

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, 2007

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.

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ORGANISATION OF THE SICAV

BOARD OF DIRECTORS

Chairman

Mr Massimo Scolari

Independent Member
Director of Pragma Alternative SGR
Director of Atlas Capital Sim

Members

Mrs Alessandra Degiugno

Director
Selgest S.A.
(until October 25, 2007)

Mr Gabriele Bruera

Director
Compass Asset Management S.A.

Mr Corrado Capacci

Director
Compass Asset Management S.A.

Mr Roberto Di Carlo

General Director
Sella Bank Luxembourg S.A.

Mr Andrea Prencipe

Client Relationship Manager
Sella Bank Luxembourg S.A.
(since October 25, 2007)

CONDUCTING PERSONS

Mr Massimo Scolari

Independent Member
Director of Pragma Alternative SGR
Director of Atlas Capital Sim

Mr Marco Claus

Manager
Brianfid-Lux S.A.

REGISTERED OFFICE

4, Boulevard Royal
L-2449 Luxembourg

PROMOTER

Sella Bank Luxembourg S.A.
4, Boulevard Royal
L-2449 Luxembourg

ORGANISATION OF THE SICAV (continued)

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

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INVESTMENT MANAGER

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DIRECTOR'S REPORT

Director's Report 2007

2007 was a mixed year for Compam Fund. While in the first half of the year the favorable trends of 2006 continued, in the second half the impact of the so called "subprime bubble" have severely affected the financial markets, most notably in the credit sector. The result was a sudden increase in volatility, a sharp fly to quality that brought down government bond yield curves and a massive widening of credit spreads. While we had no direct exposure to subprime asset backed securities or structured bonds, the impact on our performance has been notable, bringing returns well below the targeted levels. A new subfund denominated in USD called Bluesky Global Strategy was launched in April while the Europe Dynamic 0/100 subfund was spun off to another Sicav in September. The following tables (based on data obtained from Banca Sella Luxembourg S.A., the fund's administrative agent, and Compass Asset Management, the fund's Investment Manager, unaudited as far as the 2007 numbers are concerned) draw a summary of the growth in assets during the year and of the quarterly performances.

	YE 2005	YE 2006	YE 2007	Delta
	AUM	AUM	AUM	06/07
Bond Euro (BE)	89 638	122 118	112 919	-9 199
Bond Risk (BR)	26 349	43 059	64 919	21 860
Emerging Market Short Term (EMST)	38 158	52 231	55 016	2 785
Emerging Market Risk (EMR)	5 332	20 504	26 200	5 696
European Equity (EE)	33 534	34 612	23 535	-11 077
Equity Risk (ER)	6 764	12 616	13 729	1 113
Europe Dynamic 0/100 (ED)	6 318	8 355	-	-8 355
Total EUR	206 093	293 495	296 319	2 824
Bluesky Global Strategy (BGS)			6 031	6 031
Total USD			6 031	6 031

	BE	BR	EMST	EMR	EE	ER	ED	BGS	EFFA Euro Govt >1y	Merrill Lynch Euro High Yield Index	EURO STOXX 50
1Q	0.62%	1.13%	1.07%	1.73%	0.90%	3.65%	0.20%	-	0.21%	1.53%	1.48%
2Q	0.56%	1.41%	1.44%	1.73%	-0.62%	-0.38%	3.22%	-0.60%	-1.84%	0.26%	7.38%
3Q	-0.49%	-2.65%	-0.89%	-3.18%	-3.01%	-1.27%	-6.11%	-1.36%	2.35%	-1.70%	-2.41%
4Q	-0.42%	-1.94%	0.08%	-1.47%	-5.78%	-7.54%	-	-2.32%	1.12%	-2.32%	0.41%
2007	0.26%	-2.09%	1.70%	-1.27%	-8.36%	-5.73%	-	-	1.80%	-2.26%	6.79%

All performance data refer to the Class A shares. Europe Dynamic 0/100 was spun off on September 21st, Bluesky Global Strategy was launched on April 20th

The fund has a total return (i.e. not linked to any market index) objective across all sub-funds and investment strategies. Therefore the index performance is shown in the table simply to put the fund's achievement in the context of the developments on the financial markets during the year.

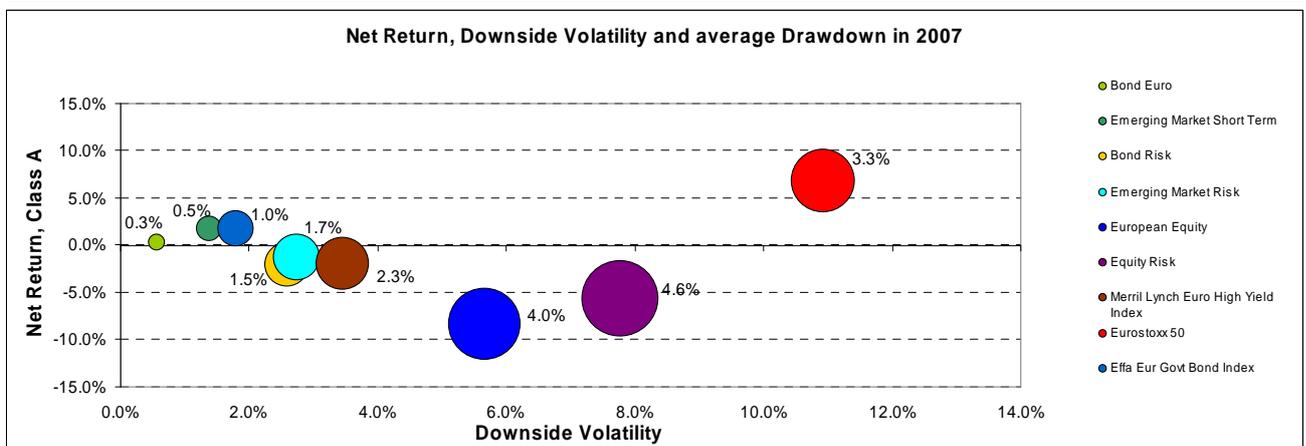
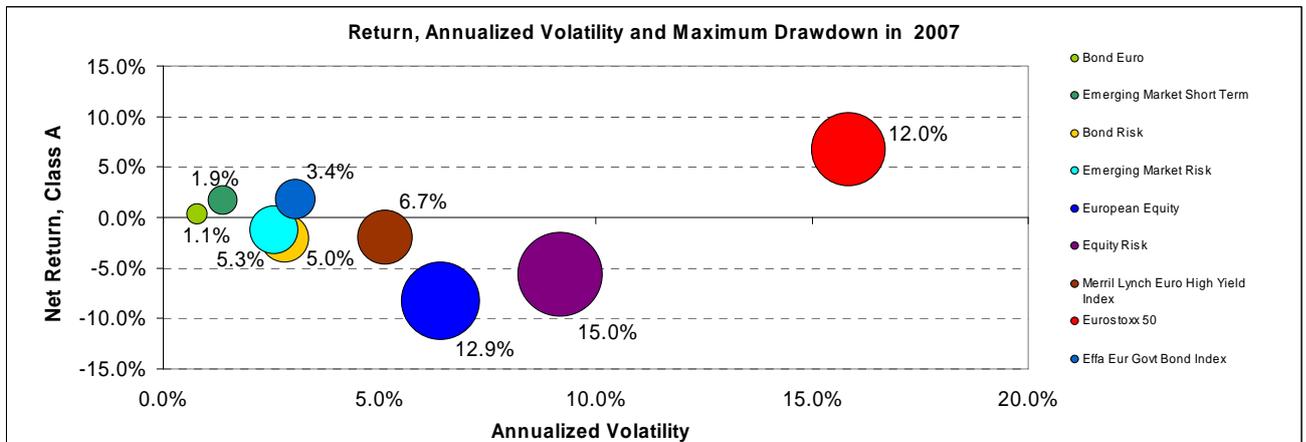
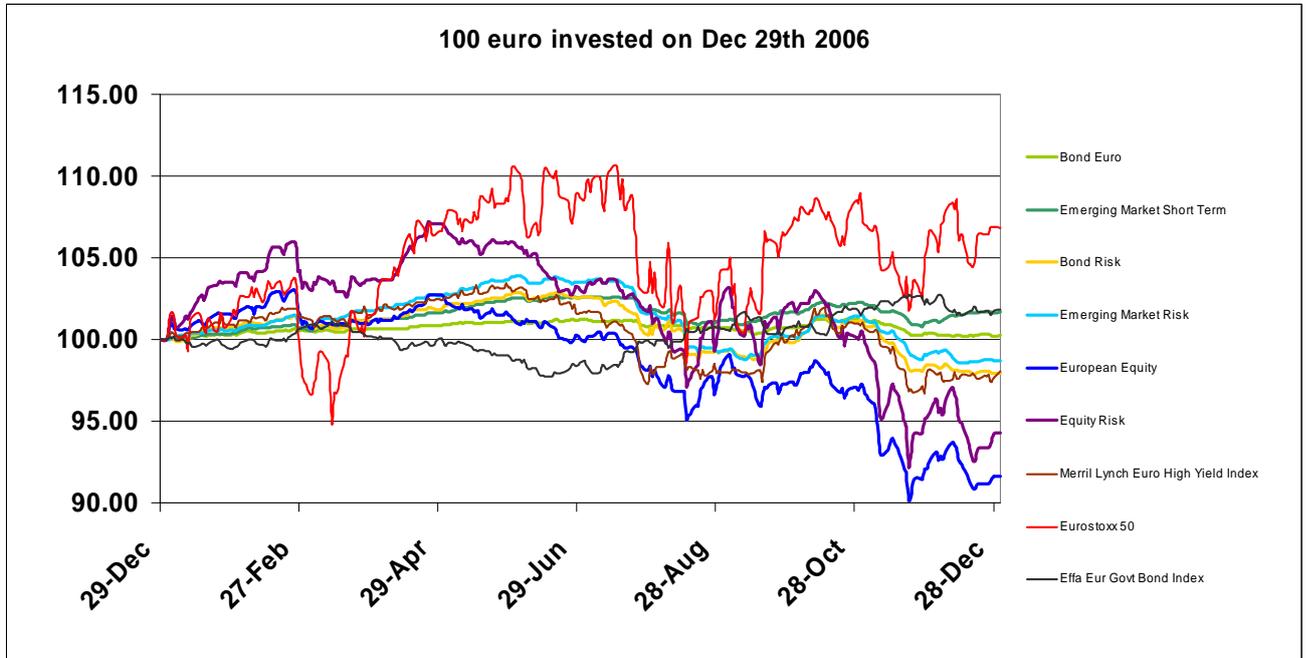
Compass Asset Management, formerly our investment advisor, was granted by the Swiss Federal Banking Commission the first ever license as manager of foreign funds under a new law that came in force on Jan 1st 2007. Subsequently the CSSF has granted the authorization to Compass to become our investment manager and was delegated to do so by our board.

In addition, during 2007 the fund has taken all measures to comply with the "substance requirement", appointing a Luxembourg resident officer, renting an office space and implementing the controls required by the law. This solution was achieved at a minimal cost to the fund, thanks to the high involvement of our investment manager in the process.

CompAM FUND

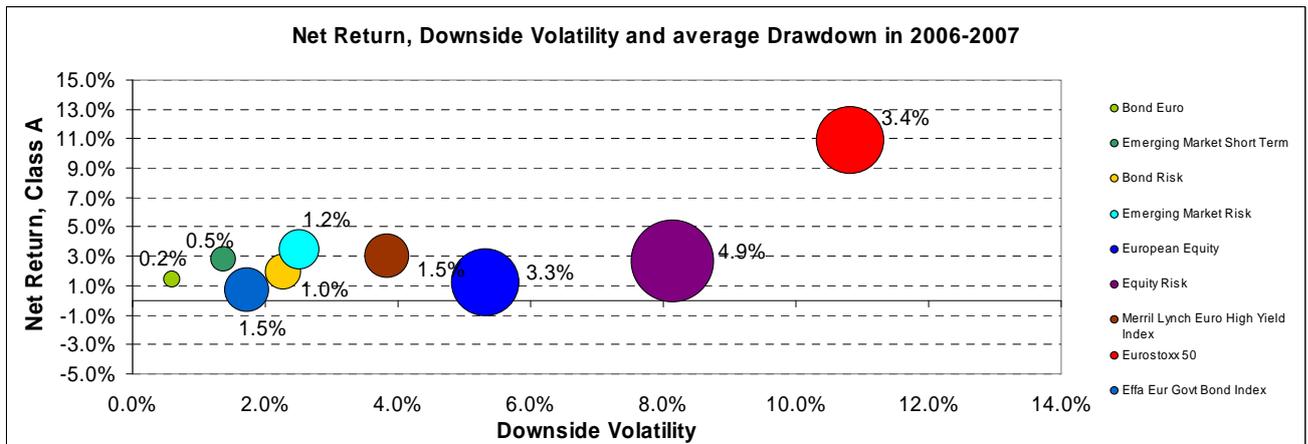
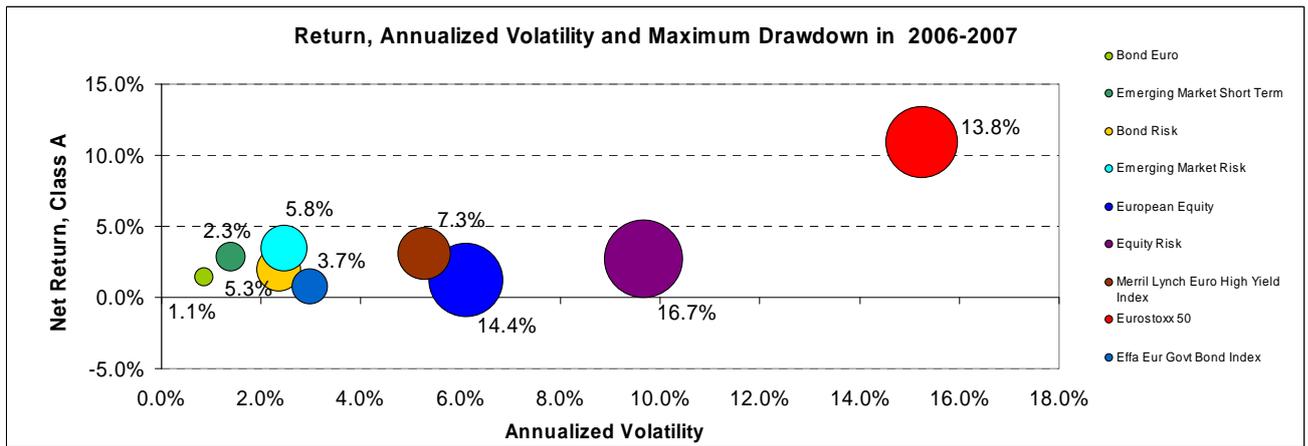
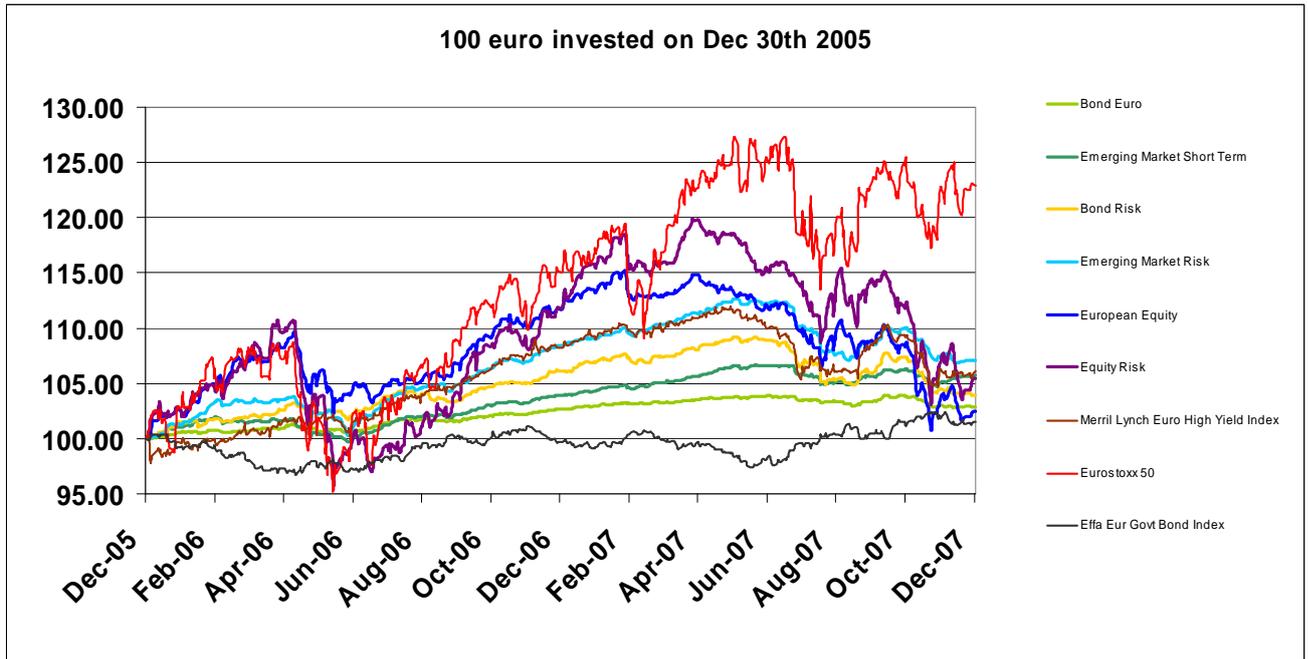
DIRECTOR'S REPORT

The following charts provide a basic analysis of the performance achieved, of the risks taken by the various sub-funds and of the shift in the yield curves that occurred during 2007. All statistics are calculated by Compass Asset Management, our investment manager, based on the official NAV reports produced by Sella Bank Luxembourg S.A., our administrator and custodian. VAR numbers, unless remarked differently, refer to 1 day 97.5% confidence level.



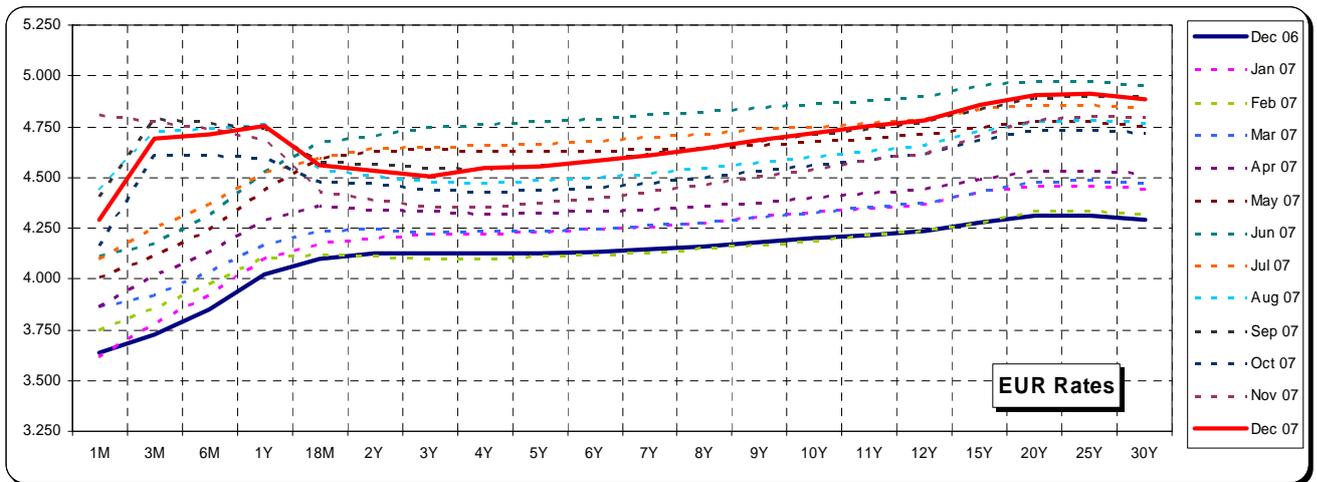
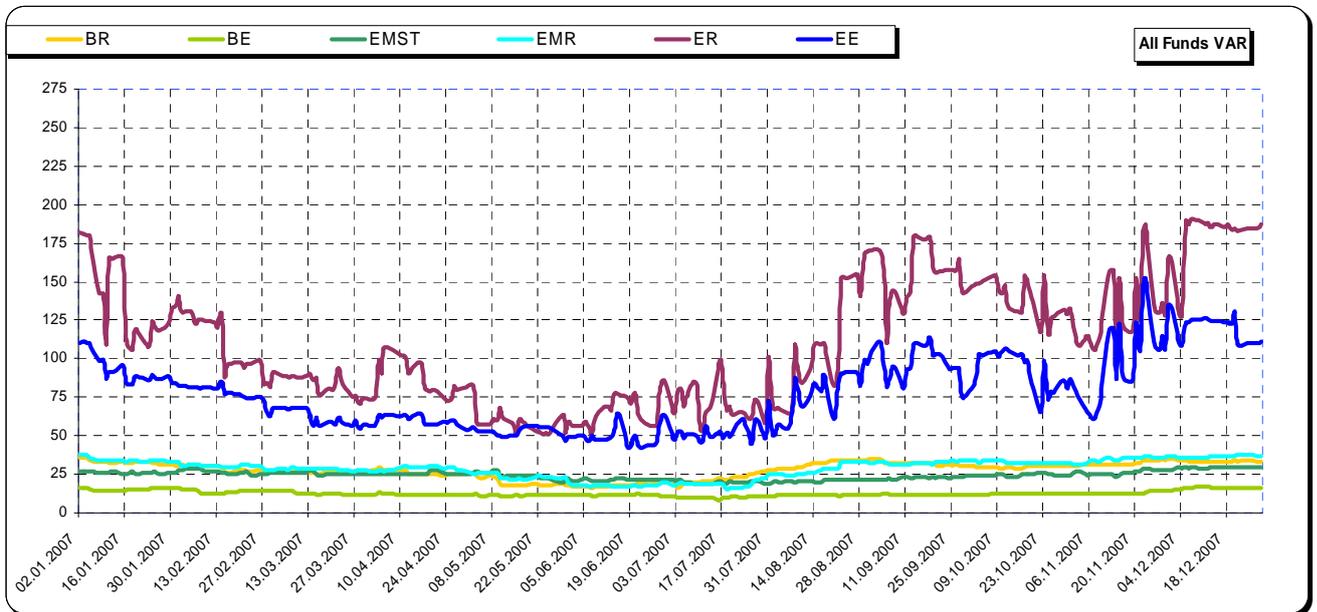
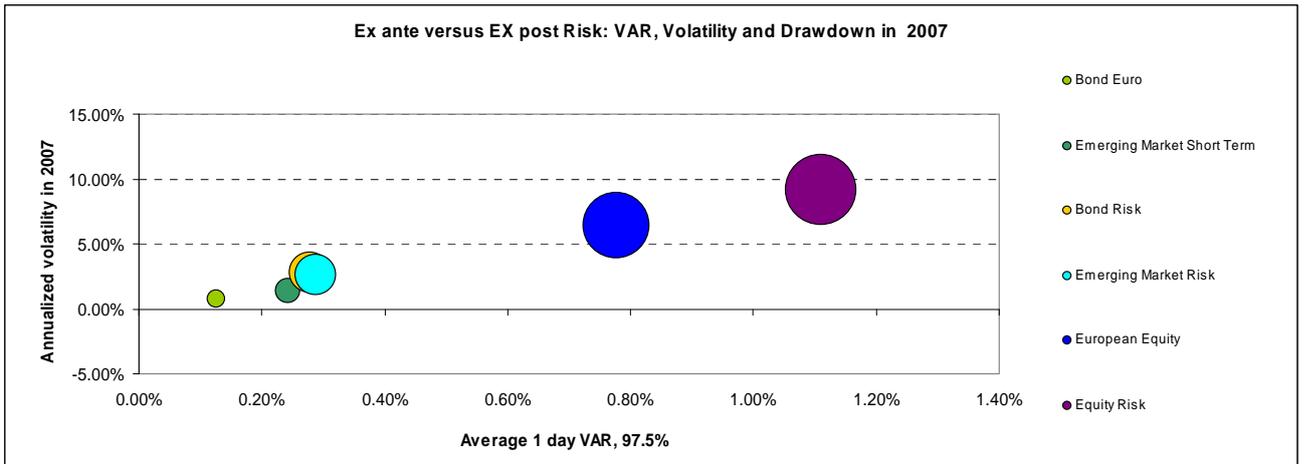
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DIRECTOR'S REPORT



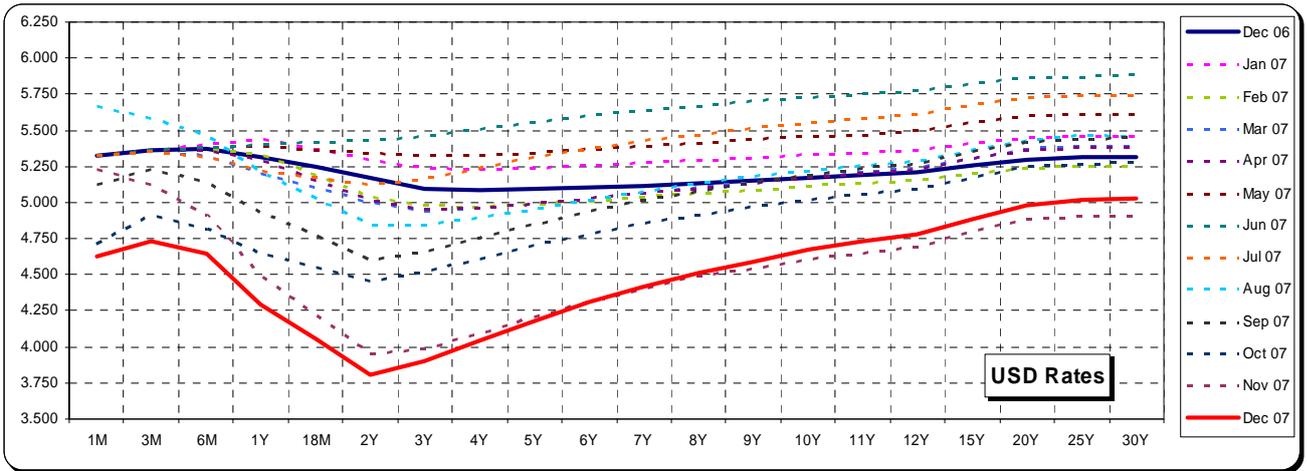
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DIRECTOR'S REPORT



CompAM FUND

DIRECTOR'S REPORT



DIRECTOR'S REPORT

CompAM FUND - BOND EURO

The Bond Euro sub-fund invests in corporate and government bonds with the constraint of having at least 40% of its net assets in government or AAA bonds, not more than 20% in sub-investment grade or not rated bonds. With a recommended investment time horizon of 1 to 2 years, the purpose of the sub-fund is to achieve average yearly returns in excess of Euro money market rates.

In the 2007 the fund's class A share returned 0.26% net of all fees. This brings the annualized compound rate of return to 3.43% since its inception in April 2003.

Year 2007 was a tough one for fixed income assets. In Europe Government bond yields rose across the entire spectrum of the yield curve: 1-year yields climbed 19 basis points to 4.06%, 3-year yields climbed 15 basis points to 4.04% and 10-year yields climbed 36 basis points to 4.31%. Credit spreads kept tightening during the first half of the year but, starting from July, they inverted their trend and ended the year at considerably wider levels compared to those prevailing at the end of 2006. This move was particularly accentuated within the sub investment grade sector of European credits: the ITRAXX index, which tracks the 5-year Credit Default Swap of a basket of European high yield issuers, widened 120 basis points, from 220 to 340 after having touched a low of 170 on February 22nd and a high of 461 on July 31st.

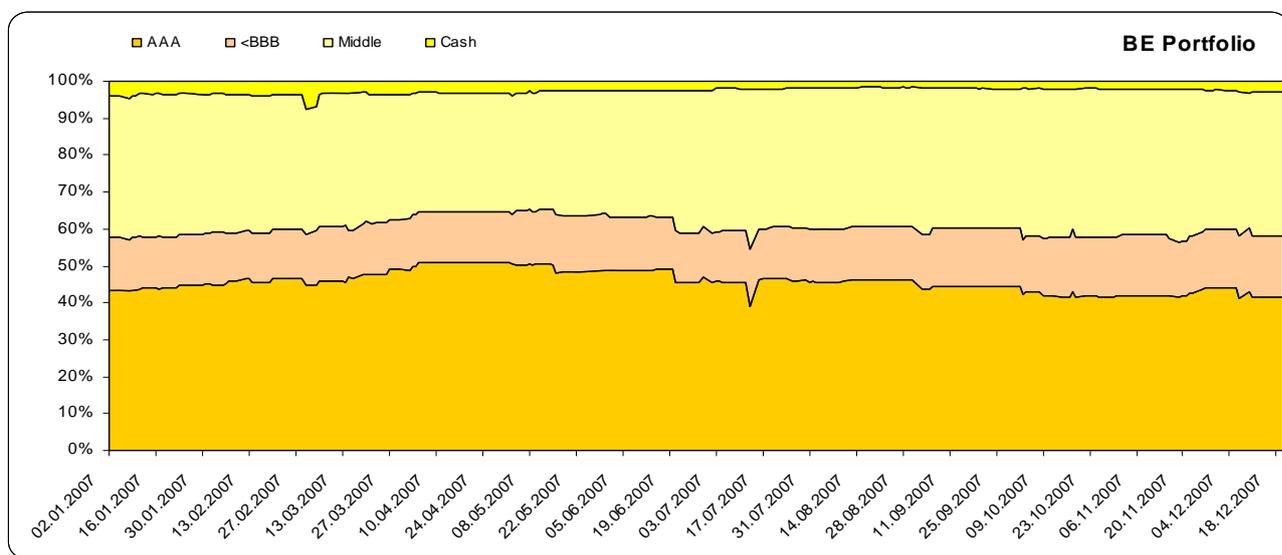
Therefore, given these difficult circumstances, even though we are not fully satisfied with the meager performance achieved in 2007 we are at least pleased to have posted a slightly positive return.

Given the upward shift in the European sovereign yield curve, and the widening of credit spreads among both investment grade and high yield European issuers, the portfolio yield to maturity increased substantially throughout the year, from 4.7% to over 5.5%. Portfolio average duration was kept below 2 years: European yield curves have essentially no steepness, giving no incentive to roll down strategies or duration extension strategies.

The first chart below, drawn from data gathered by Compass Asset Management, shows the portfolio composition during the year between the various types of investments (Cash, AAA, Investment Grade Credits, Sub Investment Grade Credits). The second chart shows the evolution of the portfolio average Duration and Yield to Maturity (net of hedging costs) during 2007. The third chart reports the VAR model of the fund, showing the maximum expected daily loss (red line), gain (blue line) and the actual performance (green columns).

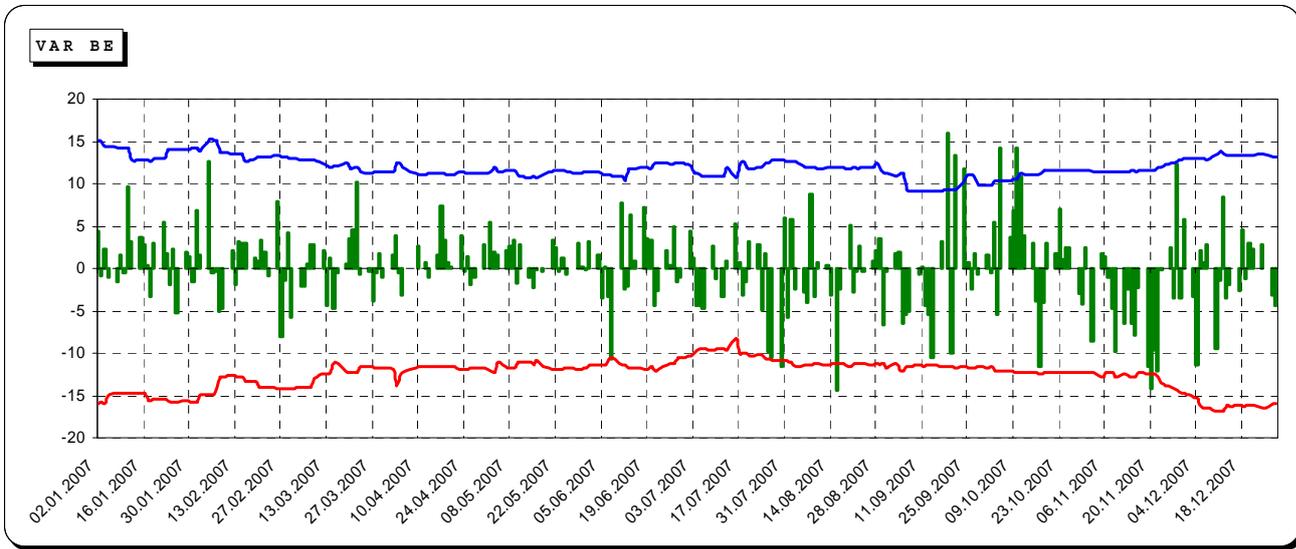
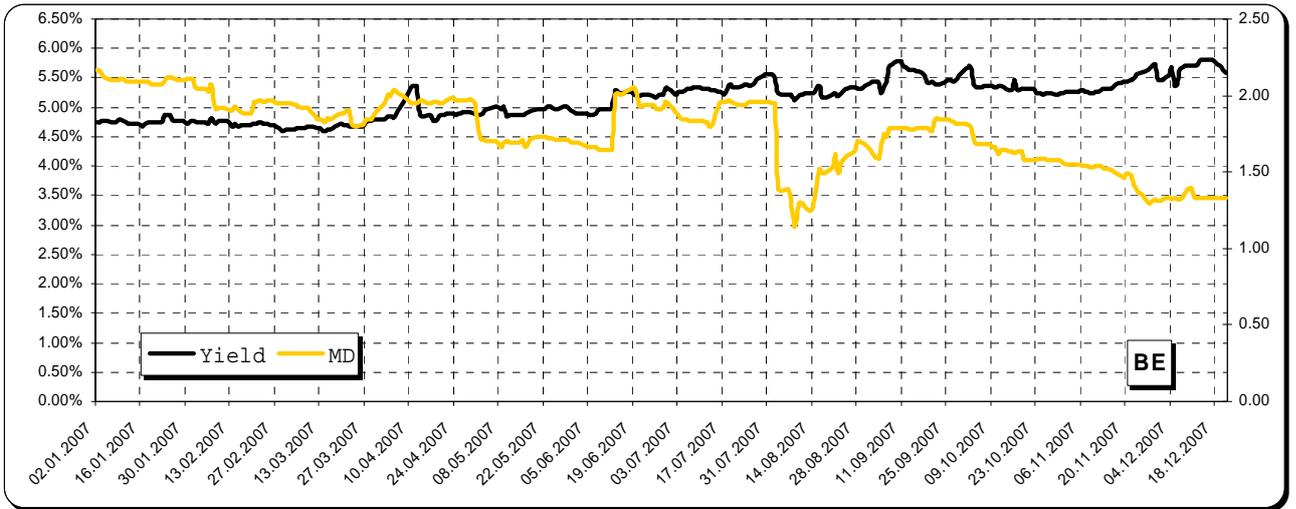
There is no easy money to be made in fixed income markets under current conditions. Although the yield curve has moved higher during 2007, interest rates are still historically low. On the other side, credit spreads have finally widened and, even though we cannot predict how much further this move could extend, this could create nice opportunities for a bottom-up, research driven, investment strategy.

Finally, we derive some comfort from the improved carry of the portfolio that should help to smooth any price volatility and, eventually, to enhance returns.



CompAM FUND

DIRECTOR'S REPORT



DIRECTOR'S REPORT

CompAM FUND - BOND RISK

This sub-fund is an unconstrained and more concentrated version of Bond Euro portfolio, targeting higher net returns to investors, albeit with a longer time horizon, and higher volatility of returns.

In 2007, the fund's class A share returned -2.09% net of all fees. This brings the annualized compound rate of return to 4.32% since the inauguration of the actual investment policy in January 2005.

This year was a tough one for fixed income assets and it was characterized by two distinct and opposite trends: a continuation of the credit spread tightening move that lasted until June followed, in the second part of the year, by a swift and abrupt credit spread widening. This move was particularly accentuated within the sub investment grade sector of European credits: the ITRAXX index, which tracks the 5-year Credit Default Swap of a basket of European high yield issuers, widened 120 basis points, from 220 to 340 after having touched a low of 170 on February 22nd and a high of 461 on July 31st.

Therefore, given these challenging circumstances, the fund posted a negative return during 2007, completely erasing the positive performance of the first semester. We would like to remark that the fund had no exposure to CDO, ABS or MBS structures.

Following the substantial widening of credit spreads among both investment grade and high yield European issuers, the portfolio yield to maturity increased markedly throughout the year, from 7% to close to 9% at the end of December. Portfolio average duration was kept close to 2 years.

The first chart below, drawn from data gathered by Compass Asset Management, shows the portfolio composition during the year between the various types of investments (Cash, AAA, Investment Grade Credits, Sub Investment Grade Credits). It can be clearly seen that we have been heavily exposed throughout the year to sub-investment grade credits that in our opinion offer, in the current market conditions, a much better risk reward proposition than the simple interest rate risk.

The second chart shows the evolution of the portfolio average Duration and Yield to Maturity (net of hedging costs) during 2007.

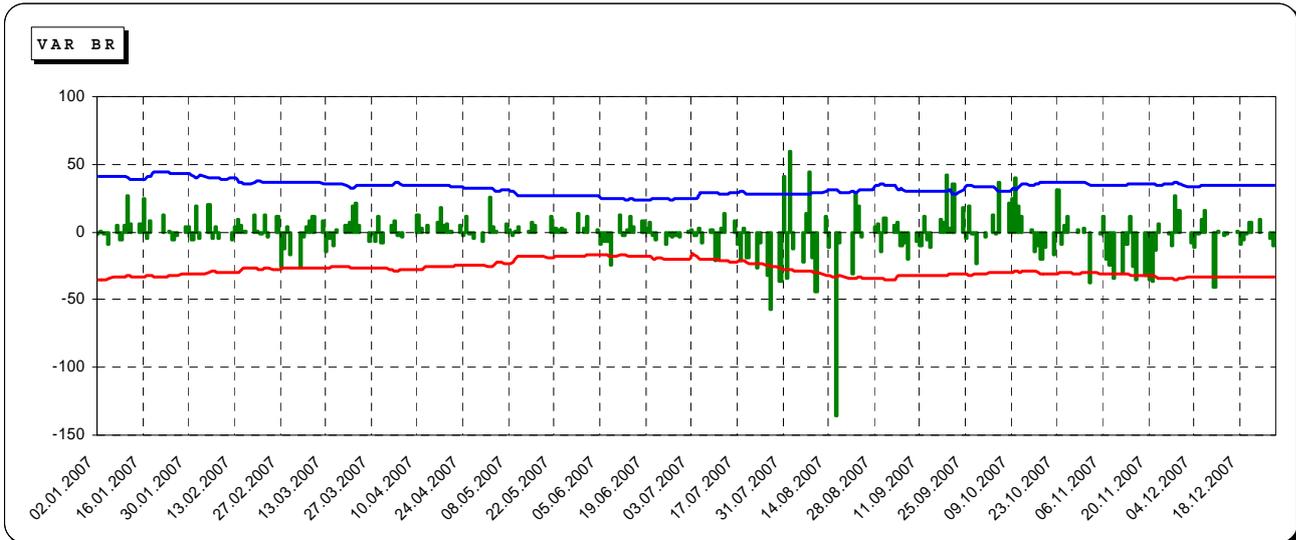
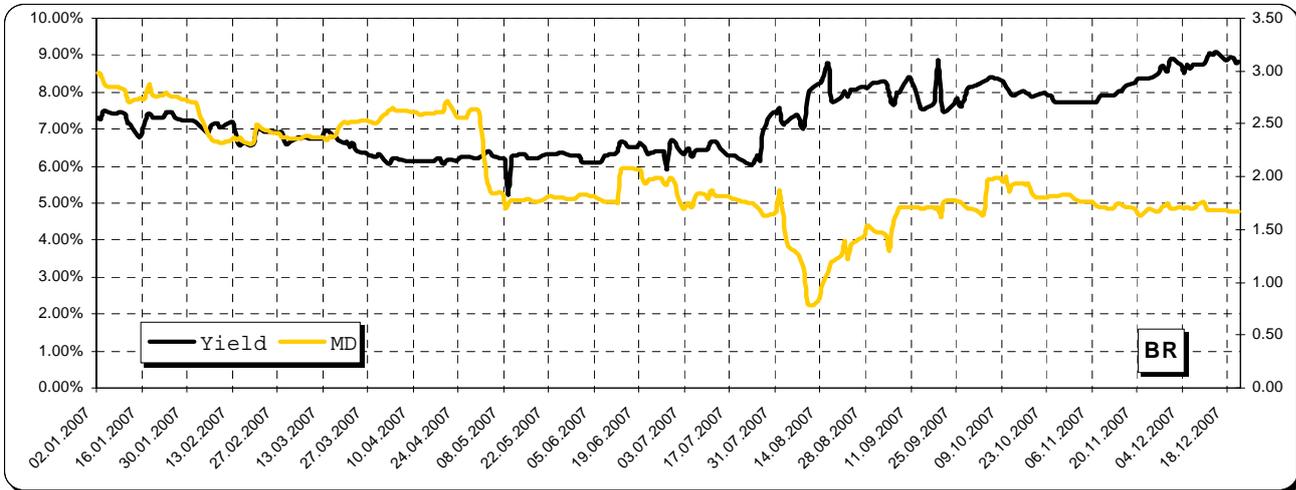
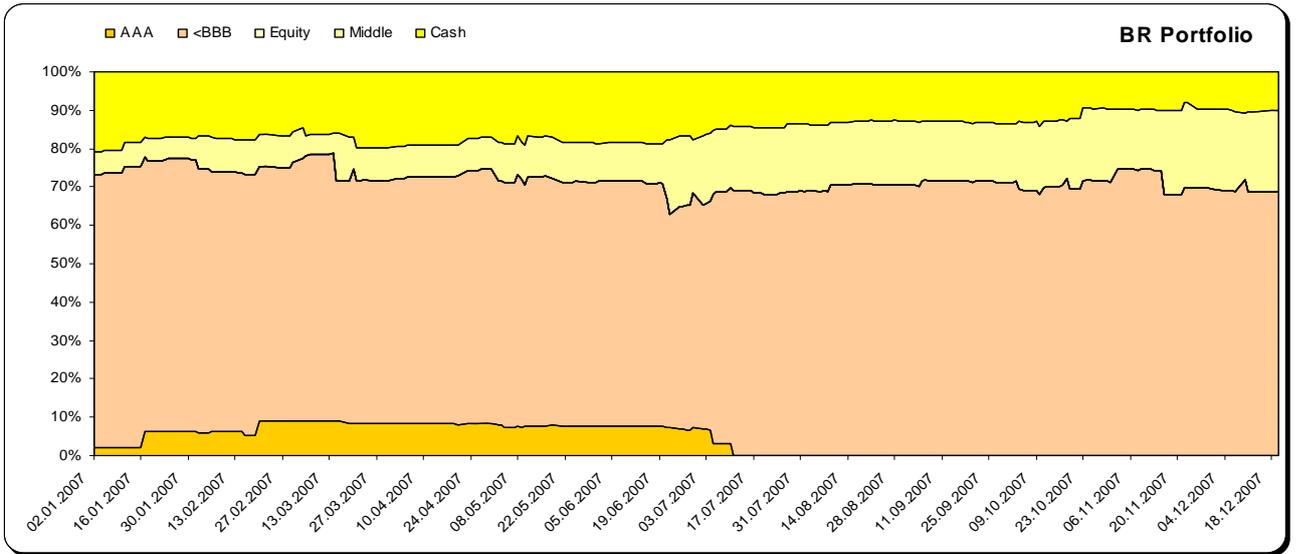
The third chart reports the VAR model of the fund, showing the maximum expected daily loss (red line), gain (blue line) and the actual performance (green columns).

Although current market conditions exhibit an abnormally high volatility, we would like to point out that credit spreads have finally widened and, even though we cannot predict how much further this move could extend, this has finally created nice opportunities for a bottom-up, research driven, investment strategy as the one implemented by our Investment Manager.

Finally, we derive some comfort from the much improved carry of the portfolio that should help to partially shield any price volatility and, eventually, to enhance returns.

CompAM FUND

DIRECTOR'S REPORT



DIRECTOR'S REPORT

CompAM FUND - EMERGING MARKET SHORT TERM

The Emerging Market Short Term sub-fund invests in government and corporate bonds of emerging countries and supranational entities (such as World Bank and European Investment Bank) denominated either in hard currency (mainly Euro and USD) or in a local emerging market currency. The weighted average duration of portfolio holdings cannot exceed at any time 24 months.

The purpose of the sub-fund is to achieve average yearly returns, with a recommended investment time horizon of at least 2 years, in excess of Euro money market rates.

In the whole of 2007, the fund's class A share returned 1.70% net of all fees. This brings the annualized compound rate of return to 4.16% since its inception in April 2003.

This year was characterized by two distinct and opposite trends: a continuation of the credit spread tightening move that lasted until June followed, in the second part of the year, by a swift and abrupt credit spread widening. Even though the fund did not suffer disproportionately from the credit spread widening, due to short term nature of the portfolio investments, nevertheless the price impact was not fully compensated by the carry and the fund ended the year with a net performance lower than the portfolio yield. Moreover, as was the case in 2006, and differently from 2005, there were no special situations (such as the 2005 Argentine debt restructuring) from which the fund could take advantage and enhance its return.

Throughout the course of the year portfolio average duration has been close to 1.5 years, comfortably below the upper limit of 2 years. As far as portfolio yield to maturity is concerned, this has been increasing during 2007 from around 6.25% at the beginning of the year to well above 8% by the end of December. The move in the portfolio yield to maturity is a direct consequence of the spread widening experienced by emerging market credits during the second half of the year.

In terms of portfolio composition, the local currency component has been reduced throughout the course of the year declining to 12% at the end of December. Within the Eastern Europe currencies, we maintain an exposure to the Turkish Lira (albeit it was reduced to 1% of portfolio net assets) and to the Russian Ruble that, with a weight of 5.6%, is the highest weighted local currency in portfolio. In Latin America we retain an exposure to the Brazilian Real and the Mexican Peso, while we closed the position on the Colombian Peso. Finally, we opened a position in the Nigerian Naira. The reason behind the reduced exposure to local currencies lies on valuation: many currencies have noticeably appreciated, especially against the USD, during the past two years and we think the room for further appreciation is limited, while the risk of a correction has increased. Nevertheless we need to admit that, had the fund retained a higher exposure to local currencies during 2007, the performance would have been more satisfactory.

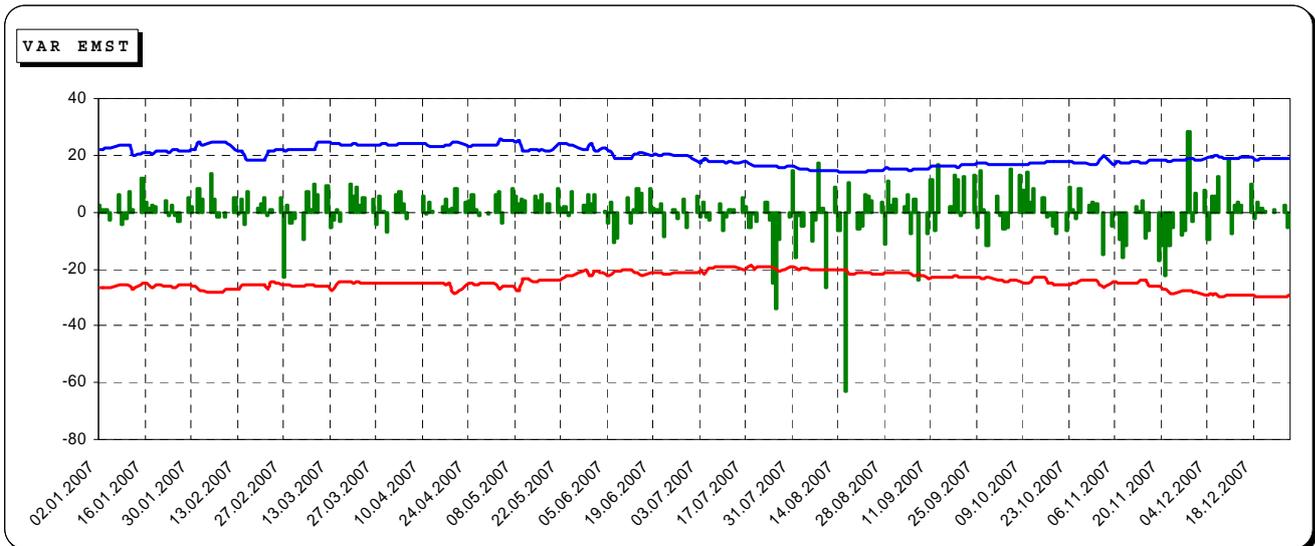
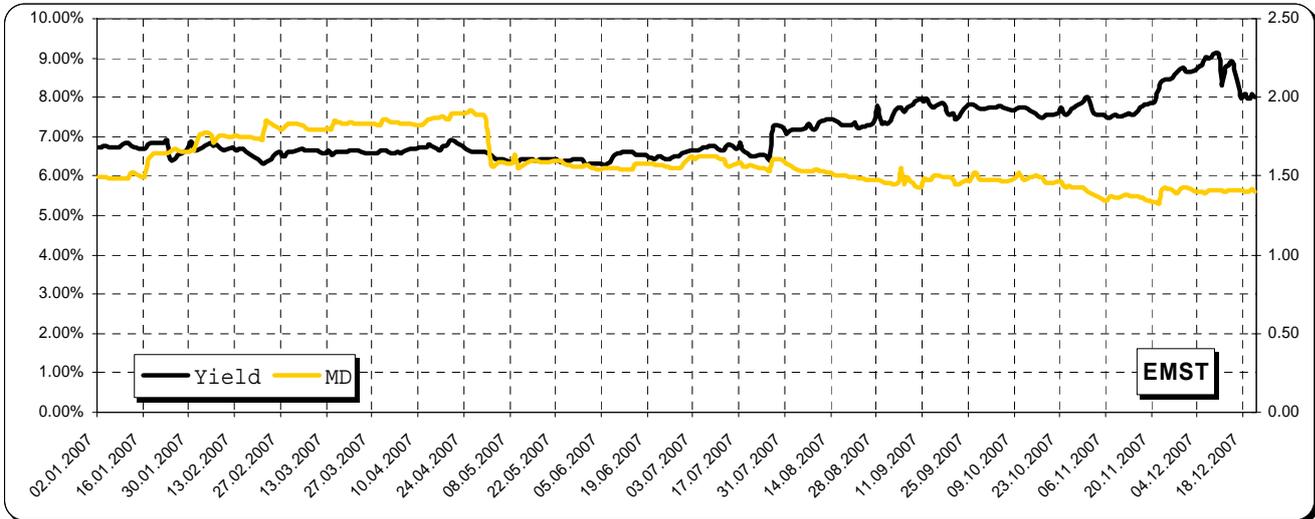
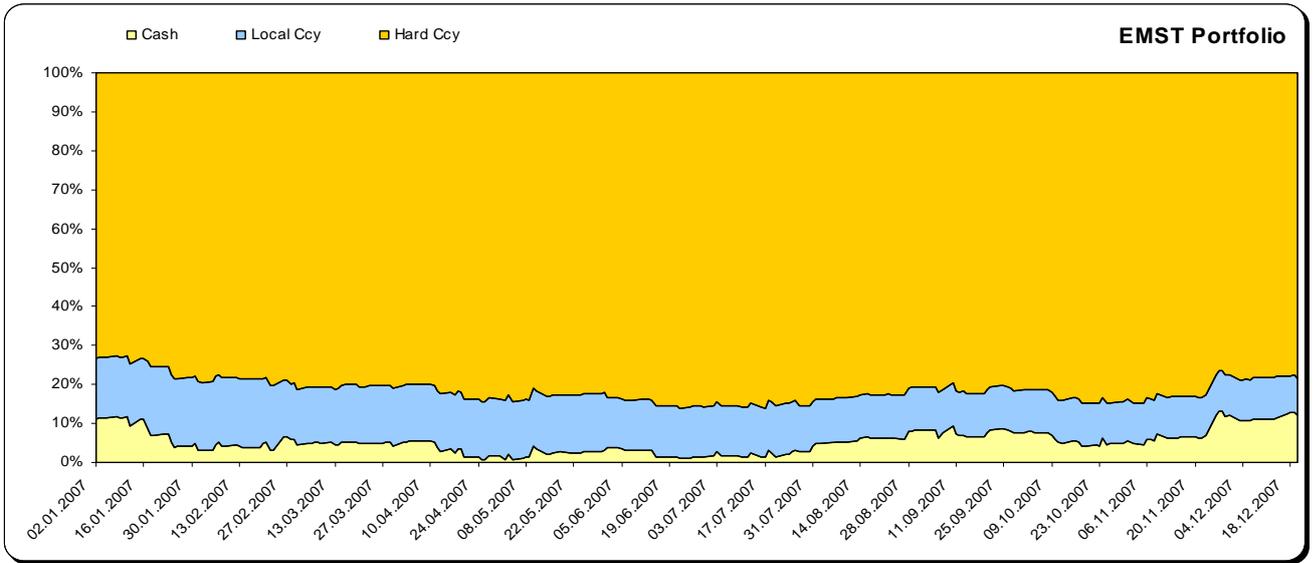
In the hard currency section of portfolio, the trend, initiated in 2006, of reduction in the sovereign component and increase in the corporate one continued during 2007. This transition is the natural consequence of governments issuing less frequently and at tighter spreads compared to corporate issuers.

At the end of the year government issues represented 17% of portfolio net assets while, within the corporate sector, the highest weighted industries were financials (33%) and communications (12%).

Finally, cash position at the end of December was increased to 15%, while staying below 10% for most of the year.

CompAM FUND

DIRECTOR'S REPORT



DIRECTOR'S REPORT

CompAM FUND - EMERGING MARKET RISK

This fund was launched in December 2005 with the objective of being an unconstrained and more concentrated version of the Emerging Market Short Term portfolio, targeting higher net returns to investors, albeit with a longer time horizon and higher volatility of returns compared to the Emerging market Short Term sub-fund.

During 2007, the fund's class A share returned -1.27% net of all fees. This brings the annualized compound rate of return to 3.31% since its inception in December 2005.

We are not pleased with the performance of the fund, especially during the second half of the year. The fund suffered the abrupt credit spread widening that started in July 2007 and that erased the first six months of returns. Nevertheless we derive comfort from the portfolio yield to maturity that stood above 10% at year end compared to close to 7% at the end of 2006. This move is entirely the consequence of the spread widening experienced by emerging market credits during the second half of the year.

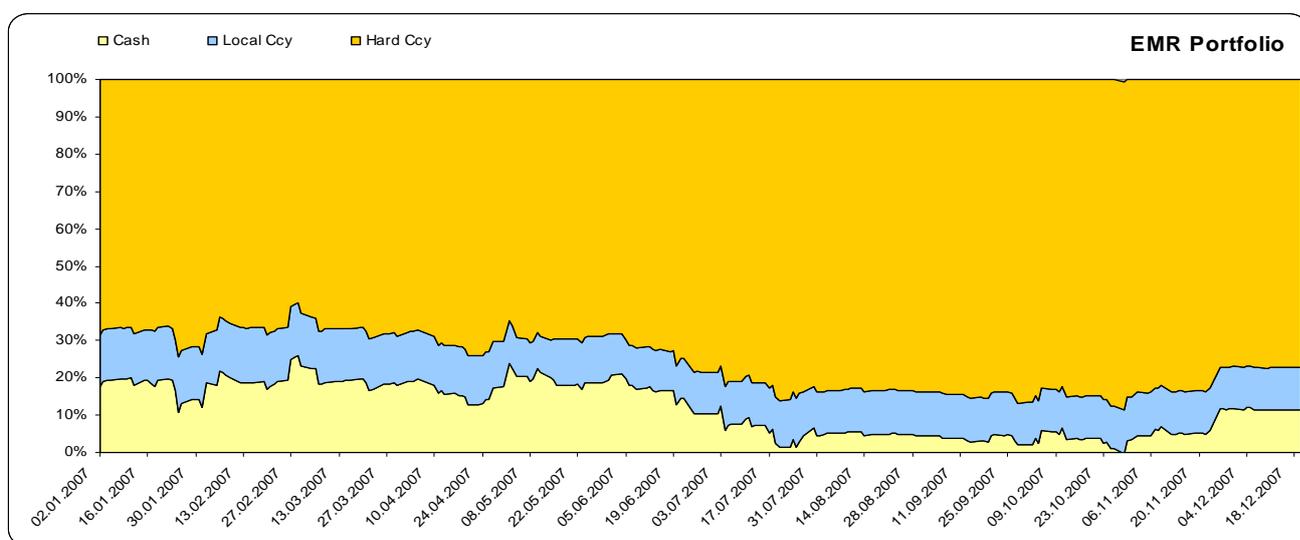
Portfolio average duration has been in the range between 2 years and 3.5 years, and stood at 2.7 years net of hedging with interest rate futures.

In terms of portfolio composition, the local currency component has been reduced throughout the course of the year declining to 15% at the end of December. Within the Eastern Europe currencies, we maintain an exposure only to the Russian Ruble that, with a weight of 7.8%, is the highest weighted local currency in portfolio, while we closed the exposure to the Turkish. In Latin America we retain an exposure to the Brazilian Real and the Mexican Peso, while we closed the position on the Colombian Peso. Finally, we opened a position in the Nigerian Naira. The reason behind the reduced exposure to local currencies lies on valuation: many currencies have noticeably appreciated, especially against the USD, during the past two years and we think the room for further appreciation is limited, while the risk of a correction has increased. Nevertheless we need to admit that, had the fund retained a higher exposure to local currencies during 2007, the performance would have been more satisfactory.

In the hard currency section of portfolio, the trend, initiated in 2006, of reduction in the sovereign component and increase in the corporate one continued during 2007. This transition is the natural consequence of governments issuing less frequently and at tighter spreads compared to corporate issuers.

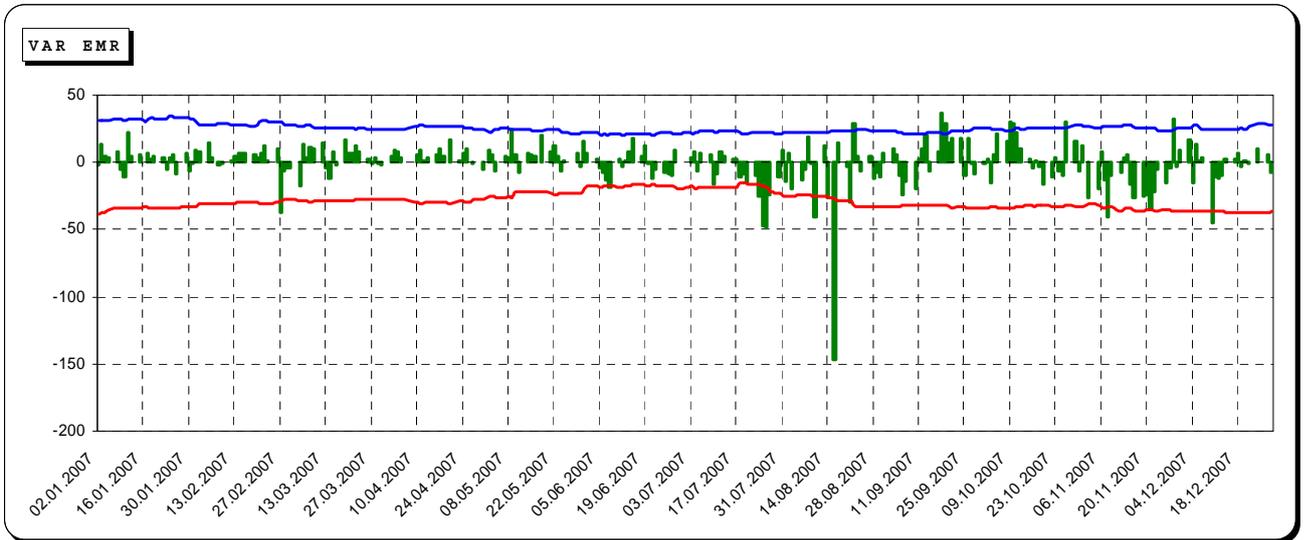
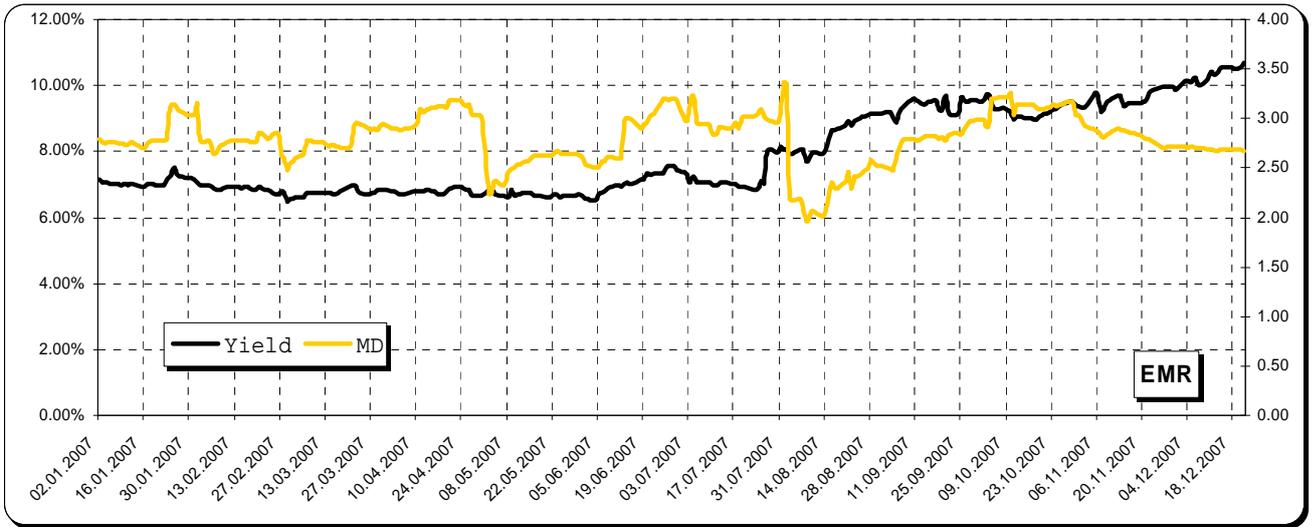
Therefore, and given the higher risk attitude of the portfolio compared to Emerging Market Short Term, lower yielding government issues represent only 6% of portfolio net assets. Within the corporate sector the highest weighted industries where financials (38%) and consumer non-cyclical (12%).

Finally, cash position at the end of December was 12%, compared to close to 20% during the first six months of the year and to close to 5% from August onwards, when the fund put some cash at work following the substantial credit spread widening.



CompAM FUND

DIRECTOR'S REPORT



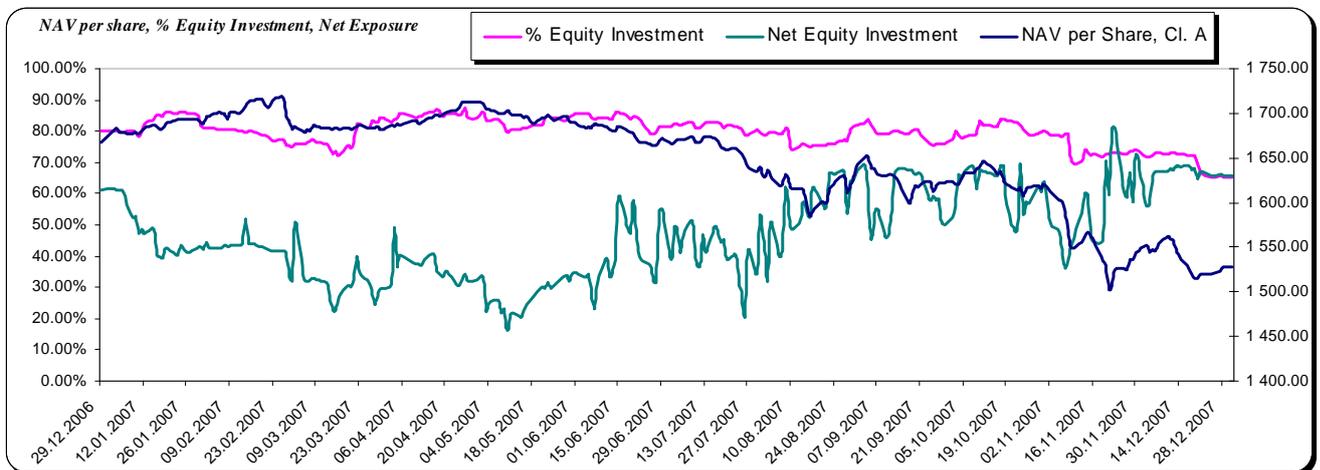
DIRECTOR'S REPORT

CompAM FUND - EUROPEAN EQUITY

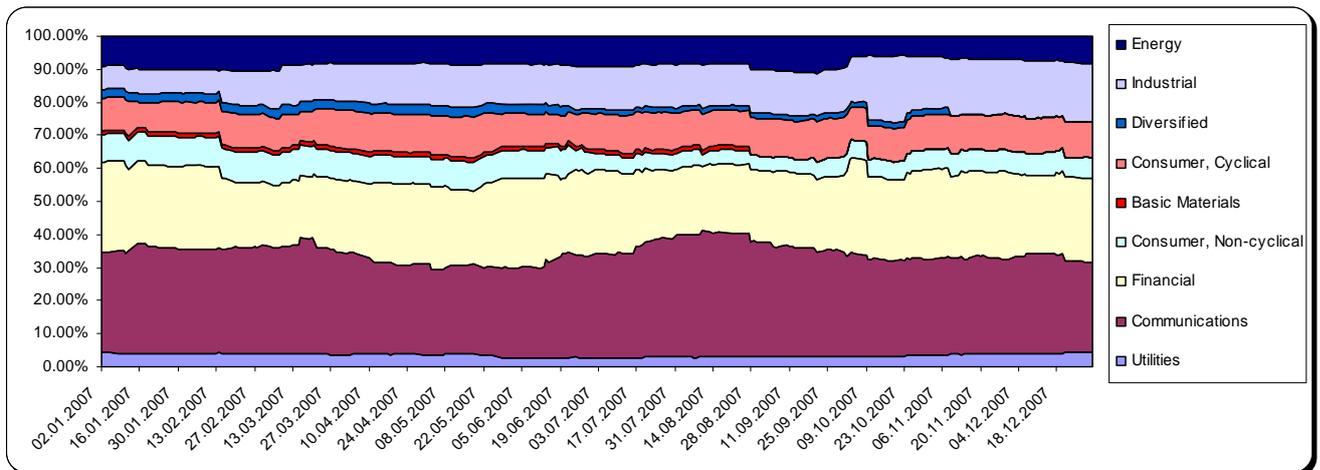
The European Equity sub-fund invests primarily in equities listed or issued in the European Union with a bottom-up approach to stock selection and a portfolio risk management carried out with a discretionary hedging. The purpose of this fund is to achieve returns similar to the long run returns available in the equity markets, with reasonable volatility and a limited drawdown risk. A portfolio of carefully selected Equities is partially hedged with futures and options on equity indexes.

In 2007 the fund's class A delivered a net loss of 8.36%. Key determinants of this loss were the exposure to the Italian market and to mid and small cap stocks. Average compounded annual return since inception in March 2003 went down to 9.17% that is more representative of the fund's longer term target return.

Based on the daily data, the average exposure during the year, calculated by our Investment Advisor subtracting from the value of the fund's portfolio of stocks the underlying value of futures sold or the delta adjusted option exposure, was 47.22% (versus last year's average of 53.10%), while the average gross exposure was 79.62% against 84.24% in 2006.



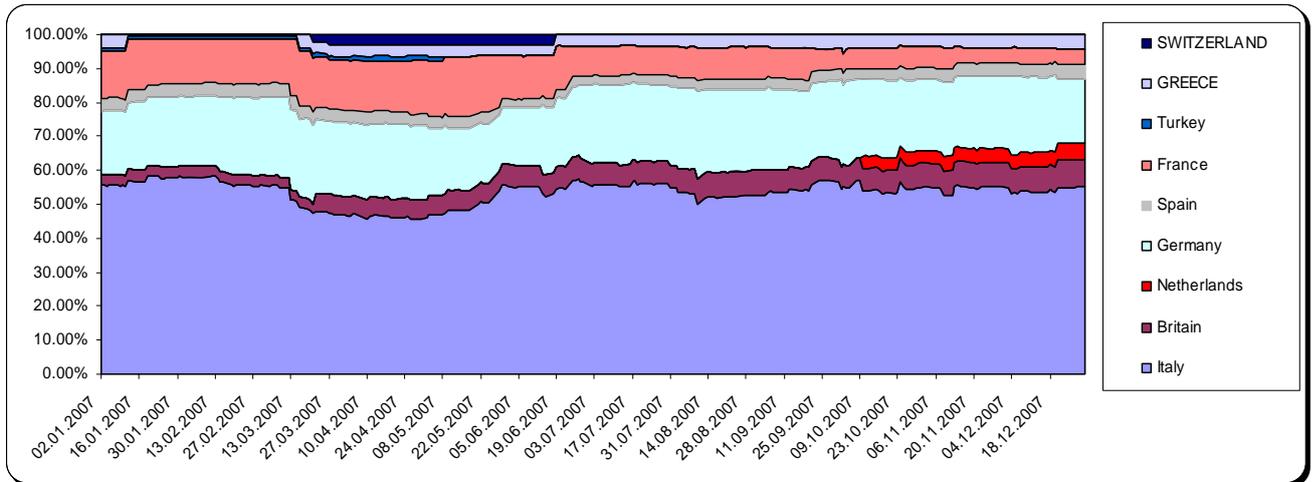
On average the portfolio was tilted towards the Communication and Financial sectors (Bloomberg sectors definitions) with, respectively, 31.01% and 23.75% of the equity investments.



In geographical terms Italy had the lion share with an average of 53.57% of the portfolio; Germany had 21.61% and France 10.54%.

CompAM FUND

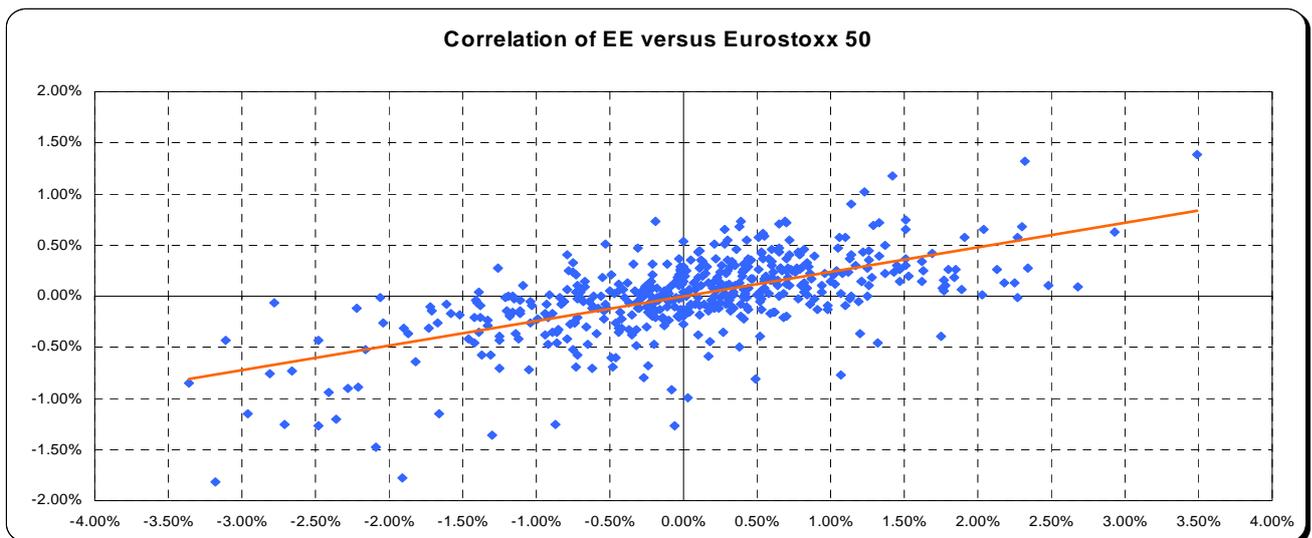
DIRECTOR'S REPORT



During the year, the portfolio turned 2.93 times the average end of day assets (sum of purchases and sales divided by average end of day assets), with an average transaction cost of 5.9 basis points, i.e. a total transaction cost to the fund of 17.2 basis points, increasing to 31.8 basis points once the commissions for futures and options are taken into account.

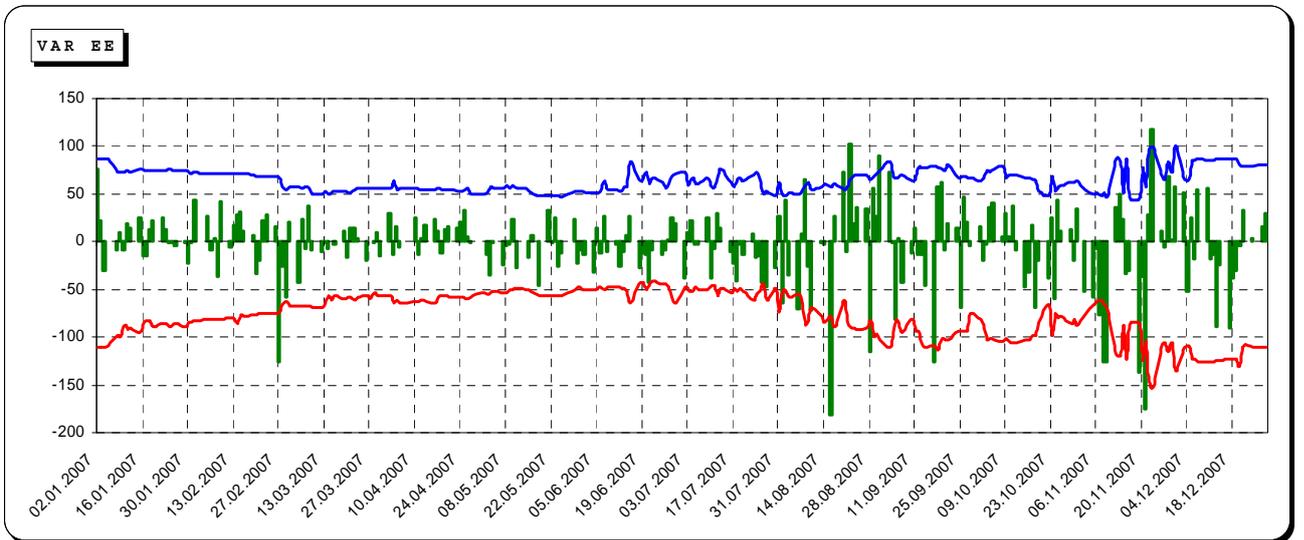
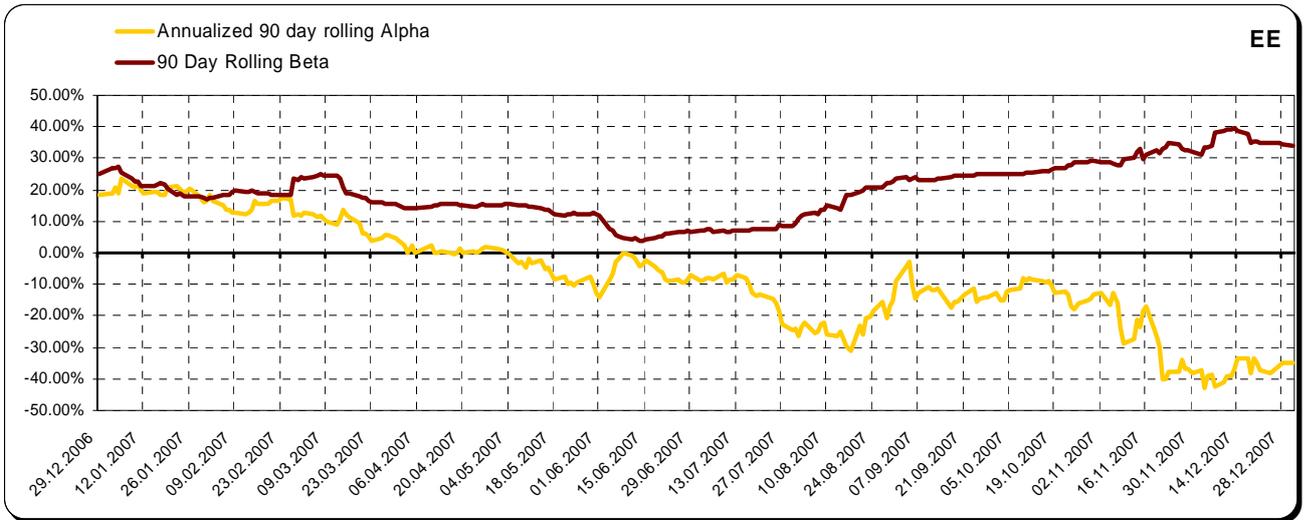
The greatest positive contributors to the performance during the year were (in decreasing order) Daimler, Vianini Lavori, Vodafone, BNP, Ifil, Total, HVB, Volkswagen, Depfa, Fiat, AWD, United Internet, PPR, France Telecom, Ifi. Losses were generated by IGD, Post Austria, Trevisan, Unicredito, Versatel AG, Navigazione Montanari, Carnival, Parmalat, Banco Popolare, Pagine Gialle, Telecom Italia, Telegate. Investments in corporate bonds generated a positive contribution of 81 basis points.

Hedging (via futures, index options and single stock options) was a cost to the fund of 7.89% (versus last year's 6.38%); it is definitely disappointing that, despite this high hedging cost, we've been unable to prevent losses for the fund in an unfavorable market context for the fund. This bad experience has highlighted the high "basis risk" embedded in the fund's investment strategy and it is the intention of the fund manager to review the hedging process in the short term, thanks to the involvement in the fund's day to day management of the personnel that has been successfully managing a long/short hedge fund for the past nine years.



CompAM FUND

DIRECTOR'S REPORT



DIRECTOR'S REPORT

CompAM FUND - EQUITY RISK

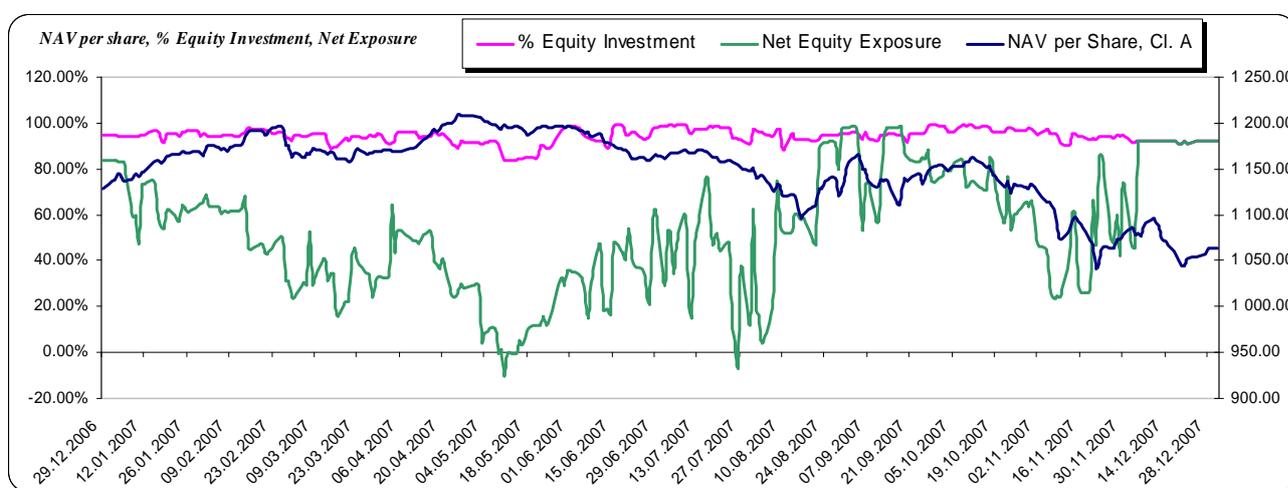
This fund was launched in December 2005 with the objective of being an unconstrained and more concentrated version of the European Equity portfolio, targeting higher net returns to investors, obviously at a price of a higher volatility and drawdown risk. Hedging, a constant feature of the European Equity portfolio, is implemented in the Equity Risk fund on a purely discretionary basis; therefore it has to be assumed by the investors that the risk profile of this subfund is equivalent, if not higher, to an equity market index.

In 2007 the fund's class A delivered a net loss of 5.73%. We are clearly not satisfied of this return. Involvement in the Italian market and in mid and small cap names were a key determinant of this poor result.

During the year, the portfolio turned 5.07 times the average end of day assets, with an average transaction cost of 5.4 basis points, i.e. a total transaction cost to the fund of 27 basis points, increasing to 51 basis points once the commissions for futures and options are taken into account.

Positive contribution to the performance during the year came from (in decreasing order) France Telecom, Volkswagen, Vianini Lavori, Daimler, Eutelsat, Deutsche Telekom, Bastogi, Premiere, United Internet, Ifil, Mlp, BNP, Fiat, AWD, HVB and Total. Losses were caused by IGD, Telegate, Navigazione Montanari, Trevisan, Carnival, Versatel AG, Cementir, Unicredito, Banco Popolare, IT Holding, Pfleiderer, Seat and Conafi. Hedging cost to the fund was 2.9% and failed to protect from the downside.

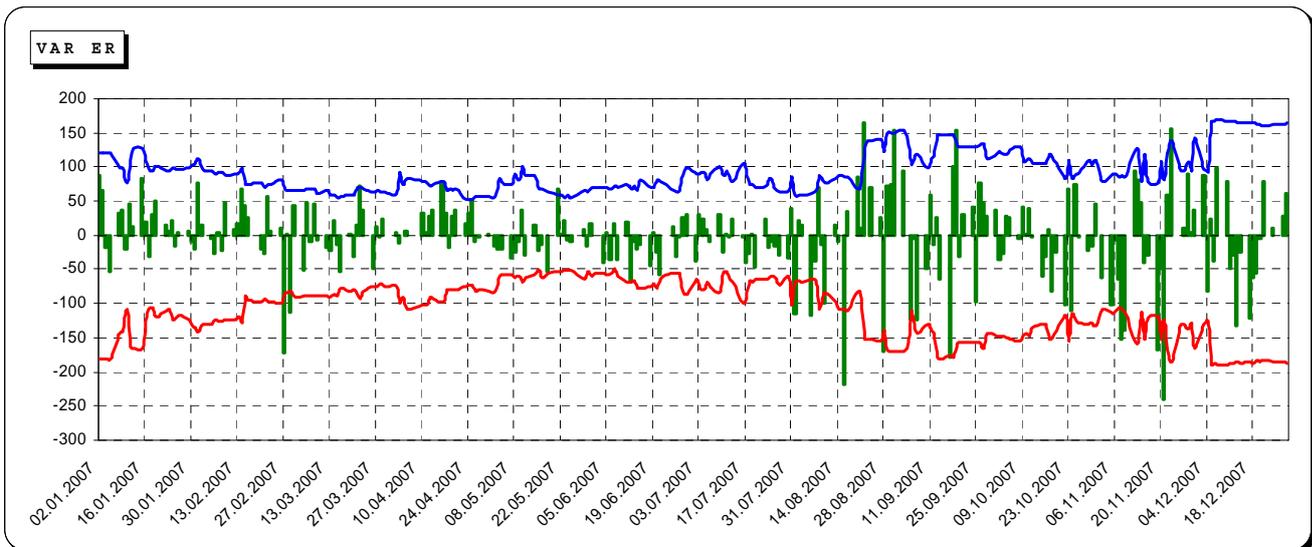
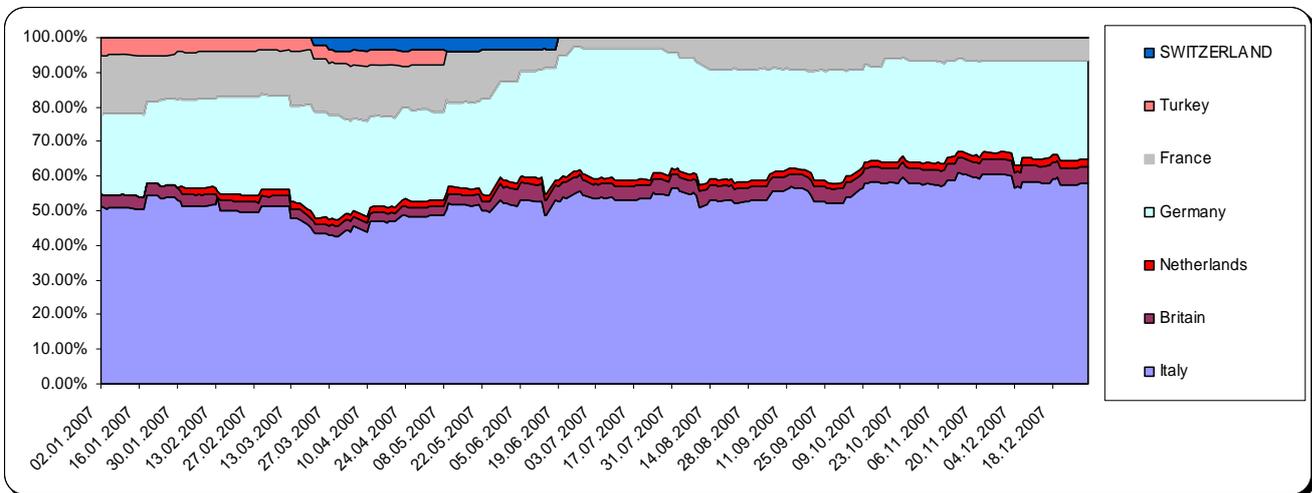
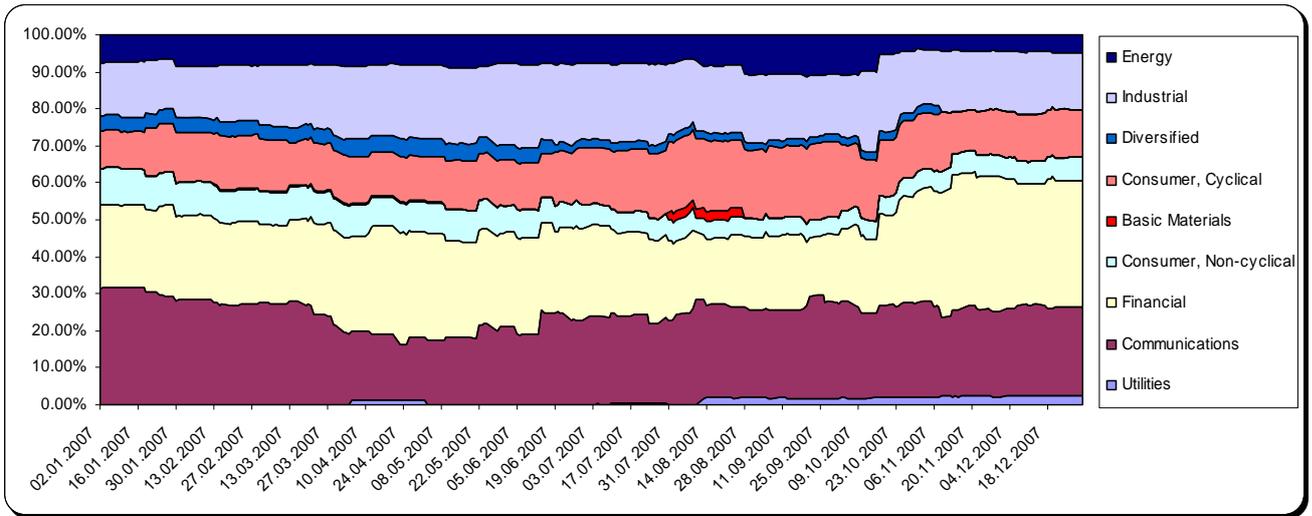
The following chart shows the gross and net (after deducting the futures and delta-adjusted options exposure) equity exposure of the fund



In the following page sector exposure (according to Bloomberg's sectors definitions) and country exposure of the equity investments throughout the year are shown together with the Value At Risk.

CompAM FUND

DIRECTOR'S REPORT



DIRECTOR'S REPORT

CompAM FUND - EUROPE DYNAMIC 0/100

The Europe Dynamic 0/100 investment strategy was based on quantitative models of stock selection and market timing. Given that our Investment Manager did not feel to be competent enough in this type of strategy, a decision was taken to spin off this fund to a newly created Sicav managed by an investment manager who focuses entirely on quantitative techniques. The spin off was completed on September 21st when the year-to-date performance of the fund was -2.89%.

CompAM FUND - BLUESKY GLOBAL STRATEGY

This dollar denominated sub-fund has been launched on April 20th to allow investments in a blend of emerging markets, corporate bond, government bonds and equities for dollar based investors.

The portfolio has been invested mainly in corporate, high yield and emerging market bonds, with a fair percentage prudentially left in cash. Only one equity position has been taken so far. Difficult market condition in the credit markets in the second half of the year have caused a negative performance, due essentially to credit spread widening.

DIRECTOR'S REPORT

2007 Director's Report – Outlook for 2008

As we have always said, we do not like to engage in the usual forecasting game played by the financial community at the beginning of each year. In general it is a complete waste of time: the market will always turn out to be different from the forecast and remarkable mistakes could be made in trusting any forecast.

Our Investment Manager in 2008 will continue to assume that the markets will be essentially unchanged and will focus on specific bottom-up research to identify good risk/reward positions, to mix them in a portfolio and manage the resulting market risk, optimizing weights of the positions and various hedging techniques depending on the risk profile of each sub-fund.

During 2007 our Investment Manager has continued to increase its structure and personnel, investing significant amounts of money to build knowledge and systems in order to be able to better support Compam Fund in its development. In particular two new analysts were hired and integrated in the fund management team, that can now count on six resources of which three are partners in the firm with an average relevant experience of 15 years.

Thanks to this increase in available resources, after the unsatisfactory results of 2007, the Investment manager has decided to re-focus its fund managers' and analysts' day to day activity creating two teams, one dedicated to the equity products and another dedicated to the fixed income products. In this way the European Equity and Equity Risk subfunds will benefit from the successful experience of the long/short hedge fund manager and the management of the fixed income subfunds will benefit from more focus with two partners involved full time.

Further improvements have been achieved in risk management, administration, reconciliation and operational issues, with a stronger middle office and IT department.

While we are looking forward to continue our efforts in 2008, we wish to thank here all the personnel at Compass Asset Management, Sella Bank Luxembourg, Banca Sella, Deloitte, Arendt-Medernach and, of course, all the distributors and investors in the fund for their support and cooperation.

The Board of Directors

January 24, 2008

REPORT OF THE REVISEUR D'ENTREPRISES

To the Shareholders of
CompAM FUND
(Société d'Investissement à Capital Variable)
4, Boulevard Royal
L-2449 LUXEMBOURG

Following our appointment by the annual general meeting of the shareholders dated May 9, 2007, we have audited the accompanying financial statements of CompAM FUND and of each of its sub-funds which comprise the combined statement of net assets, the statement of net assets and the statement of investments and other net assets as at December 31, 2007 as well as the combined statement of operations and changes in net assets and the statement of operations and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

Board of Directors of the SICAV responsibility for the financial statements

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Réviseur d'entreprise's responsibility

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 as adopted by the *Institut des Réviseurs d'Entreprises*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of CompAM FUND and of each of its Sub-Funds as at December 31, 2007, and of the results of their operations and changes in their net assets for the year then ended in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

REPORT TO THE REVISEUR D'ENTREPRISES (continued)

Other matter

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. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

Deloitte S.A.
Réviseur d'entreprises



S. Césari
Partner

May 5, 2008
560 rue de Neudorf
L-2220 Luxembourg

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2007
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	287,465,355.34
- Net unrealised result	2 c	(18,091,693.06)
		269,373,662.28
Cash & other liquid assets:		
- Cash at bank		22,389,369.19
- Time deposits		344,447.88
- Deposits on futures contracts		478,345.68
Other assets:		
- Formation expenses, net	2 h	12,496.05
- Receivables on investments		389,425.94
- Receivables on subscriptions		1,266,184.85
- Dividends receivable		10,163.42
- Interest receivable on bonds		5,364,322.72
- Unrealised gain on futures contracts	2d, 11	630,641.56
- Unrealised gain on forward foreign exchange contracts	2j, 12	1,991,128.87
		302,250,188.44
LIABILITIES		
- Deposits on futures contracts		90,430.39
- Unrealised loss on futures contracts	2d, 11	78,430.00
- Unrealised loss on forward foreign exchange contracts	2j, 12	335,956.22
- Taxes and expenses payable		1,111,798.58
- Payables on redemptions		181,325.24
		1,797,940.43
NET ASSETS		300,452,248.01

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2007
(in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		293,495,762.95
INCOME		
Income from investments:		
- Dividends, net	2 i	904,014.67
- Bond interest	2 i	18,652,354.44
- Bank interest	2 i	816,791.31
- Extraordinary income	2 i	1,279.07
		20,374,439.49
EXPENSES		
Fees:		
- Advisory fee	5	2,229,104.61
- Director's fees		62,011.55
- Performance fee	6	168,234.30
- Custodian and administration fees	8	700,777.63
- Placing agent and correspondent bank fees	9	2,584,251.01
Other expenses:		
- Annual tax	10	168,695.23
- Dividend on preferred shares	7	38,460.15
- Amortisation of formation expenses	2 h	21,958.34
- Audit and legal fees		142,626.38
- Printing, publishing and reporting expenses		47,519.83
- Administration and other expenses		86,343.61
- Futures and options expenses		130,451.05
- Bank interest		14,302.92
		6,394,736.61
NET RESULT ON INVESTMENTS		13,979,702.88
Net realised result on:		
- Investments		166,796.97
- Foreign exchange		(451,343.47)
- Options		(156,053.40)
- Forward foreign exchange contracts	2j	5,538,295.67
- Futures contracts	2d	(3,477,334.32)
NET REALISED RESULT		15,600,064.33
Change in net unrealised appreciation/(depreciation) on:		
- Investments		(20,523,314.99)
- Forward foreign exchange contracts	2j	29,207.02
- Futures contracts	2d	400,415.94
NET DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS		(4,493,627.70)
MOVEMENTS IN CAPITAL		
Subscriptions of shares		220,627,642.24
Redemptions of shares		(203,531,049.63)
Redemptions in kind	1	(5,646,479.85)
		11,450,112.76
NET ASSETS AT THE END OF THE YEAR		300,452,248.01

The accompanying notes form an integral part of these financial statements

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2007
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	49,817,525.28
- Net unrealised result	2 c	(4,476,880.44)
		45,340,644.84
Cash & other liquid assets:		
- Cash at bank		8,599,041.02
- Deposits on futures contracts		37,483.28
Other assets:		
- Receivables on investments		48,259.68
- Receivables on subscriptions		240,115.80
- Interest receivable on bonds		1,311,452.89
- Unrealised gain on futures contracts	2d, 11	77,725.54
		55,654,723.05
LIABILITIES		
- Unrealised loss on forward foreign exchange contracts	2j, 12	335,956.22
- Taxes and expenses payable		244,396.42
- Payables on redemptions		58,245.32
		638,597.96
NET ASSETS		55,016,125.09
Net asset value per Class A share		1,213.768
Number of Class A shares		36,547.008
Net asset value per Class B share		1,201.962
Number of Class B shares		7,925.209
Net asset value per Class P share		1,010.012
Number of Class P shares		80.000
Net asset value per Class Z share		1,076.988
Number of Class Z shares		974.871

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2007
 (in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		52,231,430.67
INCOME		
Income from investments:		
- Bond interest	2 i	4,076,655.66
- Bank interest	2 i	137,393.81
		4,214,049.47
EXPENSES		
Fees:		
- Advisory fee	5	333,861.28
- Director's fees		8,683.20
- Performance fee	6	56,101.71
- Custodian and administration fees	8	108,857.73
- Placing agent and correspondent bank fees	9	393,616.91
Other expenses:		
- Annual tax	10	26,979.67
- Dividend on preferred shares	7	36,272.20
- Amortisation of formation expenses	2 h	3,763.65
- Audit and legal fees		19,302.08
- Printing, publishing and reporting expenses		6,199.09
- Administration and other expenses		13,010.37
- Futures and options expenses		1,692.09
- Bank interest		3,132.31
		1,011,472.29
NET RESULT ON INVESTMENTS		3,202,577.18
Net realised result on:		
- Investments		(1,707,609.95)
- Foreign exchange		(119,763.57)
- Forward foreign exchange contracts	2j	3,166,163.90
- Futures contracts	2d	105,256.68
		4,646,624.24
NET REALISED RESULT		4,646,624.24
Change in net unrealised appreciation/(depreciation) on:		
- Investments		(2,928,930.96)
- Forward foreign exchange contracts	2j	(904,932.10)
- Futures contracts	2d	49,491.20
		862,252.38
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		862,252.38
MOVEMENTS IN CAPITAL		
Subscriptions of shares		21,290,463.32
Redemptions of shares		(19,368,021.28)
		1,922,442.04
NET ASSETS AT THE END OF THE YEAR		55,016,125.09

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Class A	Class B	Class P	Class Z
Shares outstanding at the beginning of the year	34,524.318	8,354.304	0.000	1,064.735
Subscriptions of shares	13,346.689	3,603.790	80.000	663.062
Redemptions of shares	(11,323.999)	(4,032.885)	0.000	(752.926)
Shares outstanding at the end of the year	36,547.008	7,925.209	80.000	974.871

STATISTICS

	Number of shares outstanding				Net assets (in EUR)	Net asset value per share (in EUR)			
	Class A	Class B	Class P	Class Z		Class A	Class B	Class P	Class Z
31.12.2005	29,140.325	3,586.979	-	583.658	38,157,512.39	1,148.342	1,146.101	-	999.597
31.12.2006	34,524.318	8,354.304	-	1,064.735	52,231,430.67	1,193.421	1,186.382	-	1,050.020
31.12.2007	36,547.008	7,925.209	80.000	974.871	55,016,125.09	1,213.768	1,201.962	1,010.012	1,076.988

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2007

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
Transferable securities admitted to an official stock exchange, Bonds					
ARS	1,430	ARGENTINA 15/12/2035 0.000%	0.00	27.38	0.00%
ARS	545	ARGENTINA 31/12/2033 5.830%	15.07	138.05	0.00%
EUR	500,000	AB BANKAS SNORAS 21/05/2010 7.000%	500,030.00	456,250.00	0.83%
EUR	800,000	ALFA DIV 15/12/2011 FRN 6.848%	800,024.00	772,000.00	1.40%
EUR	1,076,956	ARGENTINA 15/04/2017 8.500%	1,095,915.13	966,568.01	1.76%
EUR	700,000	BANQUE CENTRALE DE TUNISIE REGS 07/04/2011 4.750%	703,871.00	691,215.00	1.26%
EUR	766,938	BRAZIL 23/04/2008 7.000%	807,375.21	769,852.19	1.40%
EUR	2,000,000	COLOMBIA 31/01/2008 11.375%	2,290,983.33	2,017,000.00	3.67%
EUR	1,000,000	GAZ CAP18EMTN 6.605%	1,006,530.00	963,600.00	1.75%
EUR	1,000,000	KAZKOMMERTSBANK INTERNATIONAL BV 23/03/2011 5.125%	993,030.00	842,500.00	1.53%
EUR	1,000,000	RUSSIAN CONSUMER FINANCE NO 1 SA 14/01/2012 FRN	1,000,735.00	977,187.50	1.78%
EUR	1,249,684	TELECOM ARGENT STET FRAN 15/10/2014 5.530%	1,194,131.00	1,169,548.13	2.13%
EUR	1,000,000	VENEZUELA 05/03/2008 11.000%	1,138,170.00	1,008,000.00	1.83%
EUR	1,000,000	VENEZUELA 25/07/2011 11.125%	1,085,030.00	1,085,000.00	1.97%
GBP	500,000	KAZKOMM12EMTN 7.625%	761,132.66	574,498.57	1.04%
GBP	500,000	TURANALEM 21/12/2009 7.125%	740,900.56	624,023.14	1.13%
MXN	10,000,000	RABOBANK 15/12/2008 9.250%	697,017.17	636,616.54	1.16%
RUB	35,000,000	DALI CAP 09 EMTN 7.250%	1,012,832.36	966,607.39	1.76%
RUB	35,000,000	DALI CAPI 09 EMTN 8.000%	1,026,685.64	961,000.10	1.75%
RUB	26,572,433	RED ARROW INTL 31/03/2012 8.375%	792,368.76	741,060.97	1.35%
TRY	1,000,000	KRED WIEDER 10.250%	457,715.89	579,992.68	1.05%
USD	500,000	ATF BANK 11/05/2016 9.000%	368,068.19	348,110.13	0.63%
USD	1,200,000	ATF CAP 14 9.250%	883,905.66	837,738.06	1.52%
USD	1,000,000	BANCO 12 EMTN 10.750%	717,314.87	565,417.13	1.03%
USD	1,500,000	BANCO BMG S.A. 8.750%	1,140,085.11	1,034,456.34	1.88%
USD	1,000,000	BANCO INDUSTRI E COMRCL 09 EMTN 8.250%	753,414.53	694,023.83	1.26%
USD	1,000,000	BCO CRU11EMTN 9.375%	794,578.59	695,634.41	1.26%
USD	1,750,000	BCO HIPOT 11/2010 9.750%	1,428,388.92	1,184,377.55	2.15%
USD	413,240	BCO REP DOM 2009 FRN	333,795.57	283,923.77	0.52%
USD	500,000	BERTIN 25/07/2008 8.500%	426,490.80	346,035.29	0.63%
USD	1,250,000	BG FINANCE (BK GEORGIA) 12	959,944.50	804,772.86	1.46%
USD	750,000	CHAODA MODERN AGRICULTURE REGS 08/02/2010 7.750%	601,909.32	511,445.50	0.93%
USD	1,000,000	COLGRADE (ROLF GROUP) 8.250%	720,845.65	651,086.40	1.18%
USD	439,139	DOMINICAN REPB. 27/09/2011 9.500%	389,919.36	319,888.81	0.58%
USD	1,500,000	EUROCHEM FINANCE 12 7.875%	1,063,510.05	998,783.66	1.82%
USD	1,000,000	ISA CAPITAL DO BRASIL SA 7.875%	771,545.84	700,774.56	1.27%
		Sub-total	29,458,209.74	26,779,153.95	48.67%

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2007

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
		Balance carried forward	29,458,209.74	26,779,153.95	48.67%
USD	1,000,000	MOSCOW RIVER (IRKUT) 09 8.250%	792,242.95	681,070.64	1.24%
USD	1,000,000	NATIONAL POWER CORP REGS 23/08/2011 8.630%	801,890.37	744,751.48	1.35%
USD	500,000	RASPADSKAYA 12 7.500%	341,234.11	332,174.00	0.60%
USD	1,000,000	SLAVIN 21/12/2009 9.875%	752,758.71	633,644.13	1.15%
USD	891,450	TELECOM ARGENT 10.11	703,906.56	614,548.29	1.12%
USD	1,500,000	TFB FINANCE (TATFONDBANK) 9.750%	1,102,031.84	950,928.81	1.73%
USD	1,000,000	TNK-BP FIN 11 6.875%	674,968.74	681,447.58	1.24%
USD	2,000,000	TRANSCREDIT FINANCE 10	1,392,164.21	1,319,375.17	2.40%
USD	1,500,000	TRISTAN12SRN-S 10.500%	1,008,525.28	1,000,066.24	1.82%
USD	1,300,000	XENON CAP 27/10/2008 11.000%	911,479.60	908,601.34	1.65%
Total transferable securities admitted to an official stock exchange, Bonds			37,939,412.11	34,645,761.63	62.97%
Transferable securities admitted to an other regulated market, Bonds					
BRL	1,229,000	ELETROPAULO METROPOLITANA DE SAO PAULO SA REGS 28/06/2010 19.125%	458,945.06	537,386.67	0.98%
USD	2,500,000	AXTEL SA 15/12/2013 11.000%	2,178,176.63	1,859,023.00	3.38%
USD	1,000,000	CRR BV (AVTOVAZ) 08 8.500%	751,044.85	684,581.50	1.24%
USD	1,000,000	GRUPO SENDA 10.500%	710,427.47	676,358.83	1.23%
USD	1,000,000	HIDROELEC PIEDRA AGU	724,261.21	605,510.35	1.10%
USD	600,000	RENAISSANC 08 10.750%	458,119.30	409,156.40	0.74%
USD	1,000,000	RITZIO INTL 27.0 10.000%	726,114.90	651,086.40	1.18%
USD	2,000,000	TELE PERS 22/12/2010 9.250%	1,592,383.61	1,394,695.60	2.54%
USD	2,000,000	TELEMIG CELULAR SA/AMAZONIA CELULAR SA REGS 20/01/2009 8.750%	1,660,418.61	1,403,719.38	2.55%
USD	1,500,000	TRANSPORTATION INVESTMENT HLD 22/06/2010 8.500%	1,120,394.68	1,016,098.79	1.85%
USD	500,000	VITRO 13 SRN 11.750%	387,070.34	360,667.60	0.66%
Total transferable securities admitted to an other regulated market, Bonds			10,767,356.66	9,598,284.52	17.45%
Other transferable securities, Bonds					
USD	390,625	CS INTL 09 FRN	297,417.02	255,669.21	0.46%
USD	1,200,000	GNG FINANCE CONV 5.000%	813,339.49	840,929.48	1.53%
Total other transferable securities, Bonds			1,110,756.51	1,096,598.69	1.99%
Total Investments			49,817,525.28	45,340,644.84	82.41%
Other Net Assets				9,675,480.25	17.59%
Total Net Assets				55,016,125.09	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2007

(in %)

Branch of business	% of net assets
Holding and finance companies	16.27%
Banks and other credit institutions	13.63%
Miscellaneous	13.00%
Government bonds	12.86%
Telecommunication	11.72%
Road vehicles	2.42%
Energy and water supply	2.33%
Miscellaneous services	2.01%
Transportation	1.85%
Oil	1.82%
Miscellaneous consumer goods	1.18%
Electrotechnical and electronic industry	1.10%
Agriculture and fishing	0.93%
Building and building materials	0.66%
Food products and non-alcoholic drinks	0.63%
Total	82.41%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2007

(in %)

Countries	% of net assets
Argentina	11.83%
Brazil	11.23%
Ireland	10.72%
Netherlands	7.85%
Luxembourg	7.32%
Cyprus	5.74%
Mexico	5.27%
Russia	4.81%
Venezuela	3.80%
Colombia	3.67%
Virgin Island (GB)	1.82%
Philippines	1.35%
Tunisia	1.26%
Dominican Republic	1.10%
Germany	1.05%
Cayman Islands	0.93%
Lithuania	0.83%
Bermuda	0.74%
Kazakhstan	0.63%
United Kingdom	0.46%
Total	<u>82.41%</u>

STATEMENT OF NET ASSETS

AS AT DECEMBER 31, 2007

(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	25,168,066.23
- Net unrealised result	2 c	(2,821,613.11)
		22,346,453.12
Cash & other liquid assets:		
- Cash at bank		3,055,418.27
- Deposits on futures contracts		32,352.85
Other assets:		
- Formation expenses, net	2 h	3,225.09
- Receivables on investments		24,129.84
- Receivables on subscriptions		89,983.35
- Interest receivable on bonds		597,833.07
- Unrealised gain on futures contracts	2d, 11	10,644.40
- Unrealised gain on forward foreign exchange contracts	2j, 12	159,038.15
		26,319,078.14
LIABILITIES		
- Taxes and expenses payable		103,790.70
- Payables on redemptions		14,835.59
		118,626.29
NET ASSETS		26,200,451.85
Net asset value per Class A share		1,070.159
Number of Class A shares		15,204.320
Net asset value per Class B share		1,034.304
Number of Class B shares		4,809.884
Net asset value per Class P share		1,002.368
Number of Class P shares		60.000
Net asset value per Class Z share		1,107.537
Number of Class Z shares		4,419.170

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2007
 (in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		20,504,484.96
INCOME		
Income from investments:		
- Bond interest	2 i	1,993,599.56
- Bank interest	2 i	127,765.95
		2,121,365.51
EXPENSES		
Fees:		
- Advisory fee	5	225,505.96
- Director's fees		8,683.20
- Performance fee	6	25,024.96
- Custodian and administration fees	8	55,727.74
- Placing agent and correspondent bank fees	9	238,109.31
Other expenses:		
- Annual tax	10	14,007.14
- Amortisation of formation expenses	2 h	1,096.75
- Audit and legal fees		19,302.09
- Printing, publishing and reporting expenses		6,199.05
- Administration and other expenses		10,730.74
- Futures and options expenses		1,266.52
- Bank interest		1,936.35
		607,589.81
NET RESULT ON INVESTMENTS		1,513,775.70
Net realised result on:		
- Investments		(417,181.15)
- Foreign exchange		(100,766.83)
- Forward foreign exchange contracts	2j	1,675,558.24
- Futures contracts	2d	(115,815.73)
NET REALISED RESULT		2,555,570.23
Change in net unrealised appreciation/(depreciation) on:		
- Investments		(2,742,800.61)
- Forward foreign exchange contracts	2j	(119,189.50)
- Futures contracts	2d	(18,828.91)
NET DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS		(325,248.79)
MOVEMENTS IN CAPITAL		
Subscriptions of shares		25,205,532.60
Redemptions of shares		(19,184,316.92)
		6,021,215.68
NET ASSETS AT THE END OF THE YEAR		26,200,451.85

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Class A	Class B	Class P	Class Z
Shares outstanding at the beginning of the year	12,480.24	1,580.49	0.000	4,796.927
Subscriptions of shares	15,281.819	3,985.180	60.000	3,537.166
Redemptions of shares	<u>(12,557.740)</u>	<u>(755.786)</u>	0.000	<u>(3,914.923)</u>
Shares outstanding at the end of the year	15,204.320	4,809.884	60.000	4,419.170

STATISTICS

	Number of shares outstanding				Net assets (in EUR)	Net asset value per share (in EUR)			
	Class A	Class B	Class P	Class Z		Class A	Class B	Class P	Class Z
31.12.2005	3,342.519	-	-	1,989.397	5,331,528.95	-	999.598	-	1,000.48
31.12.2006	12,480.241	1,580.490	-	4,796.927	20,504,484.96	1,053.444	1,083.915	-	1,107.378
31.12.2007	15,204.320	4,809.884	60.000	4,419.170	26,200,451.85	1,070.159	1,034.304	1,002.368	1,107.537

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2007

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
<u>Transferable securities admitted to an official stock exchange, Bonds</u>					
EUR	500,000	AB BANKAS SNORAS 21/05/2010 7.000%	500,030.00	456,250.00	1.74%
EUR	1,251,253	ARGENTINA 15/04/2017 8.500%	1,255,675.46	1,122,999.57	4.29%
EUR	400,000	KAZKOMMERTS INTL BV 17 EMTN 6.875%	367,616.83	308,000.00	1.18%
EUR	429,937	TELECOM ARGENT STET FRAN 15/10/2014 5.530%	419,953.43	402,367.47	1.54%
EUR	700,000	TROY CAPI 2011 9.500%	700,060.00	686,000.00	2.62%
EUR	600,000	TURANALEM FINANCE BV EMTN 27/09/2011 6.250%	581,600.00	499,746.66	1.91%
EUR	1,000,000	ZLOMREX INTERNAT FINANCE 14 8.500%	1,002,920.00	630,000.00	2.40%
MXN	2,000,000	RABOBANK 07/04/2010 9.750%	139,177.32	128,623.81	0.49%
MXN	4,200,000	RABOBANK 15/12/2008 9.250%	298,259.47	267,378.95	1.02%
RUB	40,000,000	DALI CAPI 09 EMTN 8.000%	1,166,138.98	1,098,285.83	4.19%
RUB	13,000,000	GPB EUROBOND (GAZPROMBK) 22/02/2010 7.250%	378,781.52	363,181.62	1.39%
RUB	13,286,216	RED ARROW INTL 31/03/2012 8.375%	394,641.49	370,530.48	1.41%
USD	500,000	INDUS SRN-S 15/11/2016 11.500%	382,749.39	280,138.49	1.07%
USD	500,000	ASIA ALUMINUM HOLDINGS LTD REGS 23/12/2011 8.000%	380,755.88	330,683.36	1.26%
USD	1,500,000	ATF BANK 11/05/2016 9.000%	1,178,894.15	1,044,330.38	3.99%
USD	1,200,000	ATF CAP 21/02/2014 9.250%	883,905.66	837,738.06	3.20%
USD	700,000	BANCO EMTN 07/06/2012 10.750%	521,769.22	395,791.99	1.51%
USD	500,000	BCO PAN 18/07/2016 FRN	392,987.07	352,983.07	1.35%
USD	1,050,000	BERTIN 05/10/2016 10.250%	825,396.52	755,602.89	2.88%
USD	750,000	BG FINANCE (BK GEORGIA) 08/02/2012 9.000%	575,978.70	482,863.72	1.84%
USD	1,250,000	BHIP 27/04/2016 9.750%	940,203.44	803,149.34	3.07%
USD	700,000	CIA LATINO AMERICANA 10/05/2012 9.750%	505,849.12	444,966.15	1.70%
USD	700,000	COLGRADE (ROLF GROUP) 8.250%	525,471.33	455,760.47	1.74%
USD	1,400,000	INDEPENDENCIA INTERNATIONAL 9.875%	1,043,641.97	957,097.00	3.65%
USD	1,000,000	MASTELLONE HERMANOS SA A-2 30/06/2012 8.000%	613,481.61	505,277.31	1.93%
USD	1,750,000	PETROLEOS DE VENEZUELA S 17 5.250%	1,074,950.03	857,009.60	3.27%
USD	1,000,000	RENAISSANCE CONSUMER FD 27/06/2010 9.500%	744,825.95	638,236.01	2.44%
USD	750,000	TFB FINANCE (TATFONDBANK) 26/04/2010 9.750%	551,030.91	475,464.41	1.81%
USD	700,000	XENON CAP 27/10/2008 11.000%	490,810.60	489,246.88	1.87%
Total transferable securities admitted to an official stock exchange, Bonds			18,837,556.05	16,439,703.52	62.76%

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2007

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
<u>Transferable securities admitted to an other regulated market, Bonds</u>					
BRL	1,200,000	ELETROPAULO METROPOLITANA DE SAO PAULO SA REGS 28/06/2010 19.125%	530,286.90	524,706.27	2.00%
USD	500,000	CITY TELECOM HK LTD 01/02/2015 8.750%	331,193.28	337,536.89	1.29%
USD	1,250,000	GRUPO SENDA 10.500%	887,496.78	845,448.53	3.23%
USD	700,000	HIDROELEC PIEDRA AGU	506,991.88	423,857.24	1.62%
USD	600,000	LUPATECH FIN 9.875%	440,930.92	411,212.46	1.57%
USD	300,000	RENAISSANC 08 10.750%	229,059.65	204,578.20	0.78%
USD	300,000	TRICOM SA 01/09/2004 0.000%	158,139.28	128,956.23	0.49%
USD	250,000	VITRO SRN 01/02/2017 9.125%	192,770.87	158,203.28	0.60%
USD	1,000,000	WINTERHAVEN FINANCE 11/12/2008 8.750%	734,272.94	671,647.02	2.56%
Total transferable securities admitted to an other regulated market, Bonds			4,011,142.50	3,706,146.12	14.14%
<u>Other transferable securities, Bonds</u>					
USD	800,000	GNG FINANCE CONV 5.000%	542,236.29	560,619.66	2.14%
USD	1,000,000	ING BK 18/03/2008 12.000%	762,526.28	657,939.93	2.51%
USD	700,000	RENAISSANCE SEC (TARLOT) 16/05/2008 11.500%	519,110.17	479,747.87	1.83%
USD	700,000	TGI INTERNATIONAL 9.000&	495,494.94	502,296.02	1.92%
Total other transferable securities, Bonds			2,319,367.68	2,200,603.48	8.40%
Total Investments			25,168,066.23	22,346,453.12	85.30%
Other Net Assets				3,853,998.73	14.70%
Total Net Assets				26,200,451.85	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2007

(in %)

Branch of business	% of net assets
Holding and finance companies	22.19%
Miscellaneous	21.18%
Banks and other credit institutions	15.68%
Government bonds	8.78%
Telecommunication	3.32%
Oil	3.27%
Food products and non-alcoholic drinks	2.88%
Energy and water supply	2.00%
Road vehicles	1.74%
Electrotechnical and electronic industry	1.62%
Non ferrous metals	1.26%
Miscellaneous services	0.78%
Building and building materials	0.60%
Total	85.30%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2007

(in %)

Countries	% of net assets
Argentina	15.65%
Netherlands	14.71%
Ireland	11.30%
Brazil	9.89%
Mexico	4.90%
Kazakhstan	3.99%
Cyprus	3.88%
Bermuda	3.87%
Cayman Islands	3.49%
Venezuela	3.27%
Luxembourg	2.62%
France	2.40%
Russia	1.81%
Lithuania	1.74%
Hong Kong	1.29%
Dominican Republic	0.49%
Total	85.30%

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2007
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	19,311,571.16
- Net unrealised result	2 c	10,202.86
		19,321,774.02
Cash & other liquid assets:		
- Cash at bank		3,477,614.64
- Time deposits		1,770.83
- Deposits on futures contracts		400,362.25
Other assets:		
- Formation expenses, net	2 h	4,259.94
- Receivables on investments		262,507.20
- Receivables on subscriptions		180,461.48
- Dividends receivable		10,163.42
- Interest receivable on bonds		77,221.68
		23,736,135.46
LIABILITIES		
- Unrealised loss on futures contracts	2d, 11	78,430.00
- Taxes and expenses payable		109,736.60
- Payables on redemptions		12,901.78
		201,068.38
NET ASSETS		23,535,067.08
Net asset value per Class A share		1,528.070
Number of Class A shares		11,930.267
Net asset value per Class B share		1,504.499
Number of Class B shares		1,520.113
Net asset value per Class P share		948.747
Number of Class P shares		60.000
Net asset value per Class Z share		1,078.842
Number of Class Z shares		2,744.475

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2007
 (in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		34,611,604.50
INCOME		
Income from investments:		
- Dividends, net	2 i	605,773.34
- Bond interest	2 i	346,772.03
- Bank interest	2 i	95,888.96
		1,048,434.33
EXPENSES		
Fees:		
- Advisory fee	5	320,968.24
- Director's fees		8,683.20
- Performance fee	6	9,817.78
- Custodian and administration fees	8	70,445.36
- Placing agent and correspondent bank fees	9	340,961.64
Other expenses:		
- Annual tax	10	16,041.05
- Amortisation of formation expenses	2 h	4,881.71
- Audit and legal fees		19,302.08
- Printing, publishing and reporting expenses		6,167.39
- Administration and other expenses		10,708.92
- Futures and options expenses		63,362.28
- Bank interest		1,656.62
		872,996.27
NET RESULT ON INVESTMENTS		175,438.06
Net realised result on:		
- Investments		4,422,359.87
- Foreign exchange		(4,732.44)
- Options		203,579.60
- Forward foreign exchange contracts	2j	1,336.08
- Futures contracts	2d	(2,377,850.00)
NET REALISED RESULT		2,420,131.17
Change in net unrealised appreciation/(depreciation) on:		
- Investments		(4,862,261.22)
- Futures contracts	2d	(2,937.50)
NET DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS		(2,445,067.55)
MOVEMENTS IN CAPITAL		
Subscriptions of shares		14,663,585.61
Redemptions of shares		(23,295,055.48)
		(8,631,469.87)
NET ASSETS AT THE END OF THE YEAR		23,535,067.08

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Class A	Class B	Class P	Class Z
Shares outstanding at the beginning of the year	15,488.674	3,220.152	0.000	2,989.143
Subscriptions of shares	5,354.282	1,097.449	60.000	3,218.702
Redemptions of shares	(8,912.689)	(2,797.488)	0.000	(3,463.37)
Shares outstanding at the end of the year	11,930.267	1,520.113	60.000	2,744.475

STATISTICS

	Number of shares outstanding				Net assets (in EUR)	Net asset value per share (in EUR)			
	Class A	Class B	Class P	Class Z		Class A	Class B	Class P	Class Z
31.12.2005	20,433.422	1,576.019	-	712.511	33,533,686.97	1,491.365	1,484.539	-	1,010.972
31.12.2006	15,488.674	3,220.152	-	2,989.143	34,611,604.50	1,667.467	1,651.026	-	1,160.266
31.12.2007	11,930.267	1,520.113	60.000	2,744.475	23,535,067.08	1,528.070	1,504.499	948.747	1,078.842

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2007

(in EUR)

Currency	Quantity	Description	Cost	Market value	% of net assets
<u>Transferable securities admitted to an official stock exchange</u>					
<u>Equities</u>					
EUR	2,500	ALLIANZ SE	253,682.57	369,875.00	1.57%
EUR	70,000	AZIMUT HOLDING SPA	747,557.88	620,550.00	2.64%
EUR	50,000	BANCO POPOLARE	875,827.70	758,000.00	3.22%
EUR	1,000,000	BASTOGI	276,368.00	327,000.00	1.39%
EUR	75,000	BOLZONI SPA	331,481.15	291,000.00	1.24%
EUR	80,000	CEMENTIR	554,426.84	483,600.00	2.05%
EUR	12,000	DAIMLERCHRYSLER	519,183.33	798,000.00	3.39%
EUR	38,000	DEUTSCHE POST AG	925,418.44	885,780.00	3.76%
EUR	20,400	DEUTSCHE TELEKOM N	275,406.12	306,408.00	1.30%
EUR	30,000	ENI SPA	658,926.04	751,500.00	3.19%
EUR	30,000	FIAT SPA	241,399.26	531,000.00	2.26%
EUR	30,000	HCI CAPITAL AG	462,286.92	445,800.00	1.89%
EUR	280,000	HERA SPA	597,831.25	863,100.00	3.67%
EUR	280,000	IGD	980,530.48	569,800.00	2.42%
EUR	45,000	MIRATO SPA	389,240.43	376,650.00	1.60%
EUR	30,000	MLP	300,580.24	322,500.00	1.37%
EUR	50,000	MONDADORI	347,068.45	281,000.00	1.19%
EUR	160,000	NAV.MONTANARI	451,647.26	435,200.00	1.85%
EUR	20,000	OESTERREICH POST AG	514,516.86	479,800.00	2.04%
EUR	300,000	PARMALAT	708,238.10	798,000.00	3.39%
EUR	1,625,000	SEAT PAGINE GIALLE	510,097.50	439,562.50	1.87%
EUR	380,000	TELECOM ITALIA SPA	886,221.18	807,500.00	3.43%
EUR	38,000	TELEGATE	432,320.85	540,740.00	2.30%
EUR	14,000	TOTAL SA	653,114.62	795,620.00	3.38%
EUR	120,000	UNICREDITO ITAL SPA	814,687.26	681,600.00	2.90%
GBP	23,000	CARNIVAL PLC	838,413.07	694,391.56	2.95%
GBP	300,000	VODAFONE GROUP	661,264.91	766,542.32	3.26%
Total Equities			15,207,736.71	15,420,519.38	65.52%

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2007

(in EUR)

Currency	Quantity	Description	Cost	Market value	% of net assets
<u>Bonds</u>					
EUR	950,000	JAZZTEL PLC 29/04/2010 5.000%	742,090.00	727,343.75	3.09%
EUR	1,000,000	PFLEIDERER FINANCE BV	860,960.00	792,550.00	3.37%
Total Bonds			1,603,050.00	1,519,893.75	6.46%
Total transferable securities admitted to an official stock exchange			16,810,786.71	16,940,413.13	71.98%
<u>Transferable securities admitted to an other regulated market</u>					
<u>Bonds</u>					
EUR	800,000	HELLAS II 15 FRN	812,024.00	738,760.00	3.14%
Total Bonds			812,024.00	738,760.00	3.14%
<u>Options on securities</u>					
EUR	824,310	CALL ART 0 12/11	837,080.08	822,764.09	3.50%
EUR	856,226	CALL BCM 0 02/17	851,680.37	819,836.80	3.48%
Total Options on securities			1,688,760.45	1,642,600.89	6.98%
Total transferable securities admitted to an other regulated market			2,500,784.45	2,381,360.89	10.12%
Total Investments			19,311,571.16	19,321,774.02	82.10%
Other Net Assets				4,213,293.06	17.90%
Total Net Assets				23,535,067.08	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2007

(in %)

Branch of business	% of net assets
Telecommunication	16.52%
Banks and other credit institutions	8.01%
Transportation	7.65%
Miscellaneous	6.98%
Oil	6.57%
Holding and finance companies	6.01%
Road vehicles	5.65%
Energy and water supply	3.67%
Food products and non-alcoholic drinks	3.39%
Graphic and publishing industry	3.06%
Gastronomy	2.95%
Building societies	2.42%
Building and building materials	2.05%
Pharmaceutical and cosmetics industry	1.60%
Insurance	1.57%
Miscellaneous trade	1.39%
Miscellaneous services	1.37%
Machinery and apparatus construction	1.24%
Total	82.10%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2007

(in %)

Countries	% of net assets
Italy	38.31%
Germany	15.58%
United Kingdom	9.30%
Netherlands	6.87%
Ireland	3.48%
France	3.38%
Luxembourg	3.14%
Austria	2.04%
Total	82.10%

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2007
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	13,766,234.91
- Net unrealised result	2 c	(1,097,673.16)
		12,668,561.75
Cash & other liquid assets:		
- Cash at bank		1,127,573.87
- Deposits on futures contracts		464.32
Other assets:		
- Formation expenses, net	2 h	3,225.08
- Receivables on subscriptions		310.62
		13,800,135.64
LIABILITIES		
- Taxes and expenses payable		60,287.93
- Payables on redemptions		10,640.62
		70,928.55
NET ASSETS		13,729,207.09
Net asset value per Class A share		1,063.658
Number of Class A shares		6,170.643
Net asset value per Class B share		1,040.961
Number of Class B shares		1,053.575
Net asset value per Class P share		946.302
Number of Class P shares		60.000
Net asset value per Class Z share		1,116.756
Number of Class Z shares		5,383.667

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2007
 (in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		12,616,425.02
INCOME		
Income from investments:		
- Dividends, net	2 i	240,724.87
- Bond interest	2 i	330.43
- Bank interest	2 i	26,916.64
- Extraordinary income	2 i	917.12
		268,889.06
EXPENSES		
Fees:		
- Advisory fee	5	141,305.92
- Director's fees		8,683.20
- Performance fee	6	4,281.28
- Custodian and administration fees	8	33,876.97
- Placing agent and correspondent bank fees	9	121,469.86
Other expenses:		
- Annual tax	10	7,908.16
- Amortisation of formation expenses	2 h	1,096.75
- Audit and legal fees		19,302.09
- Printing, publishing and reporting expenses		6,206.19
- Administration and other expenses		9,766.64
- Futures and options expenses		58,178.66
- Bank interest		247.91
		412,323.63
NET RESULT ON INVESTMENTS		(143,434.57)
Net realised result on:		
- Investments		2,112,176.95
- Foreign exchange		130.28
- Options		(359,633.00)
- Futures contracts	2d	(309,015.00)
NET REALISED RESULT		1,300,224.66
Change in net unrealised appreciation/(depreciation) on:		
- Investments		(2,216,698.45)
- Futures contracts	2d	(21,900.00)
NET DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS		(938,373.79)
MOVEMENTS IN CAPITAL		
Subscriptions of shares		10,615,800.39
Redemptions of shares		(8,564,644.53)
		2,051,155.86
NET ASSETS AT THE END OF THE YEAR		13,729,207.09

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Class A	Class B	Class P	Class Z
Shares outstanding at the beginning of the year	4,919.655	336.895	0.000	5,749.037
Subscriptions of shares	2,574.632	3,580.141	60.000	2,823.448
Redemptions of shares	(1,323.644)	(2,863.461)	0.000	(3,188.818)
Shares outstanding at the end of the year	6,170.643	1,053.575	60.000	5,383.667

STATISTICS

	Number of shares outstanding				Net assets (in EUR)	Net asset value per share (in EUR)			
	Class A	Class B	Class P	Class Z		Class A	Class B	Class P	Class Z
31.12.2005	3,517.271	-	-	3,180.935	6,764,093.26	1,008.781	-	-	1,011.004
31.12.2006	4,919.655	336.895	-	5,749.037	12,616,425.02	1,128.354	1,114.714	-	1,163.634
31.12.2007	6,170.643	1,053.575	60.000	5,383.667	13,729,207.09	1,063.658	1,040.961	946.302	1,116.756

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2007

(in EUR)

Currency	Quantity/ Nominal	Description	Cost	Market value	% of net assets
<u>Transferable securities admitted to an official stock exchange, Equities</u>					
EUR	2,000	ALLIANZ SE	303,256.19	295,900.00	2.16%
EUR	70,000	AZIMUT HOLDING SPA	763,048.32	620,550.00	4.52%
EUR	30,000	BANCO POPOLARE	525,508.62	454,800.00	3.31%
EUR	1,800,000	BASTOGI	507,658.61	588,600.00	4.29%
EUR	40,100	BOLZONI SPA	175,039.89	155,588.00	1.13%
EUR	101,000	CEMENTIR	736,151.26	610,545.00	4.45%
EUR	7,000	DAIMLERCHRYSLER	356,809.81	465,500.00	3.39%
EUR	25,000	DEUTSCHE POST AG	572,673.59	582,750.00	4.24%
EUR	40,000	DEUTSCHE TELEKOM N	537,892.83	600,800.00	4.38%
EUR	20,000	ELSEVIER	271,675.39	273,000.00	1.99%
EUR	10,000	ENI SPA	233,767.40	250,500.00	1.82%
EUR	30,000	FIAT SPA	540,859.99	531,000.00	3.87%
EUR	20,000	FRANCE TELECOM	405,621.62	492,400.00	3.59%
EUR	40,000	HCI CAPITAL AG	618,408.62	594,400.00	4.33%
EUR	100,000	HERA SPA	283,751.80	308,250.00	2.25%
EUR	220,000	IGD	737,200.45	447,700.00	3.26%
EUR	30,000	MIRATO SPA	253,413.63	251,100.00	1.83%
EUR	40,000	MLP	383,240.97	430,000.00	3.13%
EUR	30,000	MONDADORI	208,667.28	168,600.00	1.23%
EUR	160,000	NAV.MONTANARI	627,350.27	435,200.00	3.17%
EUR	200,000	PARMALAT	491,461.65	532,000.00	3.87%
EUR	1,000,000	SEAT PAGINE GIALLE	344,402.00	270,500.00	1.97%
EUR	300,000	TELECOM ITALIA RNC	511,881.96	487,800.00	3.55%
EUR	34,000	TELEGATE	755,830.03	483,820.00	3.52%
EUR	65,000	TELES	307,256.87	157,950.00	1.15%
EUR	6,000	TOTAL SA	317,789.56	340,980.00	2.48%
EUR	140,000	UNICREDITO ITAL SPA	807,381.05	795,200.00	5.79%
GBP	20,000	CARNIVAL PLC	696,215.84	603,818.75	4.40%
Total transferable securities admitted to an official stock exchange, Equities			13,274,215.50	12,229,251.75	89.07%
<u>Transferable securities admitted to an other regulated market, Equities</u>					
EUR	33,000	CAD IT	355,114.12	332,310.00	2.42%
EUR	4,000	EL. EN. SPA	136,905.29	107,000.00	0.78%
Total transferable securities admitted to an other regulated market, Equities			492,019.41	439,310.00	3.20%
Total Investments			13,766,234.91	12,668,561.75	92.27%
Other Net Assets				1,060,645.34	7.73%
Total Net Assets				13,729,207.09	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2007

(in %)

Branch of business	% of net assets
Telecommunication	16.19%
Banks and other credit institutions	13.43%
Transportation	7.41%
Road vehicles	7.26%
Graphic and publishing industry	5.19%
Holding and finance companies	4.52%
Building and building materials	4.45%
Gastronomy	4.40%
Oil	4.30%
Miscellaneous trade	4.29%
Food products and non-alcoholic drinks	3.87%
Building societies	3.26%
Miscellaneous services	3.13%
Internet services	2.42%
Energy and water supply	2.25%
Insurance	2.16%
Machinery and apparatus construction	1.91%
Pharmaceutical and cosmetics industry	1.83%
Total	92.27%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2007

(in %)

Countries	% of net assets
Italy	53.51%
Germany	26.30%
France	6.07%
United Kingdom	4.40%
Netherlands	1.99%
Total	92.27%

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2007
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	112,275,779.07
- Net unrealised result	2 c	(4,719,560.37)
		107,556,218.70
Cash & other liquid assets:		
- Cash at bank		2,006,964.78
Other assets:		
- Receivables on investments		36,243.37
- Receivables on subscriptions		271,542.70
- Interest receivable on bonds		2,143,635.00
- Unrealised gain on futures contracts	2d, 11	350,743.30
- Unrealised gain on forward foreign exchange contracts	2j, 12	988,281.68
		113,353,629.53
LIABILITIES		
- Deposit on futures contracts		86,458.94
- Taxes and expenses payable		313,971.70
- Payables on redemptions		34,077.13
		434,507.77
NET ASSETS		112,919,121.76
Net asset value per Class A share		1,173.824
Number of Class A shares		82,201.837
Net asset value per Class B share		1,163.113
Number of Class B shares		13,200.887
Net asset value per Class P share		1,001.999
Number of Class P shares		80.000
Net asset value per Class Z share		1,040.936
Number of Class Z shares		955.275

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2007
 (in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		122,117,537.54
INCOME		
Income from investments:		
- Bond interest	2 i	7,403,193.55
- Bank interest	2 i	160,081.42
		<u>7,563,274.97</u>
EXPENSES		
Fees:		
- Advisory fee	5	689,132.99
- Director's fees		8,683.20
- Performance fee	6	42,399.20
- Custodian and administration fees	8	273,841.40
- Placing agent and correspondent bank fees	9	799,057.59
Other expenses:		
- Annual tax	10	68,345.93
- Dividend on preferred shares	7	2,187.95
- Amortisation of formation expenses	2 h	5,209.65
- Audit and legal fees		19,302.08
- Printing, publishing and reporting expenses		6,116.95
- Administration and other expenses		18,445.79
- Futures and options expenses		3,250.30
- Bank interest		3,659.90
		<u>1,939,632.93</u>
NET RESULT ON INVESTMENTS		<u>5,623,642.04</u>
Net realised result on:		
- Investments		(3,611,444.96)
- Foreign exchange		(94,832.83)
- Forward foreign exchange contracts	2j	502,755.03
- Futures contracts	2d	(123,745.14)
NET REALISED RESULT		<u>2,296,374.14</u>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		(2,722,569.74)
- Forward foreign exchange contracts	2j	546,092.31
- Futures contracts	2d	213,378.49
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		<u>333,275.20</u>
MOVEMENTS IN CAPITAL		
Subscriptions of shares		83,548,436.18
Redemptions of shares		(93,080,127.16)
		<u>(9,531,690.98)</u>
NET ASSETS AT THE END OF THE YEAR		<u>112,919,121.76</u>

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Class A	Class B	Class P	Class Z
Shares outstanding at the beginning of the year	87,253.999	16,231.453	0.000	1,035.570
Subscriptions of shares	65,441.040	4,825.340	80.000	648.372
Redemptions of shares	(70,493.202)	(7,855.906)	0.000	(728.667)
Shares outstanding at the end of the year	82,201.837	13,200.887	80.000	955.275

STATISTICS

	Number of shares outstanding				Net assets (in EUR)	Net asset value per share (in EUR)			
	Class A	Class B	Class P	Class Z		Class A	Class B	Class P	Class Z
31.12.2005	70,738.033	7,392.452	-	526.232	89,637,590.83	1,140.770	1,138.376	-	1,000.323
31.12.2006	87,253.999	16,231.453	-	1,035.570	122,117,537.54	1,170.724	1,164.208	-	1,033.668
31.12.2007	82,201.837	13,200.887	80.000	955.275	112,919,121.76	1,173.824	1,163.113	1,001.999	1,040.936

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2007

(in EUR)

Currency	Quantity/ Nominal	Description	Cost	Market value	% of net assets
<u>Transferable securities admitted to an official stock exchange</u>					
<u>Equities</u>					
GBP	50,000	VISIOCORP PLC	0.00	0.00	0.00%
Total Equities			0.00	0.00	0.00%
<u>Bonds</u>					
EUR	1,000,000	ACEA SPA 23/07/2014 4.875%	1,043,360.00	977,600.00	0.87%
EUR	800,000	ALFA DIV FRN 15/12/2011 6.848%	800,024.00	772,000.00	0.68%
EUR	1,000,000	ALPHA CREDIT GROUP PLC 09 FRN	999,515.00	996,675.00	0.88%
EUR	1,250,000	ARCELOR 07/11/2014 4.625%	1,187,217.50	1,180,625.00	1.05%
EUR	1,000,000	ARGENTINA 15/04/2017 8.500%	1,011,310.00	897,500.00	0.79%
EUR	1,000,000	ASSET BACKED OBLIGATIES LTD 07/05/2012 FRN	985,030.00	870,000.00	0.77%
EUR	1,000,000	BANCA POPOLARE DI LODI INVESTORS TRUST III 00/01/1900 6.742%	1,098,830.00	957,086.10	0.85%
EUR	5,000,000	BCI US FUND NCP-FR	5,067,030.00	5,000,000.00	4.43%
EUR	11,000,000	BK ENGLAND 23/01/2009 3.000%	10,752,530.00	10,859,750.00	9.62%
EUR	1,150,000	BREEZE FINANCE 19/04/2027 6.708%	1,150,030.00	1,109,750.00	0.98%
EUR	2,000,000	CARNIVAL PLC 27/11/2013 4.250%	1,990,670.00	1,862,964.00	1.65%
EUR	1,000,000	CIMPOR FINANCIAL OPERATIONS BV EMTN 27/05/2011 4.500%	999,780.00	968,800.00	0.86%
EUR	2,000,000	CIR INTERNATIONAL SA 10/01/2011 6.375%	2,037,288.00	2,019,391.80	1.79%
EUR	1,250,000	DEUTSCHE TELEKOM INTERNATIONAL 29/03/2018 6.625%	1,382,280.00	1,338,562.50	1.19%
EUR	1,250,000	E.ON INT 17EMTN 5.500%	1,271,280.00	1,256,437.50	1.11%
EUR	30,000,000	EUROPEAN INVESTMENT BANK INTL 15/10/2008 3.250%	29,649,061.54	29,785,500.00	26.38%
EUR	1,100,000	FIAT FINANCE NORTH AMERICA 5.625%	1,089,030.00	1,021,094.25	0.90%
EUR	1,500,000	FIDIS RETAIL FINANCIAL SERVICES IRELAND PLC EMTN 11/05/2009 4.334%	1,500,030.00	1,495,800.00	1.32%
EUR	1,250,000	FINMECCANICA 5.750%	1,280,117.50	1,235,947.50	1.09%
EUR	1,500,000	GAZ CAP18EMTN 6.605%	1,506,780.00	1,445,400.00	1.28%
EUR	4,000,000	GERMANY 04/01/2009 3.750%	3,988,980.74	3,990,200.00	3.53%
EUR	1,200,000	HBOS 2005 07/02/2035	948,030.00	786,007.20	0.70%
EUR	1,100,000	INEOS GROUP HOLDINGS PLC REGS 15/02/2016 7.875%	1,075,827.80	931,333.37	0.82%
EUR	800,000	JAZZTEL PLC 29/04/2010 5.000%	593,230.00	612,500.00	0.54%
EUR	1,150,000	KAZKOMMERTS INTL BV 17 EMTN 6.875%	1,137,144.07	885,500.00	0.78%
EUR	1,250,000	KONINKLIJKE 1/17 4.750%	1,188,455.00	1,148,756.37	1.02%
Sub-total			75,732,861.15	74,405,180.59	65.88%

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2007

(in EUR)

Currency	Quantity/ Nominal	Description	Cost	Market value	% of net assets
		Balance carried forward	75,732,861.15	74,405,180.59	65.88%
EUR	750,000	LEHMAN BROTHERS TREASURY CO BV EMTN 01/02/2013 FRN	744,405.00	683,932.50	0.61%
EUR	750,000	LEHMAN BROTHERS TREASURY CO BV EMTN 18/03/2015 7.625%	743,880.00	588,377.93	0.52%
EUR	950,000	LIGHTHOUSE 2004 8.000%	1,030,590.00	958,170.00	0.85%
EUR	1,250,000	REPSOL 17 EMTN 4.750%	1,178,842.50	1,141,807.13	1.01%
EUR	950,000	RUSSIAN CONSUMER FINANCE NO 1 SA 14/01/2012 FRN	950,030.00	928,328.13	0.82%
EUR	1,200,000	TELITA 29/01/2019 5.375%	1,166,790.00	1,130,991.60	1.00%
EUR	1,250,000	THYSSENKRUPP 4.375%	1,180,130.00	1,161,187.50	1.03%
EUR	2,500,000	UNICR 16 EMTN 3.950%	2,238,780.00	2,178,841.00	1.93%
EUR	1,250,000	VEOLIA ENV 17 4.375%	1,158,580.00	1,127,883.75	1.00%
EUR	1,500,000	VTB CAPITAL (VNESHTORGBK) 09 FRN	1,500,018.00	1,467,998.70	1.30%
EUR	500,000	WATERFORD WEDGWOOD PLC 9.875%	486,280.00	427,500.00	0.38%
GBP	600,000	COLLINS STEWART TULLETT PLC 12/08/2014 FRN	903,195.60	813,628.75	0.72%
RUB	30,000,000	DALI CAPITAL EMTN 25/11/2009 7.250%	876,882.18	828,520.62	0.73%
RUB	19,929,325	RED ARROW INTL 6/12	589,170.08	555,795.72	0.49%
TRY	900,000	TURKEY GOVERNMENT BOND 12	500,985.80	593,027.57	0.53%
USD	4,980	ALESTRA SA 30/06/2010 8.000%	4,041.41	3,424.09	0.00%
USD	1,000,000	ATF BANK 11/05/2016 9.000%	770,256.86	696,220.25	0.62%
USD	1,200,000	ATF CAP 21/02/2014 9.250%	883,905.66	837,738.06	0.74%
USD	1,000,000	CONTROLADORA COMERCIAL MEXICANA SA DE CV REGS 01/06/2015 6.625%	833,305.74	719,621.81	0.64%
USD	1,000,000	CORP INTERAMERICANA DE ENTRETENIMIENTO SA REGS 14/06/2015 8.875%	820,282.62	697,347.79	0.62%
USD	1,133,005	GAZPROM 01/02/2020 7.201%	898,809.35	792,976.81	0.70%
USD	2,000,000	INTERGAS FINANCE BV 6.375%	1,462,638.95	1,241,782.26	1.10%
USD	1,500,000	KUZNETSKI CAPITAL FOR BANK OF MOSCOW 25/11/2015 FRN	1,272,472.43	1,008,806.97	0.89%
USD	1,040,000	MASTELLONE HERMANOS SA A-2 30/06/2012 8.000%	684,036.81	525,488.40	0.47%
USD	1,200,000	MOBILE TELESYSTEMS FINANCE SA REGS 28/01/2012 8.000%	1,023,470.76	845,041.61	0.75%
USD	1,000,000	TNK-BP FINANCE SA 20/03/2017 6.625%	734,653.49	634,706.43	0.56%
USD	1,500,000	TRANSPORT DE GAS DEL SUR 7.875%	1,108,800.90	895,929.15	0.79%
Total Bonds			101,478,095.29	97,890,255.12	86.68%
Total transferable securities admitted to an official stock exchange			101,478,095.29	97,890,255.12	86.68%

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2007

(in EUR)

Currency	Quantity/ Nominal	Description	Cost	Market value	% of net assets
<u>Transferable securities admitted to an other regulated market</u>					
<u>Bonds</u>					
USD	1,291,273	AXTEL SA 15/12/2013 11.000%	1,137,910.07	960,202.49	0.85%
EUR	1,000,000	BOMBARDIER 16 7.250%	1,046,280.00	1,004,306.00	0.89%
BRL	2,400,000	ELETROPAULO METROPOLITANA DE SAO PAULO SA REGS 28/06/2010 19.125%	1,007,639.63	1,049,412.54	0.93%
EUR	100,000	HELLAS II FRN 15/01/2015	101,530.00	92,345.00	0.08%
EUR	1,050,000	LECTA SA FRN 15/02/2014 7.200%	1,054,090.00	931,875.00	0.83%
GBP	800,000	PIPE HLDGS 2013 9.750%	1,261,522.71	1,104,778.78	0.98%
EUR	961,636	TIM HELLAS TELECOMMUNICA 07/15	1,020,845.31	913,553.81	0.81%
EUR	1,050,000	ZLOMREX INTERNAT FINANCE 14 8.500%	1,053,277.50	661,500.00	0.59%
Total Bonds			7,683,095.22	6,717,973.62	5.96%
<u>Options on securities</u>					
EUR	1,208,988	CALL ART 0 12/11	1,217,622.52	1,206,720.67	1.07%
EUR	1,154,364	CALL BCM 0 02/17	1,157,449.38	1,105,303.89	0.98%
Total Options on securities			2,375,071.90	2,312,024.56	2.05%
Total transferable securities admitted to an other regulated market			10,058,167.12	9,029,998.18	8.01%
<u>Other transferable securities</u>					
<u>Bonds</u>					
USD	906,404	GAZPROM INTERNATIONAL SA 144A 01/02/2020 7.201%	739,516.66	635,965.40	0.56%
Total Bonds			739,516.66	635,965.40	0.56%
<u>Warrants and rights</u>					
GBP	500	SCHEFENAC WT 12 -A-	0.00	0.00	0.00%
GBP	500	SCHEFENAC WT 12 -B-	0.00	0.00	0.00%
Total Warrants and rights			0.00	0.00	0.00%
Total other transferable securities			739,516.66	635,965.40	0.56%
Total Investments			112,275,779.07	107,556,218.70	95.25%
Other Net Assets				5,362,903.06	4.75%
Total Net Assets				112,919,121.76	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2007

(in %)

Branch of business	% of net assets
Bonds issued by supranational institutions	26.38%
Holding and finance companies	20.84%
Banks and other credit institutions	17.63%
Miscellaneous	9.65%
Government bonds	4.85%
Telecommunication	4.30%
Energy and water supply	3.59%
Gastronomy	2.27%
Options	2.05%
Mines and steel works	1.03%
Machinery and apparatus construction	0.89%
Miscellaneous services	0.75%
Retail trade	0.64%
Miscellaneous consumer goods	0.38%
Total	95.25%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2007

(in %)

Countries	% of net assets
Supranational	26.37%
United Kingdom	15.91%
Luxembourg	14.22%
Netherlands	10.01%
United States	6.18%
Germany	4.56%
Ireland	3.90%
Italy	3.80%
Mexico	2.11%
Argentina	2.05%
France	1.59%
Brazil	0.93%
Canada	0.89%
Greece	0.81%
Cayman Islands	0.77%
Kazakhstan	0.62%
Turkey	0.53%
Total	95.25%

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2007
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	64,369,669.63
- Net unrealised result	2 c	(4,832,558.65)
		59,537,110.98
Cash & other liquid assets:		
- Cash at bank		3,005,297.72
- Deposits on futures contracts		7,682.98
Other assets:		
- Formation expenses, net	2 h	1,785.94
- Receivables on investments		18,285.85
- Receivables on subscriptions		480,785.70
- Interest receivable on bonds		1,161,447.99
- Unrealised gain on futures contracts	2d, 11	187,348.32
- Unrealised gain on forward foreign exchange contracts	2j, 12	819,466.44
		65,219,211.92
LIABILITIES		
- Taxes and expenses payable		249,368.17
- Payables on redemptions		50,624.80
		299,992.97
NET ASSETS		64,919,218.95
Net asset value per Class A share		1,115.487
Number of Class A shares		37,837.821
Net asset value per Class B share		1,103.664
Number of Class B shares		18,111.470
Net asset value per Class P share		995.433
Number of Class P shares		60.000
Net asset value per Class Z share		1,074.890
Number of Class Z shares		2,477.405

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2007
 (in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		43,058,995.53
INCOME		
Income from investments:		
- Bond interest	2 i	4,675,264.13
- Bank interest	2 i	201,321.32
		4,876,585.45
EXPENSES		
Fees:		
- Advisory fee	5	453,058.72
- Director's fees		8,683.20
- Performance fee	6	22,223.86
- Custodian and administration fees	8	123,199.03
- Placing agent and correspondent bank fees	9	589,199.00
Other expenses:		
- Annual tax	10	31,527.14
- Amortisation of formation expenses	2 h	2,063.68
- Audit and legal fees		19,302.08
- Printing, publishing and reporting expenses		6,116.95
- Administration and other expenses		14,101.99
- Futures and options expenses		2,545.43
- Bank interest		2,257.65
		1,274,278.73
NET RESULT ON INVESTMENTS		3,602,306.72
Net realised result on:		
- Investments		(988,328.29)
- Foreign exchange		(167,369.92)
- Forward foreign exchange contracts	2j	320,762.93
- Futures contracts	2d	(648,992.23)
NET REALISED RESULT		2,118,379.21
Change in net unrealised appreciation/(depreciation) on:		
- Investments		(4,464,059.03)
- Forward foreign exchange contracts	2j	482,893.71
- Futures contracts	2d	177,032.66
NET DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS		(1,685,753.45)
MOVEMENTS IN CAPITAL		
Subscriptions of shares		58,995,330.62
Redemptions of shares		(35,449,353.75)
		23,545,976.87
NET ASSETS AT THE END OF THE YEAR		64,919,218.95

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Class A	Class B	Class P	Class Z
Shares outstanding at the beginning of the year	22,219.375	13,929.349	0.000	1,816.742
Subscriptions of shares	39,087.579	10,524.026	60.000	1,909.985
Redemptions of shares	(23,469.133)	(6,341.905)	0.000	(1,249.322)
Shares outstanding at the end of the year	37,837.821	18,111.470	60.000	2,477.405

STATISTICS

	Number of shares outstanding				Net assets (in EUR)	Net asset value per share (in EUR)			
	Class A	Class B	Class P	Class Z		Class A	Class B	Class P	Class Z
31.12.2005	19,834.801	2,656.704	-	2,202.269	26,349,185.28	1,073.086	1,071.051	-	1,007.718
31.12.2006	22,219.375	13,929.349	-	1,816.742	43,058,995.53	1,139.297	1,132.155	-	1,086.751
31.12.2007	37,837.821	18,111.470	60.000	2,477.405	64,919,218.95	1,115.487	1,103.664	995.433	1,074.890

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2007

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
<u>Transferable securities admitted to an official stock exchange</u>					
<u>Equities</u>					
GBP	85,000	VISIOCORP PLC	0.00	0.00	0.00%
Total Equities			0.00	0.00	0.00%
<u>Bonds</u>					
EUR	1,000,000	ALPHA CREDIT GROUP PLC 09 FRN	995,501.77	996,675.00	1.54%
EUR	1,000,000	ATU AUTO-TEILE-UNGER INVESTMENT GMBH & CO KG REGS 01/10/2014 FRN	1,049,280.00	845,000.00	1.30%
EUR	1,800,000	BANCA POPOLARE DI LODI INVESTORS TRUST III 00/01/1900 6.742%	1,957,732.00	1,722,754.98	2.65%
EUR	3,000,000	BCI US FUND NCP-FR	3,040,230.00	3,000,000.00	4.62%
EUR	850,000	BREEZE FINANCE 6.708%	850,030.00	820,250.00	1.26%
EUR	4,000,000	FIAT FINANCE NORTH AMERICA 5.625%	3,935,570.00	3,713,070.00	5.72%
EUR	2,000,000	GAZ CAP EMTN 13/02/2018 6.605%	2,012,060.00	1,927,200.00	2.97%
EUR	1,700,000	HELLAS II FRN 15/01/2015 10.732%	1,702,458.44	1,569,865.00	2.42%
EUR	2,000,000	INEOS GROUP HOLDINGS PLC REGS 15/02/2016 7.875%	1,880,149.71	1,693,333.40	2.61%
EUR	500,000	INEOS VINYLs FINANCE PLC REGS 01/12/2011 9.125%	520,030.00	493,125.00	0.76%
EUR	1,550,000	JAZZTEL PLC 29/04/2010 5.000%	1,115,100.00	1,186,718.75	1.83%
EUR	2,600,000	KAZKOMMERTS INTL BV 17 EMTN 6.875%	2,485,479.75	2,002,000.00	3.08%
EUR	2,530,000	LIGHTHOUSE 30/04/2004 8.000%	2,727,719.86	2,551,758.00	3.93%
EUR	2,000,000	PFLEIDERER FINANCE BV	1,805,715.00	1,585,100.00	2.44%
EUR	700,000	PIAGGIO FINANCE SA REGS 30/04/2012 10.000%	781,810.00	762,510.00	1.17%
EUR	3,965,000	SAFILO 15/05/2013 9.625%	4,378,889.63	4,160,871.00	6.41%
EUR	1,000,000	VTB CAPITAL (VNESHTORGBK) FRN 13/03/2009 5.527%	986,995.11	978,665.80	1.51%
EUR	500,000	WATERFORD WEDGWOOD PLC 9.875%	486,280.00	427,500.00	0.66%
RUB	23,000,000	DALI CAPI EMTN 30/09/2009 8.000%	669,240.88	631,514.35	0.97%
RUB	9,964,662	RED ARROW INTL 31/03/2012 8.375%	294,595.10	277,897.86	0.43%
TRY	900,000	TURKEY GOVERNMENT BOND 15/02/2012 10.000%	500,985.80	593,027.57	0.91%
USD	4,150	ALESTRA SA 30/06/2010 8.000%	3,375.96	2,853.40	0.00%
USD	3,000,000	ATF BANK 11/05/2016 9.000%	2,349,549.16	2,088,660.76	3.22%
USD	2,400,000	ATF CAP 21/02/2014 9.250%	1,767,751.40	1,675,476.12	2.58%
Sub-total			38,296,529.57	35,705,826.99	54.99%

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2007

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
		Balance carried forward	38,296,529.57	35,705,826.99	54.99%
USD	500,000	BICBANCO 03/03/2016 FRN	421,012.14	348,673.90	0.54%
USD	1,000,000	CORP INTERAMERICANA DE ENTRETENIMIENTO SA REGS 14/06/2015 8.875%	821,561.21	697,347.79	1.07%
USD	1,200,000	MOBILE TELESYSTEMS FINANCE SA REGS 28/01/2012 8.000%	1,024,947.68	845,041.61	1.30%
USD	2,250,000	TRANSPORT DE GAS DEL SUR 7.875%	1,589,723.36	1,343,893.72	2.07%
Total Bonds			42,153,773.96	38,940,784.01	59.97%
Total transferable securities admitted to an official stock exchange			42,153,773.96	38,940,784.01	59.97%
<u>Transferable securities admitted to an other regulated market, Bonds</u>					
EUR	1,700,000	ASSET REPACKAGING TRUST BV 26/05/2014 5.884%	1,703,319.00	1,685,125.00	2.60%
USD	992,727	AXTEL SA 15/12/2013 11.000%	887,994.90	738,200.93	1.14%
EUR	3,000,000	BOMBARDIER 16 7.250%	3,131,280.00	3,012,918.00	4.64%
EUR	4,341,364	CALL ART 0 21/12/2011	4,390,368.14	4,333,224.20	6.67%
EUR	2,810,921	CALL BCM 0 15/02/2017	2,806,981.20	2,691,457.05	4.15%
BRL	2,141,000	ELETROPAULO METROPOLITANA DE SAO PAULO SA REGS 28/06/2010 19.125%	877,359.80	936,163.43	1.44%
EUR	750,000	LECTA SA FRN 15/02/2014 7.200%	750,030.00	665,625.00	1.03%
USD	900,000	LUPATECH FIN 9.875%	661,381.43	616,818.69	0.95%
EUR	2,000,000	ONO FIN 14 8.000%	1,895,060.00	1,816,700.00	2.80%
GBP	700,000	PIPE HLDGS 2013 9.750%	1,086,346.17	966,681.43	1.49%
EUR	2,137,803	TIM HELLAS TELECOMMUNICA 07/15	2,265,672.53	2,030,913.24	3.13%
EUR	1,750,000	ZLOMREX INTERNAT FINANCE 14 8.500%	1,760,102.50	1,102,500.00	1.70%
Total transferable securities admitted to an other regulated market, Bonds			22,215,895.67	20,596,326.97	31.74%
<u>Other transferable securities</u>					
<u>Warrants and rights</u>					
GBP	850	SCHEFENAC WT 12 -A-	0.00	0.00	0.00%
GBP	850	SCHEFENAC WT 12 -B-	0.00	0.00	0.00%
Total other transferable securities			0.00	0.00	0.00%
Total Investments			64,369,669.63	59,537,110.98	91.71%
Other Net Assets				5,382,107.97	8.29%
Total Net Assets				64,919,218.95	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2007

(in %)

Branch of business	% of net assets
Holding and finance companies	37.03%
Miscellaneous	16.22%
Options	10.82%
Telecommunication	8.52%
Banks and other credit institutions	6.27%
Machinery and apparatus construction	4.64%
Energy and water supply	3.51%
Miscellaneous services	1.30%
Gastronomy	1.07%
Government bonds	0.91%
Chemistry	0.76%
Miscellaneous consumer goods	0.66%
Total	91.71%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2007

(in %)

Countries	% of net assets
Luxembourg	22.00%
Netherlands	17.37%
United States	12.99%
United Kingdom	11.03%
Ireland	6.21%
Canada	4.64%
Kazakhstan	3.22%
Greece	3.13%
Mexico	2.21%
Argentina	2.07%
Brazil	1.98%
France	1.70%
Germany	1.30%
Cayman Islands	0.95%
Turkey	0.91%
Total	91.71%

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE PERIOD FROM JANUARY 1, 2007 TO SEPTEMBER 21, 2007 (note 1)
(in EUR)

NET ASSETS AT THE BEGINNING OF THE PERIOD	Notes	8,355,284.73
INCOME		
Income from investments:		
- Dividends, net	2 i	55,254.79
- Bond interest	2 i	16,048.64
- Bank interest	2 i	37,684.49
- Extraordinary income	2 i	361.95
		<u>109,349.87</u>
EXPENSES		
Fees:		
- Advisory fee	5	53,252.23
- Director's fees		5,886.69
- Performance fee	6	8,385.51
- Custodian and administration fees	8	18,293.52
- Placing agent and correspondent bank fees	9	63,467.36
Other expenses:		
- Annual tax	10	2,470.08
- Amortisation of formation expenses	2 h	3,846.15
- Audit and legal fees		16,077.88
- Printing, publishing and reporting expenses		6,099.50
- Administration and other expenses		5,164.25
- Bank interest		889.49
		<u>183,832.66</u>
NET RESULT ON INVESTMENTS		<u>(74,482.79)</u>
Net realised result on:		
- Investments		356,666.91
- Foreign exchange		(0.45)
NET REALISED RESULT		<u>282,183.67</u>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		(432,384.79)
NET DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS		<u>(150,201.12)</u>
MOVEMENTS IN CAPITAL		
Subscriptions of shares		2,030,926.75
Redemptions of shares		(4,589,530.51)
Redemptions in kind (note 1)		(5,646,479.85)
		<u>(8,205,083.61)</u>
NET ASSETS AT THE END OF THE PERIOD		<u><u>0.00</u></u>

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE PERIOD FROM JANUARY 1, 2007 TO SEPTEMBER 21, 2007 (note 1)

	Class A	Class B
Shares outstanding at the beginning of the period	3,232.885	2,663.328
Subscriptions of shares	1,057.202	343.384
Redemptions of shares	(1,172.165)	(2,016.306)
Redemptions in kind (note 1)	(3,117.922)	(990.406)
Shares outstanding at the end of the period	0.000	0.000

STATISTICS

	Number of shares outstanding		Net assets (in EUR)	Net asset value per share (in EUR)	
	Class A	Class B		Class A	Class B
31.12.2005	4,528.220	1,045.222	6,318,291.11	1,134.101	1,131.657
31.12.2006	3,232.885	2,663.328	8,355,284.73	1,421.284	1,411.932
31.12.2007	-	-	-	-	-

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2007
(in USD)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	4,022,021.69
- Net unrealised result	2 c	(224,132.59)
		<u>3,797,889.10</u>
Cash & other liquid assets:		
- Cash at bank		1,630,484.00
- Time deposits		500,000.00
Other assets:		
- Receivables on subscriptions		4,355.70
- Interest receivable on bonds		106,123.38
- Unrealised gain on futures contracts	2d, 11	6,099.04
- Unrealised gain on forward foreign exchange contracts	2j, 12	35,518.28
		<u>6,080,469.50</u>
LIABILITIES		
- Deposits on futures contracts		5,794.74
- Taxes and expenses payable		44,133.50
		<u>49,928.24</u>
NET ASSETS		<u><u>6,030,541.26</u></u>
Net asset value per Class A share		957.743
Number of Class A shares		5,232.402
Net asset value per Class P share		997.712
Number of Class P shares		20.000
Net asset value per Class E share		999.293
Number of Class E shares		1,000.000

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
 FOR THE PERIOD FROM APRIL 20, 2007 TO DECEMBER 31, 2007
 (in USD)

NET ASSETS AT THE BEGINNING OF THE PERIOD	Notes	0.00
INCOME		
Income from investments:		
- Dividends, net	2 i	3,300.00
- Bond interest	2 i	204,989.57
- Bank interest	2 i	43,391.76
		251,681.33
EXPENSES		
Fees:		
- Advisory fee	5	17,537.31
- Director's fees		5,873.84
- Custodian and administration fees	8	24,127.50
- Placing agent and correspondent bank fees	9	55,984.69
Other expenses:		
- Annual tax	10	2,066.17
- Dividend on preferred shares	7	
- Audit and legal fees		15,664.89
- Printing, publishing and reporting expenses		6,441.50
- Administration and other expenses		6,441.79
- Futures and options expenses		227.29
- Bank interest		762.65
		135,127.63
 NET RESULT ON INVESTMENTS		116,553.70
Net realised result on:		
- Investments		229.94
- Foreign exchange		52,516.29
- Forward foreign exchange contracts	2j	(187,174.06)
- Futures contracts	2d	(10,465.97)
 NET REALISED RESULT		(28,340.10)
Change in net unrealised appreciation/(depreciation) on:		
- Investments		(224,132.59)
- Forward foreign exchange contracts	2j	35,518.28
- Futures contracts	2d	6,099.04
 NET DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS		(210,855.37)
MOVEMENTS IN CAPITAL		
Subscriptions of shares		6,241,396.63
		6,241,396.63
 NET ASSETS AT THE END OF THE PERIOD		6,030,541.26

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE PERIOD FROM APRIL 20, 2007 TO DECEMBER 31, 2007

	Class A	Class P	Class E
Shares outstanding at the beginning of the period	0.000	0.000	0.000
Subscriptions of shares	5,232.402	20.000	1,000.000
Redemptions of shares	0.000	0.000	0.000
Shares outstanding at the end of the period	5,232.402	20.000	1,000.000

STATISTICS

	Number of shares outstanding			Net assets (in EUR)	Net asset value per share (in EUR)		
	Class A	Class P	Class E		Class A	Class P	Class E
31.12.2007	5,232.402	20.000	1,000.000	6,030,541.26	957.743	997.712	999.293

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2007

(in USD)

Currency	Quantity/ Nominal	Description	Cost	Market value	% of net assets
<u>Transferable securities admitted to an official stock exchange</u>					
<u>Equities</u>					
USD	3,000	CARNIVAL CORP	145,180.79	133,470.00	2.21%
Total Equities			145,180.79	133,470.00	2.21%
<u>Bonds</u>					
EUR	170,000	CIR INTERNATIONAL SA 10/01/2011 6.375%	241,029.79	250,451.99	4.15%
EUR	175,000	KAZKOMMERTS INTL BV 17 EMTN 6.875%	226,727.40	196,613.70	3.26%
EUR	180,000	LIGHTHOUSE 2004 8.000%	265,786.51	264,896.64	4.39%
RUB	6,000,000	DALI CAPI EMTN 30/09/2009 8.000%	236,762.01	240,376.29	3.99%
USD	200,000	BCO HIPOT 11.10 9.750%	194,540.85	197,500.00	3.27%
USD	225,000	FRANCE TELECOM 2008 6.000%	226,264.82	226,046.25	3.75%
USD	300,000	PETROLEOS DE VENEZUELA S 17 5.250%	255,197.75	214,365.00	3.55%
USD	350,000	PROV BUENOS 17 9.250%	347,581.60	306,162.50	5.08%
USD	250,000	REPUBLIC OF KOREA 8.875%	257,515.36	252,812.50	4.19%
USD	300,000	STANDARD BANK (NAK) 2009 8.125%	304,540.75	283,500.00	4.70%
Total Bonds			2,555,946.84	2,432,724.87	40.33%
Total transferable securities admitted to an official stock exchange			2,701,127.63	2,566,194.87	42.54%
<u>Transferable securities admitted to an other regulated market</u>					
<u>Bonds</u>					
BRL	300,000	ELETROPAULO METROPOLITANA DE SAO PAULO SA REGS 28/06/2010 19.125%	183,115.82	191,399.70	3.17%
EUR	200,000	ZLOMREX INTERNAT FINANCE 14 8.500%	275,118.69	183,846.57	3.05%
USD	200,000	INEOS GROUP HOLDINGS PLC 16 8.500%	198,530.00	179,000.00	2.97%
USD	200,000	JBS SA 07/02/2011 9.375%	211,540.61	197,250.00	3.27%
Total Bonds			868,305.12	751,496.27	12.46%
<u>Options on securities</u>					
EUR	329,724	CALL ART 0 12/11	452,588.94	480,197.96	7.96%
Total Options on securities			452,588.94	480,197.96	7.96%
Total transferable securities admitted to an other regulated market					
Total Investments			4,022,021.69	3,797,889.10	62.96%
Other Net Assets				2,232,652.16	37.04%
Total Net Assets				6,030,541.26	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2007

(in %)

Branch of business	% of net assets
Holding and finance companies	10.46%
Government bonds	9.27%
Miscellaneous	8.38%
Oil	8.25%
Options	7.96%
Telecommunication	3.75%
Food products and non-alcoholic drinks	3.27%
Banks and other credit institutions	3.27%
Energy and water supply	3.17%
Chemistry	2.97%
Gastronomy	2.21%
Total	62.96%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2007

(in %)

Countries	% of net assets
Netherlands	11.22%
Luxembourg	8.54%
Argentina	8.35%
France	6.80%
Brazil	6.44%
Ukraine	4.70%
Korea	4.19%
Ireland	3.99%
Venezuela	3.55%
United Kingdom	2.97%
Panama	2.21%
Total	62.96%

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2007

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 Part I of the law of December 20, 2002 on undertakings for collective investments as amended.

The SICAV is self-managed.

The SICAV has appointed the following persons as Conducting Persons:

Mr. Massimo Scolari, Director of Atlas Capital Sim and Director of Pragma Alternative SGR, as Independent Conducting Person; and

Mr. Marco Claus, Manager of Brianfid-Lux SA, as Independent Conducting Person.

In order to enable the Conducting Persons to perform their duties, the SICAV has entered into a Service Agreement with BRIANFID-LUX S.A. (the "Provider of Infrastructure"). The Provider of Infrastructure will provide to the Conducting Persons, among others, the following supporting services:

- offices, premises, infrastructure and necessary resources; and
- furniture and technological or technical necessary services, i.e. an informatic system composed of different types of hardware and software.

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 "Mémorial 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 were amended by the extraordinary general meeting as at March 23, 2004.

As of December 31, 2007, the SICAV offers shares of the following Sub-Funds:

		Launched on
- CompAM FUND - Emerging Market Short Term	denominated in Euro (EUR)	11/04/2003
- CompAM FUND - Emerging Market Risk	denominated in Euro (EUR)	05/12/2005
- CompAM FUND - European Equity	denominated in Euro (EUR)	04/04/2003
- CompAM FUND - Equity Risk	denominated in Euro (EUR)	05/12/2005
- CompAM FUND - Bond Euro	denominated in Euro (EUR)	04/04/2003
- CompAM FUND - Bond Risk	denominated in Euro (EUR)	10/11/2003
- CompAM FUND - Bluesky Global Strategy	denominated in Us dollar (USD)	20/04/2007

The net asset value is calculated on a daily basis.

Redemption in kind:

On September 21, 2007, the CompAM FUND - Europe Dynamic 0/100 Sub-Fund contributed all its assets and liabilities into has been absorbed by the DIAMAN SICAV - Mathematics Sub-Fund.

The SICAV authorized to issue Shares of different classes depending of Sub-Funds, as described in more detail in the prospectus. For the time being, five classes of ordinary Shares are offered by the SICAV, i.e. Class A, Class B, Class E, Class M and Class Z Shares, and one class of preferred shares, i.e. Class P.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT DECEMBER 31, 2007

The difference between these Share classes relates to the placing fee which is payable quarterly in arrears to the relevant Placing Agents (see note 9 for more detail).

Certain classes of Shares may not be offered for subscription by the Fund's Placing Agents in certain countries where the Fund is registered for public distribution. In such case, the investors wishing to subscribe for a class of Shares which is not offered for subscription by the Placing Agent appointed in their country of residence may apply to the Registrar and Transfer Agent in Luxembourg in order to subscribe for the relevant class of Shares.

Investment in the Share Class Z requires the prior approval of the Board of Directors.

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 Net Asset Value of each Sub-Fund was calculated on December 31, 2007 using the closing prices of December 31, 2007.

The combined financial statements of the SICAV are expressed in EUR and are equal to the sum of the corresponding items as converted into EUR in the financial statements of the different sub-funds.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT DECEMBER 31, 2007

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 of 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".

3. EXCHANGE RATES

The exchange rates used for the conversion into EUR of assets and liabilities as at December 31, 2007 are as follows:

1 EUR =	4.596163	ARS	1 EUR =	60.158679	PHP
1 EUR =	2.595737	BRL	1 EUR =	3.604249	PLN
1 EUR =	1.654035	CHF	1 EUR =	35.946926	RUB
1 EUR =	2,944.463010	COP	1 EUR =	9.436899	SEK
1 EUR =	7.454486	DKK	1 EUR =	33.611524	SKK
1 EUR =	0.734988	GBP	1 EUR =	49.193521	THB
1 EUR =	340.749995	GRD	1 EUR =	1,710.193953	TRK
1 EUR =	253.042648	HUF	1 EUR =	1.710193	TRY
1 EUR =	1,365.790339	KRW	1 EUR =	1.459099	USD
1 EUR =	15.916959	MXN	1 EUR =	9,993499	ZAR

CompAM FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT DECEMBER 31, 2007

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 MANAGEMENT FEE

An investment management fee is payable to the Investment Manager 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:

	Class A	Class B	Class Z	Class E	Class P	Class M
CompAM FUND - Emerging Market Short Term	0.625% p.a.	0.625% p.a.	0.600% p.a.	-	-	0.590% p.a.
CompAM FUND - Emerging Market Risk	0.875% p.a.	0.875% p.a.	0.600% p.a.	-	-	0.835% p.a.
CompAM FUND - European Equity	1.000% p.a.	1.000% p.a.	0.600% p.a.	-	-	0.950% p.a.
CompAM FUND - Equity Risk	1.125% p.a.	1.125% p.a.	0.600% p.a.	-	-	1.070% p.a.
CompAM FUND - Bond Euro	0.500% p.a.	0.500% p.a.	0.600% p.a.	-	-	0.475% p.a.
CompAM FUND - Bond Risk	0.750% p.a.	0.750% p.a.	0.600% p.a.	-	-	0.715% p.a.
CompAM FUND - Europe Dynamic 0/100	1.000% p.a.	1.000% p.a.	-	-	-	-
CompAM FUND - Bluesky Global Strategy	0.500% p.a.	-	-	0.500% p.a.	-	-

6. PERFORMANCE FEE

In addition, the Investment Manager is entitled to receive an annual performance fee. The annual performance fee represents 5% 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:

On the Sub-Funds CompAM Fund - Emerging Market Short Term, CompAM Fund - Emerging Market Risk, CompAM Fund - European Equity, CompAM Fund - Equity Risk, CompAM Fund - Bond Euro, CompAM Fund - Bond Risk:

CompAM FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT DECEMBER 31, 2007

$$NA \times 5\% \times (NAVA1 - NAVA2) + NB \times 5\% \times (NAVB1 - NAVB2) + NM \times 5\% \times (NAVM1 - NAVM2)$$

Where:

- NA = the number of Class A Shares in issue on the relevant Valuation Day.
 NAVA1 = the Net Asset Value per Share of Class A on the relevant Valuation Day (Net Asset Value prior to the accrual of a performance fee and preferred dividend allocation).
 NAVA2 = the Net Asset Value per Share of Class A on the preceding Valuation Day (Net Asset Value after the accrual of any performance fee and preferred dividend allocation on that date).
 NB = the number of Class B Shares in issue on the relevant Valuation Day.
 NAVB1 = the Net Asset Value per Share of Class B on the relevant Valuation Day (Net Asset Value prior to the accrual of a performance fee and preferred dividend allocation).
 NAVB2 = the Net Asset Value per Share B on the preceding Valuation Day (Net Asset Value after the accrual of any performance fee and preferred dividend allocation on that date).
 NM = the number of Class M Shares in issue on the relevant Valuation Day.
 NAVM1 = the Net Asset Value per Share of Class M on the relevant Valuation Day (Net Asset Value prior to the accrual of a performance fee and preferred dividend allocation).
 NAVM2 = the Net Asset Value per Share of Class M on the preceding Valuation Day (Net Asset Value after the accrual of any performance fee and preferred dividend allocation on that date).

No performance fee will be payable with respect to the class Z and class P Shares.

On the Sub-Fund CompAM Fund - Bluesky Global Strategy:

$$NA \times 5\% \times (NAVA1 - NAVA2) + NE \times 5\% \times (NAVE1 - NAVE2)$$

Where:

- NA = the number of Class A Shares in issue on the relevant Valuation Day.
 NAVA1 = the Net Asset Value per Class A Share on the relevant Valuation Day (Net Asset Value prior to the accrual of a performance fee and preferred dividend allocation).
 NAVA2 = the Net Asset Value per Class A Share on the preceding Valuation Day (Net Asset Value after the accrual of any performance fee and preferred dividend allocation on that date).
 NE = the number of Class E Shares in issue on the relevant Valuation Day.
 NAVE1 = the Net Asset Value per Share of Class E on the relevant Valuation Day (Net Asset Value prior to the accrual of a performance fee and preferred dividend allocation).
 NAVE2 = the Net Asset Value per Class E Share on the preceding Valuation Day (Net Asset Value after the accrual of any performance fee and preferred dividend allocation on that date).

The performance fees payable as at December 31, 2007 are as follows:

	Amounts in EUR
CompAM FUND - Emerging Market Short Term	34,550.99
CompAM FUND - Emerging Market Risk	0.00
CompAM FUND - European Equity	0.00
CompAM FUND - Equity Risk	0.00
CompAM FUND - Bond Euro	1.17
CompAM FUND - Bond Risk	0.00
CompAM FUND - Europe Dynamic 0/100	0.00
CompAM FUND – Bluesky Global Strategy	0.00
Total:	34,552.16

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT DECEMBER 31, 2007

7. PREFERRED SHARES

On the Sub-Funds CompAM Fund - Emerging Market Short Term, CompAM Fund - Emerging Market Risk, CompAM Fund - European Equity, CompAM Fund - Equity Risk, CompAM Fund - Bond Euro, CompAM Fund - Bond Risk:

In addition to ordinary Classes A, B, M and Z, one class of preferred Shares is launched, hereinafter "Class P Shares".

Investment in the Class P Shares is reserved to the Investment Manager and/or its selected employees and/or third parties with the Investment Manager prior consent and requires the prior approval of the Board of Directors. Holders of the Class P Shares have the option to convert the dividend payment into newly issued Class Z Shares or Class P Shares of any existing Sub-Fund.

Such Class P Shares are entitled to receive a Preferred Dividend Allocation ("PDA"). Such entitlement will become vested on the last working day of each calendar year and will be accrued on a "mark to market basis" during the year.

$$NA \times 5\% \times (NAVA1 - NAVA2) + NB \times 5\% \times (NAVB1 - NAVB2) + NM \times 5\% \times (NAVM1 - NAVM2)$$

Where:

- NA = the number of Class A Shares in issue on the relevant Valuation Day.
- NAVA1 = the Net Asset Value per Share of Class A on the relevant Valuation Day (Net Asset Value prior to the accrual of a performance fee and preferred dividend allocation).
- NAVA2 = the Net Asset Value per Share of Class A on the preceding Valuation Day (Net Asset Value after the accrual of any performance fee and preferred dividend allocation on that date).
- NB = the number of Class B Shares in issue on the relevant Valuation Day.
- NAVB1 = the Net Asset Value per Share of Class B on the relevant Valuation Day (Net Asset Value prior to the accrual of a performance fee and preferred dividend allocation).
- NAVB2 = the Net Asset Value per Share B on the preceding Valuation Day (Net Asset Value after the accrual of any performance fee and preferred dividend allocation on that date).
- NM = the number of Class M Shares in issue on the relevant Valuation Day.
- NAVM1 = the Net Asset Value per Share of Class M on the relevant Valuation Day (Net Asset Value prior to the accrual of a performance fee and preferred dividend allocation).
- NAVM2 = the Net Asset Value per Share of Class M on the preceding Valuation Day (Net Asset Value after the accrual of any performance fee and preferred dividend allocation on that date).

On the Sub-Fund CompAM Fund - Bluesky Global Strategy:

In addition to ordinary Class A and Class E Shares, one class of preferred Shares will be launched, hereinafter "Class P Shares".

Investment in the Class P Shares is reserved to the Investment Manager and/or its selected employees and/or third parties with the Investment Manager prior consent and requires the prior approval of the Board of Directors.

Such Class P Shares are entitled to receive a Preferred Dividend Allocation ("PDA"). Such entitlement will become vested on the last working day of each calendar year and will be accrued on a "mark to market basis" during the year.

The "PDA" will be equal to the 5% of the gross appreciation (i.e., for the avoidance of doubt, appreciation after all management fees and expenses but before the performance fee and the PDA) in the Net Asset Value per Share of the Classes A and E of the Sub-Fund in respect of each period of twelve months ending on December 31 in each year (each a "Calculation Period").

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT DECEMBER 31, 2007

For each Calculation Period, the "PDA" will be calculated as follows:

$$NA \times 5\% \times (NAVA1 - NAVA2) + NE \times 5\% \times (NAVE1 - NAVE2)$$

Where:

- NA = the number of Class A Shares in issue on the relevant Valuation Day.
NAVA1 = the Net Asset Value per Class A Share on the relevant Valuation Day (Net Asset Value prior to the accrual of a performance fee and preferred dividend allocation).
NAVA2 = the Net Asset Value per Class A Share on the preceding Valuation Day (Net Asset Value after the accrual of any performance fee and preferred dividend allocation on that date).
NE = the number of Class E Shares in issue on the relevant Valuation Day.
NAVE1 = the Net Asset Value per Share of Class E on the relevant Valuation Day (Net Asset Value prior to the accrual of a performance fee and preferred dividend allocation).
NAVE2 = the Net Asset Value per Class E Share on the preceding Valuation Day (Net Asset Value after the accrual of any performance fee and preferred dividend allocation on that date).

The total amount of "PDA" will be allotted, proportionally, to the existing Class P Shares at the end of each Calculation Period.

The amount of the PDA will be accrued as a liability from the Sub-Fund's assets and accrued in view of the cash payment at the end of the Fund's accounting year of such Dividend. The daily accruals of the PDA are cumulated in order to determine a positive or negative year end balance. If the balance at the end of the Fund's accounting year is negative, no dividend will be paid in respect of Class P Shares. A negative year end balance will however not be brought forward from one accounting year to another.

The Board of Directors reserves the right to force a compulsory redemption of Class P Shares.

No investment management fee, performance fee, nor placing fee (shareholder service fee) shall be charged on Class P Shares.

8. CUSTODIAN AND ADMINISTRATION FEES

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.

9. PLACING AGENT AND CORRESPONDENT BANK FEES

In Italy, the Correspondent Bank shall receive for their services an annual fee out of the assets of the SICAV 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.

CompAM FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)
AS AT DECEMBER 31, 2007

Average assets (as described above)	Percentage applied to each level of assets
Between 0 and 50,000,000 EUR	0.29%
Between 50,000,000 EUR and 100,000,000 EUR	0 - 50,000,000: 0.29% Over 50,000,000: 0.20%
Over 100,000,000	0 - 50,000,000: 0.29% 50,000,000 - 100,000,000: 0.20% Over 100,000,000: 0.15%

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:

	Class A	Class B	Class Z	Class E	Class P	Class M
CompAM FUND - Emerging Market Short Term	0.625% p.a.	0.775% p.a.	0.00% p.a.	-	0.00% p.a.	0.00% p.a.
CompAM FUND - Emerging Market Risk	0.875% p.a.	1.125% p.a.	0.00% p.a.	-	0.00% p.a.	0.00% p.a.
CompAM FUND - European Equity	1.000% p.a.	1.300% p.a.	0.00% p.a.	-	0.00% p.a.	0.00% p.a.
CompAM FUND - Equity Risk	1.125% p.a.	1.475% p.a.	0.00% p.a.	-	0.00% p.a.	0.00% p.a.
CompAM FUND - Bond Euro	0.500% p.a.	0.600% p.a.	0.00% p.a.	-	0.00% p.a.	0.00% p.a.
CompAM FUND - Bond Risk	0.750% p.a.	0.950% p.a.	0.00% p.a.	-	0.00% p.a.	0.00% p.a.
CompAM FUND - Europe Dynamic 0/100	0.900% p.a.	1.100% p.a.	-	-	-	-
CompAM FUND - Bluesky Global Strategy	1.600% p.a.	-	-	0.750% p.a.	0.00% p.a.	-

10. ANNUAL TAX

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.

11. FUTURES CONTRACTS

As at December 31, 2007, the following futures contracts and the corresponding unrealised results are outstanding:

CompAM FUND - Emerging Market Short Term						
Type	Number of contracts	Denomination	Date	Currency	Commitments in currency	Unrealised gain (in EUR)
Short	(15)	EURO BOBL FUTURE	03/08	EUR	(1,619,100.00)	20,475.00
Short	(10)	EURO BUND	03/08	EUR	(1,131,100.00)	20,900.00
Long	23	EURO FX CURRENCY FUTURE	03/08	USD	4,194,625.00	27,585.50
Short	(15)	US 10 YR NOTES	03/08	USD	(1,700,859.30)	5,702.36
Short	(11)	US 5 YR NOTES	03/08	USD	(1,213,093.75)	3,062.68
						77,725.54

CompAM FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT DECEMBER 31, 2007

11. FUTURES CONTRACTS (continued)

CompAM FUND - Emerging Market Risk

Type	Number of contracts	Denomination	Date	Currency	Commitments in currency	Unrealised gain (in EUR)
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Short	(28)	US 10 YR NOTES	03/08	USD	(3,174,937.36)	10,644.40
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CompAM FUND – European Equity

Type	Number of contracts	Denomination	Date	Currency	Commitments in currency	Unrealised loss (in EUR)
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Short	(16)	DAX INDEX	03/08	EUR	(3,257,800.00)	(73,600.00)
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Short	(3)	SP MIB INDEX	03/08	EUR	(583,830.00)	(4,830.00)
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(78,430.00)

CompAM FUND – Bond Euro

Type	Number of contracts	Denomination	Date	Currency	Commitments in currency	Unrealised gain (in EUR)
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Short	(164)	EURO BUND	03/08	EUR	18,550,040.00	342,760.00
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Short	(21)	US 10 YR NOTES	03/08	USD	(2,381,203.02)	7,983.30
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350,743.30

CompAM FUND – Bond Risk

Type	Number of contracts	Denomination	Date	Currency	Commitments in currency	Unrealised gain (in EUR)
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Short	(80)	EURO BUND	03/08	EUR	(9,048,800.00)	167,200.00
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Short	(53)	US 10 YR NOTES	03/08	USD	(6,009,702.86)	20,148.32
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187,348.32

CompAM FUND – Bluesky Global Strategy

Type	Number of contracts	Denomination	Date	Currency	Commitments in currency	Unrealised gain (in USD)
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Short	(2.00)	EURO BUND	03/08	EUR	(226,220.00)	6,099.04
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The net unrealised result on the outstanding futures contracts is included in the statement of net assets of each Sub-Fund.

CompAM FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT DECEMBER 31, 2007

12. FORWARD FOREIGN EXCHANGE CONTRACTS

As at December 31, 2007, the following forward foreign exchange contracts and the corresponding unrealised results are outstanding:

CompAM FUND - Emerging Market Short Term

Maturity	Currency	Purchase	Currency	Sales	Unrealised gain/(loss) (in EUR)
28/04/2008	EUR	545,256.27	USD	(750,000.00)	31,191.12
28/04/2008	EUR	363,583.48	USD	(500,000.00)	20,873.38
28/04/2008	EUR	717,463.05	USD	(1,000,000.00)	32,043.73
28/04/2008	EUR	358,731.53	USD	(500,000.00)	16,021.87
28/04/2008	EUR	1,471,206.39	USD	(2,100,000.00)	31,829.04
26/11/2008	EUR	23,035,413.15	USD	(34,150,000.00)	(467,915.36)
					<u>(335,956.22)</u>

CompAM FUND - Emerging Market Risk

Maturity	Currency	Purchase	Currency	Sales	Unrealised gain/(loss) (in EUR)
28/04/2008	EUR	545,256.27	USD	(750,000.00)	31,191.12
28/04/2008	EUR	1,459,214.94	USD	(2,000,000.00)	88,374.09
28/04/2008	EUR	731,903.68	USD	(1,000,000.00)	46,483.05
28/04/2008	EUR	553,587.25	USD	(750,000.00)	39,521.35
28/04/2008	EUR	550,014.67	USD	(750,000.00)	35,949.09
28/04/2008	EUR	186,081.13	USD	(250,000.00)	14,725.68
28/04/2008	EUR	1,105,216.62	USD	(1,500,000.00)	77,085.00
28/04/2008	EUR	800,698.79	USD	(1,100,000.00)	46,736.50
28/04/2008	EUR	362,148.26	USD	(500,000.00)	19,438.29
26/11/2008	EUR	11,838,111.30	USD	(17,550,000.00)	(240,466.02)
					<u>159,038.15</u>

CompAM FUND – Bond Euro

Maturity	Currency	Purchase	Currency	Sales	Unrealised gain/(loss) (in EUR)
07/04/2008	EUR	11,491,696.32	USD	(15,500,000.00)	869,450.74
07/04/2008	EUR	728,597.45	USD	(1,000,000.00)	43,290.45
07/04/2008	EUR	291,992.12	USD	(400,000.00)	17,869.36
07/04/2008	EUR	1,093,334.31	USD	(1,500,000.00)	65,373.84
07/04/2008	USD	690,000.00	EUR	(495,832.14)	(22,968.38)
07/04/2008	EUR	700,574.47	USD	(1,000,000.00)	15,265.67
					<u>988,281.68</u>

CompAM FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT DECEMBER 31, 2007

12. FORWARD FOREIGN EXCHANGE CONTRACTS (continued)

CompAM FUND – Bond Risk

Maturity	Currency	Purchase	Currency	Sales	Unrealised gain (in EUR)
07/04/2008	EUR	8,896,797.15	USD	(12,000,000.00)	673,123.15
07/04/2008	EUR	728,119.99	USD	(1,000,000.00)	42,812.97
07/04/2008	EUR	436,011.66	USD	(600,000.00)	24,827.39
07/04/2008	EUR	1,401,148.94	USD	(2,000,000.00)	30,531.33
07/04/2008	EUR	351,592.71	USD	(500,000.00)	8,938.39
07/04/2008	EUR	350,385.42	USD	(500,000.00)	7,731.02
07/04/2008	USD	2,750,000.00	EUR	(1,853,099.73)	31,502.19
					819,466.44

CompAM FUND – Bluesky Global Strategy

Maturity	Currency	Purchase	Currency	Sales	Unrealised gain (in USD)
07/04/2008	USD	2,125,000.00	EUR	(1,431,940.70)	35,518.28

The net unrealised result on the outstanding forward foreign exchange contracts is included in the statement of net assets of each Sub-Fund.

13. CHANGES IN THE SECURITIES PORTFOLIO

A copy of the changes in the securities portfolio of the Sub-Funds during the year ended December 31, 2007 is available free of charge at the SICAV's Registered Office.