

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, 2005

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

Managing Director and CEO
Zenit Alternative Investments S.G.R.

Members

Mr Pietro Tasca

Managing Director
Gestnord Fondi S.G.R. S.p.A.
(until October 18, 2005)

Replaced by:

Mrs Alessandra Degiugno

Managing Director
Sella Bank Luxembourg S.A.
(from October 18, 2005)

Mr Gabriele Bruera

Director
Compass Asset Management S.A.

Mr Corrado Capacci

Director
Compass Asset Management S.A.

Replaced by:

Mr Roberto Di Carlo

Managing Director
Sella Bank Luxembourg S.A.
(from October 18, 2005)

Mrs Grazia Borri

Managing Director
Sella Bank Luxembourg S.A.
(until October 18, 2005)

REGISTERED OFFICE

4, Boulevard Royal
L-2449 Luxembourg

PROMOTER

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

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

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

INVESTMENT ADVISOR

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

ORGANISATION OF THE SICAV (continued)

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

Banca Sella SpA
2, Via Italia
I-13900 Biella
Italy

AUDITOR

Deloitte SA
560, rue de Neudorf
L-2220 Luxembourg

LEGAL ADVISER

Arendt & Medernach
14, Rue Erasme
L-1468 Luxembourg

Director's Report 2005

2005 was a successful year for Compam Fund. Overall the performance achieved was in line with targets and the asset under management more than doubled during the year. 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 Advisor) draw a summary of the investment performance and the growth in assets during the year.

	Bond Euro	Bond Risk*	Emerging Market Short Term**	Emerging Market Risk***	European Equity	Equity Risk****	Europe Dynamic 0/100	MSCI EURO CREDIT	EURO STOXX 50
1Q	0.87%	2.36%	0.56%		3.40%		3.20%	1.32%	3.54%
2Q	1.45%	1.93%	2.98%		2.97%		5.19%	3.77%	4.12%
3Q	1.21%	3.49%	1.92%		5.74%		12.86%	0.50%	7.75%
4Q	0.13%	1.14%	0.48%	-0.04%	-2.34%	0.88%	-5.94%	-0.21%	4.39%
2005	3.70%	9.21%	6.04%	-0.04%	9.95%	0.88%	15.24%	5.45%	21.27%

All performance data refer to the Class A shares

* Until December 2005 this fund was called Europe Flexible 0/50. The investment policy has remained the same during the whole year

** Until December 2005 this fund was called Emerging Market Bonds. The investment policy has remained the same during the whole year

*** This Fund started on December 1st 2005

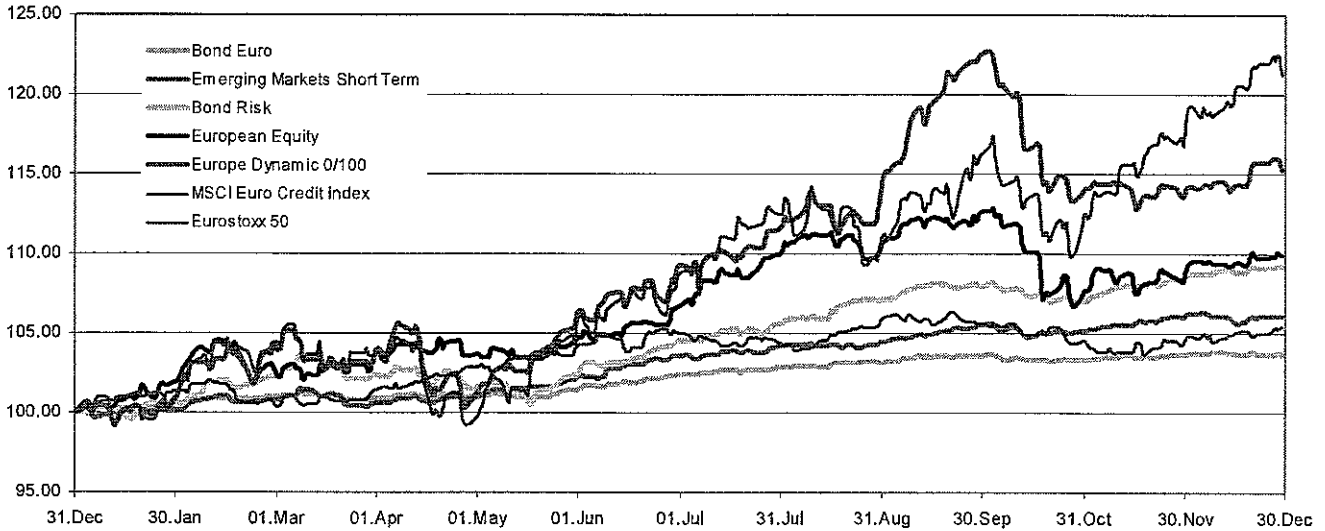
**** This Fund started on December 1st 2005

	YE 2004 AUM EUR	YE 2005 AUM EUR	Variation
Bond Euro (BE)	53 057	89 638	36 581
Bond Risk (BR)	1 126	26 349	25 223
Emerging Market Short Term (EMST)	19 869	38 158	18 289
Emerging Market Risk (EMR)	0	5 331	5 331
European Equity (EE)	20 521	33 534	13 013
Equity Risk (ER)	0	6 764	6 764
Europe Dynamic 0/100 (ED)	3 295	6 318	3 023
Total	97 868	206 092	108 224

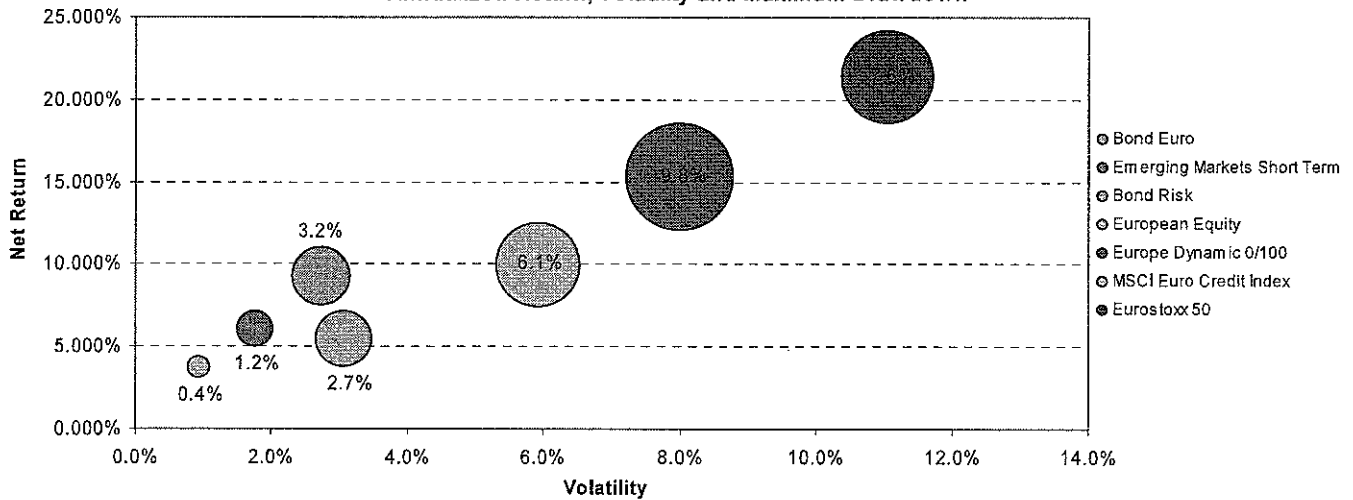
The fund has a total return (i.e. not linked to any market index) objective across all sub-funds and investment strategies. Therefore the index performance is shown in the table simply to put the fund's achievement in the context of the developments on the financial markets during 2005. It is true that in a year when equities soared in the whole world except the US, Bond yield on the longer part of the curve declined in Europe and were stable in the US and the dollar rose versus the Euro, the passive global investor has enjoyed an easy positive performance (bearing a naked exposure to all the mentioned asset classes) that makes our achievements look normal.

In the following tables and charts we are producing a basic performance analysis based on the daily data for the five sub funds that have been in existence during the whole year.

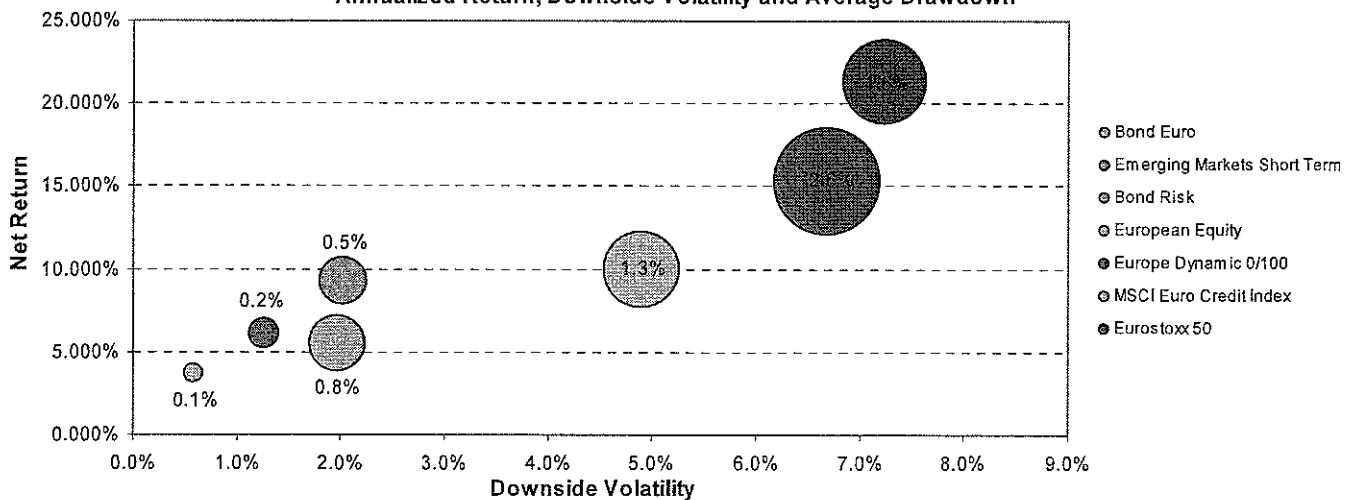
100 euro invested on December 31st 2004



Annualized Return, Volatility and Maximum Drawdown



Annualized Return, Downside Volatility and Average Drawdown



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 emerging market bonds. The purpose of the sub-fund is to achieve average yearly returns of about 200 basis points in excess of Euro money market rates.

During 2005 the goal missed by a small margin as the fund's class A shares returned 3.70%, bringing the annualized compound rate of return since inception in March 2003 to 4.91%. While 2005 return is slightly below the fund target return, the average annual return is still comfortably exceeding our expectations.

As far as 2005 performance is concerned we can highlight at least two reasons why the fund underperformed marginally its target return:

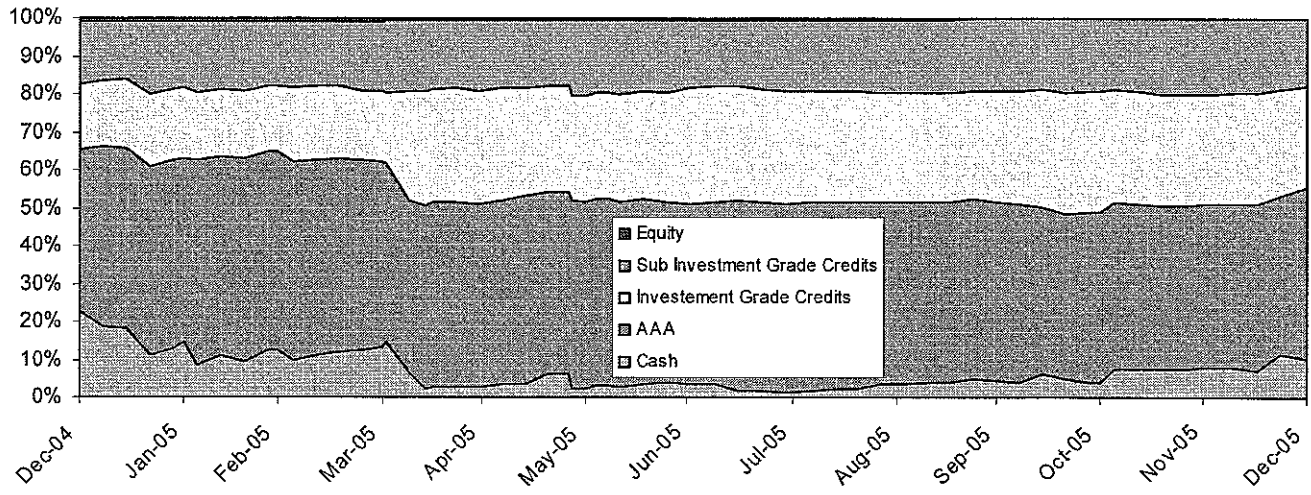
- Portfolio duration averaged 1.24 years, net of hedging. As it was stated several times in our monthly reports, we were surprised by the behavior of medium to long term yields both in Europe and in the US. 10-years government bond yields declined 38 basis points in Europe and barely increased in the US notwithstanding 13 consecutive rate hikes by the Fed. When looking at these market developments, it is clear that we greatly underestimated the effects of the still huge global liquidity and the constant research for yields. Therefore, the strategy of keeping a low portfolio duration prevented the fund from benefiting from declining long term yields and enjoying the higher carry associated with a longer duration.
- Our interest rate hedging was, for a large part, built on steepening strategy in the sector 1.5 years to 3.5 years of the European yield curve. The reason behind this strategy was mainly the same behind the idea of keeping a low duration portfolio: we were looking for a bearish steepening of the curve, mainly on the back of fears of an expected higher inflation. This scenario did not materialize, notwithstanding substantially higher energy costs and slightly higher core inflation readings. On the contrary, the European yield curve flattened. As a consequence this strategy came at a cost to the fund.

Having highlighted the reasons for the fund minor underperformance, it is fair to mention our satisfaction with the way the portfolio credit risk was handled. Our corporate picks all originated from the bottom-up analysis of our Investment Advisor, and they were essential in achieving this year's fund performance.

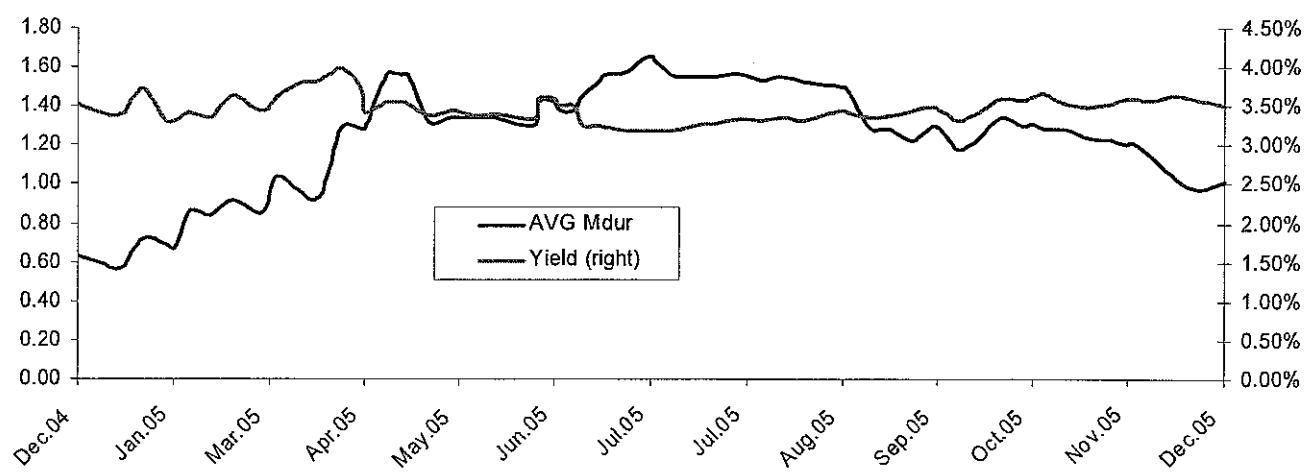
The first chart below, drawn from data gathered by Compass Asset Management, shows the portfolio composition during the year between the various types of investments (Cash, AAA, Investment Grade Credits, Sub Investment Grade Credits). Until November 28th the fund had the possibility of investing up to 10% in Equities. Given that this option has seldom been used in the past (if and only if a risk reward similar to that of a fixed income security could be achieved with a stock) it was decided to change the prospectus and give up this option. The second chart shows the evolution of the portfolio average Duration and Yield to Maturity (net of hedging costs) during 2005.

In the current market conditions, with very low interest rates, flat curves, and narrow credit spreads, our Investment Advisor suggests that, until such conditions persist, it may be difficult to fully achieve the fund objective going forward.

Bond Euro - Portfolio Composition during the Year



Bond Euro - Average Portfolio Duration and Yield to Maturity



BOND RISK

As stated at the beginning of the year, in January 2005 we started implementing a new investment policy on this sub-fund that, until December 2005 was still named Europe Flexible 0-50. The idea was to create an unconstrained and more concentrated version of the Bond Euro portfolio in order to target net returns around 600 basis points over money market rates. Having changed the investment strategy this year, to look at the fund average annual return and standard deviation since its inception, in November 2003, would be misleading, since only the 2005 data is reflecting its new investment policy.

During 2005, the fund's class A shares returned 9.21% net of all fees and we are definitively pleased with its performance and the way it was achieved during the year. The fund return has been in excess of our target, and in the meantime the volatility has been extremely well contained and certainly below our longer term expectations: we experienced two negative months in April and October (where, anyhow, we suffered less than the market) and in both cases the losses were entirely recovered in the following 30 days or shortly after.

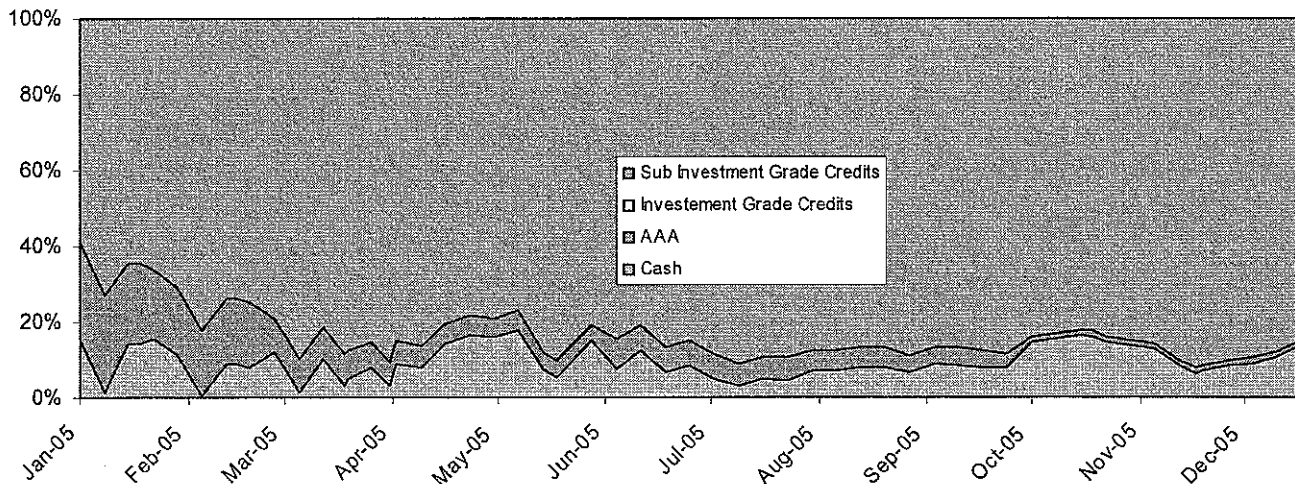
Besides the general favorable environment for corporate debt market and debt market in general, the fund benefited from some specific factors:

- The Argentine debt restructuring which took place in the first half of the year. In this event we purchased the bonds prior to the closing of the exchange and then tendered them into it. We subsequently liquidated the bonds we were delivered following the closing of the exchange. Such operations have to be considered as exceptional and we cannot count on a repeat of similar favorable transactions in 2006.
- The participation in some selected new bond issuances, especially in the latter part of the year. We would point out, among others, the Tim Hellas and TUI new issues. Again, these kinds of transactions have to be considered as exceptional and may not repeat themselves going forward.
- The way the fund portfolio was built up. Portfolio is composed of both European high yield corporate issues, few US high yield corporate issues and emerging market issues, mainly corporate and hard currency denominated. Coherently with our investment approach, all positions originated from the bottom-up analysis of our Investment Advisor: we therefore ended up having a pretty diversified portfolio among different sub sectors and countries and with few or nil benchmark issues. This approach and portfolio composition prevented the fund from having large drawdown in tough months such as April and October and to contain volatility.

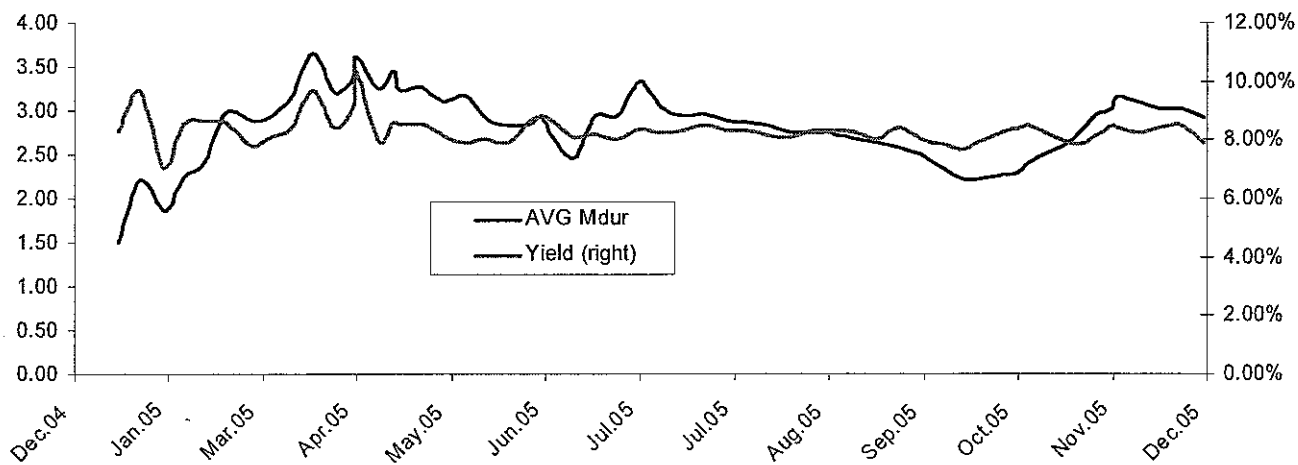
The first chart below, drawn from data gathered by Compass Asset Management, shows the portfolio composition during the year between the various types of investments (Cash, AAA, Investment Grade Credits, Sub Investment Grade Credits). It can be clearly seen that we have been heavily exposed throughout 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 2005. The use of hedging in this portfolio is less necessary given that high yield and sub-investment grade most of the times exhibit a weak short term correlation with the interest rate curve.

Bond Risk - Portfolio Composition during the Year



Bond Risk - Average Portfolio Duration and Yield to Maturity



EMERGING MARKET SHORT TERM

The Emerging Market Bonds 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 holding cannot exceed at any time 24 months. Until December 2005 it was called Emerging Market Bonds; its name has been changed in order to highlight the duration constraint that has always applied to the portfolio: therefore the name change does not imply a new investment policy.

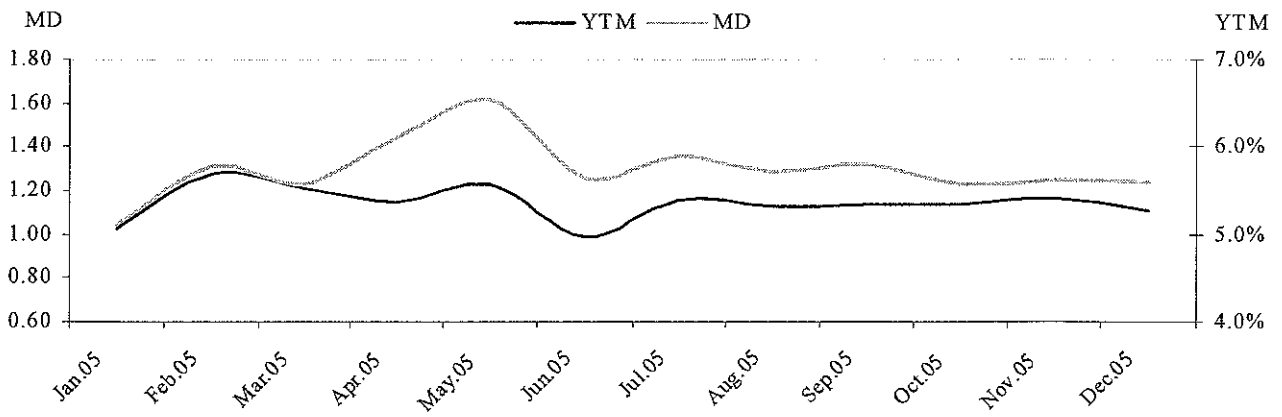
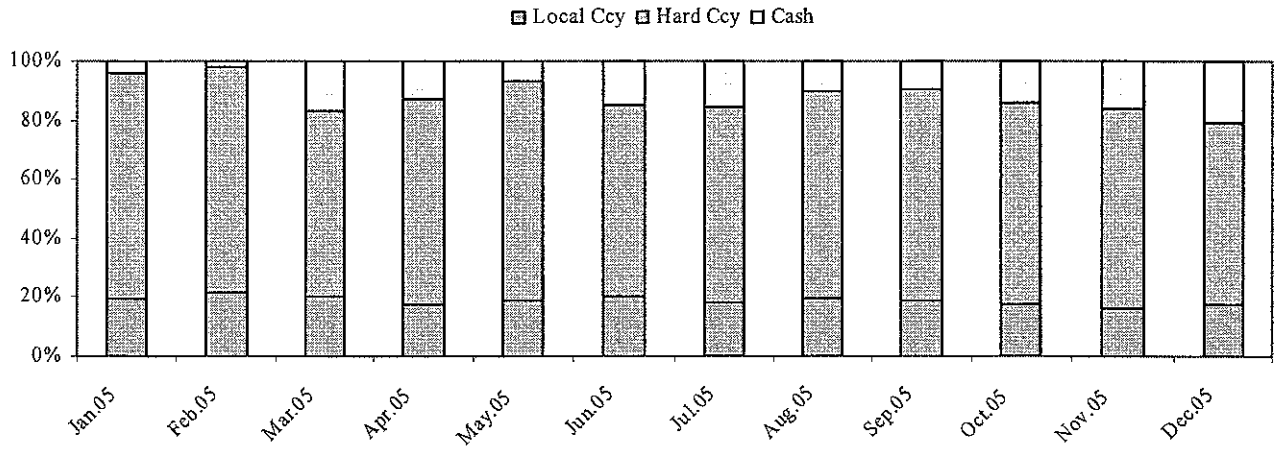
The fund class A shares returned 6.04% net of all fees. This brings the annualized compound rate of return to 5.24% since its inception in April 2003. Both the average annual return and the 2005 return are above the declared fund target return of between 200 and 300 basis points in excess of money market rates.

As far as year 2005 is concerned, the above target performance is due to several factors, some of which are unlikely to be repeated in 2006. Besides the general favorable environment for emerging market debt, the fund benefited from:

- The Argentine debt restructuring which took place in the first half of the year, and the Dominican Republic debt restructuring which took place in the second half of the year. In both cases we purchased the bonds prior to the closing of the exchange and then tendered them into it. We subsequently liquidated the bonds we were delivered following the closing of the exchange. Both these operations have to be considered as exceptional and we cannot count on a repeat of similar favorable transactions in 2006.
- The local currencies market in which we have been involved throughout the year. While 2004 was an above average return for the so called CE4 currencies, such as Polish Zloty (PLN) and Hungarian Forint (HUF), 2005 has been a very good year for Latin American currencies. The strategy of lowering exposure to PLN and HUF at the beginning of the year and to increase our presence in Mexican Peso (MXN) and Brazilian Real (BRL) did certainly pay off. Both currencies have appreciated both in real and nominal terms, while delivering a substantial carry. Going into 2006, local currencies markets are certainly an area in which we are selectively going to be involved into.
- The emerging corporate bond market. This has been a relatively new area of business for the fund this year. Our Investment Advisor made great effort to broaden our knowledge in this area. Extensive travels with company visits was done in Russia, Kazakhstan and Mexico and dedicated conferences in New York and London were attended. Even though 2005 has been a good year for the corporate bond market in general and for the emerging corporate one in particular, we think, going forward, that further selective efforts will have to be placed in this potentially profitable area.

In the following charts we show the evolution of the portfolio composition during the year, as well as the portfolio yield to maturity and modified duration.

CompAM Fund
 Société d'Investissement à Capital Variable
 4, boulevard Royal
 L-2446 Luxembourg



CompAM Fund
Société d'Investissement à Capital Variable
4, boulevard Royal
L-2446 Luxembourg

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 net returns to investors between 700 and 800 basis points in excess of money market rates.

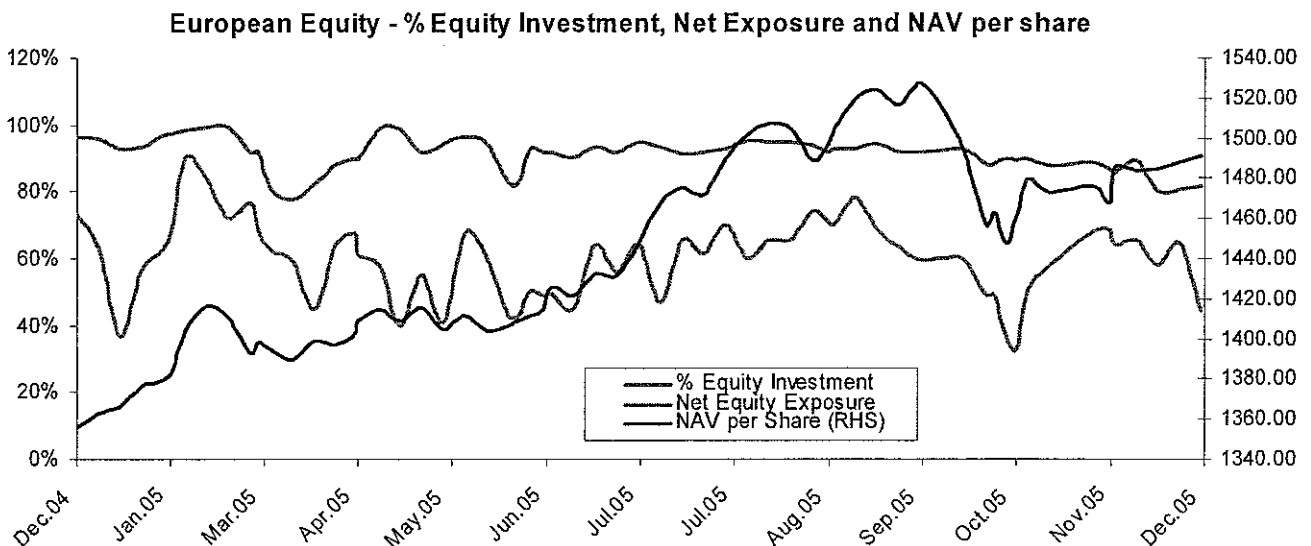
Given the very short history there is not much to explain here apart from stressing that we expect this fund to be remarkably more volatile than Emerging Market Short Term.

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 around 900 basis points over money market rates, similar to the long run returns available in the equity markets, with reasonable volatility and a limited drawdown risk.

In 2005 the fund delivered a net return of 9.95% that is lower than targets, especially when considering the excellent performance of the equity markets this year. The average compounded annual return since inception in March 2003 is 15.64%, still well in excess of target.

Based on the end of week 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 59.77% (similar to last year's average of 56.06%), with an average hedging ratio of 31.42% (versus 38.9% in 2004), i.e. an average gross exposure of 91.19% against 94.96% in 2004. On average the portfolio was tilted towards the Communication and Financial sectors with 25.87% and 28.41% respectively (Bloomberg sectors definitions) whilst in geographical terms Italy had the lion share with an average of 44.95% of the portfolio, Germany had 18.59% and France 12.88%. The portfolio turned 2.88 times the average end of week assets, with an average transaction cost of 6.4 basis points, i.e. a total transaction cost to the fund of 18 basis points, increasing to 32 basis points once the commissions for futures and options are taken into account.

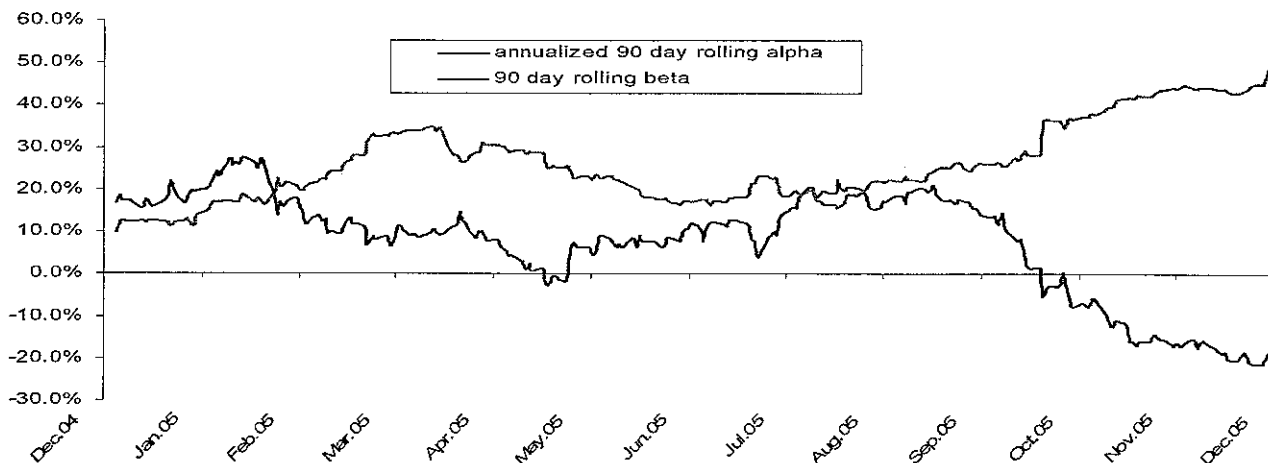
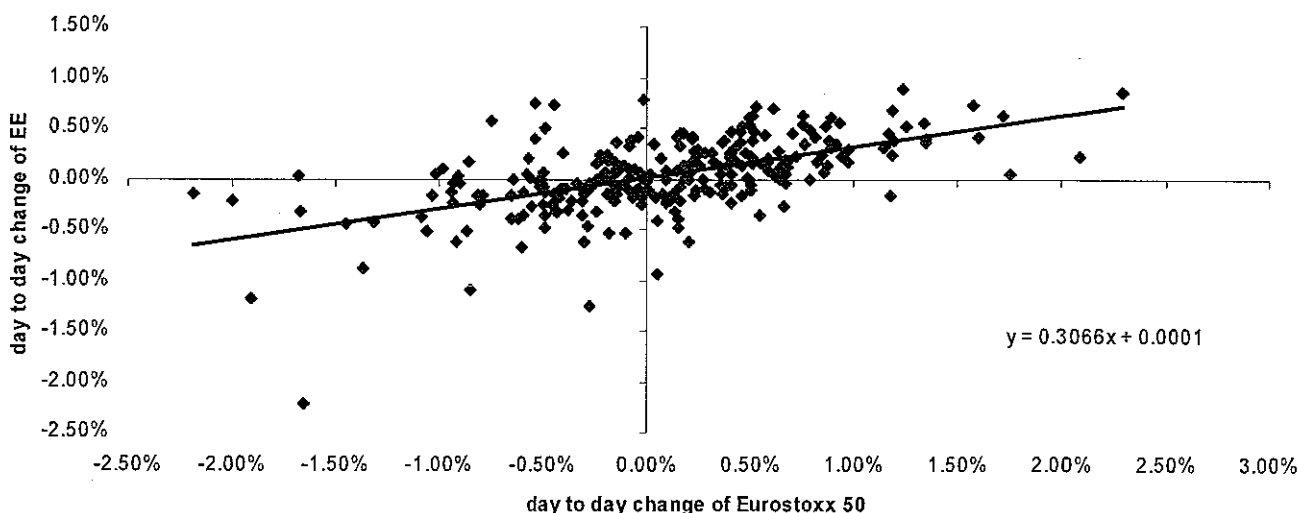


Looking at the individual stock contribution during the year, the great contribution from Azimut needs a special mention, while other relevant positive contributors were Allianz, Unicredito, Totalfina, ENI, Aberdeen Asset Management, Autostrade, ASF, FondiariaSai, Deutsche Boerse, Saipem, Pages Jaunes, SanPaolo Imi, Hellenic Exchanges, Fiat, Deusche PostBank, Fastweb, Enagas, Cementir, Telegate, Toro Assicurazioni, Netia. On the negative side we lost relevant amounts of money on Deutsche Telekom, France Telecom, Banca Popolare Italiana and Vodafone. Hedging was a cost to the fund of 12.5% (versus

last year's 5.5%) far in excess of what it should have been; during the year the portfolio was always protected by mean of a mix of put options and index futures, mainly on the Dax index.

The following charts show the Alpha and Beta of the fund's performance versus the Eurostoxx 50. During the year the fund produced an annualized alpha of 2.60% and had a beta of 30.66%. While we are happy with such a low beta, we cannot be happy with such a low alpha.

Correlation of EE versus Eurostoxx 50



The poor performance of the month of October has shown the need of a full reassessment of the portfolio and of the hedging policy. As it is highlighted in the October newsletter there were specific one-off reasons that caused a loss remarkably in excess of the target maximum loss for a fund that spends 12.5% of its NAV in hedging. The reassessment is not complete yet, but the first result was a decision to decrease the portfolio concentration, trimming the largest holdings. The next step will be to utilize again a look-trough methodology in order to understand better the sector and single stock implications of the hedging. The final step will be a more sophisticated handling of the options in order to reduce the theta and Vega cost to the fund.

CompAM Fund
Société d'Investissement à Capital Variable
4, boulevard Royal
L-2446 Luxembourg

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 net returns to investors of 1400 basis points in excess of money market rates.

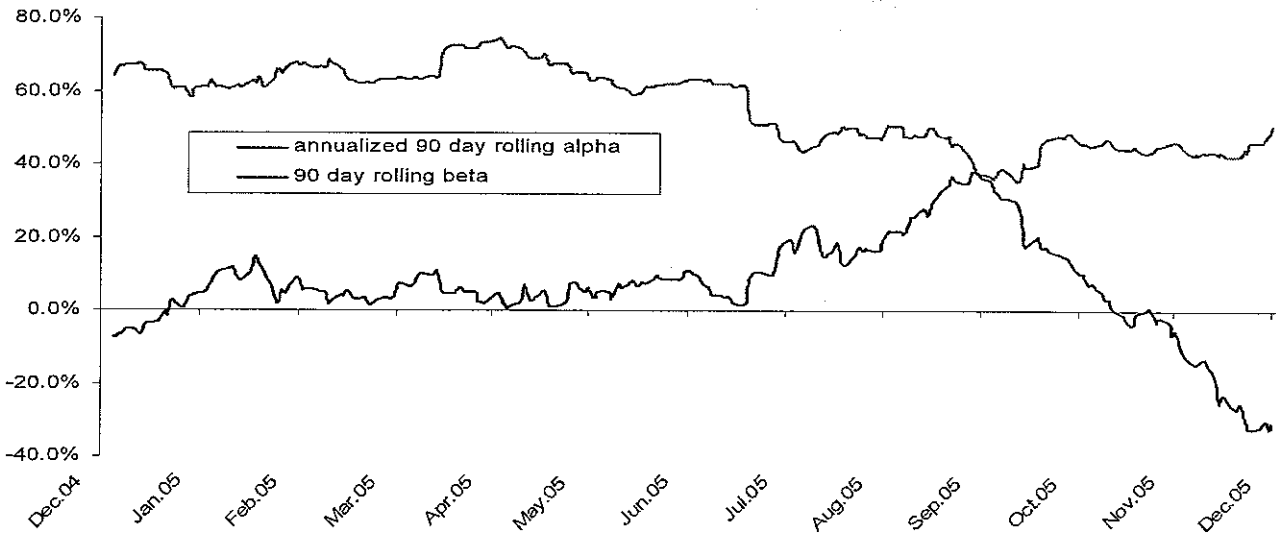
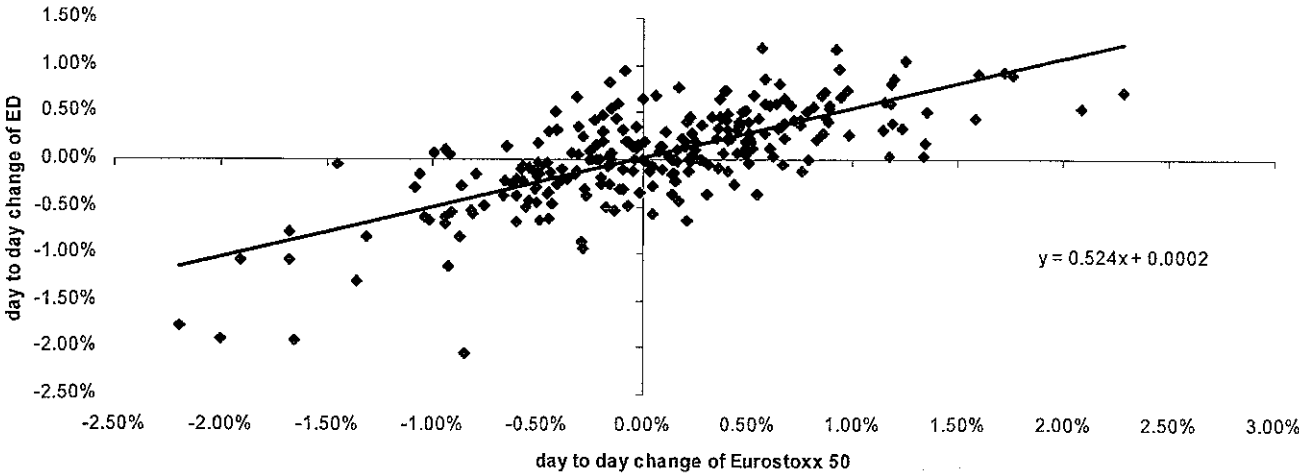
Our Investment Advisor has been running similar portfolios for several years with excellent results. It seemed appropriate to complete our product line by adding this sub-fund for the most aggressive investors. We would like to stress that we expect this fund to be remarkably more volatile than the European Equity sub-fund.

EUROPE DYNAMIC 0/100

The Europe Dynamic 0/100 sub-fund can invest in securities (at least 80% issued by companies domiciled or deriving a significant part of their revenues from Europe) with the freedom to go from 0% up to 100% of its assets in Equities. The investment strategy is based on market timing rather than stock selection. The most representative stocks for each sector are bundled in baskets and a mathematical algorithm signals whether it is appropriate or not to be invested in the sector. The analysis is refreshed every week and sectors can come in or get out of the portfolio every week. In 2005, a new stock selection algorithm, based on a modified version of the well-known relative strength index, was introduced, coupled with a clustering statistical technique that creates homogeneous group of stocks.

During 2005 this fund returned 15.24% but still failed to generate a satisfactory return, when the risk parameters and the positive market context are taken into account.

Correlation of ED versus Eurostoxx 50



2005 Director's Report – Outlook for 2006

A lot of effort is spent at the beginning of each year to forecast what will be the behavior of the financial markets. 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.

We endorse the view of our Investment Advisor who repeats what Benjamin Graham used to say: “assume that the market indexes will do nothing next year”. For this reason our focus will continue to be on bottom-up research of individual situations in order to assemble portfolios capable of generating significant Alpha; depending on the risk profile of each sub-fund various hedging techniques will continue to be utilized in order to restrain the portfolio risk parameters.

During 2005 the Investment Advisor has significantly increased its structure and personnel in order to be able to better support Compam Fund in its development, with a special focus on the risk management, administration, reconciliation and last, but not least, investment analysis. While we are looking forward to continue our effort in 2006, 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.

To the Shareholders of CompAM FUND
(Investment Company with Variable Capital with multiple Sub-Funds)

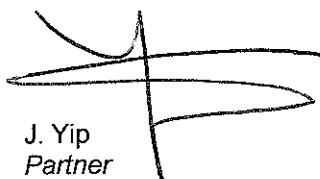
We have audited the financial statements, which consist of the combined statement of net assets, the combined statement of operations and of changes in net assets and the notes to the financial statements of CompAM FUND, as well as the statement of net assets, the statement of operations and of changes in net assets, the statement of investments and other net assets of each of its Sub-Funds for the year ended December 31, 2005. These financial statements are the responsibility of the Board of Directors of the SICAV. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the attached financial statements described above give, in conformity with the Luxembourg legal and regulatory requirements, a true and fair view of the financial position of CompAM FUND and of each of its Sub-Funds at December 31, 2005 and of the results of their operations and changes in their net assets for the year then ended.

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

Deloitte SA
Réviseur d'entreprises



J. Yip
Partner

April 28, 2006

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2005
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	168,239,845.09
- Net unrealised result	2 c	6,330,566.67
		<u>174,570,411.76</u>
Cash & other liquid assets:		
- Cash at bank		27,629,659.74
- Time deposits		3,971.63
- Deposits on futures contracts		1,136,218.75
Other assets:		
- Formation expenses, net	2 h	56,856.65
- Receivables on investments		643,077.70
- Receivables on subscriptions		1,793,956.93
- Receivables on margin call		5,498.92
- Dividends receivable		254,509.46
- Bank interest receivable		86,353.79
- Interest receivable on bonds		3,466,460.81
		<u>209,646,976.14</u>
LIABILITIES		
- Unrealised loss on forward foreign exchange contracts	11	627,077.37
- Unrealised loss on futures contracts	10	223,165.11
- Taxes and expenses payable		1,688,388.09
- Payables on redemptions		807,992.61
- Payables on securities purchased		208,464.17
		<u>3,555,087.35</u>
NET ASSETS		<u><u>206,091,888.79</u></u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2005
(in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		97,868,423.01
INCOME		
Income from investments:		
- Dividends, net		542,152.87
- Bond interest		6,195,322.06
- Bank interest		234,060.14
		<u>6,971,535.07</u>
EXPENSES		
Fees:		
- Advisory fee	5	965,894.80
- Director's fees		18,000.00
- Performance fee	6	892,507.84
- Custodian and administration fees	7	328,504.58
- Placing agent and correspondent bank fees	8	1,021,835.74
Other expenses:		
- Annual tax	9	75,757.97
- Amortisation of formation expenses	2 h	20,322.26
- Audit and legal fees		84,486.33
- Printing, publishing and reporting expenses		64,430.10
- Administration and other expenses		121,785.06
- Futures expenses		16,605.62
- Bank interest		1,592.60
		<u>3,611,722.90</u>
NET RESULT ON INVESTMENTS		<u>3,359,812.17</u>
Net realised result on:		
- Investments		3,726,617.06
- Foreign exchange		(1,191,700.24)
- Futures contracts		(1,045,679.20)
NET REALISED RESULT		<u>4,849,049.79</u>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		4,730,269.65
- Forward foreign exchange contracts		(1,245,708.74)
- Futures contracts		(255,189.24)
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		<u>8,078,421.46</u>
MOVEMENTS IN CAPITAL		
Subscriptions of shares		157,701,112.86
Redemptions of shares		(57,556,068.54)
		<u>100,145,044.32</u>
NET ASSETS AT THE END OF THE YEAR		<u><u>206,091,888.79</u></u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2005
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	28,930,820.72
- Net unrealised result	2 c	814,896.72
		<u>29,745,717.44</u>
Cash & other liquid assets:		
- Cash at bank		7,685,246.52
- Deposits on futures contracts		135,818.98
Other assets:		
- Formation expenses, net	2 h	9,409.29
- Receivables on subscriptions		533,163.18
- Receivables on margin call		435.16
- Bank interest receivable		22,440.13
- Interest receivable on bonds		907,630.88
		<u>39,039,861.58</u>
LIABILITIES		
- Unrealised loss on forward foreign exchange contracts	11	385,611.76
- Unrealised loss on futures contracts	10	44,126.90
- Taxes and expenses payable		304,393.35
- Payables on redemptions		148,217.18
		<u>882,349.19</u>
NET ASSETS		<u><u>38,157,512.39</u></u>
Net asset value per Class A share		1,146.101
Number of Class A shares		3,586.979
Net asset value per Class B share		1,148.342
Number of Class B shares		29,140.325
Net asset value per Class Z share		999.597
Number of Class Z shares		583.658

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2005
(in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		19,869,386.38
INCOME		
Income from investments:		
- Bond interest		1,638,422.08
- Bank interest		59,637.70
		<u>1,698,059.78</u>
EXPENSES		
Fees:		
- Advisory fee	5	182,955.70
- Director's fees		3,600.00
- Performance fee	6	152,490.58
- Custodian and administration fees	7	52,800.66
- Placing agent and correspondent bank fees	8	196,017.36
Other expenses:		
- Annual tax	9	12,816.27
- Amortisation of formation expenses	2 h	5,645.64
- Audit and legal fees		20,282.57
- Printing, publishing and reporting expenses		10,915.39
- Administration and other expenses		15,339.50
- Futures expenses		1,811.57
- Bank interest		205.56
		<u>654,880.80</u>
NET RESULT ON INVESTMENTS		<u>1,043,178.98</u>
Net realised result on:		
- Investments		337,318.24
- Foreign exchange		(103,344.53)
- Futures contracts		(344,219.97)
NET REALISED RESULT		<u>932,932.72</u>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		1,165,228.18
- Forward foreign exchange contracts		(662,610.27)
- Futures contracts		(63,391.82)
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		<u>1,372,158.81</u>
MOVEMENTS IN CAPITAL		
Subscriptions of shares		21,133,424.36
Redemptions of shares		(4,217,457.16)
		<u>16,915,967.20</u>
NET ASSETS AT THE END OF THE YEAR		<u><u>38,157,512.39</u></u>

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE YEAR ENDED DECEMBER 31, 2005

	Class A	Class B	Class Z
Shares outstanding at the beginning of the year	0.000	18,348.361	0.000
Subscriptions of shares	3,844.524	14,274.561	583.658
Redemptions of shares	(257.545)	(3,482.597)	0.000
Shares outstanding at the end of the year	3,586.979	29,140.325	583.658

STATISTICS

	Number of shares outstanding			Net assets (in EUR)	Net asset value per share (in EUR)		
	Class A	Class B	Class Z		Class A	Class B	Class Z
31.12.2003	-	14,551.703	-	14,886,467.41	-	1,023.005	-
31.12.2004	-	18,348.361	-	19,869,386.38	-	1,082.897	-
31.12.2005	3,586.979	29,140.325	583.658	38,157,512.39	1,146.101	1,148.342	999.597

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2005

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
Transferable securities admitted to an official stock exchange, Bonds					
BRL	1,500,000	BANCO DO BRASIL (CAYMAN) 17/12/2007 0.000%	288,988.49	407,464.79	1.07%
EUR	107,000	ARGENTINA 03/03/2005 10.750% (*)	53,560.00	50,825.00	0.13%
EUR	334,000	ARGENTINA 05/07/2004 10.000% (*)	162,020.00	159,276.25	0.42%
EUR	550,000	ARGENTINA 23/02/2004 10.375% (*)	273,870.00	257,812.50	0.68%
EUR	1,163,000	ARGENTINA 30/01/2003 10.250% (*)	578,525.00	548,790.63	1.44%
EUR	250,000	BANQUE CENTRALE DE TUNISIE 07/04/2011 4.750%	248,937.50	263,237.50	0.69%
EUR	1,000,000	BRAZIL 17/11/2006 12.000%	1,135,460.00	1,076,350.00	2.82%
EUR	766,938	BRAZIL 23/04/2008 7.000%	807,375.21	817,555.72	2.14%
EUR	1,022,584	BRAZIL 26/02/2007 8.000%	1,088,570.42	1,074,224.24	2.82%
EUR	1,400,000	COLOMBIA 31/01/2008 11.375%	1,643,815.00	1,610,140.00	4.22%
EUR	400,000	CROATIA 10/03/2006 7.375%	424,070.00	403,400.00	1.06%
EUR	500,000	GAZ CAPITAL (GAZPROM) 27/09/2010 7.800%	561,265.00	572,350.00	1.50%
EUR	500,000	JAMAICA 27/07/2012 11.000%	580,030.00	577,250.00	1.51%
EUR	542,279	MEXICO 20/02/2007 9.125%	616,795.00	578,720.45	1.52%
EUR	600,000	SOUTH AFRICA 19/05/2006 6.750%	641,140.00	608,700.00	1.60%
EUR	357,904	TURKEY 20/04/2006 7.000%	355,191.30	362,199.17	0.95%
EUR	238,017	UKRAINE 15/03/2007 10.000%	255,690.52	249,928.08	0.65%
EUR	1,000,000	VENEZUELA 05/03/2008 11.000%	1,145,310.00	1,136,500.00	2.98%
PLN	3,000,000	POLAND 12/04/2006 0.000%	576,310.95	770,737.76	2.02%
TRY	700,000	EUROPEAN INVESTMENT BANK 02/03/2015 0.000%	163,510.88	201,149.68	0.53%
TRY	900,000	RABOBANK NEDERLAND 03/03/2015 0.000%	189,065.24	255,079.03	0.67%
TRY	250,000	RABOBANK NEDERLAND 28/01/2008 13.500%	136,381.29	159,295.55	0.42%
TRY	1,250,000	TURKEY 05/07/2006 0.000%	622,224.40	728,469.49	1.91%
USD	500,000	ARGENTINA 03/08/2012 4.005%	319,105.16	331,673.76	0.87%
USD	800,000	ATF BANK 09/11/2009 8.875%	699,067.27	701,021.62	1.84%
USD	500,000	BANCO INDUSTRI E COMRCL 05/08/2008 8.375%	411,179.99	417,757.03	1.09%
USD	800,000	BANK CENTERCREDIT 14/02/2008 8.000%	664,152.73	682,690.95	1.79%
USD	100,000	BRAZIL 15/10/2009 14.500%	94,194.00	108,616.83	0.28%
USD	500,000	CENT ELET BRASILEIRAS SA 30/11/2015 7.750%	419,588.96	432,526.22	1.13%
USD	523,750	DOMINICAN REPUBLIC 27/09/2011 9.500%	467,021.18	467,989.41	1.23%
USD	700,000	EDEL CAPITAL (SINEK CAP) 03/08/2015 7.700%	581,968.11	592,598.90	1.55%
USD	1,000,000	EVRAZ SECURITIES SA 25/09/2006 8.875%	860,866.08	860,579.49	2.26%
USD	700,000	KUZNETSKI (BANK OF MOSCOW) 28/09/2009 8.000%	620,332.27	618,858.52	1.62%
USD	1,000,000	MMK FINANCE SA 21/10/2008 8.000%	828,547.95	863,364.53	2.26%
USD	700,000	NAFTOGAZ UKRAINY 30/09/2009 8.125%	607,528.24	613,925.60	1.61%
USD	1,000,000	NATIONAL POWER CORP 23/08/2011 8.630%	801,890.37	911,469.89	2.39%
USD	1,000,000	Or-ICB (ICB) 29/07/2008 6.875%	838,972.91	858,722.79	2.25%
USD	1,000,000	SALOMON BROS(TYUMEN OIL) 06/11/2007 11.000%	912,617.98	918,685.70	2.41%
USD	750,000	TURANALEM FINANCE BV 23/11/2008 FRN	635,424.19	636,921.23	1.67%
USD	224,016	UKRAINE 15/03/2007 11.000%	195,843.29	196,716.01	0.52%
Sub-total			22,506,406.88	23,083,574.32	60.52%

(*)The Republic of Argentina's offer to exchange its outstanding Debt Obligations for newly issued securities was not yet finalized at December 31, 2005. The effective date of the exchange should be in 2006. As a consequence, Argentina's Bonds with old maturities are still held in the portfolio of CompAM FUND.

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2005

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
		Report	22,506,406.88	23,083,574.32	60.52%
USD	250,000	URUGUAY 04/05/2009 7.250%	204,655.64	213,275.94	0.56%
ZAR	3,250,000	AUSTRIA 24/05/2006 12.000%	411,910.27	438,515.14	1.15%
ZAR	1,183,334	SOUTH AFRICA 28/02/2006 12.000%	154,838.18	158,512.87	0.42%
Total transferable securities admitted to an official stock exchange, Bonds			23,277,810.97	23,893,878.27	62.65%
<u>Transferable securities admitted to an other regulated market, Bonds</u>					
BRL	829,000	ELETRPAULO METROPOLITAN 28/06/2010 19.125%	286,384.12	315,717.98	0.83%
USD	1,200,000	AIR JAMAICA LIMITED 08/07/2015 9.375%	992,086.44	1,008,895.89	2.64%
USD	500,000	CRR BV (NOVATEK OAO) 16/06/2006 7.750%	423,471.34	425,521.40	1.12%
USD	800,000	ING BANK (OPEN INVEST) 09/11/2007 9.125%	668,429.89	684,480.13	1.79%
USD	1,000,000	ING BANK NV (SEVERALMAZ) 09/03/2006 8.875%	848,401.78	846,907.43	2.22%
USD	1,730,000	RUSSIA 14/05/2006 3.000%	1,357,056.69	1,448,432.41	3.80%
USD	600,000	TELEMIG CEL/AMAZONIA CEL 20/01/2009 8.750%	497,649.22	535,615.15	1.40%
Total transferable securities admitted to an other regulated market, Bonds			5,073,479.48	5,265,570.39	13.80%
<u>Other transferable securities, Bonds</u>					
PHP	70,000,000	NATIONAL POWER 0% 291112	579,530.27	586,268.78	1.54%
Total other transferable securities, Bonds			579,530.27	586,268.78	1.54%
Total Investments			28,930,820.72	29,745,717.44	77.99%
Other Net Assets				8,411,794.95	22.01%
Total Net Assets				38,157,512.39	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2005

(in %)

Branch of business	% of net assets
Government bonds	37.70%
Banks and other credit institutions	12.90%
Holding and finance companies	12.56%
Energy and water supply	4.35%
Miscellaneous	2.76%
Transportation	2.64%
Oil	1.61%
Electrotechnical and electronic industry	1.54%
Telecommunication	1.40%
Bonds issued by supranational institutions	0.53%
Total	<u>77.99%</u>

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2005

(in %)

Countries	% of net assets
Brazil	12.51%
Luxembourg	11.44%
Netherlands	7.89%
Colombia	4.22%
Jamaica	4.15%
Russia	3.80%
Kazakhstan	3.63%
Argentina	3.54%
Venezuela	2.98%
Turkey	2.86%
Ukraine	2.78%
Germany	2.41%
Philippines	2.39%
Supranational	2.07%
Poland	2.02%
South Africa	2.02%
Mexico	1.52%
Dominican Republic	1.23%
Austria	1.15%
Cayman Islands	1.07%
Croatia	1.06%
Tunisia	0.69%
Uruguay	0.56%
Total	<u>77.99%</u>

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2005
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	2,705,354.90
- Net unrealised result	2 c	<u>7,085.16</u>
		2,712,440.06
Cash & other liquid assets:		
- Cash at bank		2,382,559.89
Other assets:		
- Formation expenses, net	2 h	5,409.65
- Receivables on subscriptions		212,256.86
- Dividends and interest receivable		5,180.28
- Bank interest receivable		2,952.90
- Interest receivable on bonds		<u>43,566.48</u>
		5,364,366.12
LIABILITIES		
- Unrealised loss on forward foreign exchange contracts	11	26,550.46
- Taxes and expenses payable		<u>6,286.71</u>
		32,837.17
NET ASSETS		<u>5,331,528.95</u>
Net asset value per Class B share		999.598
Number of Class B shares		3,342.519
Net asset value per Class Z share		1,000.480
Number of Class Z shares		1,989.397

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND OF CHANGES IN NET ASSETS
 FOR THE PERIOD FROM DECEMBER 5, 2005 TO DECEMBER 31, 2005
 (in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE PERIOD		0.00
INCOME		
Income from investments:		
- Bond interest		9,096.44
- Bank interest		3,578.89
		<u>12,675.33</u>
EXPENSES		
Fees:		
- Advisory fee	5	2,388.08
- Performance fee	6	12.07
- Custodian and administration fees	7	1,795.28
- Placing agent and correspondent bank fees	8	1,538.13
Other expenses:		
- Annual tax	9	438.24
- Amortisation of formation expenses	2 h	47.81
- Administration and other expenses		928.57
- Bank interest		632.99
		<u>7,781.17</u>
NET RESULT ON INVESTMENTS		<u>4,894.16</u>
Net realised result on:		
- Foreign exchange		15,628.94
NET REALISED RESULT		<u>20,523.10</u>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		7,085.16
- Forward foreign exchange contracts		(26,550.46)
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		<u>1,057.80</u>
MOVEMENTS IN CAPITAL		
Subscriptions of shares		5,330,586.06
Redemptions of shares		(114.91)
		<u>5,330,471.15</u>
NET ASSETS AT THE END OF THE PERIOD		<u><u>5,331,528.95</u></u>

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE PERIOD FROM DECEMBER 5, 2005 TO DECEMBER 31, 2005

	Class B	Class Z
Shares outstanding at the beginning of the period	0.000	0.000
Subscriptions of shares	3,342.634	1,989.397
Redemptions of shares	(0.115)	0.000
Shares outstanding at the end of the period	3,342.519	1,989.397

STATISTICS

	Number of shares outstanding		Net assets (in EUR)	Net asset value per share (in EUR)	
	Class B	Class Z		Class B	Class Z
31.12.2005	3,342.519	1,989.397	5,331,528.95	999.598	1,000.48

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2005

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
Transferable securities admitted to an official stock exchange, Bonds					
EUR	558,000	ARGENTINA 30/01/2003 10.250% (*)	279,030.00	263,306.25	4.94%
EUR	150,000	BANCO HIPOTECARIO SA 01/12/2013 FRN	129,405.00	130,500.00	2.45%
USD	300,000	ALB FINANCE BV 22/11/2010 9.000%	256,984.44	261,921.00	4.91%
USD	350,000	BELIZE 12/06/2015 9.750%	245,714.37	258,460.79	4.85%
USD	200,000	CORP INTERAMER DE ENTRET 14/06/2015 8.875%	166,161.06	166,680.83	3.13%
USD	300,000	EDEL CAPITAL (SINEK CAP) 03/08/2015 7.700%	253,914.03	253,970.96	4.76%
USD	140,000	EURASIA CAP (HCFB LLC) 30/06/2008 8.625%	119,977.43	119,134.18	2.23%
USD	200,000	RS FINANCE (RSB) 16/12/2015 8.875%	167,308.95	169,803.47	3.18%
USD	300,000	UKRCHEM CAPITAL (STIROL) 19/08/2008 7.875%	250,069.71	246,223.46	4.62%
Total transferable securities admitted to an official stock exchange, Bonds			1,868,564.99	1,870,000.94	35.07%
Transferable securities admitted to an other regulated market, Bonds					
USD	200,000	AIR JAMAICA LIMITED 08/07/2015 9.375%	166,828.93	168,149.32	3.15%
USD	200,000	VICAP SA 15/05/2007 11.375%	159,931.63	161,617.12	3.03%
USD	300,000	VITRO ENVASES NORTEAMRCA 23/07/2011 10.750%	261,641.99	261,414.63	4.90%
Total transferable securities admitted to an other regulated market, Bonds			588,402.55	591,181.07	11.08%
Other transferable securities, Bonds					
PHP	30,000,000	NATIONAL POWER 0% 291112	248,387.36	251,258.05	4.71%
Total other transferable securities, Bonds			248,387.36	251,258.05	4.71%
Total Investments			2,705,354.90	2,712,440.06	50.86%
Other Net Assets				2,619,088.89	49.14%
Total Net Assets				5,331,528.95	100.00%

(*)The Republic of Argentina's offer to exchange its outstanding Debt Obligations for newly issued securities was not yet finalized at December 31, 2005. The effective date of the exchange should be in 2006. As a consequence, Argentina's Bonds with old maturities are still held in the portfolio of CompAM FUND.

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2005

(in %)

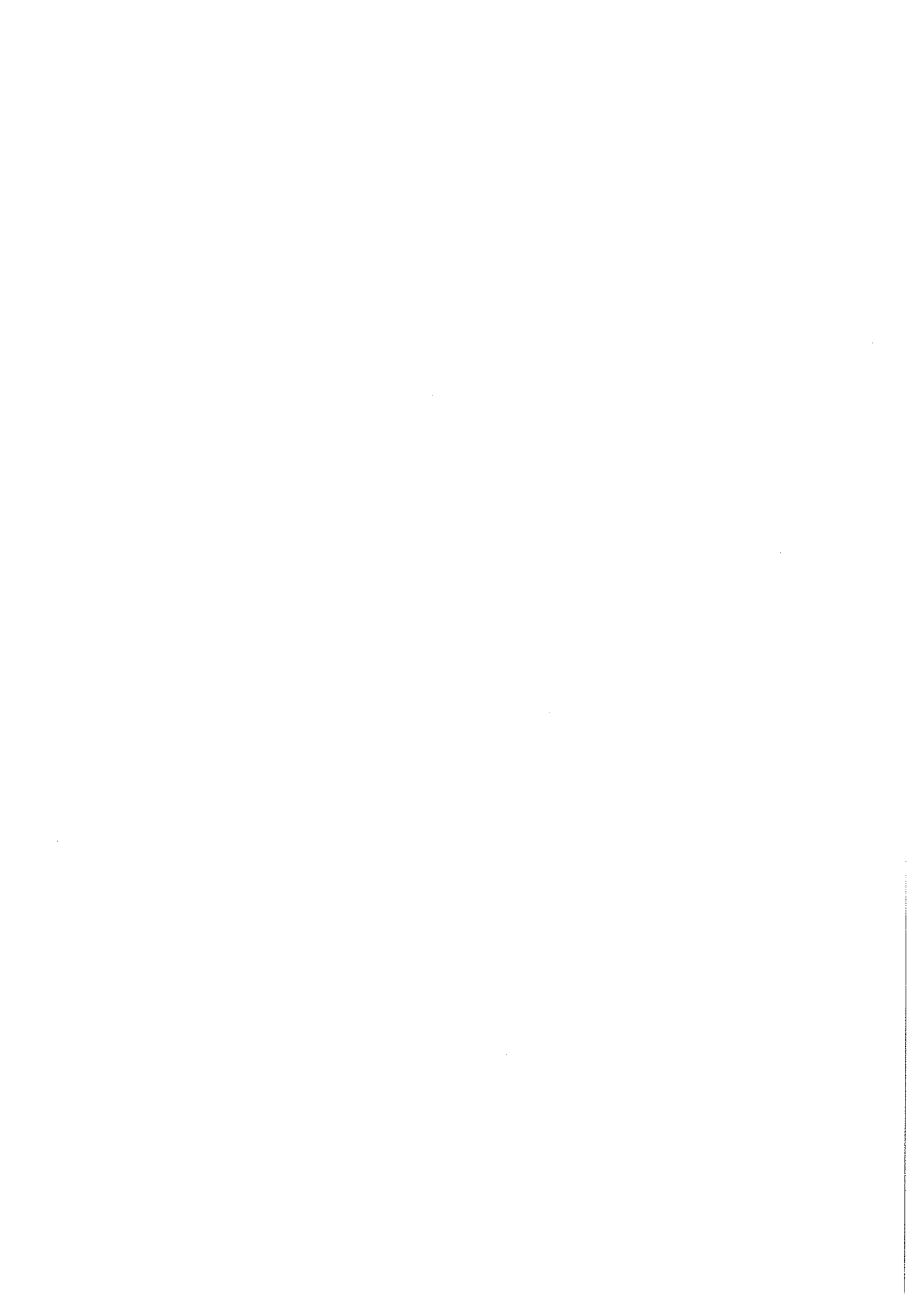
Branch of business	% of net assets
Holding and finance companies	15.08%
Government bonds	9.79%
Miscellaneous	7.65%
Building and building materials	4.90%
Electrotechnical and electronic industry	4.71%
Transportation	3.15%
Gastronomy	3.13%
Banks and other credit institutions	2.45%
Total	50.86%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2005

(in %)

Countries	% of net assets
Mexico	11.06%
Luxembourg	10.17%
Netherlands	9.53%
Argentina	7.39%
Belize	4.85%
Philippines	4.71%
Jamaica	3.15%
Total	50.86%



STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2005
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	25,102,526.05
- Net unrealised result	2 c	3,745,820.35
		<u>28,848,346.40</u>
Cash & other liquid assets:		
- Cash at bank		4,287,924.66
- Time deposits		1,770.83
- Deposits on futures contracts		554,900.00
Other assets:		
- Formation expenses, net	2 h	13,983.45
- Receivables on investments		190,506.30
- Receivables on subscriptions		354,560.57
- Dividends and interest receivable		15,869.27
- Bank interest receivable		11,460.48
- Interest receivable on bonds		36,173.68
		<u>34,315,495.64</u>
LIABILITIES		
- Unrealised loss on futures contracts	10	122,500.00
- Taxes and expenses payable		455,153.70
- Payables on redemptions		204,154.97
		<u>781,808.67</u>
NET ASSETS		<u><u>33,533,686.97</u></u>
Net asset value per Class A share		1,484.539
Number of Class A shares		1,576.019
Net asset value per Class B share		1,491.365
Number of Class B shares		20,433.422
Net asset value per Class Z share		1,010.972
Number of Class Z shares		712.511

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2005
(in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		20,521,031.37
INCOME		
Income from investments:		
- Dividends, net		443,379.33
- Bond interest		33,592.89
- Bank interest		29,074.78
		<u>506,047.00</u>
EXPENSES		
Fees:		
- Advisory fee	5	270,511.81
- Director's fees		3,600.00
- Performance fee	6	262,277.43
- Custodian and administration fees	7	60,739.83
- Placing agent and correspondent bank fees	8	283,985.34
Other expenses:		
- Annual tax	9	13,825.17
- Amortisation of formation expenses	2 h	4,841.79
- Audit and legal fees		18,764.09
- Printing, publishing and reporting expenses		12,154.46
- Administration and other expenses		69,299.57
- Futures expenses		7,916.40
- Bank interest		189.01
		<u>1,008,104.90</u>
NET RESULT ON INVESTMENTS		<u>(502,057.90)</u>
Net realised result on:		
- Investments		1,297,653.92
- Foreign exchange		27,998.09
- Futures contracts		(408,277.50)
NET REALISED RESULT		<u>415,316.61</u>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		2,097,674.76
- Forward foreign exchange contracts		(33,695.62)
- Futures contracts		(122,500.00)
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		<u>2,356,795.75</u>
MOVEMENTS IN CAPITAL		
Subscriptions of shares		19,053,547.35
Redemptions of shares		(8,397,687.50)
		<u>10,655,859.85</u>
NET ASSETS AT THE END OF THE YEAR		<u><u>33,533,686.97</u></u>

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE YEAR ENDED DECEMBER 31, 2005

	Class A	Class B	Class Z
Shares outstanding at the beginning of the year	0.000	15,129.647	0.000
Subscriptions of shares	1,818.011	10,868.332	712.511
Redemptions of shares	(241.992)	(5,564.557)	0.000
Shares outstanding at the end of the year	1,576.019	20,433.422	712.511

STATISTICS

	Number of shares outstanding			Net assets (in EUR)	Net asset value per share (in EUR)		
	Class A	Class B	Class Z		Class A	Class B	Class Z
31.12.2003	-	9,082.360	-	10,927,294.28	-	1,203.134	-
31.12.2004	-	15,129.647	-	20,521,031.37	-	1,356.346	-
31.12.2005	1,576.019	20,433.422	712.511	33,533,686.97	1,484.539	1,491.365	1,010.972

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2005

(in EUR)

Currency	Quantity	Description	Cost	Market value	% of net assets
Transferable securities admitted to an official stock exchange					
Equities					
CHF	1,000	SULZER AG-REG	348,806.29	447,246.96	1.33%
EUR	20,000	ACERINOX SA	243,689.57	245,800.00	0.73%
EUR	80,000	ALLEANZA ASSICURAZIONI	687,870.00	835,200.00	2.49%
EUR	13,000	ALLIANZ AG-REG	1,228,298.71	1,663,220.00	4.96%
EUR	3,000	AMB GENERALI HOLDING AG	168,316.00	252,600.00	0.75%
EUR	7,000	AMPLIFON SPA	340,177.82	399,000.00	1.19%
EUR	30,000	AUTOSTRADA SPA	592,608.99	607,800.00	1.81%
EUR	250,000	AZIMUT HOLDING SPA	1,072,770.94	1,660,000.00	4.95%
EUR	30,000	BULGARI SPA	269,716.72	282,900.00	0.84%
EUR	120,000	CEMENTIR	499,162.68	584,400.00	1.74%
EUR	30,000	CINTRA CONCESIONES DE INFRAE	249,654.25	293,100.00	0.87%
EUR	10,000	COMMERZBANK AG	243,716.40	260,200.00	0.78%
EUR	60,000	DAVIDE CAMPARI-MILANO SPA	347,849.45	375,000.00	1.12%
EUR	20,000	DEUTSCHE POSTBANK AG	874,715.82	980,000.00	2.92%
EUR	50,000	DEUTSCHE TELEKOM AG-REG	773,150.21	704,000.00	2.10%
EUR	141,666	EIRCOM GROUP PLC	237,450.45	280,498.68	0.84%
EUR	20,000	ENAGAS	246,859.58	316,000.00	0.94%
EUR	53,398	ENI SPA	1,098,911.35	1,251,115.14	3.73%
EUR	100,000	FIAT SPA	719,416.13	736,000.00	2.19%
EUR	20,000	FONDIARIA-SAI SPA	378,369.10	556,400.00	1.66%
EUR	80,000	FRANCE TELECOM SA	1,866,313.96	1,679,200.00	5.01%
EUR	100,000	GRUPPO EDITORIALE L'ESPRESSO	429,252.85	445,500.00	1.33%
EUR	7,000	HELLENIC DUTY FREE SHOPS SA	109,337.14	104,300.00	0.31%
EUR	30,000	HELLENIC EXCHANGES SA	99,041.00	268,800.00	0.80%
EUR	150,000	META SPA	400,134.53	431,250.00	1.29%
EUR	35,000	MIRATO SPA	210,414.88	290,850.00	0.87%
EUR	70,000	NAVIGAZIONE MONTANARI SPA	91,206.50	206,325.00	0.62%
EUR	80,000	NEWSPHONE HELLAS SA	273,560.00	276,800.00	0.83%
EUR	27,000	PAGESJAUNES GROUPE SA	517,408.76	593,730.00	1.77%
EUR	800,000	PIRELLI & C.	676,714.08	620,800.00	1.85%
EUR	1,000	PORSCHE AG-PFD	646,531.16	606,970.00	1.81%
EUR	4,000	PPR	354,039.23	380,600.00	1.13%
EUR	5,000	RENAULT SA	362,758.01	344,500.00	1.03%
EUR	40,000	SAIPEM	409,931.32	554,400.00	1.65%
EUR	25,000	SANPAOLO IMI SPA	289,506.70	330,250.00	0.98%
EUR	40,000	TELEGATE AG	433,925.69	682,000.00	2.03%
EUR	3,000	TOTAL SA	486,368.02	636,600.00	1.90%
EUR	250,000	UNICREDITO ITALIANO SPA	1,068,740.70	1,455,000.00	4.34%
EUR	150,000	UNIPOL SPA	307,500.00	355,125.00	1.06%
EUR	14,000	UNITED INTERNET AG-REG SHARE	365,010.31	451,500.00	1.35%
EUR	5,000	VIVENDI UNIVERSAL SA	131,138.97	132,300.00	0.39%
		Sub-total	20,150,344.27	23,577,280.78	70.29%

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2005

(in EUR)

Currency	Quantity/ Nominal	Description	Cost	Market value	% of net assets
		Report	20,150,344.27	23,577,280.78	70.29%
GBP	300,000	ABERDEEN ASSET MGMT PLC	325,182.81	583,536.27	1.74%
GBP	100,000	O2 PLC	226,653.69	287,587.03	0.86%
GBP	50,000	PETROFAC LTD	158,697.98	184,695.59	0.55%
GBP	280,000	VODAFONE GROUP PLC	560,332.82	511,039.61	1.52%
PLN	200,000	NETIA SA	191,458.44	296,437.60	0.88%
SEK	100,000	SWEDISH MATCH AB	925,310.72	993,904.02	2.96%
Total Equities			22,537,980.73	26,434,480.90	78.80%
<u>Bonds</u>					
EUR	300,000	ARENA FINANCE SA 15/06/2006 7.000%	283,518.00	270,750.00	0.81%
EUR	450,000	JAZZTEL PLC 29/04/2010 5.000%	413,310.00	303,138.00	0.90%
EUR	787,500	SOCIETA INIZIATIVE AUTO 30/06/2017 2.625%	892,602.48	822,937.50	2.45%
Total Bonds			1,589,430.48	1,396,825.50	4.16%
Total transferable securities admitted to an official stock exchange			24,127,411.21	27,831,306.40	82.96%
<u>Transferable securities admitted to an other regulated market</u>					
<u>Equities</u>					
EUR	9,000	CAIRO COMMUNICATIONS SPA	288,856.21	437,400.00	1.30%
EUR	24,000	EUTELIA	206,466.73	175,440.00	0.52%
EUR	600,000	RETELIT SPA	302,291.90	251,700.00	0.75%
Total Equities			797,614.84	864,540.00	2.57%
<u>Options on transferable securities</u>					
EUR	1,000	DAX/0106/PUT /5,300	177,500.00	152,500.00	0.45%
Total Options on transferable securities			177,500.00	152,500.00	0.45%
Total transferable securities admitted to an other regulated market			975,114.84	1,017,040.00	3.02%
Total Investments			25,102,526.05	28,848,346.40	85.98%
Other Net Assets				4,685,340.57	14.02%
Total Net Assets				33,533,686.97	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2005

(in %)

Branch of business	% of net assets
Telecommunication	17.41%
Banks and other credit institutions	12.37%
Insurance	10.92%
Oil	7.28%
Holding and finance companies	6.80%
Transportation	5.75%
Road vehicles	5.03%
Tobacco and alcohol	4.08%
Internet services	3.64%
Energy and water supply	2.23%
Pharmaceutical and cosmetics industry	2.06%
Building and building materials	1.74%
Retail trade	1.44%
Machinery and apparatus construction	1.33%
Graphic and publishing industry	1.33%
Mines and steel works	1.28%
Miscellaneous consumer goods	0.84%
Options	0.45%
Total	85.98%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2005

(in %)

Countries	% of net assets
Italy	40.73%
Germany	17.15%
France	11.23%
United Kingdom	5.57%
Sweden	2.96%
Spain	2.54%
Greece	1.94%
Switzerland	1.33%
Poland	0.88%
Ireland	0.84%
Luxembourg	0.81%
Total	85.98%

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2005
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	5,611,393.17
- Net unrealised result	2 c	42,039.83
		<u>5,653,433.00</u>
Cash & other liquid assets:		
- Cash at bank		966,050.94
Other assets:		
- Formation expenses, net	2 h	5,409.64
- Receivables on subscriptions		353,100.75
- Bank interest receivable		2,992.45
		<u>6,980,986.78</u>
LIABILITIES		
- Taxes and expenses payable		8,429.35
- Payables on securities purchased		208,464.17
		<u>216,893.52</u>
NET ASSETS		<u><u>6,764,093.26</u></u>
Net asset value per Class B share		1,008.781
Number of Class B shares		3,517.271
Net asset value per Class Z share		1,011.004
Number of Class Z shares		3,180.935

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND OF CHANGES IN NET ASSETS
FOR THE PERIOD FROM DECEMBER 5, 2005 TO DECEMBER 31, 2005
(in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE PERIOD		0.00
INCOME		
Income from investments:		
- Bank interest		2,992.45
		<u>2,992.45</u>
EXPENSES		
Fees:		
- Advisory fee	5	3,065.42
- Performance fee	6	1,250.34
- Custodian and administration fees	7	1,829.19
- Placing agent and correspondent bank fees	8	1,728.51
Other expenses:		
- Annual tax	9	555.89
- Amortisation of formation expenses	2 h	47.82
- Administration and other expenses		1,358.58
- Futures expenses		270.00
- Bank interest		7.00
		<u>10,112.75</u>
NET RESULT ON INVESTMENTS		<u>(7,120.30)</u>
Net realised result on:		
- Investments		9,768.27
NET REALISED RESULT		<u>2,647.97</u>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		42,039.83
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		<u>44,687.80</u>
MOVEMENTS IN CAPITAL		
Subscriptions of shares		6,719,405.46
		<u>6,719,405.46</u>
NET ASSETS AT THE END OF THE PERIOD		<u><u>6,764,093.26</u></u>

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE PERIOD FROM DECEMBER 5, 2005 TO DECEMBER 31, 2005

	Class B	Class Z
Shares outstanding at the beginning of the period	0.000	0.000
Subscriptions of shares	3,517.271	3,180.935
Redemptions of shares	0.000	0.000
Shares outstanding at the end of the period	3,517.271	3,180.935

STATISTICS

	Number of shares outstanding		Net assets (in EUR)	Net asset value per share (in EUR)	
	Class B	Class Z		Class B	Class Z
31.12.2005	3,517.271	3,180.935	6,764,093.26	1,008.781	1,011.004

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS
AS AT DECEMBER 31, 2005
(in EUR)

Currency	Quantity	Description	Cost	Market value	% of net assets
<u>Transferable securities admitted to an official stock exchange, Equities</u>					
EUR	15,000	AUTOSTRADA SPA	296,573.44	303,900.00	4.49%
EUR	80,000	AZIMUT HOLDING SPA	516,534.82	531,200.00	7.85%
EUR	30,000	CINTRA CONCESIONES DE INFRAE	303,052.46	293,100.00	4.33%
EUR	50,000	DAVIDE CAMPARI-MILANO SPA	294,209.00	312,500.00	4.62%
EUR	20,000	DEUTSCHE TELEKOM AG-REG	277,534.03	281,600.00	4.16%
EUR	6,000	DIGITAL MULTIMEDIA TECH SPA	185,729.41	192,000.00	2.84%
EUR	20,000	ENI SPA	472,507.11	468,600.00	6.93%
EUR	25,000	FIAT SPA	189,762.04	184,000.00	2.72%
EUR	25,000	FRANCE TELECOM SA	527,877.66	524,750.00	7.76%
EUR	70,000	GRUPPO EDITORIALE L'ESPRESSO	316,869.00	311,850.00	4.61%
EUR	30,000	MIRATO SPA	256,936.65	249,300.00	3.69%
EUR	100,000	PARMALAT SPA	208,464.17	206,250.00	3.05%
EUR	3,000	RENAULT SA	201,757.55	206,700.00	3.06%
EUR	19,425	TELEGATE AG	346,276.41	331,196.25	4.90%
EUR	1,200	TOTAL SA	259,580.75	254,640.00	3.76%
EUR	50,000	UNICREDITO ITALIANO SPA	267,122.13	291,000.00	4.30%
EUR	4,603	UNITED INTERNET AG-REG SHARE	136,068.86	148,446.75	2.19%
EUR	10,000	VIVENDI UNIVERSAL SA	263,806.63	264,600.00	3.91%
Total transferable securities admitted to an official stock exchange, Equities			5,320,662.12	5,355,633.00	79.17%
<u>Transferable securities admitted to an other regulated market</u>					
<u>Equities</u>					
EUR	5,500	CAIRO COMMUNICATIONS SPA	255,231.05	267,300.00	3.95%
Total Equities			255,231.05	267,300.00	3.95%
<u>Options on transferable securities</u>					
EUR	200	PUT DAX Jan. 06 Strike : 5,300	35,500.00	30,500.00	0.45%
Total Options on transferable securities			35,500.00	30,500.00	0.45%
Total transferable securities admitted to an other regulated market			290,731.05	297,800.00	4.40%
Total Investments			5,611,393.17	5,653,433.00	83.57%
Other Net Assets				1,110,660.26	16.43%
Total Net Assets				6,764,093.26	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2005

(in %)

Branch of business	% of net assets
Telecommunication	24.68%
Oil	10.69%
Transportation	8.82%
Holding and finance companies	7.85%
Road vehicles	5.78%
Tobacco and alcohol	4.62%
Graphic and publishing industry	4.61%
Banks and other credit institutions	4.30%
Pharmaceutical and cosmetics industry	3.69%
Food products and non-alcoholic drinks	3.05%
Miscellaneous services	2.84%
Internet services	2.19%
Options	0.45%
Total	83.57%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2005

(in %)

Countries	% of net assets
Italy	49.05%
France	18.49%
Germany	11.70%
Spain	4.33%
Total	83.57%

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2005
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	78,219,002.03
- Net unrealised result	2 c	802,194.66
		<u>79,021,196.69</u>
Cash & other liquid assets:		
- Cash at bank		9,051,587.65
- Deposits on futures contracts		363,605.97
Other assets:		
- Formation expenses, net	2 h	10,855.29
- Receivables on investments		5,063.72
- Receivables on subscriptions		161,610.60
- Receivables on margin call		5,063.76
- Dividends and interest receivable		133,776.80
- Bank interest receivable		27,782.74
- Interest receivable on bonds		1,988,402.16
		<u>90,768,945.38</u>
LIABILITIES		
- Unrealised loss on forward foreign exchange contracts	11	149,096.94
- Unrealised loss on futures contracts	10	39,950.52
- Taxes and expenses payable		555,234.28
- Payables on redemptions		387,072.81
		<u>1,131,354.55</u>
NET ASSETS		<u><u>89,637,590.83</u></u>
Net asset value per Class A share		1,138.376
Number of Class A shares		7,392.452
Net asset value per Class B share		1,140.770
Number of Class B shares		70,738.033
Net asset value per Class Z share		1,000.323
Number of Class Z shares		526.232

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2005
(in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		53,057,323.61
INCOME		
Income from investments:		
- Dividends, net		14,696.22
- Bond interest		3,516,427.15
- Bank interest		96,138.20
		<u>3,627,261.57</u>
EXPENSES		
Fees:		
- Advisory fee	5	354,361.03
- Director's fees		3,600.00
- Performance fee	6	281,030.41
- Custodian and administration fees	7	152,094.75
- Placing agent and correspondent bank fees	8	386,444.72
Other expenses:		
- Annual tax	9	37,515.31
- Amortisation of formation expenses	2 h	5,645.64
- Audit and legal fees		21,794.04
- Printing, publishing and reporting expenses		31,650.07
- Administration and other expenses		19,153.94
- Futures expenses		5,586.39
- Bank interest		192.50
		<u>1,299,068.80</u>
NET RESULT ON INVESTMENTS		<u>2,328,192.77</u>
Net realised result on:		
- Investments		1,197,844.50
- Foreign exchange		(761,281.46)
- Futures contracts		(296,066.32)
NET REALISED RESULT		<u>2,468,689.49</u>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		570,441.30
- Forward foreign exchange contracts		(457,034.18)
- Futures contracts		(52,709.73)
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		<u>2,529,386.88</u>
MOVEMENTS IN CAPITAL		
Subscriptions of shares		68,915,727.82
Redemptions of shares		(34,864,847.48)
		<u>34,050,880.34</u>
NET ASSETS AT THE END OF THE YEAR		<u><u>89,637,590.83</u></u>

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE YEAR ENDED DECEMBER 31, 2005

	Class A	Class B	Class Z
Shares outstanding at the beginning of the year	0.000	48,231.975	0.000
Subscriptions of shares	7,435.208	53,403.030	526.232
Redemptions of shares	(42.756)	(30,896.972)	0.000
Shares outstanding at the end of the year	7,392.452	70,738.033	526.232

STATISTICS

	Number of shares outstanding			Net assets (in EUR)	Net asset value per share (in EUR)		
	Class A	Class B	Class Z		Class A	Class B	Class Z
31.12.2003	-	14,837.918	-	15,470,658.53	-	1,042.643	-
31.12.2004	-	48,231.975	-	53,057,323.61	-	1,100.045	-
31.12.2005	7,392.452	70,738.033	526.232	89,637,590.83	1,138.376	1,140.770	1,000.323

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2005

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
Transferable securities admitted to an official stock exchange, Bonds					
EUR	1,000,000	ACCOR 05/07/2006 5.750%	1,038,130.00	1,014,950.00	1.13%
EUR	500,000	ACEA SPA 23/07/2014 4.875%	530,680.00	539,075.00	0.60%
EUR	845,318	AERO INVEST 1 SA 01/03/2015 FRN	835,815.50	868,183.85	0.97%
EUR	1,000,000	ARCELOR FINANCE 24/09/2010 5.125%	1,073,030.00	1,064,300.00	1.19%
EUR	1,000,000	ARENA FINANCE SA 15/06/2006 7.000%	948,220.00	902,500.00	1.01%
EUR	1,000,000	ASSET BACK OBLIGATE LTD 07/05/2012 FRN	985,030.00	1,006,000.00	1.12%
EUR	500,000	ASSET BACK OBLIGATE LTD 09/09/2011 FRN	492,530.00	512,500.00	0.57%
EUR	650,000	ATU AUTO-TEILE-UNGER 01/10/2014 FRN	667,092.50	680,680.00	0.76%
EUR	1,000,000	BANCA POPOLARE ITALIANA 23/03/2015 4.625%	1,000,030.00	982,700.00	1.10%
EUR	4,000,000	BANK OF ENGLAND EURO NOTE 28/01/2008 2.500%	3,968,830.00	3,967,200.00	4.43%
EUR	1,000,000	CIR INTERNATIONAL SA 10/01/2011 6.375%	998,458.00	1,093,700.00	1.22%
EUR	1,000,000	CIR INTERNATIONAL SA 10/03/2009 5.250%	1,047,580.00	1,038,000.00	1.16%
EUR	500,000	COGNIS GMBH 15/05/2014 9.500%	540,030.00	538,750.00	0.60%
EUR	1,000,000	DEUTSCHE TELEKOM INT FIN 11/07/2006 5.875%	1,066,180.00	1,015,200.00	1.13%
EUR	800,000	DEUTSCHE TELEKOM INT FIN 29/05/2007 7.500%	897,058.50	846,400.00	0.94%
EUR	750,000	EDISON SPA 20/07/2007 7.375%	823,710.00	797,550.00	0.89%
EUR	500,000	ELECTRICITE DE FRANCE 28/01/2009 5.000%	528,820.00	528,100.00	0.59%
EUR	5,000,000	EUROPEAN INVESTMENT BANK 15/02/2007 5.750%	5,348,260.00	5,163,000.00	5.76%
EUR	6,000,000	EUROPEAN INVESTMENT BANK 15/04/2006 4.875%	6,186,649.10	6,037,200.00	6.74%
EUR	5,000,000	EUROPEAN INVESTMENT BANK 15/04/2008 5.000%	5,342,590.00	5,225,000.00	5.83%
EUR	5,000,000	EUROPEAN INVESTMENT BANK 15/10/2007 2.625%	4,985,030.00	4,985,500.00	5.56%
EUR	1,500,000	GAZ CAPITAL (GAZPROM) 01/06/2015 5.875%	1,552,685.00	1,620,600.00	1.81%
EUR	500,000	HELLAS TELECOM III 15/10/2013 8.500%	499,405.00	535,625.00	0.60%
EUR	5,300,000	KFW 15/11/2007 3.000%	5,348,962.36	5,310,600.00	5.92%
EUR	1,000,000	KONINKLIJKE KPN NV 21/07/2011 4.500%	1,044,030.00	1,013,700.00	1.13%
EUR	3,000,000	LANDBK HESSEN-THUERINGEN 14/02/2008 3.500%	3,052,830.00	3,027,900.00	3.38%
EUR	750,000	LEHMAN BROTHERS TSY BV 01/02/2013 FRN	744,405.00	734,625.00	0.82%
EUR	750,000	LEHMAN BROTHERS TSY BV 18/03/2015 7.625%	743,880.00	703,125.00	0.78%
EUR	1,000,000	ONO FINANCE PLC 15/05/2014 10.500%	1,064,685.00	1,080,300.00	1.21%
EUR	1,032,914	PETROLEOS MEXICANOS 13/08/2007 FRN	1,123,840.22	1,099,536.73	1.23%
EUR	700,000	RENAULT S.A. 19/10/2007 6.375%	767,015.00	739,235.00	0.82%
EUR	1,250,000	RENO DE MEDICI INTL SA 04/05/2006 6.000%	1,154,176.70	1,223,437.50	1.36%
EUR	500,000	SASOL FINANCING INT 29/06/2010 3.375%	499,145.00	494,900.00	0.55%
EUR	750,000	SCHEFENACKER AG 11/02/2014 9.500%	566,965.00	535,312.50	0.60%
EUR	1,000,000	SOUTH AFRICA 19/05/2006 6.750%	1,071,320.00	1,014,500.00	1.13%
EUR	1,000,000	TECHNIP SA 26/05/2011 4.625%	1,047,130.00	1,050,300.00	1.17%
EUR	900,000	TEKSID ALUMINUM LUX 15/07/2011 11.375%	783,030.00	746,437.50	0.83%
EUR	1,000,000	VIVENDI UNIVERSAL SA 15/02/2012 3.875%	987,330.00	1,007,000.00	1.12%
GBP	600,000	COLLINS STEWART TULLETT 12/08/2014 FRN	903,195.60	903,946.76	1.01%
GBP	2,600,000	EUROPEAN INVESTMENT BANK 07/12/2007 4.500%	3,772,245.05	3,797,050.51	4.24%
TRY	2,400,000	RABOBANK NEDERLAND 03/03/2015 0.000%	504,124.53	680,210.74	0.76%
TRY	350,000	RABOBANK NEDERLAND 28/01/2008 13.500%	190,922.03	223,013.77	0.25%
Sub-total			66,725,075.09	66,347,844.86	74.02%

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2005

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
		Sub-total	66,725,075.09	66,347,844.86	74.02%
USD	294,000	ALESTRA SA DE RL DE CV 30/06/2010 8.000%	217,841.37	246,881.75	0.28%
USD	1,000,000	CONTROLADORA COMMERC MEX 01/06/2015 6.625%	833,305.74	860,157.51	0.96%
USD	900,000	CORP INTERAMER DE ENTRET 14/06/2015 8.875%	738,180.10	750,063.76	0.84%
USD	1,250,000	GAZPROM INTERNATIONAL SA 01/02/2020 7.201%	991,621.15	1,126,467.07	1.26%
USD	1,000,000	MASTELLONE HERMANOS SA 30/06/2012 8.000%	653,738.36	697,865.23	0.78%
USD	1,200,000	MOBILE TELESYSTEMS FIN 14/10/2010 8.375%	950,007.53	1,060,849.67	1.18%
USD	1,000,000	PETROBRAS INTL FIN CO 01/02/2007 9.125%	831,484.35	878,555.70	0.98%
USD	450,000	PROMSVYAZ (PROMSVYAZBK) 27/10/2006 10.250%	349,792.96	388,210.22	0.43%
Total transferable securities admitted to an official stock exchange, Bonds			72,291,046.65	72,356,895.77	80.73%
Transferable securities admitted to an other regulated market, Bonds					
USD	900,000	AXTEL SA 15/12/2013 11.000%	817,671.02	852,604.12	0.95%
USD	500,000	MAAX HOLDINGS INC 15/12/2012 0.000%	205,491.65	215,208.17	0.24%
USD	1,000,000	RURAL CELLULAR CORP 15/01/2010 9.750%	743,588.41	858,722.78	0.96%
USD	1,115,000	SIMMONS CO 15/12/2014 FRN	496,586.59	502,263.16	0.56%
USD	500,000	TENGIZCHEVROIL FIN CO 15/11/2014 6.124%	388,408.33	430,669.52	0.48%
USD	1,000,000	UBS (VIMPELCOM) 22/10/2011 8.375%	769,658.15	885,602.71	0.99%
USD	1,000,000	VITRO ENVASES NORTEAMRCA 23/07/2011 10.750%	783,732.54	871,382.09	0.97%
Total transferable securities admitted to an other regulated market, Bonds			4,205,136.69	4,616,452.55	5.15%
Other transferable securities, Bonds					
BRL	948,000	ELETROPAULO METROPOLITAN 28/06/2010 19.125%	327,489.04	361,038.18	0.40%
USD	1,000,000	GAZPROM INTL SA 01/02/2020 7.201%	815,879.77	900,852.95	1.00%
USD	1,111,976	HIDROELEC PIEDRA AGUILA 31/12/2013 5.000%	579,449.88	785,957.24	0.88%
Total other transferable securities, Bonds			1,722,818.69	2,047,848.37	2.28%
Total Investments			78,219,002.03	79,021,196.69	88.16%
Other Net Assets				10,616,394.14	11.84%
Total Net Assets				89,637,590.83	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2005

(in %)

Branch of business	% of net assets
Bonds issued by supranational institutions	28.13%
Banks and other credit institutions	20.99%
Holding and finance companies	12.79%
Miscellaneous	7.00%
Telecommunication	4.44%
Energy and water supply	2.48%
Oil	2.40%
Gastronomy	1.97%
Mines and steel works	1.19%
Miscellaneous services	1.18%
Government bonds	1.13%
Building and building materials	0.97%
Retail trade	0.96%
Electrotechnical and electronic industry	0.88%
Non ferrous metals	0.83%
Road vehicles	0.82%
Total	88.16%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2005

(in %)

Countries	% of net assets
Supranational	28.13%
Luxembourg	15.49%
Germany	11.26%
United Kingdom	6.65%
Netherlands	5.81%
Mexico	5.23%
France	4.83%
Cayman Islands	2.67%
Italy	2.59%
Argentina	1.66%
United States	1.52%
South Africa	1.13%
Isle of Man	0.55%
Brazil	0.40%
Canada	0.24%
Total	88.16%

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2005
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	21,593,383.93
- Net unrealised result	2 c	729,914.04
		<u>22,323,297.97</u>
Cash & other liquid assets:		
- Cash at bank		3,149,296.07
- Time deposits		1,648.72
- Deposits on futures contracts		81,893.80
Other assets:		
- Formation expenses, net	2 h	5,896.40
- Receivables on investments		447,507.68
- Receivables on subscriptions		129,466.91
- Dividends and interest receivable		96,471.07
- Bank interest receivable		15,282.48
- Interest receivable on bonds		490,687.61
		<u>26,741,448.71</u>
LIABILITIES		
- Unrealised loss on forward foreign exchange contracts	11	65,818.21
- Unrealised loss on futures contracts	10	16,587.69
- Taxes and expenses payable		241,424.79
- Payables on redemptions		68,432.74
		<u>392,263.43</u>
NET ASSETS		<u><u>26,349,185.28</u></u>
Net asset value per Class A share		1,071.051
Number of Class A shares		2,656.704
Net asset value per Class B share		1,073.086
Number of Class B shares		19,834.801
Net asset value per Class Z share		1,007.718
Number of Class Z shares		2,202.269

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2005
(in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		1,125,880.69
INCOME		
Income from investments:		
- Dividends, net		1.04
- Bond interest		967,354.55
- Bank interest		32,888.54
		<u>1,000,244.13</u>
EXPENSES		
Fees:		
- Advisory fee	5	101,611.52
- Director's fees		3,600.00
- Performance fee	6	130,621.63
- Custodian and administration fees	7	33,611.20
- Placing agent and correspondent bank fees	8	98,906.44
Other expenses:		
- Annual tax	9	8,001.41
- Amortisation of formation expenses	2 h	2,046.78
- Audit and legal fees		11,727.82
- Printing, publishing and reporting expenses		7,147.36
- Administration and other expenses		7,931.96
- Futures expenses		1,021.26
- Bank interest		197.52
		<u>406,424.90</u>
NET RESULT ON INVESTMENTS		<u>593,819.23</u>
Net realised result on:		
- Investments		314,532.89
- Foreign exchange		(370,700.43)
- Futures contracts		2,884.59
NET REALISED RESULT		<u>540,536.28</u>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		732,835.62
- Forward foreign exchange contracts		(65,818.21)
- Futures contracts		(16,587.69)
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		<u>1,190,966.00</u>
MOVEMENTS IN CAPITAL		
Subscriptions of shares		30,940,078.03
Redemptions of shares		(6,907,739.44)
		<u>24,032,338.59</u>
NET ASSETS AT THE END OF THE YEAR		<u><u>26,349,185.28</u></u>

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE YEAR ENDED DECEMBER 31, 2005

	Class A	Class B	Class Z
Shares outstanding at the beginning of the year	0.000	1,145.834	0.000
Subscriptions of shares	2,971.946	24,917.428	2,202.269
Redemptions of shares	(315.242)	(6,228.461)	0.000
Shares outstanding at the end of the year	2,656.704	19,834.801	2,202.269

STATISTICS

	Number of shares outstanding			Net assets (in EUR)	Net asset value per share (in EUR)		
	Class A	Class B	Class Z		Class A	Class B	Class Z
31.12.2003	-	2,454.131	-	2,434,031.15	-	991.810	-
31.12.2004	-	1,145.834	-	1,125,880.69	-	982.586	-
31.12.2005	2,656.704	19,834.801	2,202.269	26,349,185.28	1,071.051	1,073.086	1,007.718

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2005

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
Transferable securities admitted to an official stock exchange, Bonds					
EUR	1,398,150	AERO INVEST 1 SA 01/03/2015 FRN	1,397,612.80	1,435,969.95	5.45%
EUR	200,000	ALSTOM 03/03/2010 6.250%	199,688.00	211,100.00	0.80%
EUR	800,000	ARENA FINANCE SA 15/06/2006 7.000%	766,052.08	722,000.00	2.74%
EUR	500,000	ATU AUTO-TEILE-UNGER 01/10/2014 FRN	510,935.00	523,600.00	1.99%
EUR	1,000,000	BANCA POPOLARE LODI TRUST 6.742%	1,094,030.00	1,076,450.00	4.09%
EUR	800,000	COGNIS GMBH 15/05/2014 9.500%	864,860.00	862,000.00	3.27%
EUR	200,000	ESCADA AG 01/04/2012 7.500%	200,030.00	212,440.00	0.81%
EUR	450,000	GAZ CAPITAL (GAZPROM) 01/06/2015 5.875%	454,305.00	486,180.00	1.85%
EUR	500,000	HELLAS TELECOM III 15/10/2013 8.500%	499,405.00	535,625.00	2.03%
EUR	140,000	JAZZTEL PLC 29/04/2010 5.000%	140,030.00	94,309.60	0.36%
EUR	1,200,000	ONO FINANCE PLC 15/05/2014 10.500%	1,276,915.00	1,296,360.00	4.92%
EUR	700,000	PIAGGIO FINANCE SA 30/04/2012 10.000%	781,810.00	810,691.00	3.08%
EUR	1,250,000	RENO DE MEDICI INTL SA 04/05/2006 6.000%	1,199,485.00	1,223,437.50	4.64%
EUR	1,000,000	SAFILO CAPITAL INTL SA 15/05/2013 9.625%	1,125,685.00	1,121,900.00	4.26%
EUR	750,000	SCHEFENACKER AG 11/02/2014 9.500%	546,965.00	535,312.50	2.03%
EUR	1,000,000	TEKSID ALUMINUM LUX 15/07/2011 11.375%	882,096.94	829,375.00	3.15%
EUR	500,000	TUI AG FRN	500,030.00	524,350.00	1.99%
GBP	650,000	CORUS FINANCE PLC 20/05/2008 6.750%	941,867.87	958,337.44	3.64%
TRY	300,000	EUROPEAN INVESTMENT BANK 02/03/2015 0.000%	70,078.93	86,207.00	0.33%
TRY	700,000	RABOBANK NEDERLAND 03/03/2015 0.000%	147,057.34	198,394.80	0.75%
TRY	150,000	RABOBANK NEDERLAND 28/01/2008 13.500%	81,840.57	95,577.33	0.36%
USD	245,000	ALESTRA SA DE RL DE CV 30/06/2010 8.000%	181,539.41	205,734.79	0.78%
USD	500,000	ATF BANK 09/11/2009 8.875%	439,572.30	438,138.51	1.66%
USD	600,000	CORP INTERAMER DE ENTRET 14/06/2015 8.875%	492,130.06	500,042.51	1.90%
USD	200,000	DRESDNER BK (KYIVSTAR) 27/04/2012 7.750%	156,146.28	171,432.30	0.65%
USD	600,000	MASTELLONE HERMANOS SA 30/06/2012 8.000%	408,411.48	418,719.14	1.59%
USD	450,000	MOBILE TELESYSTEMS FIN 14/10/2010 8.375%	358,531.44	397,818.62	1.51%
USD	300,000	PROMSVYAZ (PROMSVYAZBK) 27/10/2006 10.250%	233,205.44	258,806.81	0.98%
USD	450,000	TRANSPORT DE GAS DEL SUR 15/12/2013 FRN	361,191.73	370,759.37	1.41%
USD	400,000	TURANALEM FINANCE BV 10/02/2015 8.500%	307,386.57	363,338.90	1.38%
Total transferable securities admitted to an official stock exchange, Bonds			16,618,894.24	16,964,408.07	64.40%

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2005

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
<u>Transferable securities admitted to an other regulated market, Bonds</u>					
EUR	500,000	WIND ACQUISITION FIN SA 01/12/2015 9.750%	500,030.00	516,775.00	1.96%
USD	750,000	AXTEL SA 15/12/2013 11.000%	683,077.36	710,503.44	2.70%
USD	700,000	KAZKOMMERTS FINANCE 2 BV FRN	579,527.53	632,121.25	2.40%
USD	500,000	MAAX HOLDINGS INC 15/12/2012 0.000%	211,839.76	215,208.17	0.82%
USD	350,000	RURAL CELLULAR CORP 15/01/2010 9.750%	264,030.98	300,552.97	1.14%
USD	700,000	SIMMONS CO 15/12/2014 FRN	311,758.39	315,322.16	1.20%
USD	700,000	UBS (VIMPELCOM) 22/10/2011 8.375%	541,521.77	619,921.90	2.35%
USD	700,000	VITRO ENVASES NORTEAMRCA 23/07/2011 10.750%	554,099.39	609,967.46	2.31%
Total transferable securities admitted to an other regulated market, Bonds			3,645,885.18	3,920,372.35	14.88%
<u>Other transferable securities, Bonds</u>					
BRL	593,000	ELETROPAULO METROPOLITAN 28/06/2010 19.125%	204,834.80	225,839.28	0.86%
EUR	1,001,266	ART FIVE BV 15/04/2015 3.854%	990,030.00	1,031,303.52	3.91%
USD	256,610	HIDROELEC PIEDRA AGUILA 31/12/2013 5.000%	133,739.71	181,374.75	0.69%
Total other transferable securities, Bonds			1,328,604.51	1,438,517.55	5.46%
Total Investments			21,593,383.93	22,323,297.97	84.74%
Other Net Assets				4,025,887.31	15.26%
Total Net Assets				26,349,185.28	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2005

(in %)

Branch of business	% of net assets
Holding and finance companies	33.46%
Miscellaneous	21.05%
Banks and other credit institutions	9.49%
Telecommunication	4.98%
Gastronomy	3.89%
Non ferrous metals	3.15%
Building and building materials	2.31%
Energy and water supply	2.27%
Miscellaneous services	1.51%
Electrotechnical and electronic industry	1.49%
Textile and clothing industry	0.81%
Bonds issued by supranational institutions	0.33%
Total	84.74%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2005

(in %)

Countries	% of net assets
Luxembourg	34.00%
Germany	10.74%
United Kingdom	8.92%
Netherlands	8.80%
Mexico	7.69%
United States	6.43%
Argentina	3.69%
Kazakhstan	1.66%
Brazil	0.86%
Canada	0.82%
France	0.80%
Supranational	0.33%
Total	84.74%

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2005
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	6,077,364.29
- Net unrealised result	2 c	<u>188,615.91</u>
		6,265,980.20
Cash & other liquid assets:		
- Cash at bank		106,994.01
- Time deposits		552.08
Other assets:		
- Formation expenses, net	2 h	5,892.93
- Receivables on subscriptions		49,798.06
- Dividends and interest receivable		3,212.04
- Bank interest receivable		<u>3,442.61</u>
		6,435,871.93
LIABILITIES		
- Taxes and expenses payable		<u>117,580.82</u>
		117,580.82
NET ASSETS		<u>6,318,291.11</u>
Net asset value per Class A share		1,131.657
Number of Class A shares		1,045.222
Net asset value per Class B share		1,134.101
Number of Class B shares		4,528.220

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2005
(in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		3,294,800.96
INCOME		
Income from investments:		
- Dividends, net		84,076.28
- Bond interest		30,428.95
- Bank interest		9,749.58
		<u>124,254.81</u>
EXPENSES		
Fees:		
- Advisory fee	5	51,001.24
- Director's fees		3,600.00
- Performance fee	6	64,825.38
- Custodian and administration fees	7	25,633.67
- Placing agent and correspondent bank fees	8	53,215.24
Other expenses:		
- Annual tax	9	2,605.68
- Amortisation of formation expenses	2 h	2,046.78
- Audit and legal fees		11,917.81
- Printing, publishing and reporting expenses		2,562.82
- Administration and other expenses		7,772.94
- Bank interest		168.02
		<u>225,349.58</u>
NET RESULT ON INVESTMENTS		<u>(101,094.77)</u>
Net realised result on:		
- Investments		569,499.24
- Foreign exchange		(0.85)
NET REALISED RESULT		<u>468,403.62</u>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		114,964.80
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		<u>583,368.42</u>
MOVEMENTS IN CAPITAL		
Subscriptions of shares		5,608,343.78
Redemptions of shares		<u>(3,168,222.05)</u>
		2,440,121.73
NET ASSETS AT THE END OF THE YEAR		<u><u>6,318,291.11</u></u>

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE YEAR ENDED DECEMBER 31, 2005

	Class A	Class B
Shares outstanding at the beginning of the year	0.000	3,347.913
Subscriptions of shares	1,082.157	4,018.955
Redemptions of shares	<u>(36.935)</u>	<u>(2,838.648)</u>
Shares outstanding at the end of the year	1,045.222	4,528.220

STATISTICS

	Number of shares outstanding		Net assets (in EUR)	Net asset value per share (in EUR)	
	Class A	Class B		Class A	Class B
31.12.2003	-	2,575.250	2,541,278.05	-	986.808
31.12.2004	-	3,347.913	3,294,800.96	-	984.136
31.12.2005	1,045.222	4,528.220	6,318,291.11	1,131.657	1,134.101

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2005

(in EUR)

Currency	Quantity	Description	Cost	Market value	% of net assets
Transferable securities admitted to an official stock exchange, Equities					
EUR	6,200	AAREAL BANK AG	203,834.23	198,834.00	3.15%
EUR	14,200	ABENGOA SA	202,982.95	176,222.00	2.79%
EUR	15,300	AEGON NV	203,380.55	210,375.00	3.33%
EUR	23,000	ALTRAN TECHNOLOGIES SA	226,944.04	218,040.00	3.45%
EUR	13,600	ASML HOLDING NV	227,505.68	229,840.00	3.64%
EUR	8,000	AXA	200,825.72	218,080.00	3.45%
EUR	51,000	BANCA MONTE DEI PASCHI SIENA	201,797.18	201,322.50	3.19%
EUR	4,300	BANKINTER SA	202,623.42	201,541.00	3.19%
EUR	6,500	BAYER AG	227,821.15	229,385.00	3.63%
EUR	8,000	BAYERISCHE HYPO-UND VEREINSB	204,591.36	204,880.00	3.24%
EUR	3,175	BETANDWIN.COM INTERACTIVE	227,716.00	273,050.00	4.32%
EUR	4,800	BUSINESS OBJECTS	162,573.07	164,112.00	2.60%
EUR	6,500	CAP GEMINI SA	228,341.93	220,415.00	3.49%
EUR	3,850	EURONEXT	165,731.51	169,400.00	2.68%
EUR	98,000	GEMINA SPA	201,118.76	196,980.00	3.12%
EUR	4,800	HOCHTIEF AG	162,864.86	181,584.00	2.87%
EUR	140,000	INFOGRAMES ENTERTAINMENT	201,947.40	190,400.00	3.01%
EUR	3,240	METROVACESA SA	162,840.65	166,212.00	2.63%
EUR	1,900	MUENCHENER RUECKVER AG-REG	228,824.66	217,322.00	3.44%
EUR	25,000	PERLOS OYJ	210,885.79	223,750.00	3.54%
EUR	9,100	PHILIPS ELECTRONICS NV	228,296.36	238,875.00	3.78%
EUR	11,300	RAUTARUUKKI OYJ	203,965.12	232,215.00	3.68%
EUR	129,000	RHODIA SA	224,841.69	233,490.00	3.70%
EUR	14,790	S.O.I.T.E.C.	165,399.50	201,587.70	3.19%
EUR	4,600	SALZGITTER AG	173,058.05	209,806.00	3.32%
EUR	3,040	SCHNEIDER ELECTRIC SA	226,864.72	229,064.00	3.63%
EUR	15,500	SGL CARBON AG	202,794.17	216,225.00	3.42%
EUR	5,420	SOFTWARE AG-BEARER	200,920.62	223,033.00	3.53%
EUR	5,000	UBISOFT ENTERTAINMENT	200,792.17	200,800.00	3.18%
Total transferable securities admitted to an official stock exchange, Equities			5,882,083.31	6,076,840.20	96.19%
Transferable securities admitted to an other regulated market, Equities					
EUR	4,900	FASTWEB	195,280.98	189,140.00	2.99%
Total transferable securities admitted to an other regulated market, Equities			195,280.98	189,140.00	2.99%
Total Investments			6,077,364.29	6,265,980.20	99.18%
Other Net Assets				52,310.91	0.82%
Total Net Assets				6,318,291.11	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2005

(in %)

Branch of business	% of net assets
Internet services	23.58%
Electronics and semiconductors	14.15%
Banks and other credit institutions	12.77%
Mines and steel works	10.42%
Insurance	10.22%
Chemistry	7.33%
Holding and finance companies	5.80%
Building and building materials	5.66%
Electrotechnical and electronic industry	3.63%
Telecommunication	2.99%
Building societies	2.63%
Total	99.18%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2005

(in %)

Countries	% of net assets
France	29.70%
Germany	26.60%
Netherlands	13.43%
Italy	9.30%
Spain	8.61%
Finland	7.22%
Austria	4.32%
Total	99.18%

NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2005

1. GENERAL

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

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

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 was amended by the extraordinary general meeting as at March 23, 2004.

As of December 31, 2005, the SICAV offers shares of the following Sub-Funds:

	denominated in Euro (EUR)	Launched on
- CompAM FUND - Emerging Market Short Term (formerly Emerging Markets Bonds)		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 (formerly Europe Flexible 0/50)	denominated in Euro (EUR)	10/11/2003
- CompAM FUND - Europe Dynamic 0/100	denominated in Euro (EUR)	10/11/2003

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Presentation of financial statements

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

b) Combined financial statements

The Net Asset Value of each Sub-Fund was calculated on December 30, 2005 using the closing prices of December 30, 2005.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
AS AT DECEMBER 31, 2005

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
AS AT DECEMBER 31, 2005

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 of 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, 2005 are as follows:

1 EUR =	3.590095	ARS	1 EUR =	62.897750	PHP
1 EUR =	2.770178	BRL	1 EUR =	3.845666	PLN
1 EUR =	1.556187	CHF	1 EUR =	9.407347	SEK
1 EUR =	7.462102	DKK	1 EUR =	37.876378	SKK
1 EUR =	0.687618	GBP	1 EUR =	48.559224	THB
1 EUR =	340.750000	GRD	1 EUR =	1,600.798094	TRK
1 EUR =	252.588208	HUF	1 EUR =	1.600798	TRY
1 EUR =	1,196.698309	KRW	1 EUR =	1.184899	USD
1 EUR =	12.601350	MXN	1 EUR =	7.521063	ZAR

4. COMMISSIONS ON ISSUE OF SICAV'S SHARES

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

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

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

CompAM FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)
AS AT DECEMBER 31, 2005

5. INVESTMENT ADVISORY FEE

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

	Class A	Class B	Class Z
CompAM FUND - Emerging Market Short Term (formerly Emerging Markets Bonds)	0.625% p.a.	0.625% p.a.	0.600% p.a.
CompAM FUND - Emerging Market Risk	0.875% p.a.	0.875% p.a.	0.600% p.a.
CompAM FUND - European Equity	1.000% p.a.	1.000% p.a.	0.600% p.a.
CompAM FUND - Equity Risk	1.125% p.a.	1.125% p.a.	0.600% p.a.
CompAM FUND - Bond Euro	0.500% p.a.	0.500% p.a.	0.600% p.a.
CompAM FUND - Bond Risk (formerly Europe Flexible 0/50)	0.750% p.a.	0.750% p.a.	0.600% p.a.
CompAM FUND - Europe Dynamic 0/100	1.000% p.a.	1.000% p.a.	-

6. PERFORMANCE FEE

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

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

Where:

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

The performance fees payable as at December 31, 2005 are as follows:

	Amounts in EUR
CompAM FUND - Emerging Market Short Term (formerly Emerging Markets Bonds)	152,490.58
CompAM FUND - Emerging Market Risk	12.07
CompAM FUND - European Equity	262,277.43
CompAM FUND - Equity Risk	1,250.34
CompAM FUND - Bond Euro	281,030.41
CompAM FUND - Bond Risk (formerly Europe Flexible 0/50)	130,621.63
CompAM FUND - Europe Dynamic 0/100	64,825.38
Total:	892,507.84

NOTES TO THE FINANCIAL STATEMENTS (continued)
AS AT DECEMBER 31, 2005

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

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

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

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

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

	Class A	Class B	Class Z
CompAM FUND - Emerging Market short Term (formerly Emerging Markets Bonds)	0.625% p.a.	0.775% p.a.	0.00% p.a.
CompAM FUND - Emerging Market Risk	0.875% p.a.	1.125% p.a.	0.00% p.a.
CompAM FUND - European Equity	1.000% p.a.	1.300% p.a.	0.00% p.a.
CompAM FUND - Equity Risk	1.125% p.a.	1.475% p.a.	0.00% p.a.
CompAM FUND - Bond Euro	0.500% p.a.	0.600% p.a.	0.00% p.a.
CompAM FUND - Bond Risk (formerly Europe Flexible 0/50)	0.750% p.a.	0.950% p.a.	0.00% p.a.
CompAM FUND - Europe Dynamic 0/100	0.900% p.a.	1.100% p.a.	

9. 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.

CompAM FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT DECEMBER 31, 2005

10. FUTURES CONTRACTS

As at December 31, 2005, the following futures contracts and the corresponding unrealised results are outstanding:

CompAM FUND - Emerging Market Short Term (formerly Emerging Markets Bonds)

Type	Number of contracts	Denomination	Currency	Commitments in currency	Unrealised gain/(loss) (in EUR)
Short	(10.00)	EURO BOBL	EUR	(1,129,100.00)	1,800.00
Long	23.00	EURO FX CURRENCY FUTURE	USD	3,415,500.00	(44,766.46)
Short	(11.00)	US 5 YEAR NOTE	USD	(1,169,781.25)	(1,160.44)
					(44,126.90)

CompAM FUND - European Equity

Type	Number of contracts	Denomination	Currency	Commitments in currency	Unrealised loss (in EUR)
Short	(40.00)	DAX INDEX	EUR	(5,438,000.00)	(122,500.00)

CompAM FUND - Bond Euro

Type	Number of contracts	Denomination	Currency	Commitments in currency	Unrealised gain/(loss) (in EUR)
Short	(120.00)	EURO BOBL	EUR	(13,549,200.00)	22,800.00
Short	(70.00)	EURO BUND	EUR	(8,528,800.00)	(51,100.00)
Short	(9.00)	US 5 YEAR NOTE	USD	(957,093.75)	(949.45)
Short	(31.00)	US 10 YEAR NOTES	USD	(3,391,593.75)	(9,725.25)
Short	(1.00)	US T-BONDS	USD	(114,187.50)	(975.82)
					(39,950.52)

CompAM FUND - Bond Risk (formerly Europe Flexible 0/50)

Type	Number of contracts	Denomination	Currency	Commitments in currency	Unrealised gain/(loss) (in EUR)
Short	(7.00)	10 YEAR NOTE	USD	(765,843.75)	(2,307.69)
Short	(12.00)	EURO BOBL	EUR	(1,354,920.00)	2,280.00
Short	(23.00)	EURO BUND	EUR	(2,802,320.00)	(16,560.00)
					(16,587.69)

CompAM FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)
AS AT DECEMBER 31, 2005

11. FORWARD FOREIGN EXCHANGE CONTRACTS

As at December 31, 2005, the following forward foreign exchange contracts and the corresponding unrealised results are outstanding:

CompAM FUND - Emerging Market Short Term (formerly Emerging Markets Bonds)

Maturity	Currency	Purchases	Currency	Sales	Unrealised gain/loss (in EUR)
23/02/2006	EUR	810,372.77	USD	(1,000,000.00)	(31,044.17)
23/02/2006	EUR	6,895,432.79	USD	(8,500,000.00)	(256,588.50)
23/02/2006	EUR	1,219,859.31	USD	(1,500,000.00)	(42,252.65)
23/02/2006	EUR	413,154.85	USD	(500,000.00)	(7,528.68)
23/02/2006	EUR	499,002.00	USD	(600,000.00)	(5,808.16)
23/02/2006	EUR	736,618.10	USD	(900,000.00)	(20,634.35)
23/02/2006	EUR	843,881.86	USD	(1,000,000.00)	2,569.80
23/02/2006	EUR	595,491.28	USD	(700,000.00)	6,587.78
23/02/2006	EUR	2,493,143.85	USD	(3,000,000.00)	(30,912.83)
					(385,611.76)

CompAM FUND - Emerging Market Risk

Maturity	Currency	Purchases	Currency	Sales	Unrealised loss (in EUR)
23/02/2006	EUR	1,082,656.67	USD	(1,300,000.00)	(11,094.04)
23/02/2006	EUR	1,246,571.92	USD	(1,500,000.00)	(15,456.42)
					(26,550.46)

CompAM FUND - Bond Euro

Maturity	Currency	Purchases	Currency	Sales	Unrealised loss (in EUR)
05/10/2006	EUR	11,080,105.06	USD	(13,500,000.00)	(139,069.29)
05/10/2006	EUR	821,018.06	USD	(1,000,000.00)	(10,027.65)
					(149,096.94)

CompAM FUND - Bond Risk (formerly Europe Flexible 0/50)

Maturity	Currency	Purchases	Currency	Sales	Unrealised gain/loss (in EUR)
05/10/2006	EUR	5,334,865.40	USD	(6,500,000.00)	(66,959.29)
05/10/2006	EUR	328,407.22	USD	(400,000.00)	(4,011.07)
05/10/2006	EUR	540,675.43	USD	(650,000.00)	605.98
05/10/2006	EUR	419,921.05	USD	(500,000.00)	4,546.17
					(65,818.21)

12. CHANGES IN THE SECURITIES PORTFOLIO

A copy of the changes in the securities portfolio of the Sub-Funds during the year ended December 31, 2005 is available free of charge at the SICAV's Registered Office.