

DNCA Invest Eurose

Absolute Return Defensive

JANUARY 31ST, 2011

MANAGEMENT POLICY

This first month of 2011 marks a rather clear break in market behaviour with investors who have become more attentive to the valuation of various asset classes, particularly those that underperformed in 2010 (equities of countries in southern Europe, value management, etc.). In contrast, the most promising topics of the past year are taking a step forward, like the dollar, emerging stock markets, and gold.

The bond markets are continuing their decline that began in early September based on mediocre inflation figures (2.4% estimated in January for the euro zone), raising fears of faster than expected normalisation of the ECB's monetary policy. Thus, short rates have experienced stronger pressure, with the two-year French maturity increasing from a year-end yield of 0.96% to nearly 1.60% as at 31 January.

Showing little sensitivity to this decline in interest rate markets, Eurose grew by 1.08% in January, supported by the recovery of some large securities of the Paris index like Total, GdF Suez, and Eurotunnel, whose monthly growth is around 8%. Continuing from the final months of last year, bonds investments in January focused on short-term securities, like Valeo 3.75% maturing in June 2013 or floating-rate debt securities.

Regarding convertible bonds, a significant line was established when CGG Veritas, a world leader in seismic services, issued a debt security maturing in 2016. The milestone event on the convertible bond market for the beginning of this year involved the debt security issued by La Caixa, the Spanish savings bank, exchangeable for shares of its listed holding company Criteria until June 2011. Following the project to reorganise the activities of La Caixa among its various legal structures, the bond instantaneously shifted from a monetary profile to an equity profile, leading to a revaluation of around 3% and contributing to the fund's good performance over the month.

The portion dedicated to stocks represented 19.20% of assets at the beginning of this year, for an average dividend yield exceeding 5% and reasonable valuation ratios (P/E of 10.5 at the end of January). It is intended to be further increased depending on the market opportunities.

To date, nearly 70% of Eurose's assets are made up of variable-revenue or indexed securities: stocks, convertible bonds, floating-rate or indexed debt securities, or liquidities. The return of inflationary pressures in Europe, the prospect of moderate yet solid economic growth driven by Germany, and the reasonable valuation of European stocks justify maintaining a portfolio construction that is more oriented towards equity risk for the coming weeks.

Jean-Charles MERIAUX
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EUROSE FR

Establishment date: November 17th, 2000
Part C: ISIN code: FR0007051040
Ticker Bloomberg: DNCASER FP Equity

DNCA INVEST (D.I.) EUROSE

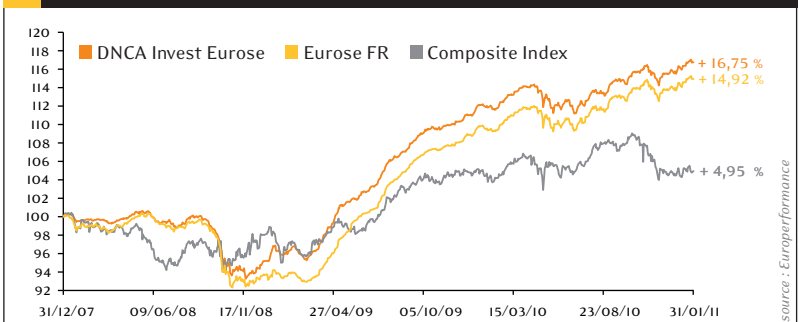
Establishment date: September 27th, 2007
Part A: ISIN code: LU0284394235
Ticker Bloomberg: LEODEFA LX Equity
Part I: ISIN code: LU0284394151
Ticker Bloomberg: LEODEFI LX Equity

BOTH PORTFOLIOS (D.I. AND FR) HAVE THE SAME PHILOSOPHY AND SAME HOLDINGS

DNCA Invest Eurose part A's performance	+ 1,08 %
Performance FR 2007: 2,04% / 2008: - 6,86% / 2009: 16,77% / 2010: 4,52% / 2011: 1,09%	
Composite Index**s performance	+ 0,92 %
* Composite Index: 80 % Euro-MTS Global - 20 % DJ Euro Stoxx 50	
NAV DNCA Invest Eurose part A	117,43 €
Net Assets Eurose	D.I. 396,4 M€
	FR 958,8 M€

The performance data features represents past performance, which is no guarantee of future results.

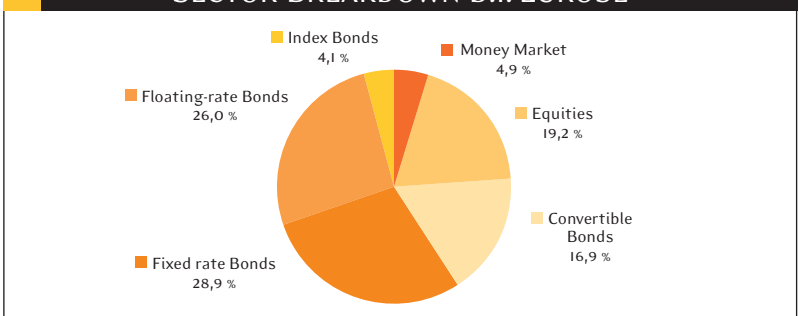
D.I. EUROSE'S PERFORMANCE SINCE 31/12/07



EUROSE FR'S PERFORMANCE SINCE 31/12/03



SECTOR BREAKDOWN D.I. EUROSE



ACTUARIAL DATA D.I. EUROSE

Average yield: 3,3 %	Average sensitivity: 1,5 %
Average maturity: 5 years & 10 months	Bonds and similar: 76,0 %

RISK INDICATORS D.I. EUROSE

	1 YEAR ROLLING	3 YEARS ROLLING	SINCE 27/09/07
TRACKING ERROR*	4,29 %	4,30 %	4,21 %
PORTFOLIO VOLATILITY	3,23 %	3,27 %	3,22 %

* is a measure of the risk, with which the performance of a fund is diverging from its benchmark.