

CompAM FUND

Société d'Investissement à Capital Variable
(Registre de Commerce et des sociétés
Luxembourg N° B 92.095)

Audited annual report
as at December 31, 2004

This report does not constitute an offer or invitation to subscribe or purchase Shares in this Fund. Subscriptions are valid only if made on the basis of the current Prospectus, accompanied by the latest annual report and the most recent semi-annual report if published thereafter.

TABLE OF CONTENTS

ORGANISATION OF THE SICAV	1
DIRECTOR'S REPORT	3
AUDITOR'S REPORT	22
CompAM FUND – COMBINED	23
Statement of net assets	23
Statement of operations and of changes in net assets.....	24
CompAM FUND – EMERGING MARKETS BONDS	25
Statement of net assets	25
Statement of operations and of changes in net assets.....	26
Changes in the number of shares.....	27
Statistics	27
Statement of investments and other net assets	28
Economic classification of investments	29
Geographical classification of investments.....	29
CompAM FUND – EUROPEAN EQUITY	30
Statement of net assets	30
Statement of operations and of changes in net assets.....	31
Changes in the number of shares.....	32
Statistics	32
Statement of investments and other net assets	33
Economic classification of investments	35
Geographical classification of investments.....	35
CompAM FUND – BOND EURO	36
Statement of net assets	36
Statement of operations and of changes in net assets.....	37
Changes in the number of shares.....	38
Statistics	38
Statement of investments and other net assets	39
Economic classification of investments	41
Geographical classification of investments.....	41
CompAM FUND – EUROPE FLEXIBLE 0/50	42
Statement of net assets	42
Statement of operations and of changes in net assets.....	43
Changes in the number of shares.....	44
Statistics	44
Statement of investments and other net assets	45
Economic classification of investments	46
Geographical classification of investments.....	46

TABLE OF CONTENTS (continued)

CompAM FUND – EUROPE DYNAMIC 0/100	47
Statement of net assets	47
Statement of operations and of changes in net assets.....	48
Changes in the number of shares.....	49
Statistics	49
Statement of investments and other net assets	50
Economic classification of investments	51
Geographical classification of investments.....	51
 NOTES TO THE FINANCIAL STATEMENTS	 52

ORGANISATION OF THE SICAV

BOARD OF DIRECTORS

Chairman

Mr. Massimo Scolari

General Manager
Zenit Alternative Investments S.G.R.

Members

Mr. Yves Bayle

Managing Director
Sella Bank Luxembourg S.A.
(previously Investment Bank
Luxembourg S.A.)
Resigned on February 19, 2004

Replaced by :

Mr. Pietro Tasca

Managing Director
Gestnord Fondi S.G.R. S.p.A.
Appointed on March 23, 2004

Mr. Gabriele Bruera

Director
Compass Asset Management S.A.

Mr. Corrado Capacci

Fund Manager
Compass Asset Management S.A.

Replaced by :

Mr. Sylvain Imperiale

General Manager
Sella Bank Luxembourg S.A.
(previously Investment Bank
Luxembourg S.A.)
Resigned on February 19, 2004

Mrs Grazia Borri

Managing Director
Sella Bank Luxembourg S.A.
(previously Investment Bank
Luxembourg S.A.)
Appointed on March 23, 2004

REGISTERED OFFICE

4, boulevard Royal
L-2449 Luxembourg

PROMOTER

Sella Bank Luxembourg S.A.
(previously Investment Bank Luxembourg S.A.)
4, boulevard Royal
L-2449 Luxembourg

CUSTODIAN AND PAYING AGENT, DOMICILIARY AND ADMINISTRATIVE AGENT, REGISTRAR AND TRANSFER AGENT

Sella Bank Luxembourg S.A.
(previously Investment Bank Luxembourg S.A.)
4, boulevard Royal
L-2449 Luxembourg

ORGANISATION OF THE SICAV (continued)

INVESTMENT ADVISOR

Compass Asset Management S.A.
61, Via San Gottardo
6900 Massagno
Lugano
Switzerland

**CORRESPONDENT BANK, PAYING AGENT, NOMINEE, CENTRALIZATION AGENT AND PLACING
AGENT IN ITALY**

Banca Sella SpA
2, Via Italia
13900 Biella
Italy

AUDITOR

KPMG Audit S.à r.l.
31, allée Scheffer
L-2520 Luxembourg

LEGAL ADVISER

Arendt & Medernach
14, rue Erasme
L-1468 Luxembourg

CompAM Fund - EMERGING MARKETS BONDS

31st of December 2004

The investment strategy of this sub-fund is to generate a net annual return of 200-300 pbs in excess of Euro money market rates.

- The fund invests mainly in bonds issued by emerging markets treasuries. In order to reduce portfolio risks, the average portfolio duration is kept below 18 months at all times and the number of selected countries varies between 10 and 12.
- The fund invests both in hard currency denominated bonds and local currency denominated bonds. In the latter case the currency risk will not usually be covered.
- The fund is also eligible to invest in bonds issued by supranational entities (such as WB, EIB and IBRD) local currency denominated.

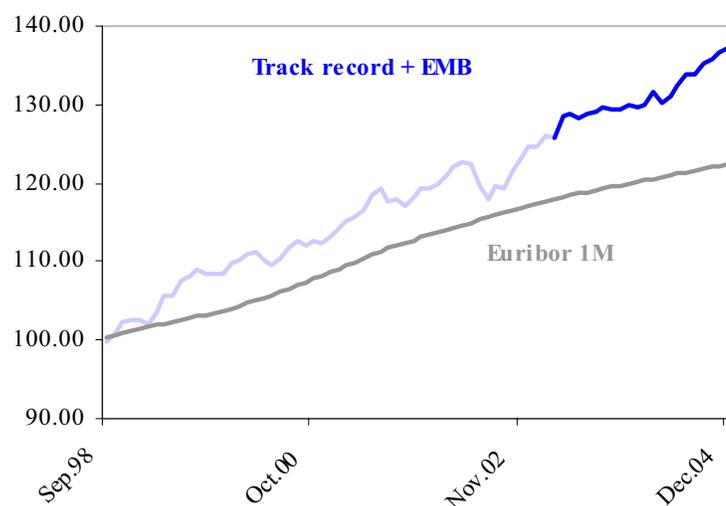
Investment Advisor's track record : Monthly Net Performances

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Euribor 1M
1998									-0.27%	1.36%	1.23%	0.16%	2.49 %	1.19%
1999	0.15%	-0.50%	1.39%	1.93%	0.19%	1.84%	0.39%	0.76%	-0.37%	0.00%	-0.12%	1.22%	7.06 %	2.90%
2000	0.42%	0.67%	0.32%	-1.17%	-0.48%	0.84%	1.29%	0.63%	-0.38%	0.42%	-0.13%	0.80%	3.25 %	4.41%
2001	0.92%	0.68%	0.56%	0.79%	1.65%	0.73%	-1.60%	0.35%	-0.62%	0.90%	0.90%	0.02%	5.35 %	4.35%
2002	0.54%	0.85%	0.84%	0.42%	-0.16%	-2.28%	-1.46%	1.60%	-0.30%	1.89%	1.37%	1.15%	4.47 %	3.34%
2003	0.04%	0.96%	-0.04%	2.08%	0.32%	-0.57%	0.50%	0.18%	0.42%	-0.18%	-0.03%	0.53%	4.25 %	2.39%
2004	-0.23%	0.16%	1.28%	-1.00%	0.61%	1.02%	1.12%	0.09%	0.87%	0.49%	0.70%	0.63%	5.85 %	2.09%

* Data in gray refers to Compass High Yield's track record, data in bold to CompAM Fund – Emerging Markets Bonds.

Performance Graph

Statistics*



Current Nav	1082.897
Average Return p.a.	4.66%
Best month	1.28%
Worst Month	-1.00%
Standard Deviation	2.00%
Sharpe Ratio 3%	0.83
% Positive Months	76.19%
Drawdown	-1.00%

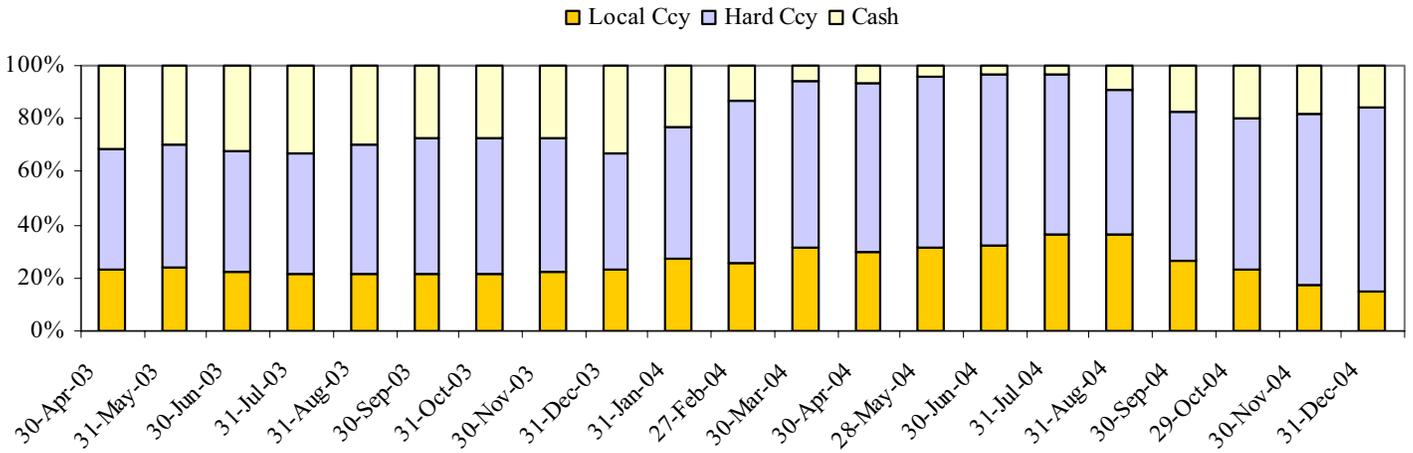
*Calculated from the Sicav's Inception date (April 2003).

Fund's Features

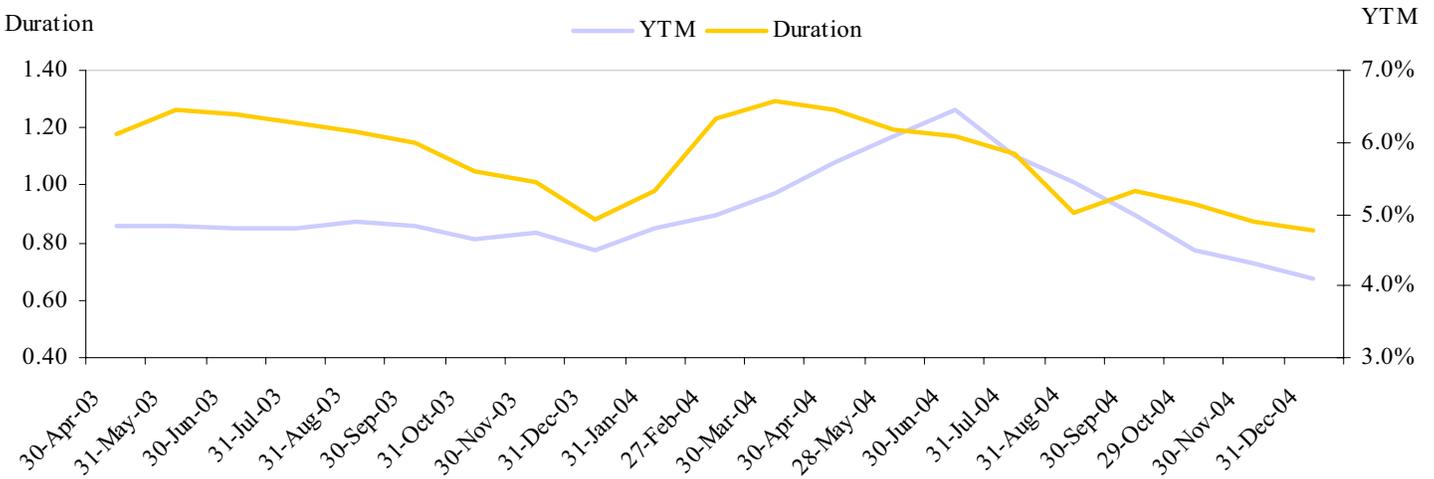
- ✓ Inception date: April 2003
- ✓ Luxembourg Sicav
- ✓ Bonds Long biased
- ✓ Daily Liquidity
- ✓ Euro denominated
- ✓ Minimum investment: Euro 5.000
- ✓ AUM: 19'876'000 Euro
- ✓ Advisor fee: 0.75%
- ✓ Placing Agent fee: 0.75%
- ✓ Performance fee: 10%
- ✓ Up-front fee: 0-3%
- ✓ Advisor: Compass Asset Management
- ✓ Bloomberg: CAFEMBD LX
- ✓ Isin: LU0164978511

www.compamfund.com

Portfolio Composition

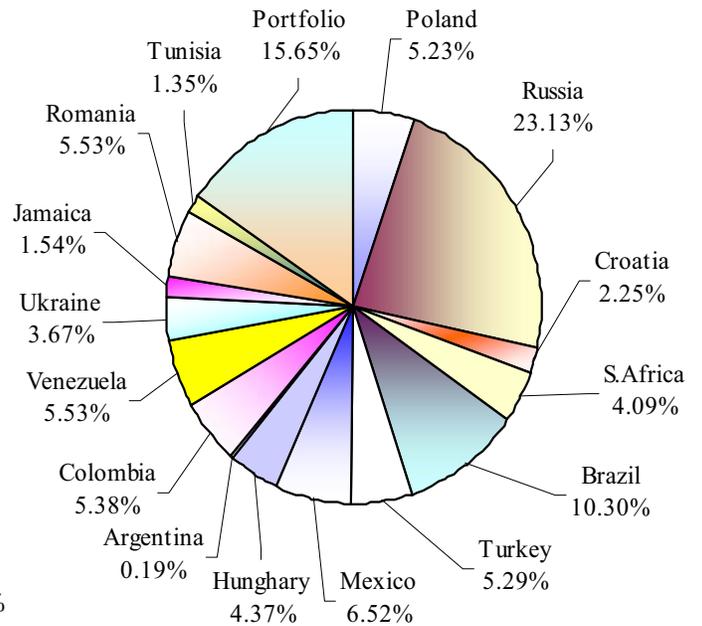
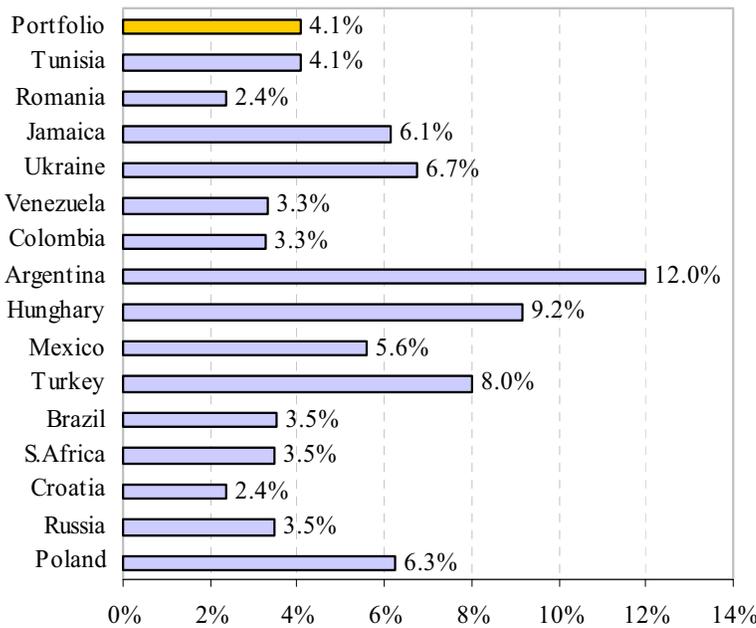


Portfolio YTM & Duration



Average Country YTM

Country Weight



The returns shown above are net of the management and performance fees, as well as all other costs and expenses and include the reinvestment of dividends, interests and capital gains. The investment strategy of CompAM FUND – Emerging Markets Bonds does not target to replicate or "benchmark" any index. There is no guarantee that past results will be replicated in the future, nor that targets can be met and losses can be avoided. This publication is distributed upon request for pure information purposes and does not constitute an offer or a solicitation of investment.

Emerging Markets Bonds

December 2004 monthly commentary

December has been a rather positive month for fixed income markets: 10 years government bond yields declined both in Europe, to 3.68%, and in United States, to 4.22%.

In this context the fund returned a positive 0.66% in December bringing the performance for the full year to 5.85%, substantially above the Investment Advisor declared target for 2004.

The whole 2004 has been a very positive year for all fixed income assets. Nevertheless this generous outcome was not in the cards at the beginning of the year. Many market players, including our Investment Advisor, were expecting a tough year for bonds due to the likely implementation of restrictive monetary policies by major central banks (excluding Bank of Japan). This has partially happened with the Fed rising rates for five consecutive times for a total of 125 basis points, while the ECB did not move. Few weeks before the Fed first hike, 10 years government bond yields took a dive both in United States and Europe reaching the year high in June of 4.87% and 4.45% respectively: at that time many investors, including again -and unfortunately- our Investment Advisor, were ready to bet on a repeat of 1994 when the Fed had to embark on a massive tightening policy (300 basis points over a 12 months period) which led to the worst year of performance in modern bond market history. Riskier asset classes experienced rough times too, such as emerging market debt, which lost over 10% (as measured by IGOV index) over a few market sessions. Then several disappointing job reports in United States followed, oil climbed to an all time high of 52.39 (London Brent) and USD resumed its downward trend, especially versus Euro. Fears of an overheating of United States economy receded, while world economy had to cope with ballooning oil prices and Europe with a strong and possibly overvalued Euro. As a consequence 10 years government bond yields resumed a downward trend, with yields in Europe reaching a low of 3.52% in December (very close to the all time low of 3.43% established in June 2003) and government bond yield curves flattening considerably (especially in United States). Riskier asset classes recovered as well with emerging market debt posting a remarkable year performance of 11.8%.

During December, as was the case across the entire year, it was the local currency section of portfolio to contribute to most of the monthly performance. The Polish Zloty gained a further 2.8% versus its old basket (45% USD, 55% Euro). This brings the currency performance for the full year to 16.1% and to 20% since its deep in April 2004. The Hungarian Forint was basically unchanged versus Euro during December, but its performance for the full year has been a positive 6.9%. The Mexican Peso was unchanged in December versus USD while the Turkish Lira appreciated by 6.15%: both

CompAM Fund

Société d'Investissement à Capital Variable

4, boulevard Royal

L-2446 Luxembourg

currencies did not gain versus USD throughout the year but delivered a very generous carry (close to 8% for MXN and to 20% for TRY).

By year-end the local currency section of portfolio was accounting for 15% of total net assets, after having reached a high of 35.9% during the months of July and August. The weight was subsequently gradually reduced as we took profits as local currency kept strengthening versus Euro and USD.

Local currencies were a key contributor to the fund returns in 2004 and the major cause for the substantial over-performance vis-à-vis the fund target return of about 200 hundred basis points above Euro area money market rates.

As far as the hard currency section of portfolio is concerned, the fund benefited only marginally from the conspicuous spread tightening that all major emerging market credits experienced in 2004. This had to do mainly with the very short duration of portfolio holdings (the fund cannot have, according to its prospectus, a portfolio duration in excess of 24 months) and with already very tight spreads at the short end of major emerging market credit curves.

The fund portfolio did not go through significant changes in December except for the closing, at the beginning of the month, of half the position in Mexican Peso where we took profit. Besides, we used some of the cash in portfolio to purchase Croatia 7.375% 2006, Venezuela 10.5% 2005, Brazil 9% 2005 and South Africa 6.75% 2006.

At year-end cash was accounting for 15.6% of total assets, portfolio duration was 0.85 years and portfolio yield to maturity 4.1%.

Outlook

It is the Investment Advisor belief that this year ideal conditions -still ample global liquidity, strong global growth, low inflation and continue search for yield across fixed income markets- for emerging market debt are unlikely to continue through 2005.

While emerging economies fundamentals improved in 2004 and additional improvements are expected in 2005, the Investment Advisor thinks that, with external debt spreads hovering around all-times tights, local markets should offer better opportunities in 2005. Underscoring the Investment Advisor bullish view on local markets is the confluence of significantly stronger BOP positions, the expectation that inflation is under control, impressive reserve positions, still high nominal and real interest rates and increasing credibility of many emerging markets central banks in managing monetary policy.

The Investment Advisor thinks that local markets in Poland, Turkey, Romania (when finally accessible, hopefully from April 2005) and Mexico do offer good investment opportunities.

As far as external debt is concerned, the Investment Advisor believes that Russia and especially Brazil do still offer some tightening potential in 2005.

CompAM Fund

Société d'Investissement à Capital Variable

4, boulevard Royal

L-2446 Luxembourg

Risks do lie ahead anyhow and come from outside the asset class. The main risk is a decline in global demand for risk, which, in turn, could arise from an abrupt move in UST yields, a USD crash that destabilizes global markets or a hard landing in China.

Gabriele Bruera

CompAM Fund - EUROPEAN EQUITY

31st of December 2004

- The fund invests in shares listed on the European markets or issued by European companies.
- Investments are driven by a bottom-up approach. For each stock an appropriate buy/sell level is determined and positions are cumulated/reduced accordingly. These levels are reassessed based upon the company news flow and the changing market conditions. Consequently the fund's sector exposure will usually deviate from the market indexes that the fund does not target as a benchmark.
- Active portfolio rotation as a consequence of relative valuations.
- Occasional investments in the US market (<20% of the fund) and in bonds.
- Position weighting is a function of liquidity and potential appreciation.
- Stock selection based on fundamentals such as:
 - Cash flow generation.
 - Sustainability of financial leverage.
 - Tangible asset value.
 - Competitive positioning in the industry.
 - Growth options (endogenous or via acquisitions).
 - Corporate governance.
- Discretionary hedging of market risk.

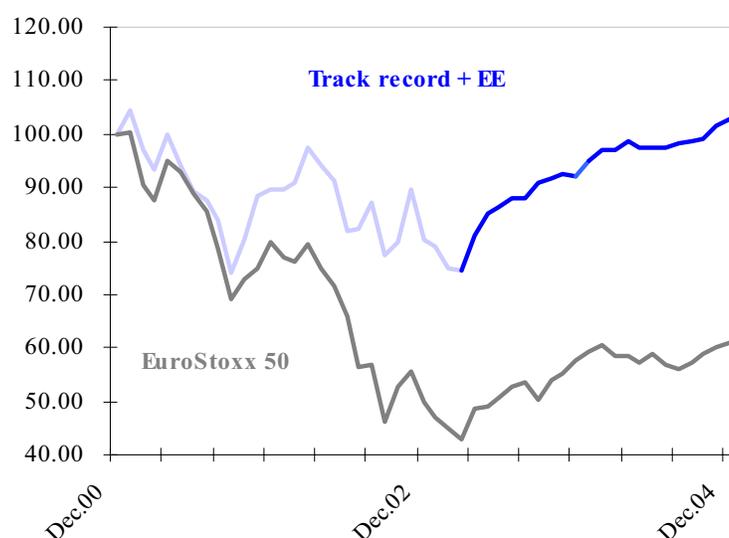
Investment Advisor's track record : Monthly Net Performances

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Euro s to xx 50
2001	4.34%	-6.92%	-4.04%	7.06%	-5.52%	-5.16%	-1.92%	-4.29%	-11.71%	8.35%	9.90%	1.43%	-11.76 %	-20.25%
2002	0.32%	1.35%	6.93%	-3.12%	-3.17%	-10.36%	0.51%	6.02%	-11.36%	3.25%	12.36%	-10.70%	-10.54 %	-37.30%
2003	-1.45%	-5.45%	-0.56%	9.13%	5.01%	1.47%	1.88%	-0.26%	3.50%	0.83%	0.96%	-0.82%	14.79 %	15.68%
2004	3.33%	1.97%	0.04%	1.99%	-1.23%	-0.24%	-0.29%	1.26%	0.36%	0.87%	1.82%	2.27%	12.73 %	6.90%

* Data in gray refers to Compass Macro's track record, data in bold to CompAM Fund - European Equity.

Performance Graph

Statistics*



Current Nav	1356.346
Average Return p.a.	18.09%
Best month	9.13%
Worst Month	-1.23%
Standard Deviation	8.36%
Sharpe Ratio 3%	1.80
% Positive Months	72.73%
Drawdown	-1.76%

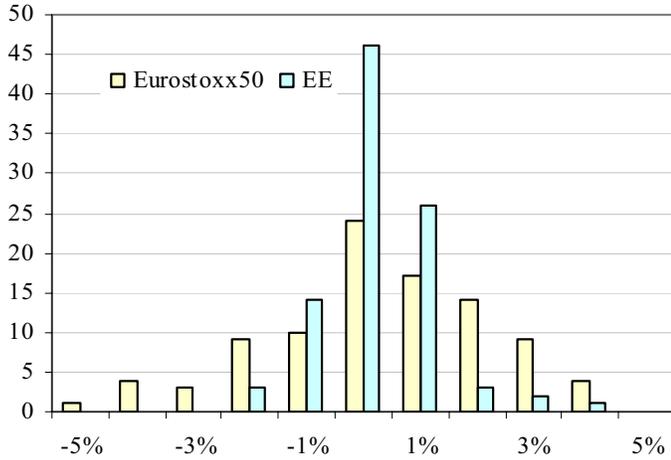
*Calculated from the Sicav's Inception date (April 2003).

Fund's Features

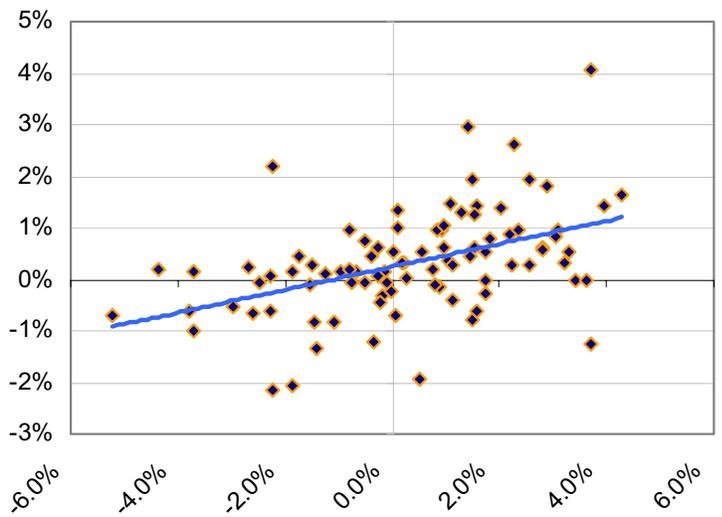
- ✓ Inception date: April 2003
- ✓ Luxembourg Sicav
- ✓ European Equity long biased
- ✓ Daily Liquidity
- ✓ Euro denominated
- ✓ Minimum investment: Euro 5.000
- ✓ AUM: 20'692'619 Euro
- ✓ Advisor fee: 1.00%
- ✓ Placing Agent fee: 1.00%
- ✓ Performance fee: 10%
- ✓ Up-front fee: 0-3%
- ✓ Advisor: Compass Asset Management
- ✓ Bloomberg: CAFEUEG LX
- ✓ Isin: LU0165045302

www.compamfund.com

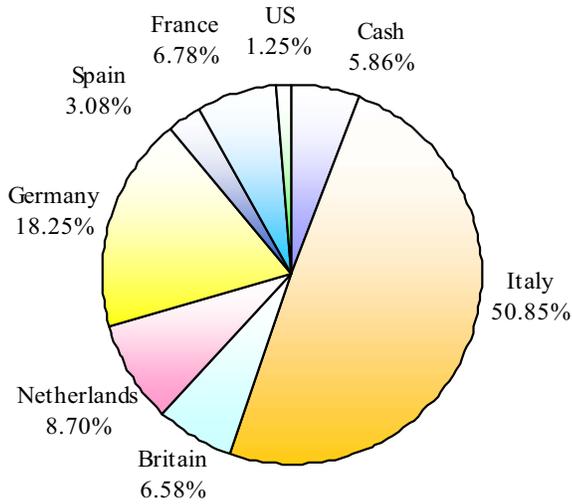
Distribution of weekly Returns



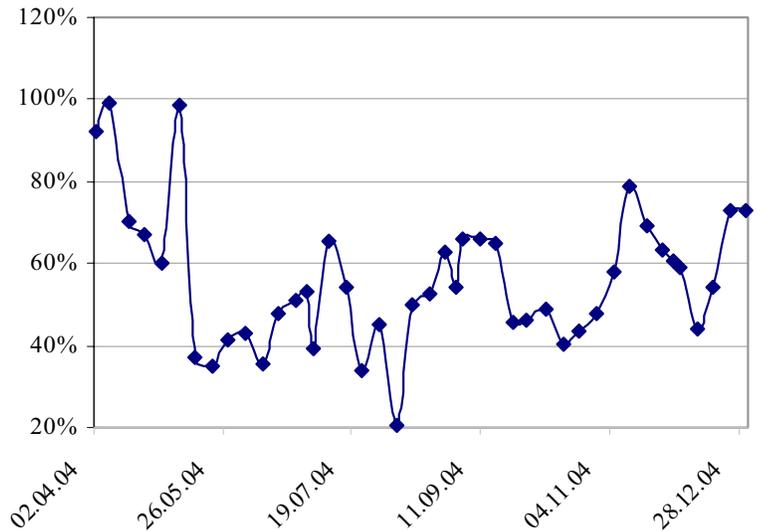
Weekly Returns (Eurostoxx50 X/ EE Y)



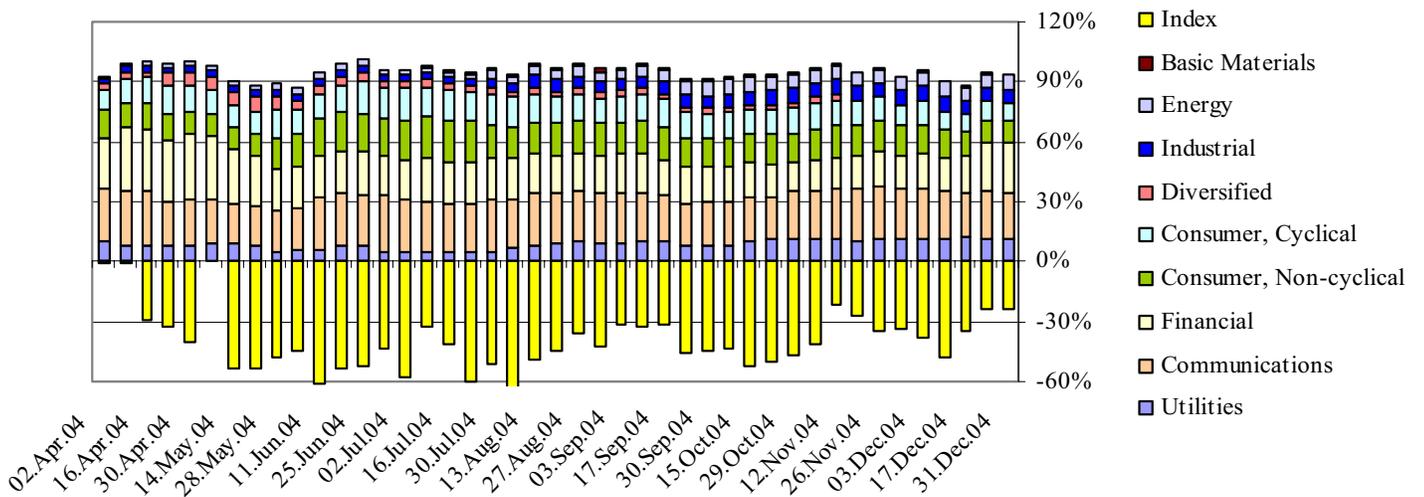
Country Allocation



Net Exposure (includes delta adjusted options)



Sector Exposure (includes delta adjusted options)



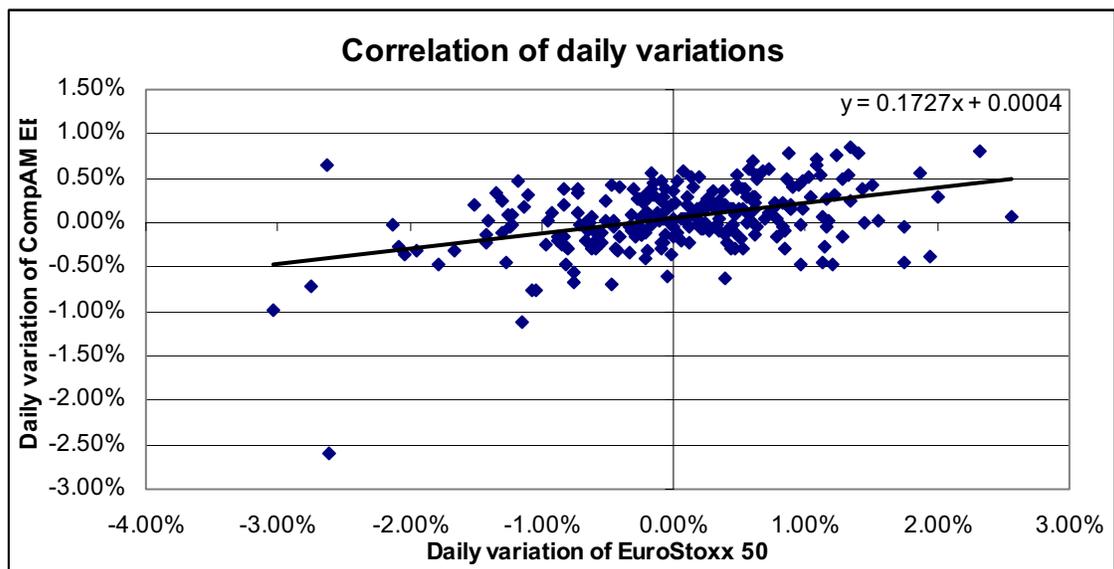
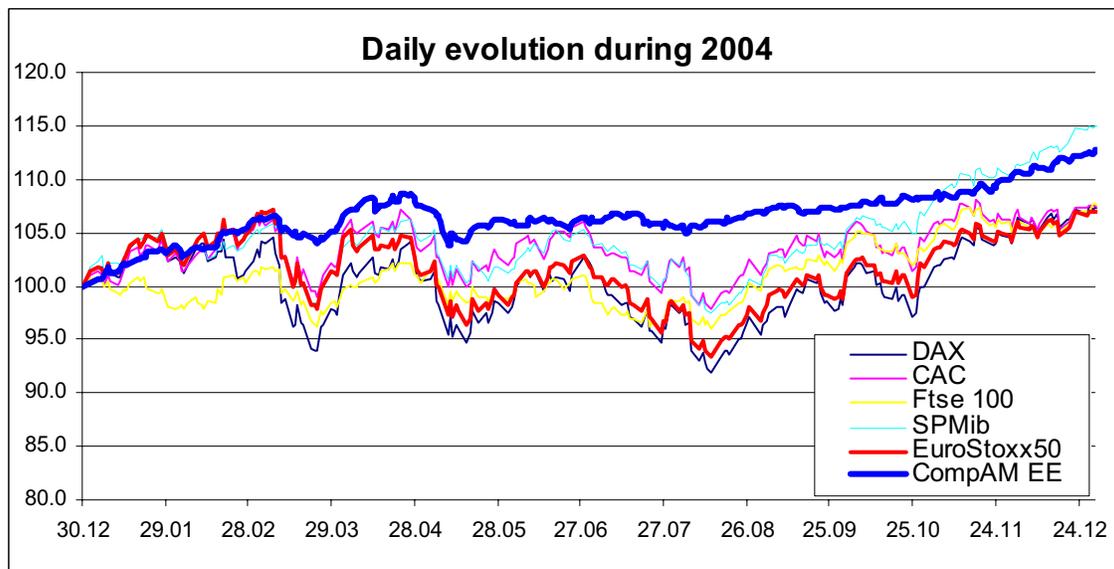
The returns shown above are net of the management and performance fees, as well as all other costs and expenses and include the reinvestment of dividends, interests and capital gains. The investment strategy of CompAM FUND – European Equity does not target to replicate or "benchmark" any index. There is no guarantee that past results will be replicated in the future, nor that targets can be met and losses can be avoided. This publication is distributed upon request for pure information purposes and does not constitute an offer or a solicitation of investment.

European Equity

December 2004 monthly and year end commentary

During the month of December the fund gained 2.27%, not too far away from the Eurostoxx50 index that gained of 2.60%. During the whole of 2004 the fund gained 12.73% against a gain of 6.90% for this index, surely not the best in Europe this year (the Dax gained 7.3%, the Cac 7.4%, the Ftse 7.5%, the S&PMib 14.9%).

Low volatility and low correlation with the stock markets indexes have continued in December contributing to establish our track record of alpha generation. The chart below shows the performance of our fund vis a vis several indexes during 2004.



CompAM Fund

Société d'Investissement à Capital Variable

4, boulevard Royal
L-2446 Luxembourg

The following table recaps the monthly and quarterly results for the fund vis a vis the EuroStoxx 50.

Period	CompAM EE	EuroStoxx 50
Jan.04	3.33%	2.84%
Feb.04	1.97%	1.90%
Mar.04	0.04%	-3.65%
Q1 2004	5.417%	0.972%
Apr.04	1.99%	0.00%
May.04	-1.23%	-1.82%
Jun.04	-0.24%	2.71%
Q2 2004	0.481%	0.846%
Jul.04	-0.29%	-3.24%
Aug.04	1.26%	-1.81%
Sep.04	0.36%	2.08%
Q3 2004	1.329%	-3.016%
Oct.04	0.87%	3.13%
Nov.04	1.82%	2.30%
Dec.04	2.27%	2.60%
Q4 2004	5.033%	8.251%
FULL YEAR	12.73%	6.90%
Volatility	5.87%	14.81%

Amongst the gainers during the month of December we highlight TIM, KPN, Autostrade, Pirelli&C, Cairo Communications, Aberdeen Asset Management, Enagas, Snam Rete Gas, Deutsche Telekom, Seat Pagine Gialle, Marzotto, Azimut, Fondiaria Sai.

On the negative side there was no visible impact from individual stocks, but the hedges with futures and options cost us about 100 basis points during the month.

Taking a look at the whole of 2004 we can attribute a remarkable performance contribution to Snam Rete Gas, Tim, Autostrade Torino-Milano, Autostrade Spa, Erg, ASF, Marzotto, KPN, Hera, Deutsche Telekom, Aberdeen Asset Management, MMo2, Telegate and the Parmalat bonds while the individual position where we lost relevant amount of money were Banca Fideuram and Seat Pagine Gialle. Our hedging with futures and options cost us about 550 basis points during 2004; this is obviously the result of a generally rising trend in the markets, but with a net effect of smoothing out the performance of the fund as shown by the chart above.

During December we modified quite a bit the portfolio; over the last few months we had added several new positions, and we did an effort of re-focusing it by closing several positions that became too small after having been gradually reduced (Campari, Cofide, Tod's, Banca Fideuram, Erg) or that were showing an insufficient risk/reward after the remarkable appreciation (Socoterm, Autostrade Torino Milano, Sias, Italmobiliare Rnc, Suez, Tim, Renault) or where we simply decided to stop out a poor performance (Wessanen, Gamesa).

CompAM Fund

Société d'Investissement à Capital Variable

4, boulevard Royal

L-2446 Luxembourg

We reduced existing positions in Cementir (initiating at the same time a position in its holding Vianini Lavori), in Marzotto, in Enagas and in Autostrade, while we added to the positions in Meta, Totalfina, Eni and Azimut, ASF, Fondiaria Sai, L'Espresso, Deutsche Telekom.

New lines were opened in Alleanza, ABN Amro, Cairo Communications, Allianz and Bayer, while we switched out of Pirelli&C. into the Pirelli&C. savings shares (increasing the resulting position later during the month) and part of our (small) position in Fiat in the Fiat Saving shares.

During the whole of 2004 the total value of transactions of the fund (purchases and sales) was 4.06 times the average end-of-week assets, with an average cost of 6.2 basis points (0.062%), i.e. a total transaction cost of 0.25%. In addition the fund incurred in the commission cost for the future and options hedging with a negative impact of 0.27% (already included in the cost for hedging mentioned above). The portfolio turnover was higher than we thought at the beginning of the year, partially a reflection of the constantly increasing size of the fund and of the several swings that the equity markets witnessed during 2004.

The largest positions in the fund as of December 31st were (in decreasing order of weight) Deutsche Telekom, KPN, Snam Rete Gas, Deutsche Boerse, Pirelli&C. savings, Azimut, Fondiaria Sai, ASF, ENI, Totalfina, Autostrade, ABN Amro and Telegate.

What we learned in 2004

In reviewing our Investment Advisor's recommendations, our investment decisions and the consequent results during 2004 we can draw at least 3 good lessons.

To begin with, we have learned that one should never fall in love with a specific investment; in the face of a strong performance, no matter how favourable the risk reward continues to be, a position should at least be reduced in order to rebalance its weight in the portfolio. We have learned this with our investment in Man Group that had a spectacular performance up to mid April, becoming at one moment the largest position in the fund because of its appreciation, to reverse all the gains into losses later during the year. Our Investment Advisor has continued to advocate the strong investment rationale for this position, but, not having reduced the position at the right moment, we ended up reducing it for risk management discipline in the worst moment.

The second lesson was taken with the investments in Banca Fideuram and Seat, the only two that gave us a remarkable negative contribution during the year. In both instances we took our analysis too seriously, notwithstanding a clear message from the markets that it was not yet the right moment. Again we were forced by risk management discipline to cut or reduce the positions at, or near to, the worst moment.

Lastly we learnt not to play with the so-called "investor's utility function". It happened on Monday May 10th that we lost 2.5% in one day. The weekend between May 7th and May 10th was the only one in the year that we spent with no hedging at all; this decision was taken because there was a distinct possibility of a market rebound and we were coming from a period of excellent relative performance with virtually no "recent" investors. In other words we thought that, having already delivered a good performance

CompAM Fund

Société d'Investissement à Capital Variable

4, boulevard Royal

L-2446 Luxembourg

to the existing investors, we could afford taking an unusual risk to try to further improve this result. As a consequence the correlation chart in the first page of this comment shows a point in the bottom left corner that we would rather not display.

Looking back at the previous years of our Investment Advisor's track record we can see (with our insider's knowledge) a clear improvement in the investment strategy that has become more and more a true (moderate volatility) absolute return in long-only equities. While we would rather hope that the generally rising trend that we witnessed in the last 21 months continues, facilitating the generation of positive returns, we will not be scared should things turn for the worse at some point during 2005.

Outlook

Setting an outlook for the year is always a challenging task. This is specially true at this junction when there are several "scare factors" still around (please look at our October newsletter) while a permanently abundant liquidity keeps pushing the markets up.

Some more risks could be on their way. Just one example: after the weak US Dollar has been a major drag to the performance of European indexes in 2004, we could ask ourselves if a rising greenback would necessarily be a positive factor in 2005. There are good reasons to think it may not; for instance the cost of energy would go up, the flow of financial investments may reverse back from Europe to the US and inflation might edge up, dragging interest rates alongside.

So at the moment we do not have a "strategy for 2005". In actual facts our strategy is "not to have a strategy"; we will simply focus on bottom-up stock picking, pay more and more attention to portfolio management and purchase insurance against market declines given that implied volatilities are, in our opinion, the cheapest asset one can buy today.

Corrado Capacci, January 6th 2005.

CompAM Fund - BOND EURO

31st of December 2004

The investment objective of this sub-fund is to offer to the investor an annual net return of 200-300 bps above money market rates.

The investment strategy is based on:

- Dynamic management of interest rate risks.
- At least 40% invested in Governmental bonds, Supranational or Corporate AAA.
- No more than 20% invested in emerging markets bonds or non-investment grade bonds.
- Credit risk diversification.

The investment process is based on:

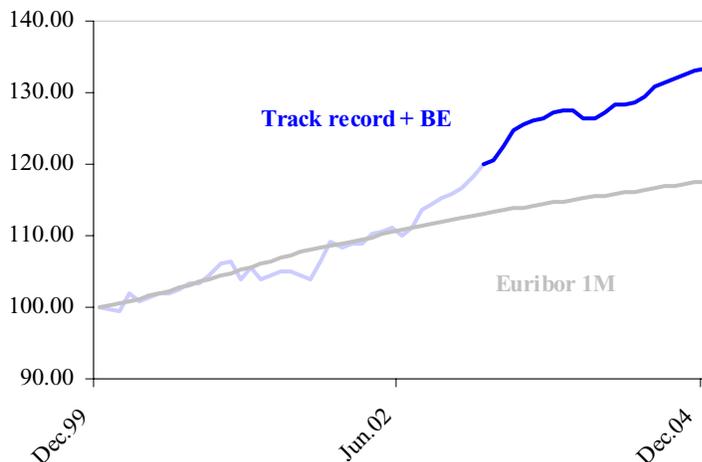
- Yield curve analysis, carry and roll down analysis.
- Selection of issuers with stable or improving credit profile.
- Monitoring of selected issuer's newsflow.
- Allocation constrained by the parameters described above.
- No more than 10% in one single issuer (except for Governments or Supranationals).

Investment Advisor's track record : Monthly Net Performances

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Euribor 1M
2000	-0.16%	-0.39%	2.52%	-1.21%	0.65%	0.55%	0.02%	0.56%	0.84%	-0.09%	1.23%	1.43%	6.05%	4.41%
2001	0.37%	-2.30%	1.56%	-1.65%	0.65%	0.40%	-0.06%	-0.54%	-0.44%	2.48%	2.54%	-0.88%	2.03%	4.35%
2002	0.63%	0.11%	1.09%	0.44%	0.51%	-1.23%	1.25%	2.22%	0.65%	0.80%	0.43%	0.64%	7.76%	3.34%
2003	1.49%	2.04%	0.46%	0.89%	1.86%	0.79%	0.23%	0.37%	0.64%	0.20%	-0.02%	-0.74%	8.48%	2.39%
2004	0.00%	0.68%	0.82%	-0.07%	0.33%	0.59%	1.12%	0.43%	0.41%	0.31%	0.44%	0.31%	5.51%	2.09%

* Data in gray refers to Compass' private clients accounts track record, data in bold to CompAM Fund – Bond Euro.

Performance Graph



Statistics*

Current Nav	1100.045
Average Return p.a.	5.60%
Best month	1.86%
Worst Month	-0.74%
Standard Deviation	1.78%
Sharpe Ratio 3%	1.46
% Positive Months	80.95%
Drawdown	-0.76%

*Calculated from the Sicav's Inception date (April 2003).

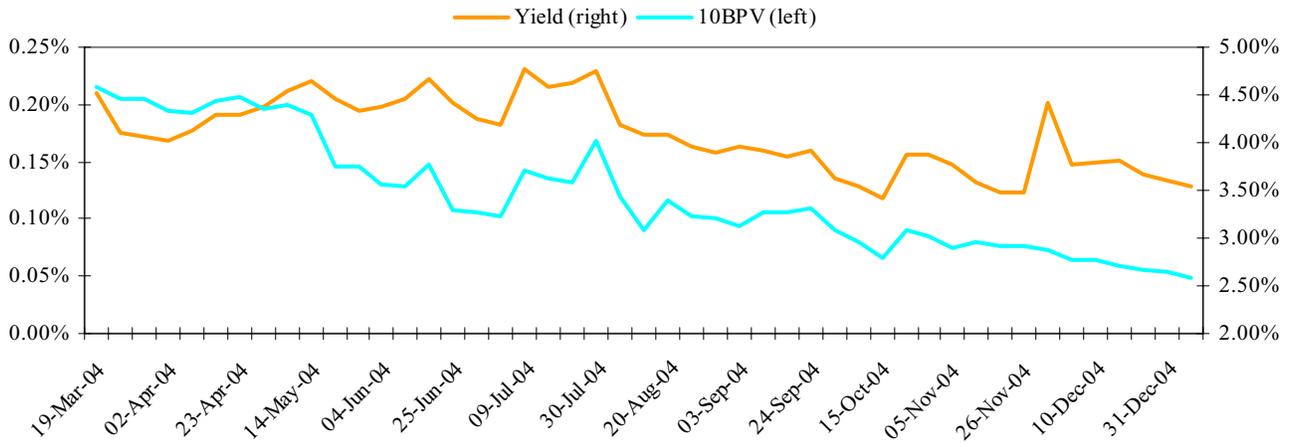
Fund's Features

- ✓ Inception date: April 2003
- ✓ Luxembourg Sicav
- ✓ Bonds Long biased
- ✓ Daily Liquidity
- ✓ Euro denominated
- ✓ Minimum investment: Euro 5.000
- ✓ AUM: 53'271'000 Euro

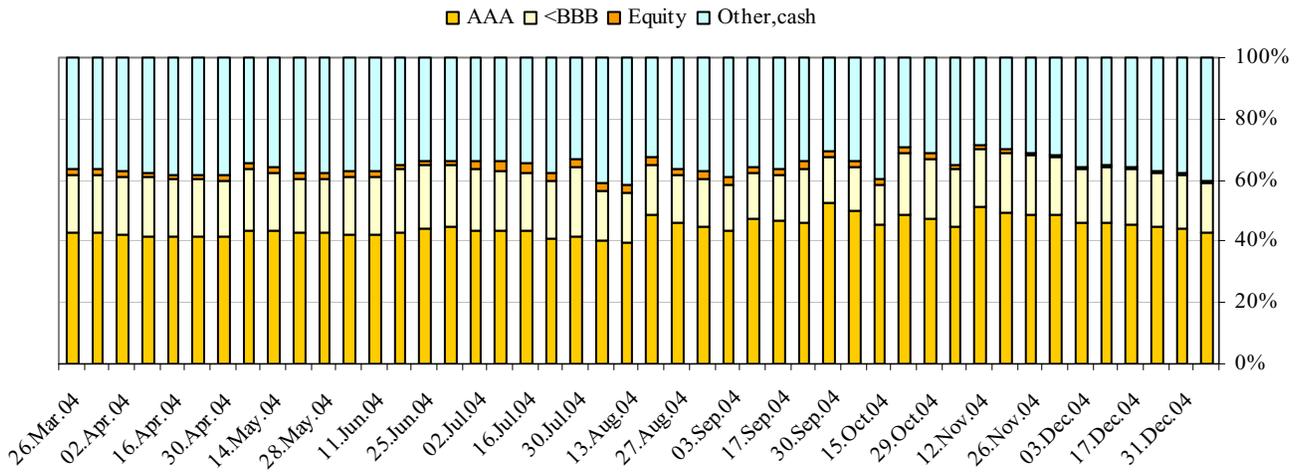
www.compamfund.com

- ✓ Advisor fee: 0.50%
- ✓ Placing Agent fee: 0.50%
- ✓ Performance fee: 10%
- ✓ Up-front fee: 0-3%
- ✓ Advisor: Compass Asset Management
- ✓ Bloomberg: CAFBDEU LX
- ✓ Isin: LU0164978867

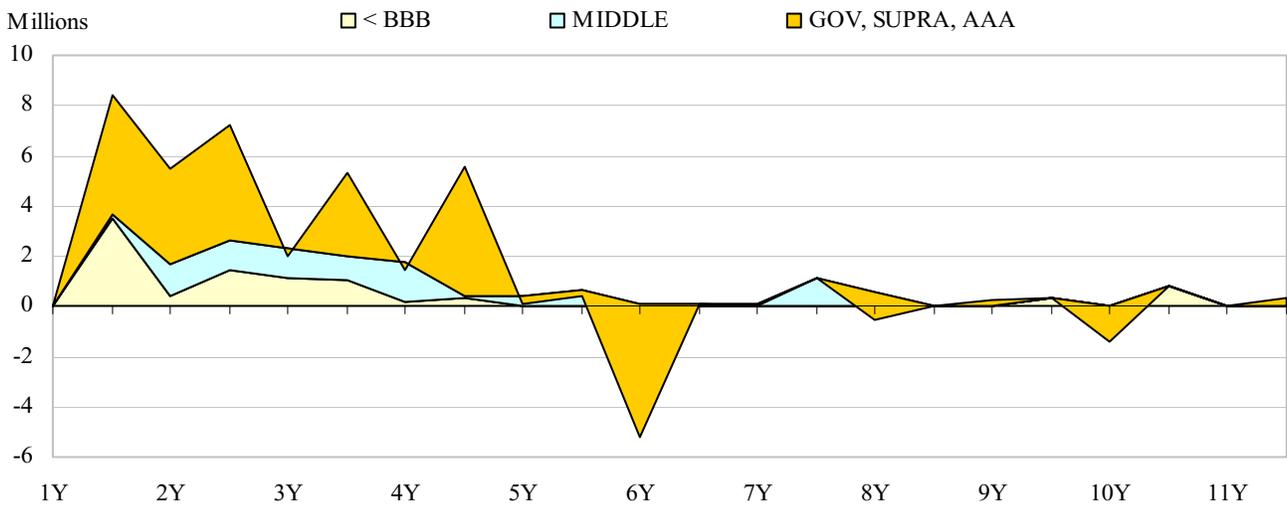
Yield to Maturity and Value 10Bpv



Portfolio Composition



Cash Flow Timeline with hedging



The returns shown above are net of the management and performance fees, as well as all other costs and expenses and include the reinvestment of dividends, interests and capital gains. The investment strategy of CompAM FUND – Bond Euro does not target to replicate or "benchmark" any index. There is no guarantee that past results will be replicated in the future, nor that targets can be met and losses can be avoided. This publication is distributed upon request for pure information purposes and does not constitute an offer or a solicitation of investment.

Bond Euro

December 2004 and year end commentary

December has been a rather positive month for fixed income markets: 10 years government bond yields declined both in Europe, to 3.68%, and in United States, to 4.22%.

In this context the fund returned a positive 0.31% in December bringing the performance for the full year to 5.51%, substantially above the Investment Advisor declared target for 2004.

The whole 2004 has been a very positive year for all fixed income assets. Nevertheless this generous outcome was not in the cards at the beginning of the year. Many market players, including our Investment Advisor, were expecting a tough year for bonds due to the likely implementation of restrictive monetary policies by major central banks (excluding Bank of Japan). This has partially happened with the Fed rising rates for five consecutive times for a total of 125 basis points, while the ECB did not move. Few weeks before the Fed first hike, 10 years government bond yields took a dive both in United States and Europe reaching the year high in June of 4.87% and 4.45% respectively: at that time many investors, including again -and unfortunately- our Investment Advisor, were ready to bet on a repeat of 1994 when the Fed had to embark on a massive tightening policy (300 basis points over a 12 months period) which led to the worst year of performance in modern bond market history. Then several disappointing job reports in United States followed, oil climbed to an all time high of 52.39 (London Brent) and USD resumed its downward trend, especially versus Euro. Fears of an overheating of United States economy receded, while world economy had to cope with ballooning oil prices and Europe with a strong and possibly overvalued Euro. As a consequence 10 years government bond yields resumed a downward trend, with yields in Europe reaching a low of 3.52% in December (very close to the all time low of 3.43 established in June 2003) and government bond yield curves flattening considerably (especially in United States).

During December the fund performance was helped by the comeback of Impregilo while, given the full hedging of the interest rate risk, we did not participate at all in the further rise of bond prices.

Looking at the whole of 2004 it was the sub-investment grade section of the portfolio to contribute most to the performance with particular highlight on the Parmalat bonds and several other Italian names (Ventaglio, Impregilo, Lucchini, Reno de Medici). Other names deserving to be mentioned are Jazztel, MCI and Gazprom.

In the "middle section", i.e. those names that are neither AAA nor sub Investment Grade, the name that stands out most is Cir. Please take a little of your time to go on www.compamfund.com and retrieve last year's December newsletter for this fund. At that time (following the Parmalat scandal) an analysis of this issuer was carried out to assess that this bond was certainly a great opportunity for 2004. It turned out that starting

CompAM Fund

Société d'Investissement à Capital Variable

4, boulevard Royal

L-2446 Luxembourg

from a price of about 98 it closed the year at 111, delivering a total return of more than 19%. Within this portfolio section, another name worth mentioning is the investment grade rated issue of Gazprom.

Hedging with Bund, Bobl, and Treasury note futures cost us about 0.9% during 2004, and certainly our Investment Advisor's view on the interest rate curve was far too prudent.

Finally our small equity investments (restricted by our investment policy to regulated utility and merger arbitrage on cash takeovers, i.e. pure fixed income proxies) delivered a positive contribution of 42 basis points, mostly coming from the 1% position in Snam Rete Gas and to a much smaller extent from the merger arbitrage on AT&T Wireless.

Outlook

It is the Investment Advisor belief that the current market conditions -still ample global liquidity, strong global growth, low inflation and continue search for yield across fixed income markets- are unlikely to continue through 2005.

Moreover, risks do lie ahead. The main one is a decline in global demand for risk, which, in turn, could arise from an abrupt move in UST yields, a USD crash that destabilizes global markets or a hard landing in China. Should the world economy continue on its moderate growth path, sooner or later the interest rate curves ought at least to become steeper in order to price in a more "normal" monetary policy in the years to come. Finally should fears of resurgence in inflation come back into the market's mind, both the credit and interest rate curves will suffer substantially. Given the current low level of both nominal and real rates and very tight spreads across the whole spectrum of fixed income assets, the decline could be a steep and turbulent one.

Corrado Capacci

Gabriele Bruera

CompAM FUND

DIRECTOR'S REPORT

CompAM FUND – EUROPE FLEXIBLE 0/50

In December 2004, looking back to the Sub-Fund's past performances, the Board of Directors of CompAM decided that the investment strategy implemented from November 2003 till that day was inadequate and not accurate to give to the investors an attractive risk/reward investment profile.

Since the Information memorandum of this sub-fund allows a high degree of flexibility, the Board of Directors re-directed the investments towards a new strategy, investing in fixed income markets with the idea of offering a more rewarding (and obviously risky) investment opportunity than the two other fixed income sub-funds.

During November-December, we informally notified all the investors that from January 2005 CompAM Europe Flexible 0/50 Sub-Fund would be managed according to this new investment strategy, giving them time to redeem or stay within the fund if they liked to do so.

We are planning, during the course of 2005 to re-label the Fund in order to have a more transparent description of the investment strategy.

CompAM FUND

DIRECTOR'S REPORT

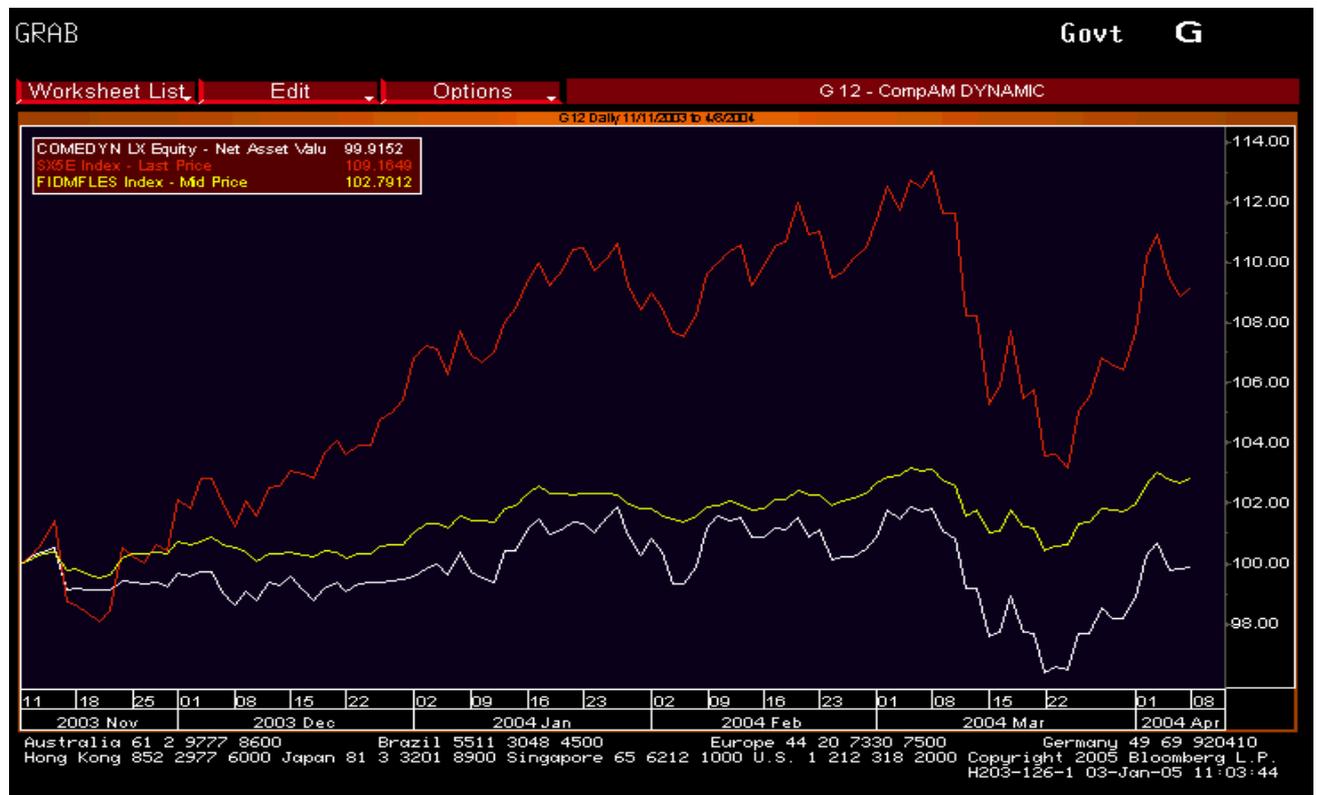
CompAM FUND – EUROPE DYNAMIC 0/100

At the beginning of the year the fund's strategy was essentially based on market timing of selected sectors. As the market timing strategy on single stocks was considered inefficient we created a basket of 6 stocks chosen with a qualitative approach.

After the first 6 month fund's life, thus in April/May of 2004, the performance attribution analysis has demonstrated that part of the negative performance was due to a wrong timing, (-2.2%) compared to the DJ Eurostoxx 50 index. The other significant part of the negative performance (-2.4%) was due to the inadequate stock picking.

While the fund's negative performance caused by the market timing was justified by a sudden market drop, in March -8.6% in 18 days and in May -7.8% in 24 days, the negative performance caused by the stocks selection was unjustified.

On the graph below you may see how the selected stocks underperformed the market.



We worked then to optimize the automatic stocks selection process, implementing a methodology where the single stock relative strength is related to its industry index.

The same methodology was applied in order to choose the best performing sectors compared to the general index (in this case the DJ Eurostoxx 300).

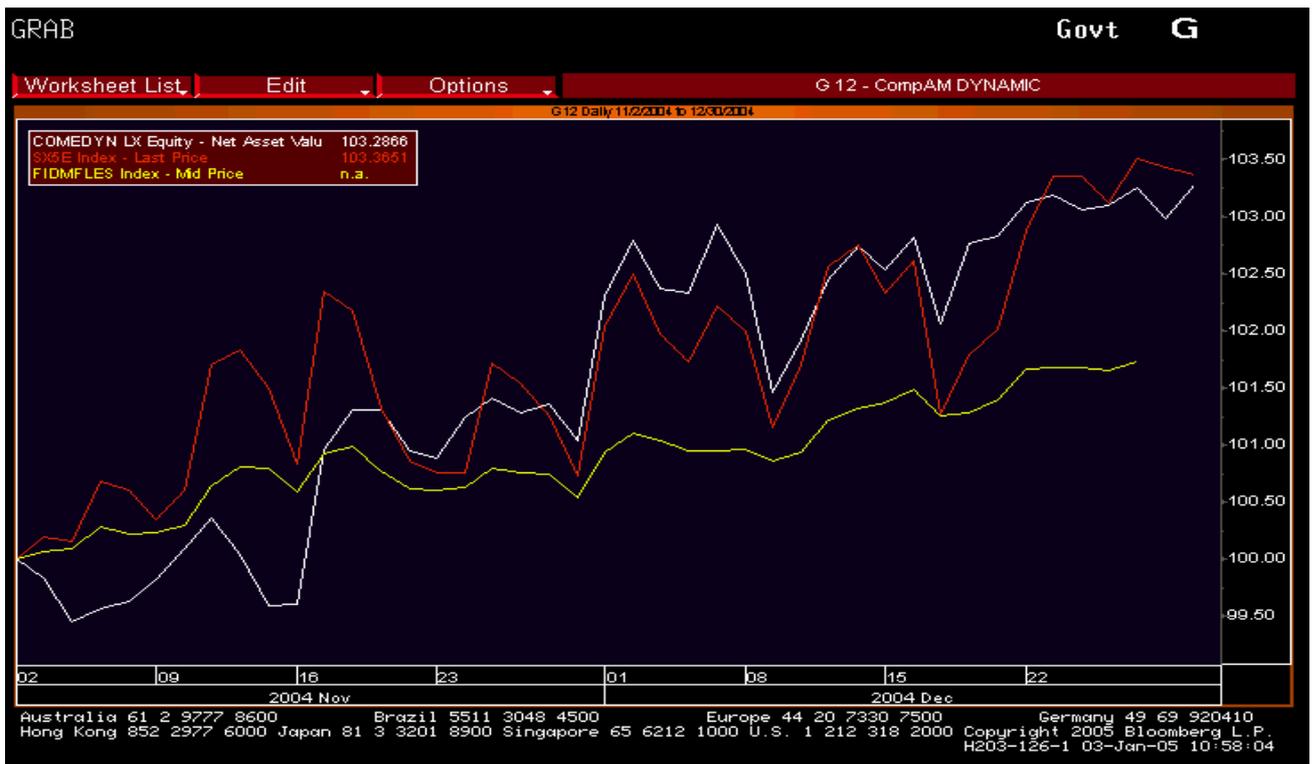
The new methodology has certainly represented a step forward comparing to the previous approach. In fact we reduced the fund drawdown through the improved market timing and we performed better than a market thank to the enhanced stocks selection.

CompAM FUND

DIRECTOR'S REPORT



This change was adopted for 20% of fund at the beginning of November, for 40% in the middle of November and from the month of December the fund's portfolio was totally selected with this approach (see the graph below).



DIRECTOR'S REPORT

To improve the first two points and to reduce the constraints from the beginning of 2005 there will be gradually introduced the new European stocks groups, selected with the aggregation methodology.

For getting homogeneous groups of stocks we preferred to exploit a methodology based on the stocks correlation, in order to identify stocks with similar performance.

This methodology was helpful to create five different groups of stocks with a similar performance, but a different beta, allowing an efficient stocks selection. The selection occurs every week for a different group. Thus, the stocks rotation for each group takes place every five weeks.

With this last adjustment, the effort done in order to optimize the investment processes is considered complete.

AUDITOR'S REPORT

To the Shareholders of
CompAM Fund
4, boulevard Royal
L-2449 Luxembourg

We have audited the financial statements, which consist of the statement of net assets, the statement of operations and changes in net assets, the statement of investments and other net assets and the notes to the financial statements of CompAM Fund and of each of its sub-funds for the year ended December 31, 2004. These financial statements are the responsibility of the Board of Directors of the SICAV. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Directors of the SICAV in preparing the financial statements, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the attached financial statements give, in conformity with Luxembourg legal and regulatory requirements, a true and fair view of the financial position of CompAM Fund and of each of its sub-funds for the year ended December 31, 2004 and the results of their operations and changes in their net assets for the year then ended.

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. We have no observation to make concerning such information in the context of the financial statements taken as a whole.

Luxembourg, April 4, 2005

KPMG Audit S.à r.l.
Réviseurs d'Entreprises

D.G. Robertson

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2004
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	77,189,333.04
- Net unrealised result	2 c	<u>1,600,346.99</u>
		78,789,680.03
Cash & other liquid assets:		
- Cash at bank		12,535,731.78
- Time deposits		5,001,185.42
- Deposits on futures		112,157.51
Other assets:		
- Formation expenses, net	2 h	66,263.99
- Receivables on investments		147,376.26
- Receivables on subscriptions		1,276,669.42
- Dividends and interest receivable		5,676.73
- Bank interest		260.42
- Interest receivable on bonds		1,732,562.25
- Prepaid expenses		2,045.38
- Unrealised gain on futures contracts	10	32,024.13
- Unrealised gain on forward foreign exchange contracts	11	<u>618,631.37</u>
		100,320,264.69
LIABILITIES		
- Bank overdraft		54,471.19
- Taxes and expenses payable		883,174.51
- Payables on redemptions		103,308.96
- Payables on securities purchased		1,392,374.74
- Other payables		<u>18,512.28</u>
		2,451,841.68
NET ASSETS		<u>97,868,423.01</u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2004
 (in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		46,259,729.42
INCOME		
Income from investments:		
- Dividends, net		306,252.82
- Bond interest		2,395,947.73
- Bank interest		116,690.95
		2,818,891.50
EXPENSES		
Fees:		
- Advisory fee	5	464,639.08
- Performance fee	6	485,261.41
- Custodian and administration fees	7	199,471.34
- Registrar and placing agent fees	8	467,413.76
Other expenses:		
- Annual tax	9	36,503.89
- Amortisation of formation expenses	2 h	19,195.18
- Audit and legal fees		63,927.43
- Printing and publishing expenses		17,630.81
- Administration and other expenses		68,746.17
		1,822,789.07
NET RESULT ON INVESTMENTS		996,102.43
Net realised result on:		
- Investments		2,096,701.71
- Foreign exchange		75,629.35
- Futures contracts		(254,458.08)
NET REALISED RESULT		2,913,975.41
Change in net unrealised appreciation/(depreciation) on:		
- Investments		1,026,732.16
- Forward foreign exchange contracts		374,747.82
- Futures contracts		(51,068.27)
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		4,264,387.12
MOVEMENTS IN CAPITAL		
Subscriptions of shares		71,765,096.30
Redemptions of shares		(24,420,789.83)
		47,344,306.47
NET ASSETS AT THE END OF THE YEAR		97,868,423.01

The accompanying notes form an integral part of these financial statements

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2004
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	16,486,332.87
- Net unrealised result	2 c	<u>(350,331.46)</u>
		16,136,001.41
Cash & other liquid assets:		
- Cash at bank		3,032,515.11
- Deposits on futures		23,239.83
Other assets:		
- Formation expenses, net	2 h	15,054.93
- Receivables on subscriptions		4,330.85
- Interest receivable on bonds		574,540.12
- Unrealised gain on futures contracts	10	19,264.92
- Unrealised gain on forward foreign exchange contracts	11	<u>276,998.51</u>
		20,081,945.68
LIABILITIES		
- Taxes and expenses payable		197,655.40
- Other payables		<u>14,903.90</u>
		212,559.30
NET ASSETS		<u>19,869,386.38</u>
Net asset value per share		1,082.897
Number of shares		18,348.361

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2004
 (in EUR)

		Notes
NET ASSETS AT THE BEGINNING OF THE YEAR		14,886,467.41
INCOME		
Income from investments:		
- Bond interest		1,022,710.28
- Bank interest		33,023.57
		1,055,733.85
EXPENSES		
Fees:		
- Advisory fee	5	128,913.84
- Performance fee	6	109,725.03
- Custodian and administration fees	7	44,549.09
- Registrar and placing agent fees	8	129,925.37
Other expenses:		
- Annual tax	9	8,870.09
- Amortisation of formation expenses	2 h	5,369.69
- Audit and legal fees		8,000.00
- Printing and publishing expenses		5,737.46
- Administration and other expenses		7,033.10
		448,123.67
NET RESULT ON INVESTMENTS		607,610.18
Net realised result on:		
- Investments		5,784.59
- Foreign exchange		(22,080.46)
- Futures contracts		188,808.18
NET REALISED RESULT		780,122.49
Change in net unrealised appreciation/(depreciation) on:		
- Investments		(38,430.81)
- Forward foreign exchange contracts		276,998.51
- Futures contracts		(28,877.48)
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		989,812.71
MOVEMENTS IN CAPITAL		
Subscriptions of shares		11,004,207.15
Redemptions of shares		(7,011,100.89)
		3,993,106.26
NET ASSETS AT THE END OF THE YEAR		19,869,386.38

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE YEAR ENDED DECEMBER 31, 2004

Shares outstanding at the beginning of the year	14,551.703
Subscriptions of shares	10,428.160
Redemptions of shares	<u>(6,631.502)</u>
Shares outstanding at the end of the year	18,348.361

STATISTICS

	Number of shares outstanding	Net assets (in EUR)	Net asset value per share (in EUR)
31.12.2003	14,551.703	14,886,467.41	1,023.005
31.12.2004	18,348.361	19,869,386.38	1,082.897

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2004

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
<u>Transferable securities admitted to an official Stock Exchange, Bonds</u>					
EUR	150,253	ARGENTINA 23/05/2049 7.5%	37,563.00	39,065.65	0.20%
EUR	250,000	BANQUE CENT DE TUNISIE 07/04/2011 4.75%	248,937.50	259,212.50	1.30%
EUR	1,000,000	BRAZIL 05/07/2005 9%	1,037,310.00	1,029,000.00	5.18%
EUR	500,000	BRAZIL 17/11/2006 12%	573,780.00	576,025.00	2.90%
EUR	255,646	BRAZIL 23/04/2008 7%	261,285.48	271,662.16	1.37%
EUR	500,000	COLOMBIA 20/10/2005 11.25%	544,265.00	535,175.00	2.69%
EUR	400,000	COLOMBIA 31/01/2008 11.375%	466,485.00	478,460.00	2.41%
EUR	400,000	CROATIA 10/03/2006 7.375%	424,070.00	422,300.00	2.13%
EUR	542,279	MEXICO 20/02/2007 9.125%	616,795.00	610,823.38	3.07%
EUR	1,005,000	ROMANIA 10/11/2005 11.5%	1,139,477.00	1,082,083.50	5.45%
EUR	1,533,876	RUSSIA 31/03/2005 9.375%	1,646,321.67	1,558,954.71	7.85%
EUR	600,000	SOUTH AFRICA 19/05/2006 6.75%	641,140.00	632,940.00	3.19%
EUR	357,904	TURKEY 20/04/2006 7%	355,191.30	373,133.15	1.88%
EUR	300,000	TURKEY 25/08/2005 9.625%	315,270.00	313,275.00	1.58%
EUR	396,678	UKRAINE 15/03/2007 10%	426,132.61	425,894.13	2.14%
EUR	1,000,000	VENEZUELA 23/03/2005 10.5%	1,026,640.00	1,015,500.00	5.11%
HUF	106,000,000	HUNGARY 12/04/2005 7.75%	410,246.33	429,828.48	2.16%
HUF	100,000,000	HUNGARY 12/05/2005 9.25%	408,260.68	407,490.45	2.05%
MXN	1,000,000	MEXICO 26/05/2005 0%	647,389.79	640,108.29	3.22%
PLN	3,000,000	POLAND 12/04/2006 0%	576,310.95	680,014.70	3.42%
PLN	1,500,000	POLAND 12/08/2005 0%	283,297.80	353,955.55	1.78%
TRK	690,000	TURKEY 24/08/2005 0%	318,977.22	335,327.41	1.69%
USD	100,000	BRAZIL 15/10/2009 14.5%	94,194.00	98,454.30	0.50%
USD	400,000	JAMAICA 10/06/2005 10.875%	328,836.02	301,250.68	1.52%
USD	300,000	RUSSIA 03/04/2005 8.75%	73,618.52	53,123.90	0.27%
USD	2,000,000	RUSSIA 24/07/2005 8.75%	1,766,235.29	1,518,648.73	7.64%
USD	373,344	UKRAINE 15/03/2007 11%	326,391.49	296,518.44	1.49%
ZAR	763,332	SOUTH AFRICA 28/02/2005 12%	94,495.12	100,133.27	0.50%
ZAR	333,334	SOUTH AFRICA 28/02/2006 12%	40,359.41	45,790.77	0.23%
Total transferable securities admitted to an official Stock Exchange, Bonds			15,129,276.18	14,884,149.15	74.92%
<u>Unlisted securities, Bonds</u>					
USD	1,730,000	RUSSIA 14/05/2006 3%	1,357,056.69	1,251,852.26	6.30%
Total unlisted securities, Bonds			1,357,056.69	1,251,852.26	6.30%
Total Investments			16,486,332.87	16,136,001.41	81.22%
Other Net Assets				3,733,384.97	18.78%
Total Net Assets				19,869,386.38	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2004

(in %)

Branch of business	% of net assets
Government bonds	79.92%
Banks and other credit institutions	1.30%
Total	81.22%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2004

(in %)

Countries	% of net assets
Russia	25.69%
Brazil	9.95%
Mexico	6.29%
Rumania	5.45%
Poland	5.20%
Turkey	5.15%
Venezuela	5.11%
Colombia	5.10%
Hungary	4.21%
South Africa	3.92%
Croatia	2.13%
Jamaica	1.52%
Tunisia	1.30%
Argentina	0.20%
Total	81.22%

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2004
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	18,225,445.05
- Net unrealised result	2 c	<u>1,648,195.56</u>
		19,873,640.61
Cash & other liquid assets:		
- Cash at bank		913,923.56
Other assets:		
- Formation expenses, net	2 h	18,825.24
- Receivables on investments		147,376.26
- Receivables on subscriptions		5,427.66
- Dividends and interest receivable		5,676.73
- Unrealised gain on forward foreign exchange contracts	11	<u>33,695.62</u>
		20,998,565.68
LIABILITIES		
- Taxes and expenses payable		318,519.31
- Payables on securities purchased		<u>159,015.00</u>
		477,534.31
NET ASSETS		<u>20,521,031.37</u>
Net asset value per share		1,356.346
Number of shares		15,129.647

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2004
 (in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		10,927,294.28
INCOME		
Income from investments:		
- Dividends, net		243,298.56
- Bond interest		383.56
- Bank interest		13,683.09
		<u>257,365.21</u>
EXPENSES		
Fees:		
- Advisory fee	5	150,560.87
- Performance fee	6	206,286.16
- Custodian and administration fees	7	38,822.25
- Registrar and placing agent fees	8	151,284.49
Other expenses:		
- Annual tax	9	8,034.88
- Amortisation of formation expenses	2 h	4,868.38
- Audit and legal fees		10,028.58
- Printing and publishing expenses		2,960.50
- Administration and other expenses		35,413.65
		<u>608,259.76</u>
NET RESULT ON INVESTMENTS		<u>(350,894.55)</u>
Net realised result on:		
- Investments		1,779,364.52
- Foreign exchange		30,532.72
- Futures contracts		(130,950.00)
NET REALISED RESULT		<u>1,328,052.69</u>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		577,258.52
- Forward foreign exchange contracts		(26,841.77)
- Futures contracts		(44,400.00)
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		<u>1,834,069.44</u>
MOVEMENTS IN CAPITAL		
Subscriptions of shares		11,393,789.41
Redemptions of shares		(3,634,121.76)
		<u>7,759,667.65</u>
NET ASSETS AT THE END OF THE YEAR		<u>20,521,031.37</u>

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE YEAR ENDED DECEMBER 31, 2004

Shares outstanding at the beginning of the year	9,082.360
Subscriptions of shares	8,831.054
Redemptions of shares	<u>(2,783.767)</u>
Shares outstanding at the end of the year	15,129.647

STATISTICS

	Number of shares outstanding	Net assets (in EUR)	Net asset value per share (in EUR)
31.12.2003	9,082.360	10,927,294.28	1,203.134
31.12.2004	15,129.647	20,521,031.37	1,356.346

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2004

(in EUR)

Currency	Quantity	Description	Cost	Market value	% of net assets
<u>Transferable securities admitted to an official Stock Exchange, Equities</u>					
EUR	30,000	ABN AMRO HOLDING NV	575,420.54	584,700.00	2.85%
EUR	200,000	AEM TORINO SPA	337,098.07	372,000.00	1.81%
EUR	30,000	ALLEANZA ASSICURAZIONI	295,047.96	308,100.00	1.50%
EUR	5,000	ALLIANZ AG-REG	488,487.30	485,750.00	2.37%
EUR	3,000	AMB GENERALI HOLDING AG	168,316.00	180,480.00	0.88%
EUR	30,000	AUTOGRILL SPA	357,172.80	368,700.00	1.80%
EUR	20,000	AUTOROUTES DU SUD DE LA FRAN	565,048.73	740,000.00	3.61%
EUR	30,000	AUTOSTRADA SPA	469,961.98	591,000.00	2.88%
EUR	200,000	AZIMUT HOLDING SPA	774,388.93	790,000.00	3.85%
EUR	15,000	BAYER AG	374,439.68	373,500.00	1.82%
EUR	67,768	CEMENTIR	197,846.07	263,617.52	1.28%
EUR	40,000	CINTRA CONCESIONES DE INFRAE	309,146.55	323,200.00	1.57%
EUR	18,000	DEUTSCHE BOERSE AG	806,152.82	797,040.00	3.88%
EUR	80,000	DEUTSCHE TELEKOM AG-REG	1,175,845.81	1,331,200.00	6.49%
EUR	200,000	EDISON SPA	299,209.50	313,000.00	1.53%
EUR	25,000	ENAGAS	250,157.50	305,000.00	1.49%
EUR	40,000	ENI SPA	698,224.97	736,800.00	3.59%
EUR	25,000	FIAT SPA	140,335.00	147,500.00	0.72%
EUR	37,500	FIAT SPA-RNC	159,015.00	160,125.00	0.78%
EUR	20,000	FIERA MILANO SPA	192,170.71	188,000.00	0.92%
EUR	40,000	FONDIARIA-SAI SPA	756,738.20	793,200.00	3.87%
EUR	100,000	GRUPPO EDITORIALE L'ESPRESSO	429,252.85	444,000.00	2.16%
EUR	30,000	HELLENIC EXCHANGES SA	160,541.00	228,000.00	1.11%
EUR	22,030	INDUSTRIA MACCHINE AUTOMATIC	243,466.13	235,500.70	1.15%
EUR	170,000	KONINKLIJKE KPN NV	1,060,156.22	1,188,300.00	5.79%
EUR	7,161	MARZOTTO & FIGLI- RNC	87,123.51	90,300.21	0.44%
EUR	26,648	MARZOTTO SPA	269,838.51	385,863.04	1.88%
EUR	150,000	META SPA	393,342.21	405,000.00	1.97%
EUR	50,000	MIRATO SPA	300,592.68	340,000.00	1.66%
EUR	120,000	NAVIGAZIONE MONTANARI SPA	156,354.00	280,800.00	1.37%
EUR	20,000	PERMASTEELISA SPA	276,578.19	252,400.00	1.23%
EUR	800,000	PIRELLI & C.-RNC	718,329.87	767,200.00	3.74%
EUR	1,000,000	SEAT PAGINE GIALLE	347,003.40	339,000.00	1.65%
EUR	200,000	SNAM RETE GAS	685,211.42	856,000.00	4.17%
EUR	40,000	TELEGATE AG	433,925.69	552,800.00	2.69%
EUR	4,000	TOTAL SA	649,744.65	642,800.00	3.13%
EUR	50,000	VIANINI LAVORI S.P.A.	279,809.50	308,000.00	1.50%
GBP	300,000	ABERDEEN ASSET MGMT PLC	395,343.08	507,382.18	2.47%
GBP	20,000	MAN GROUP PLC	306,144.66	416,661.96	2.03%
GBP	210,000	VODAFONE GROUP PLC	414,526.56	419,810.99	2.05%
PLN	200,000	NETIA SA	191,458.44	218,466.81	1.06%
USD	13,000	MICROSOFT CORP	293,222.15	256,192.20	1.25%
Total transferable securities admitted to an official Stock Exchange, Equities			17,482,188.84	19,287,390.61	93.99%

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2004

(in EUR)

Currency	Quantity	Description	Cost	Market value	% of net assets
<u>Transferable securities admitted to an other regulated market, Equities</u>					
EUR	9,000	CAIRO COMMUNICATIONS SPA	288,856.21	355,050.00	1.73%
Total transferable securities admitted to an other regulated market, Equities			<u>288,856.21</u>	<u>355,050.00</u>	<u>1.73%</u>
<u>Other transferable securities, Options</u>					
EUR	800	DAX/0305/PUT /4,100.	454,400.00	231,200.00	1.13%
Total other transferable securities, Options			<u>454,400.00</u>	<u>231,200.00</u>	<u>1.13%</u>
Total Investments			<u>18,225,445.05</u>	<u>19,873,640.61</u>	<u>96.85%</u>
Other Net Assets				<u>647,390.76</u>	<u>3.15%</u>
Total Net Assets				<u><u>20,521,031.37</u></u>	<u><u>100.00%</u></u>

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2004

(in %)

Branch of business	% of net assets
Telecommunication	19.81%
Energy and water supply	10.97%
Holding and finance companies	9.76%
Transportation	9.43%
Insurance	8.62%
Oil	6.72%
Banks and other credit institutions	6.43%
Chemistry	5.56%
Building and building materials	4.01%
Graphic and publishing industry	3.81%
Textile and clothing industry	2.32%
Miscellaneous trade	1.80%
Pharmaceutical and cosmetics industry	1.66%
Road vehicles	1.50%
Internet services	1.25%
Machinery and apparatus construction	1.15%
Options	1.13%
Miscellaneous services	0.92%
Total	96.85%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2004

(in %)

Countries	% of net assets
Italy	49.18%
Germany	19.26%
Netherlands	8.64%
France	6.74%
United Kingdom	6.55%
Spain	3.06%
United States	1.25%
Greece	1.11%
Poland	1.06%
Total	96.85%

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2004
(in EUR)

ASSETS	Notes
Portfolio:	
- Cost	2 g 38,330,112.55
- Net unrealised result	2 c <u>231,753.36</u>
	38,561,865.91
Cash & other liquid assets:	
- Cash at bank	7,107,709.00
- Time deposits	5,000,000.00
- Deposits on futures	88,917.68
Other assets:	
- Formation expenses, net	2 h 16,500.93
- Receivables on subscriptions	1,266,910.91
- Bank interest	260.42
- Interest receivable on bonds	1,117,101.89
- Unrealised gain on futures contracts	10 12,759.21
- Unrealised gain on forward foreign exchange contracts	11 <u>307,937.24</u>
	53,479,963.19
LIABILITIES	
- Taxes and expenses payable	315,722.24
- Payables on redemptions	103,308.96
- Other payables	<u>3,608.38</u>
	422,639.58
NET ASSETS	<u>53,057,323.61</u>
Net asset value per share	1,100.045
Number of shares	48,231.975

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2004
 (in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		15,470,658.53
INCOME		
Income from investments:		
- Dividends, net		19,684.91
- Bond interest		1,313,564.71
- Bank interest		45,794.72
		<u>1,379,044.34</u>
EXPENSES		
Fees:		
- Advisory fee	5	141,859.77
- Performance fee	6	169,250.22
- Custodian and administration fees	7	72,688.51
- Registrar and placing agent fees	8	148,557.43
Other expenses:		
- Annual tax	9	16,843.64
- Amortisation of formation expenses	2 h	5,369.69
- Audit and legal fees		8,000.00
- Printing and publishing expenses		6,858.70
- Administration and other expenses		12,948.81
		<u>582,376.77</u>
NET RESULT ON INVESTMENTS		<u>796,667.57</u>
Net realised result on:		
- Investments		373,375.82
- Foreign exchange		67,095.49
- Futures contracts		(312,316.26)
NET REALISED RESULT		<u>924,822.62</u>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		433,894.12
- Forward foreign exchange contracts		124,591.08
- Futures contracts		22,209.21
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		<u>1,505,517.03</u>
MOVEMENTS IN CAPITAL		
Subscriptions of shares		46,138,473.60
Redemptions of shares		(10,057,325.55)
		<u>36,081,148.05</u>
NET ASSETS AT THE END OF THE YEAR		<u>53,057,323.61</u>

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE YEAR ENDED DECEMBER 31, 2004

Shares outstanding at the beginning of the year	14,837.918
Subscriptions of shares	42,694.712
Redemptions of shares	<u>(9,300.655)</u>
Shares outstanding at the end of the year	48,231.975

STATISTICS

	Number of shares outstanding	Net assets (in EUR)	Net asset value per share (in EUR)
31.12.2003	14,837.918	15,470,658.53	1,042.643
31.12.2004	48,231.975	53,057,323.61	1,100.045

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2004

(in EUR)

Currency	Quantity/ Nominal	Description	Cost	Market value	% of net assets
Transferable securities admitted to an official Stock Exchange					
Equities					
EUR	100,000	SNAM RETE GAS	327,153.00	428,000.00	0.81%
Total Equities			327,153.00	428,000.00	0.81%
Bonds					
EUR	115,144	ALITALIA SPA 22/07/2007 2,9%	78,089.75	96,188.99	0.18%
EUR	1,000,000	ALSTOM 29/09/2006 7,169%	1,008,060.00	1,041,900.00	1.96%
EUR	35,000	APRILIA LUX SA 02/05/2005 7,5%	25,230.00	34,912.50	0.07%
EUR	500,000	ASSET BACK OBLIGATE LTD 09/09/2011 3%	492,530.00	520,500.00	0.98%
EUR	1,000,000	CIR INTERNATIONAL SA 10/01/2011 6,375%	998,458.00	1,110,150.00	2.09%
EUR	1,000,000	DEUTSCHE TELEKOM INT FIN 11/07/2006 6,375%	1,066,180.00	1,053,300.00	1.99%
EUR	800,000	DEUTSCHE TELEKOM INT FIN 29/05/2007 7,5%	897,058.50	880,800.00	1.66%
EUR	750,000	EDISON SPA 20/07/2007 6,375%	823,710.00	825,037.50	1.55%
EUR	500,000	ELECTRICITE DE FRANCE 28/01/2009 5%	528,820.00	535,750.00	1.01%
EUR	350,000	EUROPEAN INVESTMENT BANK 05/11/2026 0%	106,640.00	135,222.50	0.25%
EUR	3,000,000	EUROPEAN INVESTMENT BANK 15/02/2007 5,75%	3,228,030.00	3,194,250.00	6.02%
EUR	4,000,000	EUROPEAN INVESTMENT BANK 15/04/2006 4,875%	4,163,319.10	4,126,000.00	7.78%
EUR	2,000,000	EUROPEAN INVESTMENT BANK 15/04/2008 5%	2,137,360.00	2,136,900.00	4.03%
EUR	4,000,000	EUROPEAN INVESTMENT BANK 15/10/2005 3,5%	4,050,980.00	4,035,600.00	7.61%
EUR	200,000	FRANCE 25/07/2012 3%	222,569.00	233,983.06	0.44%
EUR	1,000,000	FRANCE TELECOM 10/11/2005 6,125%	1,049,953.00	1,030,600.00	1.94%
EUR	2,000,000	GERMANY 12/05/2005 6,875%	2,110,147.00	2,032,640.00	3.83%
EUR	500,000	IMPREGILO INT INFRASTRCT 24/06/2005 4,676%	451,280.00	450,000.00	0.85%
EUR	500,000	IMPREGILO INT INFRASTRCT 24/06/2005 7,25%	469,685.00	465,000.00	0.88%
EUR	250,000	ITALTRACTOR ITM SA 22/01/2008 9%	200,780.00	216,562.50	0.41%
EUR	500,000	LA VEGGIA FINANCE S.A. 14/11/2004 7,125%	229,460.90	315,000.00	0.59%
EUR	3,000,000	LANDBK HESSEN-THUERINGEN 14/02/2008 3,5%	3,052,830.00	3,054,000.00	5.76%
EUR	400,000	LIGHTHOUSE INTL CO SA 30/04/2014 8%	391,030.00	411,340.00	0.78%
EUR	475,000	LUCCHINI SPA 24/05/2006 6,75%	438,622.60	446,500.00	0.84%
EUR	700,000	RENAULT S.A. 19/10/2007 6,375%	767,015.00	762,300.00	1.44%
EUR	1,000,000	RENO DE MEDICI INTL SA 04/05/2006 6%	890,590.00	952,500.00	1.80%
EUR	1,000,000	SOUTH AFRICA 19/05/2006 6,75%	1,071,320.00	1,054,900.00	1.99%
EUR	1,000,000	STEFANEL SPA 11/04/2005 6,75%	985,685.00	976,250.00	1.84%
EUR	300,000	UNICRED ITAL BNK IRELAND 19/12/2008 2,5%	300,030.00	314,356.20	0.59%
EUR	500,000	VENTAGLIO INTERNATIONAL 15/05/2005 7,125%	450,662.00	487,500.00	0.92%
GBP	400,000	ABERDEEN ASSET MANAGEMEN 14/01/2007 5,875%	523,568.67	554,794.46	1.05%
USD	500,000	KAZKCOMMERTS INTL BV 08/05/2007 10,125%	430,462.66	401,520.01	0.76%
Sub-total			33,640,156.18	33,886,257.72	63.89%

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2004

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
		Report	33,640,156.18	33,886,257.72	63.89%
USD	400,000	MORGAN STANLEY (GAZPROM) 01/03/2013 9,625%	358,259.63	349,179.28	0.66%
USD	200,000	NIZHNIY NOVGOROD REGION 03/04/2005 8,75%	44,006.34	35,415.93	0.07%
Total Bonds			34,042,422.15	34,270,852.93	64.62%
Total transferable securities admitted to an official Stock Exchange			34,369,575.15	34,698,852.93	65.43%
<u>Transferable securities admitted to an other regulated market, Bonds</u>					
USD	400,000	CONVERIUM HOLDINGS NA 15/10/2023 7,125%	197,633.08	183,716.43	0.35%
EUR	2,000,000	EUROPEAN INVESTMENT BANK 15/04/2005 3,875%	2,036,155.00	2,009,600.00	3.79%
USD	500,000	MCI INC 01/05/2014 7,735%	381,613.80	399,804.58	0.75%
USD	250,000	TENGIZCHEVROIL FIN CO 15/11/2014 6,124%	194,791.93	186,225.01	0.35%
Total transferable securities admitted to an other regulated market, Bonds			2,810,193.81	2,779,346.02	5.24%
<u>Other transferable securities, Bonds</u>					
USD	400,000	CRR BV (NOVATEK OAO) 14/10/2005 9,125%	334,463.82	299,736.39	0.56%
USD	1,000,000	GAZPROM INTL SA 01/02/2020 7,201%	815,879.77	783,930.57	1.48%
Total other transferable securities, Bonds			1,150,343.59	1,083,666.96	2.04%
Total Investments			38,330,112.55	38,561,865.91	72.71%
Other Net Assets				14,495,457.70	27.29%
Total Net Assets				53,057,323.61	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2004

(in %)

Branch of business	% of net assets
Bonds issued by supranational institutions	29.48%
Miscellaneous	8.97%
Banks and other credit institutions	7.96%
Holding and finance companies	7.42%
Government bonds	6.33%
Energy and water supply	3.37%
Electrotechnical and electronic industry	1.96%
Telecommunication	1.94%
Textile and clothing industry	1.84%
Road vehicles	1.44%
Miscellaneous services	1.16%
Oil	0.66%
Transportation	0.18%
Total	72.71%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2004

(in %)

Countries	% of net assets
Luxembourg	37.97%
Germany	9.59%
France	6.79%
Netherlands	6.70%
Italy	5.22%
South Africa	1.99%
United States	1.10%
United Kingdom	1.05%
Cayman Islands	0.98%
Russia	0.73%
Ireland	0.59%
Total	72.71%

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2004
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	1,156,627.58
- Net unrealised result	2 c	<u>(2,921.58)</u>
		1,153,706.00
Cash & other liquid assets:		
- Time deposits		633.34
Other assets:		
- Formation expenses, net	2 h	7,943.18
- Interest receivable on bonds		40,920.24
- Prepaid expenses		<u>1,022.69</u>
		1,204,225.45
LIABILITIES		
- Bank overdraft		54,471.19
- Taxes and expenses payable		<u>23,873.57</u>
		78,344.76
NET ASSETS		<u>1,125,880.69</u>
Net asset value per share		982.586
Number of shares		1,145.834

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2004
 (in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		2,434,031.15
INCOME		
Income from investments:		
- Dividends, net		11,361.17
- Bond interest		48,907.57
- Bank interest		12,022.74
		<u>72,291.48</u>
EXPENSES		
Fees:		
- Advisory fee	5	18,509.73
- Custodian and administration fees	7	21,644.88
- Registrar and placing agent fees	8	14,981.23
Other expenses:		
- Annual tax	9	1,324.70
- Amortisation of formation expenses	2 h	1,793.71
- Audit and legal fees		18,962.50
- Printing and publishing expenses		1,092.83
- Administration and other expenses		6,647.33
		<u>84,956.91</u>
NET RESULT ON INVESTMENTS		<u>(12,665.43)</u>
Net realised result on:		
- Investments		(20,158.83)
NET REALISED RESULT		<u>(32,824.26)</u>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		80.75
NET DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS		<u>(32,743.51)</u>
MOVEMENTS IN CAPITAL		
Subscriptions of shares		750,602.71
Redemptions of shares		<u>(2,026,009.66)</u>
		(1,275,406.95)
NET ASSETS AT THE END OF THE YEAR		<u><u>1,125,880.69</u></u>

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE YEAR ENDED DECEMBER 31, 2004

Shares outstanding at the beginning of the year	2,454.131
Subscriptions of shares	753.707
Redemptions of shares	<u>(2,062.004)</u>
Shares outstanding at the end of the year	1,145.834

STATISTICS

	Number of shares outstanding	Net assets (in EUR)	Net asset value per share (in EUR)
31.12.2003	2,454.131	2,434,031.15	991.810
31.12.2004	1,145.834	1,125,880.69	982.586

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2004

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
<u>Transferable securities admitted to an official Stock Exchange, Bonds</u>					
EUR	150,000	EUROPEAN INVESTMENT BANK 15/10/2005 3.5%	152,040.00	151,335.00	13.44%
EUR	300,000	GERMANY 03/01/2005 7.375%	301,098.00	300,180.00	26.66%
EUR	300,000	GERMANY 18/02/2005 4.25%	301,290.00	300,801.00	26.72%
EUR	100,000	KFW-KREDIT WIEDERAUFBAU 15/11/2005 3.5%	101,390.00	101,070.00	8.98%
Total transferable securities admitted to an official Stock Exchange, Bonds			855,818.00	853,386.00	75.80%
<u>Transferable securities admitted to an other regulated market, Bonds</u>					
EUR	100,000	EUROPEAN INVESTMENT BANK 15/04/2005 3.875%	102,019.58	100,480.00	8.92%
EUR	200,000	FRANCE 12/03/2006 2.25%	198,790.00	199,840.00	17.75%
Total transferable securities admitted to an other regulated market, Bonds			300,809.58	300,320.00	26.67%
Total Investments			1,156,627.58	1,153,706.00	102.47%
Other Net Liabilities				(27,825.31)	(2.47%)
Total Net Assets				1,125,880.69	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2004

(in %)

Branch of business	% of net assets
Government bonds	71.13%
Bonds issued by supranational institutions	22.36%
Banks and other credit institutions	8.98%
Total	102.47%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2004

(in %)

Countries	% of net assets
Germany	62.36%
Luxembourg	22.36%
France	17.75%
Total	102.47%

STATEMENT OF NET ASSETS

AS AT DECEMBER 31, 2004

(in EUR)

ASSETS	Notes
Portfolio:	
- Cost	2 g 2,990,814.99
- Net unrealised result	2 c <u>73,651.11</u>
	3,064,466.10
Cash & other liquid assets:	
- Cash at bank	1,481,584.11
- Time deposits	552.08
Other assets:	
- Formation expenses, net	2 h 7,939.71
- Prepaid expenses	<u>1,022.69</u>
	4,555,564.69
LIABILITIES	
- Bank overdraft	
- Taxes and expenses payable	27,403.99
- Payables on securities purchased	<u>1,233,359.74</u>
	1,260,763.73
NET ASSETS	<u>3,294,800.96</u>
Net asset value per share	984.136
Number of shares	3,347.913

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2004
 (in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		2,541,278.05
INCOME		
Income from investments:		
- Dividends, net		31,908.18
- Bond interest		10,381.61
- Bank interest		12,166.83
		<u>54,456.62</u>
EXPENSES		
Fees:		
- Advisory fee	5	24,794.87
- Custodian and administration fees	7	21,766.61
- Registrar and placing agent fees	8	22,665.24
Other expenses:		
- Annual tax	9	1,430.58
- Amortisation of formation expenses	2 h	1,793.71
- Audit and legal fees		18,936.35
- Printing and publishing expenses		981.32
- Administration and other expenses		6,703.28
		<u>99,071.96</u>
NET RESULT ON INVESTMENTS		<u>(44,615.34)</u>
Net realised result on:		
- Investments		(41,664.39)
- Foreign exchange		81.60
NET REALISED RESULT		<u>(86,198.13)</u>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		53,929.58
NET DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS		<u>(32,268.55)</u>
MOVEMENTS IN CAPITAL		
Subscriptions of shares		2,478,023.43
Redemptions of shares		(1,692,231.97)
		<u>785,791.46</u>
NET ASSETS AT THE END OF THE YEAR		<u>3,294,800.96</u>

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE YEAR ENDED DECEMBER 31, 2004

Shares outstanding at the beginning of the year	2,575.250
Subscriptions of shares	2,532.036
Redemptions of shares	<u>(1,759.373)</u>
Shares outstanding at the end of the year	3,347.913

STATISTICS

	Number of shares outstanding	Net assets (in EUR)	Net asset value per share (in EUR)
31.12.2003	2,575.250	2,541,278.05	986.808
31.12.2004	3,347.913	3,294,800.96	984.136

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2004

(in EUR)

Currency	Quantity	Description	Cost	Market value	% of net assets
<u>Transferable securities admitted to an official Stock Exchange, Equities</u>					
EUR	860	ADIDAS-SALOMON AG	102,663.73	102,477.60	3.11%
EUR	5,610	ALCATEL SA	65,484.53	64,234.50	1.95%
EUR	14,580	AMADEUS GLOBAL TRAVEL DIST-A	102,827.16	110,370.60	3.35%
EUR	3,040	ARCELOR	51,787.52	51,588.80	1.57%
EUR	2,770	AUTOROUTES DU SUD DE LA FRAN	102,428.23	102,490.00	3.11%
EUR	2,590	BANKINTER S.A.	103,216.56	101,502.10	3.08%
EUR	1,180	BASF AG	58,681.37	62,445.60	1.90%
EUR	6,000	BAYERISCHE HYPO-UND VEREINSB	102,453.41	100,380.00	3.05%
EUR	3,020	BOUYGUES	102,817.44	102,680.00	3.12%
EUR	31,210	CAPITALIA SPA	102,864.92	105,177.70	3.19%
EUR	1,130	CNP ASSURANCES	59,651.32	59,551.00	1.81%
EUR	2,180	CONTINENTAL AG	102,877.95	101,871.40	3.09%
EUR	1,900	CORIO NV	75,482.95	81,890.00	2.49%
EUR	4,560	CREDIT AGRICOLE SA	103,049.24	101,232.00	3.07%
EUR	3,240	DEUTSCHE TELEKOM AG-REG	51,655.72	53,913.60	1.64%
EUR	6,000	DEXIA	102,383.10	101,580.00	3.08%
EUR	1,700	DSM NV	75,262.62	80,954.00	2.46%
EUR	2,740	FRANCE TELECOM SA	61,415.47	66,746.40	2.03%
EUR	2,460	ASSICURAZIONI GENERALI	60,144.04	61,426.20	1.86%
EUR	1,840	DELHAIZE GROUP	102,931.19	102,948.00	3.12%
EUR	2,680	HYPO REAL ESTATE HOLDING	76,742.52	81,793.60	2.48%
EUR	5,530	INDRA SISTEMAS SA	65,144.85	69,512.10	2.11%
EUR	2,790	ING GROEP NV-CVA	60,300.57	62,105.40	1.88%
EUR	7,940	KONINKLIJKE KPN NV	51,876.45	55,500.60	1.68%
EUR	1,210	LINDE AG	58,197.12	55,551.10	1.69%
EUR	1,430	METROVACESA S.A.	51,495.56	48,906.00	1.48%
EUR	830	MOBISTAR SA	51,139.35	57,228.50	1.74%
EUR	1,340	NEOPOST SA	69,609.46	76,648.00	2.33%
EUR	4,990	NOKIA OYJ	58,431.11	57,983.80	1.76%
EUR	3,570	RAS SPA	60,453.50	59,404.80	1.80%
EUR	1,390	RODAMCO EUROPE NV	75,394.01	81,176.00	2.46%
EUR	6,130	SAMPO OYJ-A SHS	60,340.22	62,280.80	1.89%
EUR	760	SOLVAY SA	57,856.62	61,560.00	1.87%
EUR	4,370	STORA ENSO OYJ-R SHS	52,031.79	49,249.90	1.49%
EUR	4,170	TELEKOM AUSTRIA AG	52,817.86	58,171.50	1.77%
EUR	7,210	T-ONLINE INTERNATIONAL AG	65,644.82	70,946.40	2.15%
EUR	5,850	TUI AG	102,846.81	101,907.00	3.09%
EUR	750	UMICORE	51,106.50	51,937.50	1.58%
EUR	710	UNIBAIL	75,399.19	82,218.00	2.50%
EUR	3,060	UPM-KYMMENE OYJ	51,760.28	50,061.60	1.52%
EUR	960	VOESTALPINE AG	52,147.93	54,864.00	1.67%
		Total Investments	2,990,814.99	3,064,466.10	93.02%
		Other Net Assets		230,334.86	6.98%
		Total Net Assets		3,294,800.96	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2004

(in %)

Branch of business	% of net assets
Banks and other credit institutions	17.35%
Telecommunication	12.57%
Internet services	7.61%
Insurance	7.36%
Building societies	6.47%
Chemistry	6.23%
Mines and steel works	3.24%
Building and building materials	3.12%
Retail trade	3.12%
Textile and clothing industry	3.11%
Transportation	3.11%
Rubber and tyres industry	3.09%
Gastronomy	3.09%
Paper and wood industry	3.01%
Holding and finance companies	2.48%
Mutual funds	2.46%
Electrotechnical and electronic industry	2.33%
Machinery and apparatus construction	1.69%
Non ferrous metals	1.58%
Total	<u><u>93.02%</u></u>

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2004

(in %)

Countries	% of net assets
Germany	22.20%
France	19.92%
Belgium	11.39%
Netherlands	10.97%
Spain	10.02%
Italy	6.85%
Finland	6.66%
Austria	3.44%
Luxembourg	1.57%
Total	<u><u>93.02%</u></u>

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2004

1. GENERAL

CompAM FUND (the "SICAV") is an investment company organized under the Laws of the Grand Duchy of Luxembourg as a "Société d'Investissement à Capital Variable" with separate Sub-Funds (each of them hereinafter referred to as a "Sub-Fund").

The SICAV has been incorporated on February 28, 2003 for an unlimited period of time and is governed by the law of August 10, 1915 on commercial companies, as amended, and by the Part I of the law of March 30, 1988 on undertakings for collective investment. As from May 10, 2004, the SICAV changed its status to a SICAV governed by Part I of the law of December 20, 2002.

The registered office is established at 4, boulevard Royal L-2449 Luxembourg. The SICAV is recorded at the "Registre de Commerce et des Sociétés" with the District Court of Luxembourg under the number B 92.095. The Articles are published in the "Memorial C., Recueil des Sociétés et Associations" (the "Mémorial") of April 4, 2003 and have been filed with the Chancery of the District Court of Luxembourg together with the "Notice légale" on the issue and sale of shares.

The Articles of Incorporation was amended by the extraordinary general meeting as at March 23, 2004.

As of December 31, 2004, the SICAV offers shares of the following Sub-Funds:

		Launched on
- CompAM FUND - Emerging Markets Bonds	denominated in Euro (EUR)	11/04/2003
- CompAM FUND - European Equity	denominated in Euro (EUR)	04/04/2003
- CompAM FUND - Bond Euro	denominated in Euro (EUR)	04/04/2003
- CompAM FUND - Europe Flexible 0/50	denominated in Euro (EUR)	10/11/2003
- CompAM FUND - Europe Dynamic 0/100	denominated in Euro (EUR)	10/11/2003

As from November 1, 2003, the net asset value is calculated on a daily basis. Formerly the net asset value was calculated on a weekly basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Presentation of financial statements

The financial statements are prepared in accordance with Luxembourg regulations relating to undertakings for collective investment.

b) Combined financial statements

The combined statement of net assets and statement of operations and changes in net assets are expressed in EUR.

c) Valuation of the investments in securities

Securities listed or traded on an official stock exchange or any other regulated market operating regularly, recognised and open to the public are valued at the last quotation known in Luxembourg on the Valuation Date.

If those securities are traded on several markets, they are valued on the basis of the last price known on the market considered to be the main market for trading this security. If the last known price is not representative, the valuation is based on the probable realisation value estimated by the Directors with prudence and in good faith.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT DECEMBER 31, 2004

Securities not listed or traded on a stock exchange or any other regulated market, operating regularly, recognised and open to the public are assessed on the basis of the probable realisation value estimated with prudence and in good faith

d) *Valuation of futures and options*

Futures and options are valued by reference to the last available closing price on the relevant market. For the futures, the market prices used are the futures exchange settlement prices.

e) *Net realised gain or loss on sales of investments*

Realised gains or losses on sales of investments are calculated on the basis of the average cost of the investments sold.

f) *Conversion of foreign currencies for each Sub-Fund*

Cash at bank, other net assets as well as the market value of the investment portfolio in currencies other than the reference currency of the Sub-Fund are converted into the reference currency of the Sub-Fund at the year-end.

Income and expenses in currencies other than the currency of the Sub-Fund are converted into the currency of the Sub-Fund at the exchange rate prevailing at the payment date.

Resulting realised and unrealised foreign exchange gains and losses are included in the statement of operations and changes in net assets.

g) *Cost of investments in securities*

Cost of investments in securities in currencies other than Sub-Fund currency is converted into Sub-Fund currency at the exchange rate applicable at purchase date.

h) *Formation expenses*

Formation and preliminary expenses are amortised on a straight-line basis over a period of 5 years.

i) *Income*

Dividends are credited to income on the date upon which the relevant securities are first listed as 'ex dividend'. Interest income is accrued on a daily basis.

j) *Forward foreign exchange contracts*

Forward foreign exchange contracts are valued at the forward rate applicable at the statement of net assets date for the remaining period until maturity.

Appreciation or depreciation resulting from forward foreign exchange contracts are included in the statement of operations and changes in net assets under "Net realised result on forward foreign exchange contracts" and under "Change in net unrealised appreciation/(depreciation) on forward foreign exchange contracts".

NOTES TO THE FINANCIAL STATEMENTS (continued)
AS AT DECEMBER 31, 2004

3. EXCHANGE RATES

The exchange rates used for the conversion into EUR of assets and liabilities as at December 31, 2004 are as follows:

1 EUR =	7.437748	DKK	1 EUR =	9.027081	SEK
1 EUR =	0.706568	GBP	1 EUR =	52.743395	THB
1 EUR =	245.344887	HUF	1 EUR =	1,820.911862	TRK
1 EUR =	1,403.944832	KRW	1 EUR =	1.820912	TRY
1 EUR =	15.107530	MXN	1 EUR =	1.355350	USD
1 EUR =	4.083000	PLN	1 EUR =	7.678200	ZAR

4. COMMISSIONS ON ISSUE OF SICAV'S SHARES

Shares of each Sub-Fund are issued at a price corresponding to the net asset value per share to which a sales charge of up to 3% may be added.

Shareholders may ask to convert all or part of their shares into shares of another Sub-Fund at a price corresponding to the net asset value per share of the relevant Sub-Fund without conversion fee for registered shares and for bearer shares.

A shareholder of any Sub-Fund is entitled, at any time, to have its shares repurchased by the SICAV, at its request, at the net asset value per share of the relevant Sub-Fund.

5. INVESTMENT ADVISORY FEE

An investment advisory fee is payable to the Investment Advisor in compensation for its services. Such fee is set at the annual rate described below, payable monthly and calculated on the average of the net assets of the relevant Sub-Fund for the relevant month:

CompAM FUND - Emerging Markets Bonds	0.75%
CompAM FUND - European Equity	1.00%
CompAM FUND - Bond Euro	0.50%
CompAM FUND - Europe Flexible 0/50	0.75%
CompAM FUND - Europe Dynamic 0/100	1.00%

6. PERFORMANCE FEE

In addition, the Investment Advisor is entitled to receive an annual performance fee. The annual performance fee represents 10% of the annual positive performance of the Net Asset Value per share of the relevant Sub-Fund. The amount of the performance fee as calculated on a daily basis will be withdrawn on a daily basis from the relevant Sub-Fund's assets and accrued in view of the payment at the end of the Fund's accounting year of such performance fee. In case of a redemption of shares on which a performance fee is accrued, such performance fee will be deemed realised and becomes payable immediately. The daily accruals of the performance fee are aggregated in order to determine a positive or negative end-result. If the end-result at the end of the Fund's accounting year is negative, no performance fee will be paid, except for that fee occurring and paid in relation to redemptions. A negative end-result will however not be brought forward from one accounting year to another. The performance fee accrued on each Valuation Day will equal:

CompAM FUND

NOTES TO THE FINANCIAL STATEMENTS (continued) AS AT DECEMBER 31, 2004

$N \times 10\% \times (\text{NAV1} - \text{NAV2})$

Where:

- N = the number of shares in issue on the relevant Valuation Day.
NAV1 = the Net Asset Value per share on the relevant Valuation Day (Net Asset Value prior to the accrual of a performance fee).
NAV2 = the Net Asset Value per share on the preceding Valuation Day (Net Asset Value after the accrual of any performance fee on that date).

The performance fees payable as at December 31, 2004 are as follows:

	Amount in EUR
CompAM FUND - Emerging Markets Bonds	109,725.03
CompAM FUND - European Equity	206,286.16
CompAM FUND - Bond Euro	169,250.22
CompAM FUND - Europe Flexible 0/50	0.00
CompAM FUND - Europe Dynamic 0/100	0.00
Total:	485,261.41

7. CUSTODIAN, PAYING, DOMICILIARY, ADMINISTRATIVE, REGISTRAR AND TRANSFER AGENT FEE

The Custodian, Paying, Domiciliary, Administrative, Registrar and Transfer Agent is entitled to receive out of the assets of each Sub-Fund a fee calculated in accordance with customary banking practice in Luxembourg as a percentage per annum of the average quarterly Net Asset Value thereof during the relevant quarter and payable quarterly in arrears, subject to a minimum of EUR 25,000 per annum. In addition the Custodian, Paying, Domiciliary, Administrative, Registrar and Transfer Agent are entitled to be reimbursed by the Fund for its reasonable out-of-pocket expenses and disbursements and for the charges of any correspondents.

8. CORRESPONDENT BANK, PAYING AGENCY, NOMINEE, PLACING AGENT AND CENTRALISATION AGENCY FEE

In Italy, the Correspondent Bank shall receive for their services an annual fee out of the assets of the Fund of 0.10% and the Centralization Agent shall receive an annual fee out of the assets of the Fund of 0.19%. Such fees shall be payable quarterly and calculated on the average Net Asset Value of shares of each Sub-Fund subscribed through the Correspondent Bank and the Centralization Agent in Italy during the relevant quarter.

The placing agent shall receive for its service a placing agent fee payable quarterly and based on the average Net Asset Value of the Shares subscribed through the placing agent during the relevant quarter as confirmed by the Registrar and Transfer Agent. For each Sub Fund, the placing fee applicable for the placing agents in Italy as well as for the placing agents in the other member states of the European Union shall be as follows:

- CompAM FUND - Emerging Markets Bonds 0.75%
CompAM FUND - European Equity 1.00%
CompAM FUND - Bond Euro 0.50%
CompAM FUND - Europe Flexible 0/50 0.65%
CompAM FUND - Europe Dynamic 0/100 0.90%

NOTES TO THE FINANCIAL STATEMENTS (continued)
AS AT DECEMBER 31, 2004

9. "TAXE D'ABONNEMENT"

Under the prevailing laws and regulations, the Company is subject in Luxembourg to a tax ("taxe d'abonnement") at the annual rate of 0.05%, payable quarterly and calculated on the basis of its net assets at the end of each quarter.

10. FUTURES CONTRACTS

As at December 31, 2004, the following futures contracts and the corresponding unrealised results are outstanding:

BOND EURO

Type	Number of contracts	Denomination	Currency	Commitments in currency	Unrealised result EUR
Short	(50.00)	EURO BOBL	EUR	(5,645,000.00)	20,000.00
Short	(14.00)	EURO BUND	EUR	(1,660,260.00)	(1,540.00)
Short	(14.00)	10 Y T-NOTES	USD	(1,567,125.00)	(4,357.73)
Short	(3.00)	US 5 Y NOTE	USD	(328,593.75)	(466.90)
Short	(1.00)	US T-BONDS	USD	(112,500.00)	(876.16)
					12,759.21

EMERGING MARKETS BONDS

Type	Number of contracts	Denomination	Currency	Commitments in currency	Unrealised result EUR
Short	(5.00)	EURO BOBL	EUR	(564,500.00)	2,000.00
Long	16.00	EURO FX CURR FUT	USD	2,711,600.00	17,264.92
					19,264.92

11. FORWARD FOREIGN EXCHANGE CONTRACTS

As at December 31, 2004, the following forward foreign exchange contracts and the corresponding unrealised results are outstanding:

EMERGING MARKETS BONDS

Maturity	Currency	Purchase	Currency	Sales	Unrealised gain EUR
25/02/2005	EUR	683,554.48	USD	(850,000.00)	56,815.20
25/02/2005	EUR	269,973.50	USD	(327,000.00)	28,867.36
25/02/2005	EUR	244,379.28	USD	(300,000.00)	23,179.03
25/02/2005	EUR	165,107.77	USD	(200,000.00)	17,642.24
25/02/2005	EUR	266,205.13	USD	(323,000.00)	28,048.03
25/02/2005	EUR	247,444.11	USD	(300,000.00)	26,245.68
25/02/2005	EUR	649,719.81	USD	(800,000.00)	59,851.32
25/02/2005	EUR	161,440.05	USD	(200,000.00)	13,972.34
25/02/2005	EUR	464,792.01	USD	(600,000.00)	22,377.31
					276,998.51

CompAM FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT DECEMBER 31, 2004

11. FORWARD FOREIGN EXCHANGE CONTRACTS (continued)

EUROPEAN EQUITY

Maturity	Currency	Purchase	Currency	Sales	Unrealised gain EUR
08/04/2005	EUR	286,000.00	USD	(342,427.80)	33,695.62

BOND EURO

Maturity	Currency	Purchase	Currency	Sales	Unrealised gain EUR
08/04/2005	EUR	145,000.00	USD	(174,290.00)	16,580.63
08/04/2005	EUR	1,380,000.00	USD	(1,652,274.00)	162,587.22
08/04/2005	EUR	123,802.21	USD	(150,000.00)	13,278.85
08/04/2005	EUR	900,000.00	USD	(1,085,485.50)	100,194.95
08/04/2005	EUR	383,741.63	USD	(500,000.00)	15,295.59
					<u>307,937.24</u>