

Classic Global Equity Fund

*Equity fund for long term
capital appreciation*

*Semiannual Report
01.01.2012-30.06.2012*



SEMIANNUAL REPORT

01.01.2012 – 30.06.2012

The fund at 30.06.2012

NAV (CHF)	296.15
Net assets (CHF m)	548.3
Units outstanding	1'851'371
Valorennummer	832'821

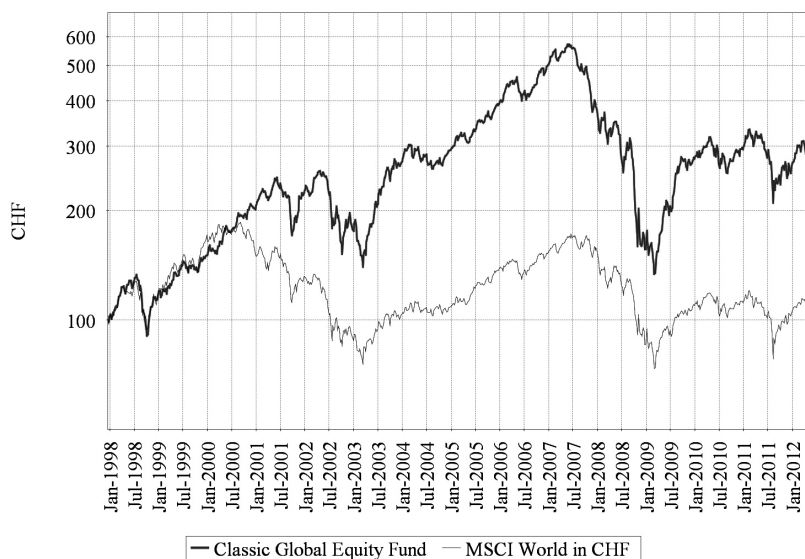
Investment Objective

The fund is designed for long term investors. Because equities can drop 30% in value, one's investment horizon should be at least seven years so that one can wait for a recovery.

Investment Policy

The fund invests mainly in equities worldwide, primarily in Western Europe and North America, using the value style. Investments must satisfy demanding criteria and are chosen in a thorough and disciplined fundamental analysis oriented towards the long term.

Net asset value per unit 16.12.1997 – 30.06.2012



Investment Risks

Because the fund is concentrated on relatively few (but thoroughly analyzed) investments and may invest up to 15% of its assets in securities of a single issuer, its performance may differ substantially from the performance of the Swiss stock market and of other stock markets in which it is invested.

Dear Investors

The fund gained 13.3% in the first half, while the world's stock markets, as measured by the Morgan Stanley Capital International World Index in CHF (MSCI), rose 7.2%. About 9.4% of fund units were redeemed during this period on a net basis.

Up and down, but ending well

In repeat of 2011, the markets started well in the first quarter. And like in 2011 it appeared as if yet another flare up of the Euro-crisis in the second quarter would erase the gains. Italy's reforms went less far than required for strong growth, and in Spain a banking crisis broke out, necessitating a formal request for support from the EU. The recession in these countries as well as the uncertainty generated by the lack of a resolution to this crisis hamstrung consumer and corporate demand in all of Europe. Added to that, growth in China slowed, thereby dampening demand especially for capital goods and expensive cars – products from the north

of Europe. In spite of this negative news the stock markets recovered in June, even jumping 3% as a reaction to the EU summit on June 28-29. Thus the MSCI was able to hold its gains of the first quarter.

Many more winners than losers

Three quarters of our positions rose in the first half. The biggest winner was **Sky Deutschland** with a performance contribution of 4.0%-points. In April **Sky** won the most important broadcast rights for Bundesliga games. It has thus become much easier to forecast earnings for the next years, which is positive for the stock's valuation. Moreover, the most recent results demonstrated a very promising increase in demand. Pay TV seems finally to be establishing itself in Germany. **Avis Budget** (1.9%-points) was the second biggest winner, because it projected profits for the year far in excess of market forecasts. **CA** (1.5%-points), **Swiss Re** (1.4%-points) and **Howden** (1.2%-points) gained greater

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amounts of trust from investors thanks to good operating performances. The big loser was **Wincor** (-1.1%-points), because banks, badly hurt by the crisis, are its biggest customers. Currency movements raised the fund's return by 0.5%-points. The slight weakening of the euro was more than compensated by the strength of the dollar and the pound.

One new (old) position

We bought a new position in **Software AG** in the second quarter. Moreover, we added to our holding of **Wincor** and **Teleperformance**, because the shares are massively undervalued. We sold **Newell Rubbermaid**, **Intel**, **Boston Scientific**, **Sky Deutschland** and **freenet** in order to finance

these purchases and the redemptions. All of these firms were undervalued, but in some cases less than the rest of the portfolio and/or their positions had become very big.

Software AG is an old acquaintance, which the fund held already from summer 2002 until spring 2011. The firm sells two types of software. The old one runs on large mainframes, where it has for decades successfully processed enormous volumes of data. This business is slowly shrinking but throwing off a lot of cash. By contrast, the newer «middleware»-software, which integrates existing applications and extends their useful life, is growing. Operating weaknesses emerged last year in the North American sales force. That put the stock price under pressure. However, **Software AG** has proven in Europe that it does know how to sell middleware, and it has now begun to reorganize the American sales force accordingly. On the basis of our conversations with competitors and our excellent experience with the senior management in the last years, we trust that they will solve its current problem and that the stock will reach its intrinsic value of EUR 40 per share.

Many bad eventualities discounted

The recent increase in Italian and Spanish bond yields indicates that most investors have lost faith in the survival of the European currency union. Nevertheless the stock markets of America and the north of Europe sank only a little recently. This shows that share prices already discount a great deal of bad outcomes. European firms, especially the smaller ones, are much cheaper than American companies. Accordingly we bought in Europe and sold in the US in the second quarter.

We talked to our firms about what consequences one of the biggest dangers, an exit by Italy and Spain from the Euro, would have on their businesses. Our impression is that most of them are well prepared for the direct consequences, such as payment shortfalls, but are afraid of a recession that might follow such an event. If these companies are typical of the economy as a whole, then the consequences of such an event might be far less than feared. Also, it does not seem very likely to occur, at least not in the near term, given the agreements of the EU summit at the end of June. We are therefore convinced that long term investors are well served to hold their equities or, better yet, to add to their positions.

We thank all investors in the Classic Global Equity Fund for the trust they have put in us.

With kind Regards

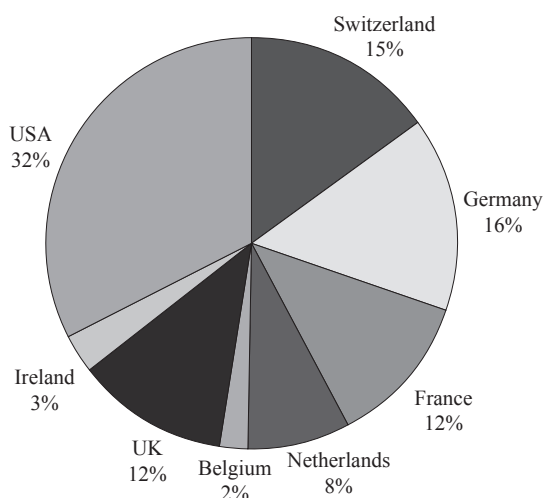
Classic Fund Management Aktiengesellschaft

The positions in % of net asset value	%
Swiss Re	5.3
Zurich Insurance Group	4.8
EFG International	2.1
Charles Vögele Holding	1.3
Vontobel Holding	1.2
Adecco	0.8
Switzerland	15.5
Sky Deutschland	6.3
freenet	3.9
Wincor Nixdorf	3.0
Software AG	2.3
Germany	15.5
Lagardère	6.9
Renault	4.7
Vivendi	4.3
Altran Technologies	2.8
Teleperformance	2.0
EADS (short position)	-4.2
France	16.5
Koninklijke Philips Electronics	4.7
Randstad Holding	3.5
Netherlands	8.2
Agfa-Gevaert	2.4
Agfa-Gevaert - Strip VVPR	0.0
Belgium	2.4
Howden Joinery Group	4.6
Kingfisher	4.4
Millenium & Copthorne Hotels	2.5
United Kingdom	11.5
CRH	2.8
Ireland	2.8
Nissan Motor (short position)	-4.5
Japan	-4.5
Avis Budget Group	5.9
Cisco Systems	5.4
CA	5.3
Intel	5.2
Boston Scientific	3.7
Newell Rubbermaid	3.6
Kelly Services	2.8
USA	31.9
Total Portfolio	99.8
Deposits with banks and other assets	0.2
Total	100.0

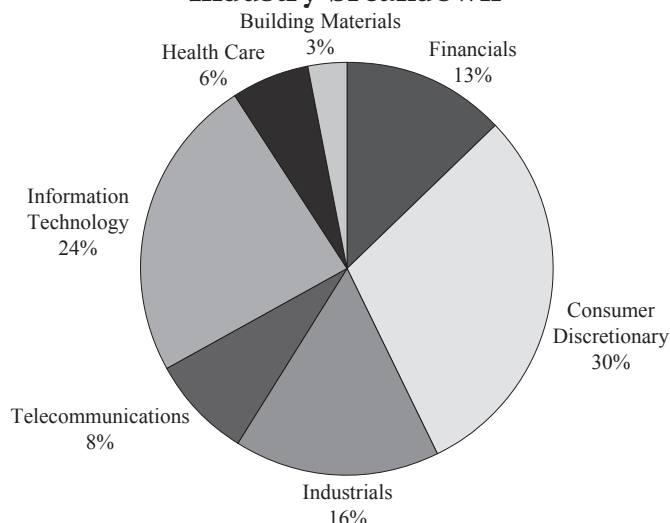
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Portfolio

Geographic breakdown



Industry breakdown



Annual performance and volatility

	Classic Global Equity Fund	MSCI* in CHF, incl. net dividend	SPI**
1998	14.3%	17.2%	15.4%
1999	31.3%	44.2%	11.7%
2000	36.2%	-10.6%	11.9%
2001	7.4%	-14.8%	-22.0%
2002	-21.7%	-33.4%	-26.0%
2003	54.2%	19.0%	22.1%
2004	8.1%	4.4%	6.9%
2005	34.8%	27.1%	35.6%
2006	27.7%	11.3%	20.7%
2007	-24.9%	0.9%	-0.1%
2008	-58.4%	-44.5%	-34.0%
2009	75.8%	27.5%	23.2%
2010	6.5%	1.0%	2.9%
2011	-11.4%	-5.5%	-7.7%
2012	13.3%	7.2%	5.4%

Information since launch on 16.12.1997:

Total performance	196.2%	12.5%	48.7%
Annual performance	7.7%	0.8%	2.8%
Volatility	26.2%	21.6%	19.5%

* Morgan Stanley Capital International World Index

** Swiss Performance Index

Past performance is no guarantee of future returns.

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Statement of net assets 30.06.2012	in CHF
Cash deposits with banks	3'286'299.69
Securities	546'779'525.65
Other assets	0.00
Gross assets	550'065'825.34
Liabilities	-1'778'161.08
Net assets	548'287'664.26
Net income (loss) from investment operations from 01.01.2012 to 30.06.2012	in CHF
Interest income, bank accounts	0.00
Interest income, money market instruments	1'099.13
Income from equities	1'949'737.20
Income from bonds	0.00
Other income	202'491.89
Adjustment of current income due to issue of units	-1'447.55
Total investment income	2'151'880.67
Interest expense	-1'206.64
Auditing expense	-4'945.36
Management fee	-3'379'952.20
Custodian fee	-281'662.68
Other expenses	-158'018.64
Adjustment of current income due to redemption of units	20'489.68
Total expenses	-3'805'295.84
Net investment income	-1'653'415.17
Realized capital gains and losses	-43'383'257.50
Realized income	-45'036'672.67
Unrealized capital gains and losses	115'589'541.63
Net income (loss)	70'552'868.96
Change in net assets from 01.01.2012 to 30.06.2012	in CHF
Net assets, beginning of period	534'065'430.99
Net increase (decrease) from sales and redemptions	-56'330'635.69
Net income (loss)	70'552'868.96
Net assets, end of period	548'287'664.26

Classic Global Equity Fund
Liechtenstein mutual fund

Key figures

Date		Number of units	Net assets in CHF m	Net asset value per unit in CHF	Performance
16.12.1997	First issue	140'440	14.0	100.00	
31.12.1997	Outstanding	140'440	14.4	102.41	
31.12.1998	Outstanding	417'122	48.8	117.08	14.3%
31.12.1999	Outstanding	563'148	86.5	153.67	31.3%
31.12.2000	Outstanding	1'095'094	229.1	209.23	36.2%
31.12.2001	Outstanding	2'501'951	562.0	224.62	7.4%
31.12.2002	Outstanding	3'509'422	617.0	175.82	-21.7%
31.12.2003	Outstanding	3'565'404	966.7	271.12	54.2%
31.12.2004	Outstanding	3'956'861	1160.0	293.05	8.1%
31.12.2005	Outstanding	3'831'215	1513.9	395.16	34.8%
31.12.2006	Outstanding	3'799'424	1917.4	504.65	27.7%
31.12.2007	Outstanding	3'683'448	1395.7	378.92	-24.9%
31.12.2008	Outstanding	3'125'473	492.3	157.51	-58.4%
31.12.2009	Outstanding	2'773'382	768.0	276.92	75.8%
31.12.2010	Outstanding	2'545'051	750.4	294.83	6.5%
31.12.2011	Outstanding	2'044'013	534.1	261.28	-11.4%
	Issued 2012	19'079			
	Redeemed 2012	-211'721			
30.06.2012	Outstanding	1'851'371	548.3	296.15	13.3%

Foreign exchange rates

			30.06.12	31.12.11
USA	USD	1 = CHF	0.9495	0.9381
Europe	EUR	1 = CHF	1.2013	1.2158
UK	GBP	1 = CHF	1.4876	1.4550
Japan	JPY	100 = CHF	1.1879	1.2178

Miscellaneous

The complete and simplified prospectus as well as the annual and interim reports may be obtained free of charge from the fund management company, custodian bank, paying agents and the Swiss representative.

Fund costs 01.07.2011 to 30.06.2012

Administration	1.20%
Custodian bank	0.10%
Other (*)	0.02%
Total Expense Ratio (TER)	1.32%

* Audit, price publication, reports, accounting

Portfolio Turnover Rate

Portfolio Turnover Rate per 30.06.2012: 133.18% p.a.

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Inventory of securities as of 30.06.2012 / purchases and sales 01.01.2012 to 30.06.2012

<i>Publicly traded securities</i>	Beginning	Bought*	Sold*	End	Price	Value in CHF	Share in %
						CHF	
Switzerland							
Swiss Re	484'032	0	0	484'032	59.5500	28'824'106	5.3
Zurich Insurance Group	122'154	0	0	122'154	213.5000	26'079'879	4.8
EFG International	2'236'172	0	0	2'236'172	5.2800	11'806'988	2.1
Charles Vögele Holding	491'481	0	0	491'481	14.6500	7'200'197	1.3
Vontobel Holding	344'836	0	0	344'836	18.7000	6'448'433	1.2
Adecco	104'891	0	0	104'891	42.0000	4'405'422	0.8
TOTAL SWITZERLAND						84'765'025	15.5
						EUR	
Germany							
Sky Deutschland	11'971'111	375'000	-2'272'000	10'074'111	2.8630	34'647'880	6.3
freenet	1'739'428	0	-199'000	1'540'428	11.4490	21'186'418	3.9
Wincor Nixdorf	0	488'414	0	488'414	27.9800	16'416'645	3.0
Software AG	0	439'465	0	439'465	24.4350	12'899'866	2.3
TOTAL GERMANY						85'150'809	15.5
						EUR	
France							
Lagardère	1'358'050	1'507'950	-1'433'000	1'433'000	21.9900	37'854'717	6.9
Renault	676'000	410'000	-410'000	676'000	31.4400	25'531'587	4.7
Vivendi	1'305'000	1'348'500	-1'305'000	1'348'500	14.6300	23'699'755	4.3
Altran Technologies	3'660'051	0	0	3'660'051	3.4620	15'221'687	2.8
Teleperformance	381'144	156'000	0	537'144	17.3900	11'221'190	2.0
EADS (short position)	-652'300	0	-36'000	-688'300	27.9400	-23'102'169	-4.2
MS Cert. Lagardère	0	1'433'000	-1'433'000	0	0.0000	0	0.0
MS Cert. Renault	0	410'000	-410'000	0	0.0000	0	0.0
MS Cert. Vivendi	0	1'348'500	-1'348'500	0	0.0000	0	0.0
TOTAL FRANCE						90'426'767	16.5
						EUR	
Netherlands							
Koninklijke Philips Electronics	1'313'000	70'161	0	1'383'161	15.5700	25'870'804	4.7
Randstad Holding	683'910	0	0	683'910	23.1750	19'040'015	3.5
TOTAL NETHERLANDS						44'910'819	8.2
						EUR	
Belgium							
Agfa-Gevaert	8'395'255	0	0	8'395'255	1.2900	13'009'847	2.4
Agfa-Gevaert - Strip VVPR	1'225'527	0	0	1'225'527	0.0010	1'472	0.0
Omega Pharma	312'296	0	-312'296	0	0.0000	0	0.0
TOTAL BELGIUM						13'011'319	2.4
						DKK	
Denmark							
GN Store Nord	2'088'082	0	-2'088'082	0	70.8500	0	0.0
TOTAL DENMARK						0	0.0
						GBP	
United Kingdom							
Howden Joinery Group	14'472'018	0	-1'129'222	13'342'796	1.2750	25'307'930	4.6
Kingfisher	5'501'448	125'701	0	5'627'149	2.8740	24'058'845	4.4
Millenium & Copthorne Hotels	1'602'509	314'205	0	1'916'714	4.7900	13'658'168	2.5
TOTAL UNITED KINGDOM						63'024'943	11.5
						GBP	
Ireland							
CRH	820'000	18'743	0	838'743	12.3200	15'372'313	2.8
TOTAL IRELAND						15'372'313	2.8
						JPY	
Japan							
Nissan Motor (short position)	-2'800'000	0	0	-2'800'000	748.0000	-24'878'372	-4.5
TOTAL JAPAN						-24'878'372	-4.5

* Including mergers, splits, reorganizations and repayments

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Inventory of securities as of 30.06.2012 / purchases and sales 01.01.2012 to 30.06.2012

<i>Publicly traded securities</i>	Beginning	Bought*	Sold*	End	Price	Value in CHF	Share in %
USA					USD		
Avis Budget Group	2'228'483	0	0	2'228'483	15.2000	32'160'664	5.9
Cisco Systems	1'836'500	0	0	1'836'500	17.1700	29'938'727	5.4
CA	1'129'559	0	0	1'129'559	27.0900	29'052'936	5.3
Intel	1'415'000	0	-282'500	1'132'500	26.6500	28'655'469	5.2
Boston Scientific	4'639'832	0	-855'000	3'784'832	5.6700	20'375'194	3.7
Newell Rubbermaid	2'009'300	0	-876'000	1'133'300	18.1400	19'518'852	3.6
Kelly Services	1'247'741	0	0	1'247'741	12.9100	15'294'060	2.8
MBIA	1'293'200	0	-1'293'200	0	10.8100	0	0.0
TOTAL USA						174'995'902	31.9
Total Portfolio						546'779'526	99.8
Cash deposits with banks						3'286'299	0.6
Other assets						0	0.0
Total assets on 30.06.2012						550'065'825	100.4
Liabilities						-1'778'161	-0.4
Net assets on 30.06.2012						548'287'664	100.0

* Including mergers, splits, reorganizations and repayments

Organization

Fund management company

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