fund India - DIS:

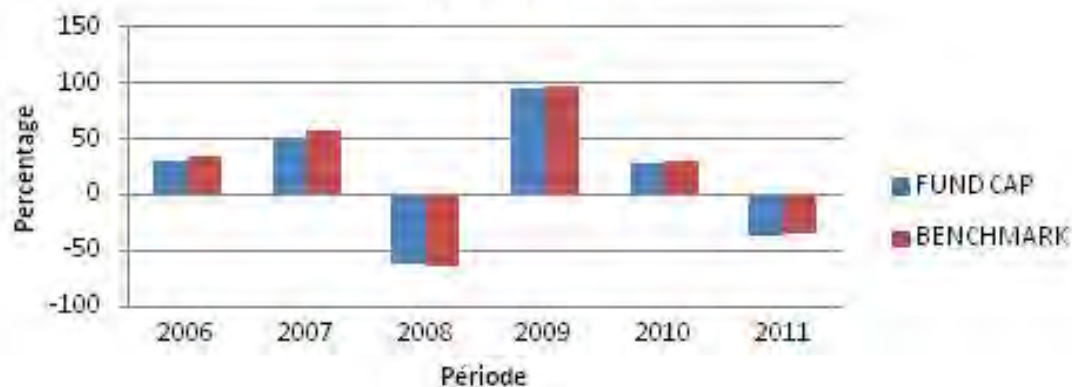
Performance sur base annuelle par rapport au benchmark en date du
31/12/2011 (en USD)



BE0944666800

Horizon - Access Fund India - CAP:

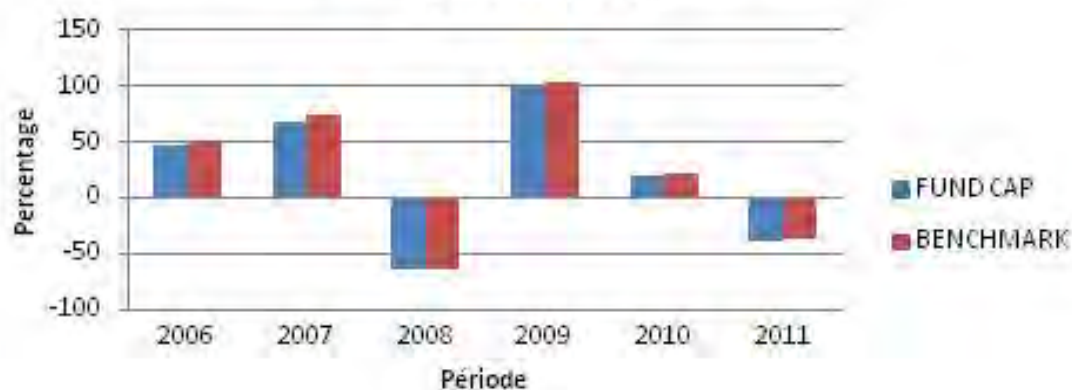
Performance sur base annuelle par rapport au benchmark en date du 31/12/2011 (en EUR)



BE0944666800

Horizon - Access Fund India - CAP:

Performance sur base annuelle par rapport au benchmark en date du 31/12/2011 (en USD)



Cap Dis	ISIN code	Cur rency	1 year		3 years*		5 years*		10 years*		Since the launch*	
			Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Share class	Bench mark	Launch date	Share class
CAP	BE0944666800	EUR	-36.31%	-35.06%	16.39%	18.18%	-2.12%	-0.82%			30/03/2005	8.46%
CAP	BE0944666800	USD	-38.37%	-37.17%	13.77%	15.51%	-2.43%	-1.13%			30/03/2005	8.21%
DIS	BE0944665794	EUR	-36.29%	-35.06%	16.40%	18.18%	-2.12%	-0.82%			30/03/2005	8.46%
DIS	BE0944665794	USD	-38.35%	-37.17%	13.78%	15.51%	-2.43%	-1.13%			30/03/2005	8.21%

* The performance figures are annualised.

This information reflects past performance and is no guarantee of future performance.

Institutional B shares

The cumulative return figures are given if they are available for a period of at least one year.

Classic shares

- The bar chart shows the performance for full financial years.
- The figures take no account of possible 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:

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

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 (DIS)

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:

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

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

with C a factor that is determined by all of the dividends and from the date of calculating D and the reference date.

For dividend i to date DI with value Wi we apply:

$$Ci = [Wi / NIW(Di)] + 1$$

$i = 1 \dots N$

where $C = C0 * \dots * CN$.

- 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 units.

2.4.6 COSTS

Total expenses ratio (TER): *

Classic shares: 1.852%

Institutional B shares: Not applicable.

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

- transaction charges;
- interest payments on borrowings;
- 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 belonging to KBC Group NV, or to between 35% and 70% if the distributor does not belong to that Group. However, in a small number of cases, the distributor's fee is less than 35%. Investors may obtain further information on these cases on request.

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

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 following 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 sub-fund unit holders and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund consequently to be maximised. In this respect, there is therefore no question of conflicts of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Management fee: 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 belonging to the KBC Group.

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

In addition: 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 sub-fund's average total net assets.

Auditor's fee: EUR 1,700 per year. This fee does not include VAT and is indexed 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 belonging to 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 includes 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 ICVC portfolio.

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

- there must be no adverse impact on the security from the point of view of the shareholders;
- the rules covering corporate governance must be complied with, except for those relating to minority shareholders' rights;
- 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 ICVC.