

**Financial statements over the period
Januari 1st, 2007 through June 30th, 2007
Deminor Investment Management BV,
Haarlem**

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AUDITOR'S REPORT

1 RESULT

	2007	
	€	%
Net sales	1.038.860	100,0
Cost of sales	69.321	6,7
Amortisation and depreciation	1.048	0,1
Other operating expenses	246.779	23,7
Total operating expenses	317.148	30,5
Result on ordinary activity	721.712	69,5

2 FINANCIAL POSITION

The underlying financial position is determined of the balance sheet:

	30-06-2007		31-12-2006	
	€	€	€	€
Available				
Shareholders equity		702.703		159.884
		-----		-----
Used for the financing of:				
Tangible fixed assets		4.893		5.941
		-----		-----
Working capital		697.810		153.943
		=====		=====
Consisting of:				
Current assets	681.528		192.066	
Cash at bank and in hand	378.529		52.030	
	-----		-----	
		1.060.057		244.096
		-----		-----
Short-term liabilities		362.247		90.153
		-----		-----
Working Capital		697.810		153.943
		=====		=====

3 CORPORATE INCOME TAX

3.1 Taxable amount 2007

The calculation of the taxable amount for the corporate income tax 2007 is as follows:

	<u>2007</u>
	€
Result before tax	725.830

The calculated corporate income tax (payable) amounts :

	<u>2007</u>
	€
20,0 % over € 25.000	5.000
23,5 % over € 35.000	8.225
25,5 % over € 665.830	169.786
Total	<u>183.011</u>

FINANCIAL STATEMENTS

- Management's report
- Financial report
- Other information

MANAGEMENT'S REPORT

Introduction

Deminor Investment Management (hereafter "DIM") was incorporated on October 31, 2006. The company's corporate purpose is to provide asset management and other related services to one or more collective investment schemes. At present, DIM manages the Deminor Active Governance Fund (hereafter "DAGF").

DIM is part of the Deminor group, a group of companies with parent company Deminor International SCRL based in Brussels. As all companies part of Deminor group, DIM makes use of certain services provided by Deminor International or other companies of Deminor Group. DIM has entered into an agreement with Deminor International, its parent company, containing the terms and conditions at which these services are provided to DIM. For certain other services, DIM makes uses of other external service providers.

The reporting period covers 6 months, i.e. from January 1st, 2007 through June 30th, 2007.

Review of income and cost structure

DIM's recurring income currently exclusively consists of a management fee and a performance fee paid by the Deminor Active Governance Fund.

The legal basis for DIM's fees is the "Agreement of Management and Custody" entered into between DIM and Stichting Bewaarbedrijf Guestos, acting as depositary of DAGF. This Agreement refers to the "terms and conditions of management and custody" which form an integral part of the Offering Memorandum, the contents of which has been approved and accepted by each single investor in DAGF.

The reporting period closed with a result before tax of € 725.830 and a net profit of € 542.819. The Board of Directors proposes to pay out an interim dividend for the amount of reserves exceeding € 250.000 such as established in the present-half year accounts.

The amount of € 250.000 is the level of shareholder equity that the Board currently considers as adequate given the current income and cost structure and the company's risk profile.

Important developments during the year and future expectations

DAGF was promoted and launched successfully by DIM on November 2nd, 2006. By December 31, 2006, assets under management had reached € 43,6 million. The fund assets were gradually invested in accordance with the investment philosophy as opportunities arose. As of June 30, 2007, assets under management had reached € 52.541.316,08. DIM will try to grow the DAGF assets during the current and next financial years and at the same time will try to build a solid track record as a basis for future growth.

The NAV per Unit of DAGF stood at € 110,35 as of June 30, 2007. Due to the solid increase of the NAV DIM was able to realise fees in the accounting period above expectations.

An important budget for marketing DAGF to new potential investors is expected for the future. Cost of sales amounted to € 69.321 during the reporting period and are likely to increase in the future.

DIM does not plan to invest its cash reserves into risky assets and is planning to keep its reserves in the form of cash deposits or monetary financial instruments with financial institutions having a solid credit rating.

Risks & uncertainties

DIM's income is dependent on (1) the DAGF assets under management, (2) the performance realised by DIM on behalf of DAGF, and (3) the Euribor 3 months interest rate. Since these factors are unknown and difficult to predict, DIM's future income is subject to important uncertainties. As a start-up company, DIM therefore has chosen a cautious approach and has decided to outsource an important part of its activities and costs, such as analysis and research, its own administration and administration of DAGF, etc. The outsourcing of these activities/costs allows DIM to keep its costs under control and to rapidly change its cost structure in function of the evolution of the abovementioned factors. For the same reasons, no important investments are planned for the near future.

DIM's activities are furthermore subject to regulatory risks which are specific to area of investment management services. The Board of DIM is planning to apply for an authorisation as investment manager from the Autoriteit Financiële Markten and this respect certain organisational or procedural changes may become necessary in the near future.

For the Board of Directors,

Annual report 01/01/2007 - 30/06/2007
at the auditor's report of july 2007
Deminor Investment Management B.V., Haarlem

FINANCIAL REPORT

1 BALANCE SHEET AS AT 30 JUNI 2007
(after result appropriation)

ASSETS

	30 juni 2007		31 december 2006	
	€	€	€	€
FIXED ASSETS				
Tangible fixed assets		4.893		5.941
CURRENT ASSETS				
Accounts receivable	681.528		192.066	
Cash at bank and in hand	378.529		52.030	
		1.060.057		244.096

1.064.950

250.037

LIABILITIES

	30 juni 2007		31 december 2006	
	€	€	€	€
CAPITAL AND RESERVES				
Capital paid and called	125.000		125.000	
Other reserves	577.703		34.884	
		702.703		159.884
CURRENT LIABILITIES				
Accounts payable	100.546		446	
Amounts owed to group companies	-		60.518	
Taxation and social security	195.693		12.682	
Accruals and deferred income	66.008		16.507	
		362.247		90.153
		1.064.950		250.037

2 PROFIT AND LOSS ACCOUNT OVER THE PERIOD JANUARI 1ST, 2007 TROUGH JUNE 30TH, 2007

	2007		2006	
	€	€	€	€
Net turnover		1.038.860		266.624
Cost of sales	69.321		12.007	
Amortisation and depreciation	1.048		349	
Other operating expenses	246.779		206.674	
Total operating expenses		317.148		219.030
Result on ordinary activities		721.712		47.594
Financial revenues and expenses		4.118		-28
Result on ordinary activities before taxation		725.830		47.566
Taxation on result ordinary activities		-183.011		-12.682
Result after taxation		542.819		34.884

3 NOTES TO FINANCIAL STATEMENTS

GENERAL ACCOUNTING PRINCIPLES

According to the financial reporting requirements included in Part 9 of Book 2 of the Civil Code, the company is nominated as a small company.

ACCOUNTING PRINCIPLES FOR THE VALUATION OF ASSETS AND LIABILITIES

General

Assets and liabilities are stated at face value unless indicated otherwise.

Tangible fixed assets

The tangible fixed assets are stated at costprice less accumulated depreciation calculated on a straight-line base.

Accounts receivable

Accounts receivable are stated at face value, less provision for possible uncollectable accounts.

RECOGNITION OF INCOME

Net turnover

Net sales are determined on the basis of the value (excluding taxes) of services invoiced, less discounts granted to customers. Sales are recognized upon delivery of services. Cost of sales are recorded in the same period as sales are recognized.

Other revenues and expenses

Other revenues and expenses are recorded in the period in which they originate.

Depreciation

The depreciation on tangible fixed assets is calculated at a fixed percentage of the cost price based on the expected economical timelife.

Corporate income tax

Corporate income tax is calculated on the basis of the operating profit or loss on ordinary activities, taking any tax deduction, relief and incentives into account. If tax relates to movements in valuation differences between the profit for tax purposes and financial reporting purposes, the amount concerned is taken to the provision for deferred tax liabilities.

4 NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNI 2007

FIXED ASSETS

	Fixtures
	€
Cost price	6.290
Accumulated depreciation	-349
Bookvalue as of January 1st	<u>5.941</u>
Movements	
Depreciation	<u>-1.048</u>
Cost price	6.290
Accumulated depreciation	-1.397
Bookvalue as of June 30th	<u>4.893</u>
<i>Depreciation percentages</i>	
Fixtures	33,33

CURRENT ASSETS

	30-06-2007	31-12-2006
	€	€
<i>Taxation and social security</i>		
VAT	<u>25.037</u>	<u>22.208</u>
<i>Other receivables</i>		
Other receivables	2.376	3.234
Deminor Active Governance F.G.R.	654.115	166.624
	<u>656.491</u>	<u>169.858</u>
<i>Cash at hand and in bank</i>		
Fortis Bank N.V.	<u>378.529</u>	<u>52.030</u>

	30-06-2007	31-12-2006
	€	€
CAPITAL AND RESERVES		
Issued and fully paid share capital	125.000	125.000
Other reserves	577.703	34.884
	<u>702.703</u>	<u>159.884</u>
Capital paid-up		
125.000 ordinary shares at face value € 1,00	<u>125.000</u>	<u>125.000</u>
The authorized capital amounts € 250.000.	2007	2006
	€	€
Other reserves		
Balance as of January 1st	34.884	-
Net income for the year	542.819	34.884
Balance as of June 30th	<u>577.703</u>	<u>34.884</u>

The proposal of appropriation of net income € 542.819 is already reflected in the financial statements.

	30-06-2007	31-12-2006
	€	€
Accounts payable		
Accounts payable	<u>100.546</u>	<u>446</u>
Amounts owed to group companies		
Deminor International C.V. B.A.	<u>-</u>	<u>60.518</u>
Taxation and social security		
Corporate income tax	<u>195.693</u>	<u>12.682</u>

	<u>30-06-2007</u>	<u>31-12-2006</u>
	€	€
<i>Accruals and deferred income</i>		
Third parties commission	50.169	12.007
Purchases	-	1.500
Auditor's fee	3.250	3.000
Research & analysis	12.563	-
Other	26	-
	<u>66.008</u>	<u>16.507</u>

NIET UIT DE BALANS BLIJKENDE VERPLICHTINGEN

MEERJARIGE FINANCIËLE VERPLICHTINGEN

Contingent liabilities

In case of sale of fixed assets within a period of 5 years after expiditure date, eventually claimed investment taxcredit will be reclaimed.

5 NOTES TO PROFIT AND LOSS ACCOUNT OVER THE PERIOD JANUARI 1ST, 2007 THROUGH 30TH, 2007

	<u>2007</u>	<u>2006</u>
	€	€
Net turnover		
Sales	<u>1.038.860</u>	<u>266.624</u>
Cost of sales		
Third parties commission	<u>69.321</u>	<u>12.007</u>
Depreciation		
Tangible fixed assets	<u>1.048</u>	<u>349</u>
Other operating expenses		
Housing expenses	14.329	6.895
Office expenses	24.576	4.776
Sales expenses	2.836	-
General expenses	<u>205.038</u>	<u>195.003</u>
	<u>246.779</u>	<u>206.674</u>
<i>Housing expenses</i>		
Rent building	14.196	4.732
Maintenance	-	2.144
Miscellaneous	133	19
	<u>14.329</u>	<u>6.895</u>
<i>Office expenses</i>		
Contribution and fees	123	146
Telephone expenses	5.648	1.882
Computer and internet expenses	17.037	2.159
Office equipment	<u>1.768</u>	<u>589</u>
	<u>24.576</u>	<u>4.776</u>

	<u>2007</u>	<u>2006</u>
	€	€
<i>Sales expenses</i>		
Travel	<u>2.836</u>	<u>-</u>
<i>General expenses</i>		
Research and analysis	125.500	33.333
Auditor's fees	1.250	3.000
Bookkeeping / Quarterly report	19.088	7.998
External advise	31.080	148.833
Documentation and financial databases	17.831	-
Costs of marketing products	10.289	1.739
Other general expenses	-	100
	<u>205.038</u>	<u>195.003</u>
 Financial revenues and expenses		
Interest	<u>4.118</u>	<u>-28</u>
 Corporate income tax		
Corporate income tax	<u>183.011</u>	<u>12.682</u>

OTHER INFORMATION

1 APPROPRIATION OF NET INCOME

The articles of incorporation provide that net income is subject to the disposition decided upon by the (Annual) General Meeting of shareholders.

Proposed appropriation of net income:

	<u>2007</u>
	€
 Added to Other reserves	 <u><u>542.819</u></u>

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