



Degroof Global Isis LOW Capitalisation

Quarterly Report

30 june 2008

Economic slowdown confirmed

PERFORMANCES SECOND QUARTER 2008

The return of uncertainty to the financial sector and concerning the economic slowdown put skids under the stock markets in June. Likewise, fears associated with a fresh wave of inflation are pulling long-term interest rates upwards and dampening any hopes of a relaxation in short-term rates.

The month of June alone cancelled out the positive performances recorded in April and May. Overall, the second quarter figures were negative for shares as well as bonds.

Performances in euros	Second Quarter 2008	January - June 2008
Shares world	-1.6%	-17.2%
Shares emerging countries	-1.5%	-19.2%
Shares Europe	-4.1%	-18.9%
Bonds Euroland	-3.0%	-0.7%
USD	+0.1%	-7.4%
Isis Low	-2.4%	-6.8%
Isis Medium	-2.7%	-11.6%
Isis High	-2.8%	-16.6%

PARALLEL MANAGEMENT IN SHARES AND BONDS

Remaining faithful to our contrarian strategy, we took advantage of this difficult six-month period to realign the portfolio. For shares, index volatility exceeded 25% in January and March, periods during which we sold Put options highly lucratively. The options sold in January on the EuroStoxx with volatility of more than 30% were repurchased in March at a low price despite the market downtrend. The position had been converted into shares in direct lines, which benefited as the markets recovered in April. In March, we also sold Put options on the S&P500 index (USA) with a volatility of 25%. The short maturity (1 month) quickly rendered the option worthless and the premium remains definitively vested in the fund. Even though the markets started moving down again in May and June, this options strategy enabled us to enhance our position in shares to good effect.

These special options strategies fit in with the overall allocation of shares for which, owing to the high risk premiums in March, reinforcement was required. As from April, the increase in long rates, coupled with an end to expectations of a fall in short rates, prompted us to show greater caution. We sold 2% of European shares at this precise moment, before the sharp fall in June.

The same contrarian approach was applied to bonds. Fears concerning financial shares in March sparked off a flight to quality, causing long-term interest rates to sink to an extremely low level. We reduced the duration of our bonds to 5.3 years at the beginning of April. Next, German 10-year rates moved up again to reach, and even overtake, our target of 4.5%. According to our analysis, this was a catching up and not the first fruits of a lasting uptrend over the medium term. Recent business

indicators, such as the PMI, IFO and ISM, all point towards an economic slowdown, favouring stable rates. We have therefore extended the duration for bonds to close on 6 years, by giving preference to the bonds of first-class companies or specific government bonds (Portugal) at the expense of German government bonds.

For currencies, we believe that the overall appreciation of the euro against all the currencies is drawing to an end. The last remaining dollar cover has been removed.

Fresh concerns emerged in late June again concerning the financial sector, where the first dividend reductions made their appearance, but also concerning other cyclical sectors, such as automobiles and construction materials, which is a new development. This, together with the recent fall in long-term interest rates, is a sign that the economic slowdown announced six months ago is now taking hold. As with all slowdowns, we cannot predict either its duration or its scale. Valuation ratios such as price/earnings and dividend yield have climbed back to attractive levels, as we highlighted in our previous report before the April bounceback. Once again we need to stick with the contrarian approach and gradually repurchase shares, which is what we set about doing during the last month of June.

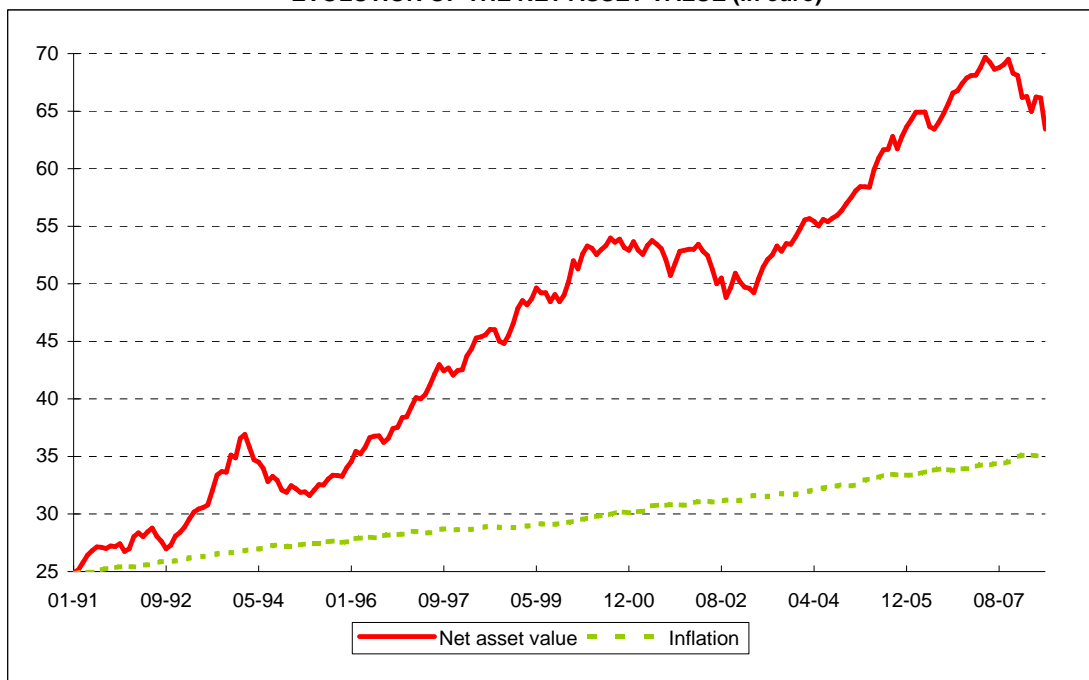
Benoît Dehem

RETURN OF ISIS LOW CAP. AS AT 30 JUNE 2008

Period	Valuation date	Value B share	Return over the period	Accumulated return
1990	04/12/90	24.79		
1991	31/12/91	26.97	8.26%	8.80%
1992	05/01/93	28.88	7.08%	16.50%
1993	04/01/94	36.56	26.61%	47.50%
1994	03/01/95	32.20	-11.93%	29.90%
1995	02/01/96	34.56	7.31%	39.40%
1996	31/12/96	38.45	11.26%	55.10%
1997	31/12/97	42.54	10.65%	71.60%
1998	04/01/99	47.87	12.53%	93.10%
1999	31/12/99	52.01	8.65%	109.81%
2000	31/12/00	52.91	1.73%	113.44%
2001	31/12/01	52.91	0.00%	113.44%
2002	31/12/02	50.17	-5.18%	102.39%
2003	31/12/03	54.07	7.77%	118.12%
2004	31/12/04	57.49	6.33%	131.91%
2005	31/12/05	63.63	10.68%	156.68%
2006	31/12/06	67.40	5.92%	171.89%
2007	31/12/07	68.09	1.02%	174.67%
1° quarter 2008	31/03/08	64.96	-4.60%	162.05%
2° quarter 2008	30/06/08	63.43	-2.36%	155.88%

Period	Valuation date	Value B share	Annualized return	Accumulated return
Since inception				
inception	04/12/90	24.79	5.49%	155.88%
10 years	29/06/98	46.03	3.26%	37.79%
5 years	30/06/03	52.12	4.01%	21.70%
3 years	30/06/05	60.94	1.34%	4.09%
2 years	30/06/06	63.43	0.00%	0.00%
Since				
12 months	30/06/07	69.25		-8.40%
9 months	30/09/07	69.04		-8.13%
6 months	31/12/07	68.09		-6.84%
3 months	31/03/08	64.96		-2.36%

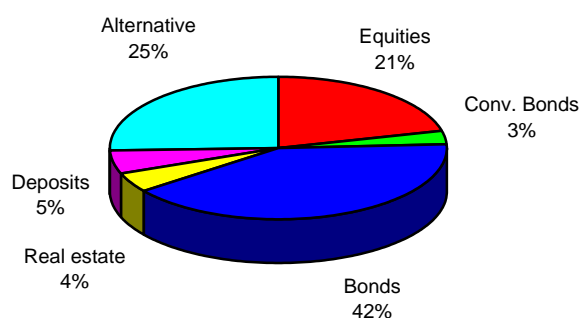
EVOLUTION OF THE NET ASSET VALUE (in euro)



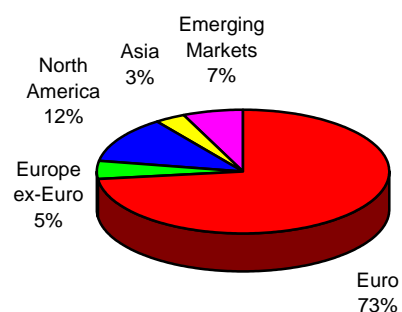
STRUCTURE OF THE PORTFOLIO AS AT 30 JUNE 2008

GLOBAL PORTFOLIO

Asset allocation

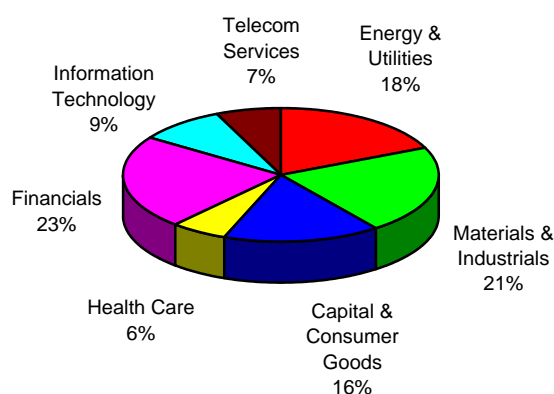


Geographical breakdown

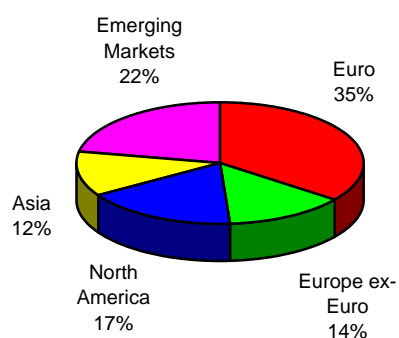


EQUITIES

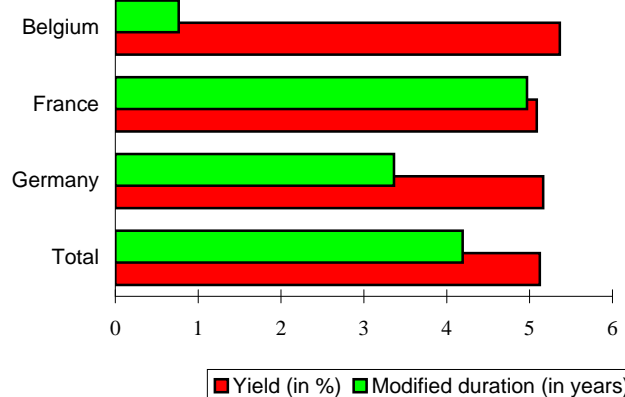
Sectorial breakdown



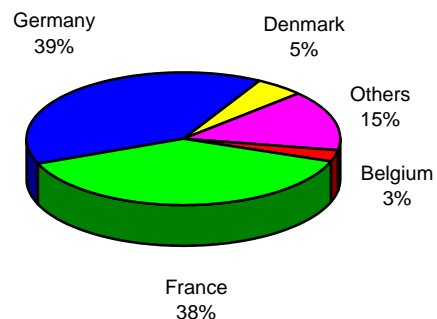
Geographical breakdown



BONDS



Geographical breakdown



Average yield : 5.12%

Mean modified duration : 4.19 years

COMPOSITION OF ISIS LOW AS AT 30 JUNE 2008

EQUITIES AND REAL ESTATE

Indexed management	% Total	Indexed management	% Total
D Equ EMU Index	1.48	Future FTSE 100	1.15
Future DAX	0.43	Future SMI	0.42
D Equ Belgium Index	0.15	Opals UK MSCI	0.24
Nokia	0.10	XACT OMXS30	0.12
ETF HEX 25 Index Fund	0.08	Nestle	0.04
Suez	0.07	Roche Holding	0.03
Future SPMIB	0.06	Novartis	0.03
Total	0.06	Royal Dutch Shell B	0.02
Arcelor Mittal	0.06	BP	0.02
Telefonica de Espana	0.05	TeliaSonera	0.02
France Telecom	0.04	UBS	0.02
Sanofi Aventis	0.04	Glaxosmithkline	0.02
Repsol	0.04	Vodafone	0.01
KBC	0.04	Nordea	0.01
Future AEX	0.04	Ericsson -B-	0.01
Sacyr Vallehermoso	0.03	Richemont	0.01
BBVA	0.03	Statoilhydro Asa	0.01
Endesa	0.03	CS Group	0.01
Banco Santander	0.03	Electrolux B Fria	0.01
Solvay	0.03	Husqvarna AB -B-	0.01
LVMH	0.03	Others	0.01
Axa	0.03	Europe ex-euro	2.22
Dexia	0.03		
Iberdrola	0.02	D Equ US Index	0.47
Fortis B	0.02	Future SP500	0.42
Titan Cement	0.02	Future SP/TSE 60	0.40
Delhaize	0.02	Opals MSCI Canada	0.15
Veolia Environnement	0.02	Exxon Mobil	0.05
BNP Paribas	0.02	Chevron	0.03
Munchner R. nom	0.02	Microsoft	0.03
KPN	0.02	Exelon	0.02
Vinci	0.02	Royal Bank of Canada	0.02
ENI	0.02	Procter & Gamble	0.02
E.On	0.02	Transcanada	0.02
Gas Natural	0.02	State Street	0.02
Vivendi Universal	0.02	Allied Waste Ind.	0.02
Future CAC 40	0.02	Intel	0.02
Inbev	0.02	Bank of Nova Scotia	0.02
Sampo	0.02	Schlumberger	0.02
Generali Assic	0.02	Cisco	0.02
Saint Gobain	0.02	ATT & Inc	0.02
Renault	0.02	CVS	0.02
Etex Group	0.02	Medco Health Solutions	0.02
Alpha Bank	0.01	United Tech	0.02
Peugeot	0.01	IBM	0.02
Nat. Bank of Greece	0.01	Yum! Brands	0.01
Stora Enso	0.01	GE	0.01
Umicore	0.01	Coca Cola	0.01
Siemens	0.01	Sun Life Financial	0.01
Telecom Italia SpA	0.01	Genentech	0.01
EDP	0.01	MCDonald's	0.01
Lagardère	0.01	Noble Corp	0.01
Abertis infraestructuras	0.01	Honeywell	0.01
Allianz Holding	0.01	Illinois Tool Wk	0.01
Philips	0.01	JP Morgan Chase	0.01
Others	0.08	Others	0.31
Eurozone	3.58	North America	2.29

EQUITIES AND REAL ESTATE

Indexed management	% Total	Active management	% Total
Future Topix	1.02	D Equ EMU Beh Value	1.85
Opals MSCI Japan	0.16	D Equ Europe Beh Value	0.72
D Equ Japan Index	0.10	D Equ EMU Beh Profit	0.70
Fanuc	0.03	Eurofund V b	0.12
Nintendo	0.02	D Equ Sml Cap Europe Beh Value	0.11
Toyota	0.02	Eurofund IV b	0.04
NTT	0.02	TR European Growth1	0.04
Kao	0.02	Carlyle Europe Partners III	0.03
Hitachi Ltd	0.01	Etex Group	0.02
Mitsubishi Electric	0.01	Degroof PE Fund	0.00
Mizuho Financial Group	0.01	Eurozone	3.63
Sony Corp	0.01	D Equ Europe Beh Value	0.72
Orix	0.01	Pantheon Intl	0.12
Shin-Etsu Chem	0.01	D Equ Sml Cap Europe Beh Value	0.11
Canon	0.01	TR European Growth	0.01
Secom	0.01	Europe ex-euro	0.96
Fujitsu	0.01	D Equ US Beh Value	1.10
Millea Holdings	0.01	Vanguard index small cap	0.16
Nippon Steel	0.01	Carlyle US Partners V	0.03
Tokyo Electric Power	0.01	North America	1.30
Sumitomo Mitsui Financial Group	0.01	Ocean Japan Target II	0.07
NTT Do Co Mo	0.01	Japan Smaller Cap	0.04
Takeda Health Careceutical	0.01	Japan	0.11
Matsushita Electric	0.01	CAAM-Emerging Mkt AI	1.47
Daiwa Securities	0.01	Emerging Mkt Strategic Fund	0.91
Astellas Health Care	0.01	Genesis EMF	0.68
Others	0.01	Asia Pacific Performance B	0.52
Japan	1.58	Future HSCEI	0.20
Future ASX/SPI	0.29	Mexico Fund	0.05
Future HSI	0.17	Latin America Equity	0.05
BHP Billiton	0.12	Emerging Markets	3.87
Westpac Banking	0.03	Atlas Real Estate EMU	3.79
National Australian Bank	0.02	Aedifica Sicafi	0.51
Hang Seng Bank	0.02	Unibail-Rodamco	0.04
CSL	0.02	Cofinimmo	0.04
United Overseas Bank	0.01	Wereldhave Belgium	0.03
ANZ	0.01	Optimum Immo	0.02
Singapore Telecom	0.01	Cheung Kong Holdings	0.01
Singapore Airlines	0.01	Swire Pacific	0.01
AMP	0.01	United Overseas Land	0.00
Brambles Industries	0.01	Real estate	4.46
Telstra	0.01	Total Active management	14.32
Alumina	0.01		
Wesfarmers	0.01		
Hutchison Whampoa	0.01		
Hong Kong Electric Holdings	0.01		
Hong Kong & China Gas	0.01		
Hutchison Telecom Intl	0.01		
ASM Pacific Technology	0.01		
Others	0.04		
Asia ex-Japan	0.83		
Ishares MSCI Emerg Mkt Fund	0.75		
Emerging Markets	0.75		
Total Indexed management	11.26	Total equities and real estate	25.58

BONDS, ALTERNATIVE, CASH

Convertibles Bonds	% Total
TREETOP Convertible Intern	1.90
TREETOP Convertible Pacific	1.02
Total	2.92
Alternative	% Total
D Global Int Flexible	12.22
D Equ World Flexible	6.24
D Alt FOHF Low volatility	3.10
Phaunos Timber Fund Ltd	1.82
DGC Euroarbitrage Ltd	1.02
Reliance Multi-Advisor Fnd-B-usd	0.70
AIMS Low Volatility-usd	0.38
Total	25.48
Total convert. and alternative	
28.39	

Bonds	% Total
BBV Argentaria 27/09/10, 5.75%	3.23
CFF 23/02/15, 6.125%	2.89
KFW 17/06/13, 5.125%	2.84
RFF 12/10/2020, 6%	2.21
BTP I/L 15/09/14, 2.15%	2.05
CNA 24/03/13, 5.85%	1.94
Hypess 06/07/09, 4.25%	1.71
CADES 25/10/12, 5.25%	1.51
Caja de Madrid 15/01/10, 5.5%	1.48
EIB 15/02/28, 5.625%	1.47
DEPFA 15/07/2011, 5.25%	1.30
Corealcredit Bk 20/01/14, 4.25%	1.21
RATP 25/04/11, 4.75%	1.07
DEPFA 15/01/2013, 5.5%	1.07
BNG 06/05/13, 5.325%	1.06
CNA 28/10/15, 6%	0.89
KFW 22/01/18, 5.5%	0.88
Iboxx 100 FRN 22/06/09	0.83
Generali 12/05/14, 4.75%	0.79
EIB 15/02/18, 5.5%	0.66
Coreal (AHB) 12/01/09, 4%	0.65
Deutsch Bahn Fin 15/06/10, 6%	0.63
Fortis Fin. 7/04/09, 4.625%	0.62
RFF 17/03/2014, 4.625%	0.61
E.On 29/05/09, 5.75%	0.60
ABN 09/08/09, 5.375%	0.57
Banco Santander 07/04/20, 3.5%	0.54
Sigma Fin capital notes 31/03/14	0.54
CFF 25/10/08, 5.125%	0.49
Peugeot 27/09/11, 5.875%	0.43
BTP 01/11/09, 4.25%	0.42
FSAGLF 29/06/15, 6.11%	0.32
OATi 25/07/29, 3.4 %	0.29
Others	1.26
Euro	39.09
Nykredit 1/10/38, 5%	1.03
Nykredit 1/10/35, 5%	0.34
Nykredit 1/10/25, 5%	0.25
Realkredit 1/10/32, 6%	0.02
Denmark	1.64
Total Bonds	40.72
Cash	% Total
Euro	3.92
USD	0.45
GBP	0.11
Yen	0.08
Others	0.74
Total Cash	5.30
Total bonds and cash	46.03