

Leonardo Invest Centifolia Europe

European Value Portfolio

JUNE 30TH, 2010

CENTIFOLIA EUROPE FR:
Establishment date: April 2nd, 2004
ISIN code: Part C: FR0010058008

LEONARDO INVEST (L.I.) CENTIFOLIA EUROPE:
Establishment date: December 21st, 2007
ISIN code: Part A: LU0284396016
Part B: LU0284396289
Part I: LU0284395984

MANAGEMENT POLICY

Market mistrust is still topical. Whereas deficit reduction plans in Europe will drastically reduce already weak growth, expectations in the United States are subsiding slightly with mixed macro-economic figures. The end of aid for the acquisition of new homes in May has substantially affected new housing starts which stand at around 650,000 homes per year vs. a peak of 2 million units.

Confronted with fast-growing economies, emerging country central banks are withdrawing liquidity from the markets, by controlling bank loans and interest rates. The Chinese government is attempting to slow down the economy, but the markets are concerned about a possible escalation. China consumes a quarter of some non-ferrous materials and now produces more than 40% of intermediary products (steel, cement, etc...). Emerging countries account for more than 50% of the profits growth of some European companies. Any slowdown therefore has too great an impact on their P&L accounts.

The second half of the year promises to be more difficult. Whereas analysts expect earnings growth of over 30% (21% excluding financials) for 2010 and 20% for 2011 in Europe, the risk of downgrades is increasing.

The European index shows fairly impressive sectoral differences. The oil sector was hard hit (-7.8%) in June with a significant negative contribution by BP (-20%) and oil services companies such as SBM Offshore or Technip. Meanwhile, the oil majors such as Total and ENI experienced less substantial falls of around 3%. Fears of a Chinese slowdown affected intermediate goods and commodities (-6.5%). Utilities were also given a rough ride due to fears of increased levies and price controls (-6%). It is worth noting in passing that a stock such as GDF Suez with a yield of 6%, a P/E ratio of 11x 2011 and a P/Book ratio of 0.9x, sees the contribution of its international activities increase significantly in 2011 through the coming on stream of new units in Latin America, and a growing portfolio in the Middle East.

Centifolia Europe is 93% invested and continues to make purchases, adopting a highly disciplined approach focused primarily on low valuation stocks. The portfolio has a P/E ratio of 10x 2011 for profits growth of 13% (excluding financials) with less risk of revision. The return is 15% higher than the market, with cash flow of less than 7x.

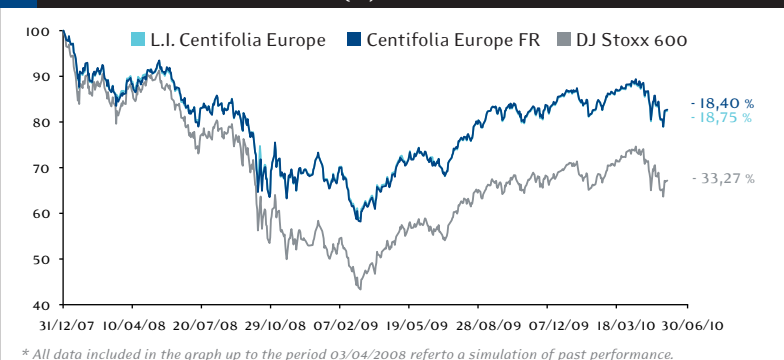
Isaac CHEBAR
Grégoire SCHEIFF

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

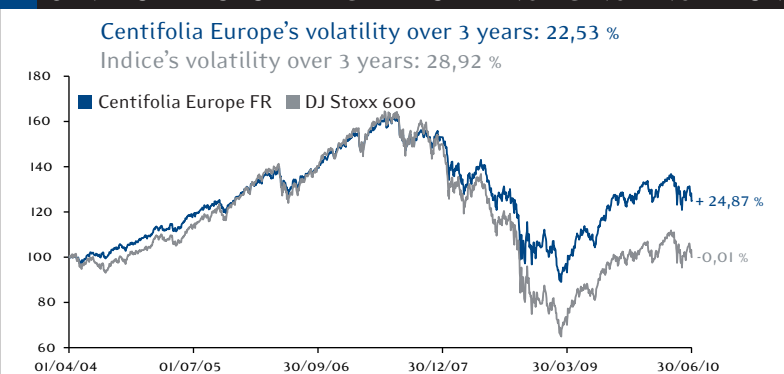
L.I. Centifolia Europe part B's performance	- 5,03 %	
Performances FR 2006: 16,85%/2007: 2,20%/2008: - 30,05%/2009: +22,59%/2010: -4,83%		
DJ STOXX 600's performance	- 4,16 %	
NAV L.I. Centifolia Europe part B	92,59 €	
Net Assets Centifolia Europe	L.I.	31,7 M€
	FR	145,8 M€

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

L.I. CENTIFOLIA EUROPE (B)'S PERFORMANCE SINCE 31/12/07*



CENTIFOLIA EUROPE FR'S PERFORMANCE SINCE INCEPTION



TOP 10 HOLDINGS L.I. CENTIFOLIA EUROPE

SANOFI-AVENTIS	RHEON KLINIKUM
ROCHE HOLDING	FRANCE TELECOM
TOTAL	GLAXOSMITHKLINE
ROYAL DUTCH SHELL	AUTOGRILL
UNILEVER	OSTERREICHISCHE POST

SECTOR BREAKDOWN L.I. CENTIFOLIA EUROPE

