

Establishment Date: December 17th, 2008

MANAGEMENT POLICY

June revealed investors' schizophrenia regarding the theme of the global economic recovery. Initially relieved by the determined speeches of Europeans on the reduction of their public deficits, investors now fear that these policies will destroy future economic growth. For the moment, the euro zone's sovereign debt crisis appears to have calmed down due to ECB and government intervention. That said, the credit market faces a complex and fragile environment since the prospect of possible anaemic economic growth in Europe generates the risk of deterioration in companies' credit quality.

Since the beginning of the year, the fund has posted a performance of -0.74% vs. -4.74% for its index.

In sluggish conditions characterised by a total absence of convertible bond issues in the euro zone, we barely altered the portfolio in June and made a marginal disposal in Michelin 2017. The Infineon 2010 bond was redeemed as expected. Moreover, 32.8% of the portfolio will be reimbursed to the fund within 1 year. This abundant liquidity will enable us to seize investment opportunities when the convertible market wakes up again. Outside the euro zone, we noted only one new convertible issue in Europe (Mobimo, a Swiss property company) and another, admittedly more symbolic, in the United States (Microsoft). The lukewarm success of primary transactions in the traditional credit market (Renault) has prompted issuers to be extremely cautious, although there are once again market rumours of the launch of new convertible issues.

The portfolio's weighted average return now amounts to 4.24% for an average delta of 0.18%. Without a primary market and without any clear direction in the equity market, the convertible market is still likely to remain slack for the next few weeks. That said, the fund exhibits attractive bond characteristics for controlled volatility (4.4%), particularly given the low money market returns.

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TOTAL NUMBER OF LINES: 28

ACTUARIAL DATA (OC)

Delta: 0,18
Interest rate sensitivity: 3,01
Average maturity: 3,19 years
Average yield to maturity: 4,24 %
Average premium: 127,59 %

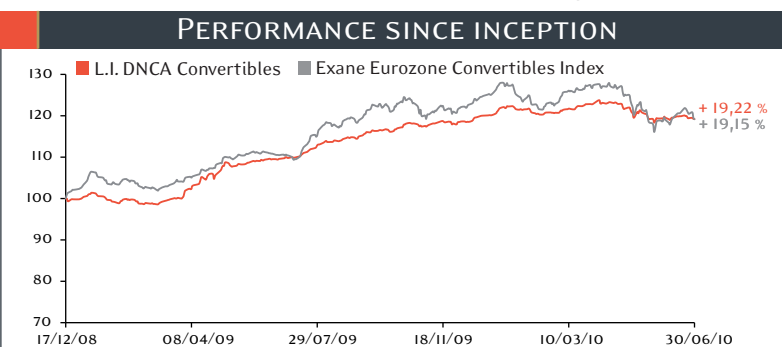
RISK INDICATOR

	OVER 1 YEAR
TRACKING ERROR*	4,0
PORTFOLIO VOLATILITY	4,4
INDICE VOLATILITY	9,4

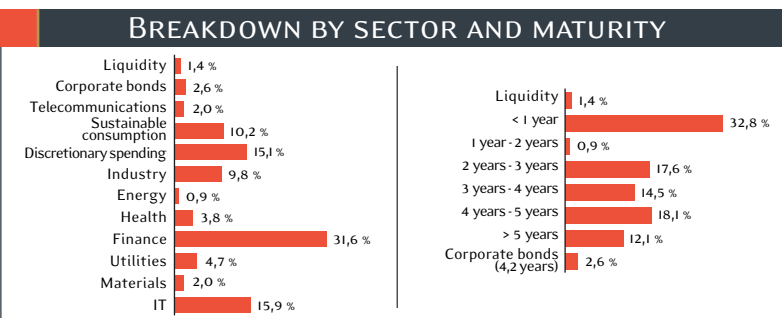
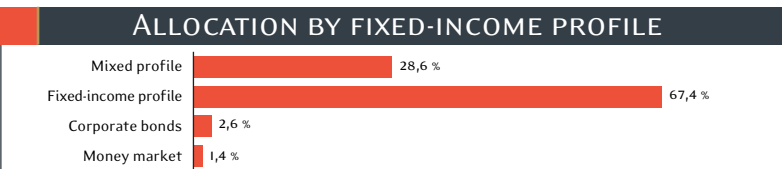
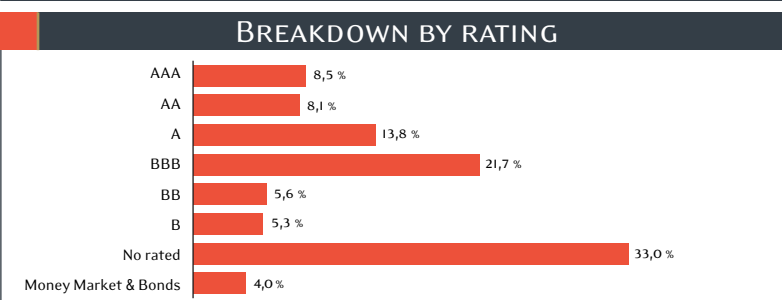
* is a measure of the risk, with which the performance of a fund is diverging from its benchmark.

L.I. DNCA Convertibles' performance	- 0,74 %
Performance 2009 : 20,13 %	
Performance of Exane Eurozone Convertibles Index	- 4,74 %
NAV Part A	119,22 €
NAV Part I	120,08 €
Net Assets	172,2 M€

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



MAIN HOLDINGS		GEOGRAPHIC BREAKDOWN	
FINMECCANICA	9,8%	FRANCE	43,3%
KFW	8,5%	ITALY	15,8%
CAIXA/CRITERIA	8,1%	PORTUGAL	10,5%
GROUPE STERIA	5,8%	SPAIN	10,2%
ALCATEL-LUCENT	5,3%	EUROPE	18,8%



For full details of the strategic guidelines applicable to the financial products managed by our company, the associated risks and management fees, please refer to the prospectuses which are available on our website or from our company's head office.