

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, 2006

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.

CompAM FUND

TABLE OF CONTENTS

ORGANISATION OF THE SICAV	4
DIRECTOR'S REPORT	6
REPORT OF THE REVISEUR D'ENTREPRISES	25
CompAM FUND – COMBINED	27
Statement of net assets	27
Statement of operations and changes in net assets	28
CompAM FUND – EMERGING MARKET SHORT TERM	29
Statement of net assets	29
Statement of operations and changes in net assets	30
Changes in the number of shares	31
Statistics	31
Statement of investments and other net assets	32
Economic classification of investments	35
Geographical classification of investments	35
CompAM FUND – EMERGING MARKET RISK	36
Statement of net assets	36
Statement of operations and changes in net assets	37
Changes in the number of shares	38
Statistics	38
Statement of investments and other net assets	39
Economic classification of investments	41
Geographical classification of investments	41
CompAM FUND – EUROPEAN EQUITY	42
Statement of net assets	42
Statement of operations and changes in net assets	43
Changes in the number of shares	44
Statistics	44
Statement of investments and other net assets	45
Economic classification of investments	47
Geographical classification of investments	47
CompAM FUND – EQUITY RISK	48
Statement of net assets	48
Statement of operations and changes in net assets	49
Changes in the number of shares	50
Statistics	50
Statement of investments and other net assets	51
Economic classification of investments	53
Geographical classification of investments	53

CompAM FUND

TABLE OF CONTENTS (continued)

CompAM FUND – BOND EURO	54
Statement of net assets	54
Statement of operations and changes in net assets	55
Changes in the number of shares	56
Statistics	56
Statement of investments and other net assets	57
Economic classification of investments	60
Geographical classification of investments	60
CompAM FUND – BOND RISK	61
Statement of net assets	61
Statement of operations and changes in net assets	62
Changes in the number of shares	63
Statistics	63
Statement of investments and other net assets	64
Economic classification of investments	66
Geographical classification of investments	66
CompAM FUND – EUROPE DYNAMIC 0/100	67
Statement of net assets	67
Statement of operations and changes in net assets	68
Changes in the number of shares	69
Statistics	69
Statement of investments and other net assets	70
Economic classification of investments	71
Geographical classification of investments	71
NOTES TO THE FINANCIAL STATEMENTS	72

ORGANISATION OF THE SICAV (continued)

BOARD OF DIRECTORS

Chairman

Mr Massimo Scolari

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

Members

Mrs Alessandra Degiugno

Manager
Selgest S.A.

Mr Gabriele Bruera

Director
Compass Asset Management S.A.

Mr Corrado Capacci

Director
Compass Asset Management S.A.

Mr Roberto Di Carlo

General Manager
Sella Bank Luxembourg S.A.

CONDUCTING PERSONS

Mr Massimo Scolari

Via Cadore, 40
20135 Milano

Mr Marco Claus

6, Boulevard Joseph II
L-1840 Luxembourg

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

ORGANISATION OF THE SICAV (continued)

INVESTMENT ADVISOR

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

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

Director's Report 2006

2006 was another successful year for Compam Fund. The macro economic context of strong growth across the globe was the basic factor behind a good performance of essentially all equity markets and behind the move up in yields that caused dismal performance for most fixed income investors. The performance achieved by the various sub-funds was reasonably in line with the respective targets. Net inflows into the fund combined with the performance effect produced a growth in asset under management of 42% 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, unaudited as far as the 2006 numbers are concerned) 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	0.67%	2.02%	1.49%	3.24%	6.97%	7.40%	15.77%	-1.97%	7.68%
2Q	-0.11%	0.17%	-1.50%	-2.28%	-2.48%	-7.17%	-4.75%	2.09%	-5.31%
3Q	1.05%	1.17%	2.18%	3.94%	2.38%	4.48%	3.57%	0.04%	6.86%
4Q	0.99%	2.70%	1.73%	3.41%	4.69%	7.37%	9.73%	-0.31%	5.66%
2006	2.63%	6.17%	3.93%	8.44%	11.81%	11.85%	25.32%	-0.24%	15.12%
Volatility	0.93%	1.79%	1.39%	2.34%	5.74%	10.14%	12.63%	2.95%	14.64%

All performance data refer to the Class A shares. Volatility is calculated on daily returns and annualized.

	YE 2005 AUM	YE 2006 AUM	Variation
Bond Euro (BE)	89 638	122 118	32 480
Bond Risk (BR)	26 349	43 059	16 710
Emerging Market Short Term (EMST)	38 158	52 231	14 073
Emerging Market Risk (EMR)	5 332	20 504	15 172
European Equity (EE)	33 534	34 612	1 078
Equity Risk (ER)	6 764	12 616	5 852
Europe Dynamic 0/100 (ED)	6 318	8 355	2 037
Total	206 093	293 495	87 402

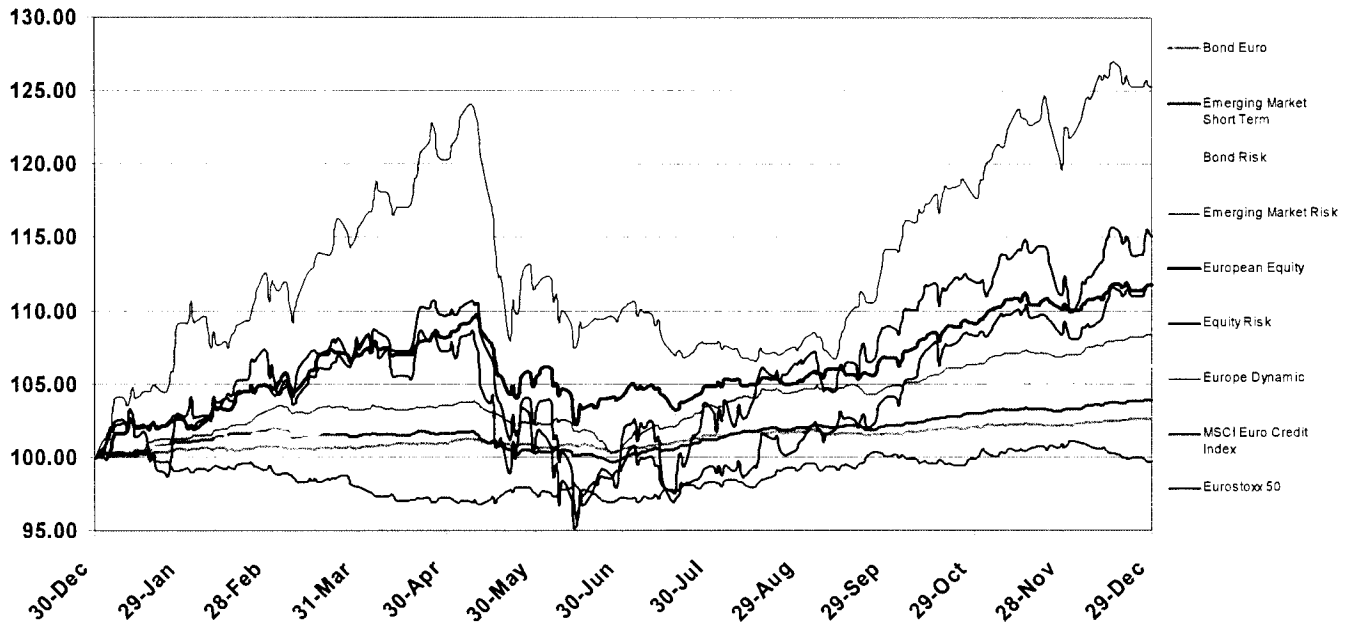
The fund has a total return (i.e. not linked to any market index) objective across all sub-funds and investment strategies. Therefore the index performance is shown in the table simply to put the fund's achievement in the context of the developments on the financial markets during the year.

The following charts provide a basic analysis of the performance achieved, of the risks taken by the various sub-funds and of the shift in the yield curves that occurred during 2006. All statistics are calculated by Compass Asset Management, our investment advisor, based on the official NAV reports produced by Sella Bank Luxembourg S.A. our central administration and custodian. VAR numbers, unless remarked differently, refer to 1 day 97.5% confidence level.

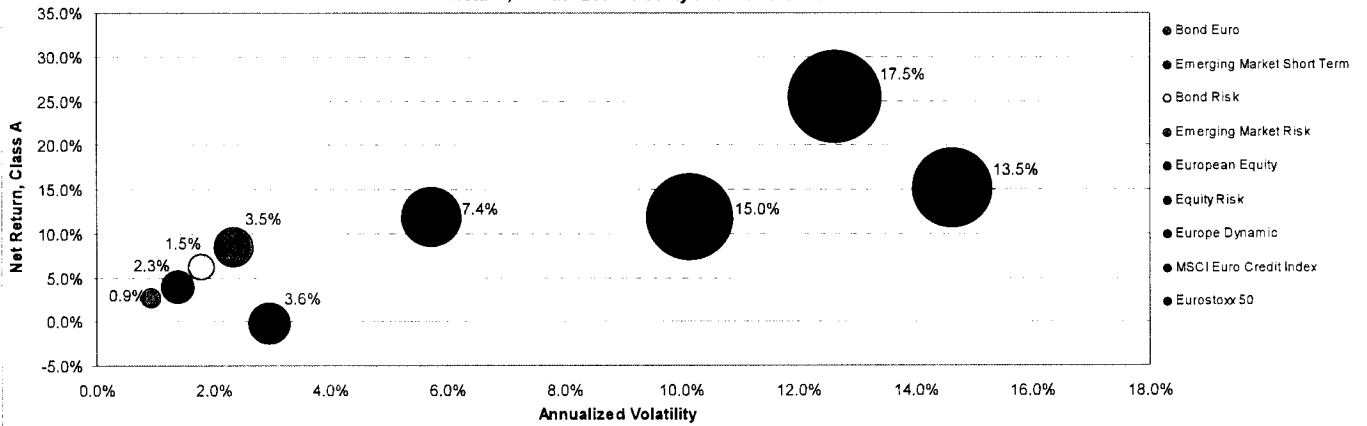
CompAM FUND

DIRECTOR'S REPORT

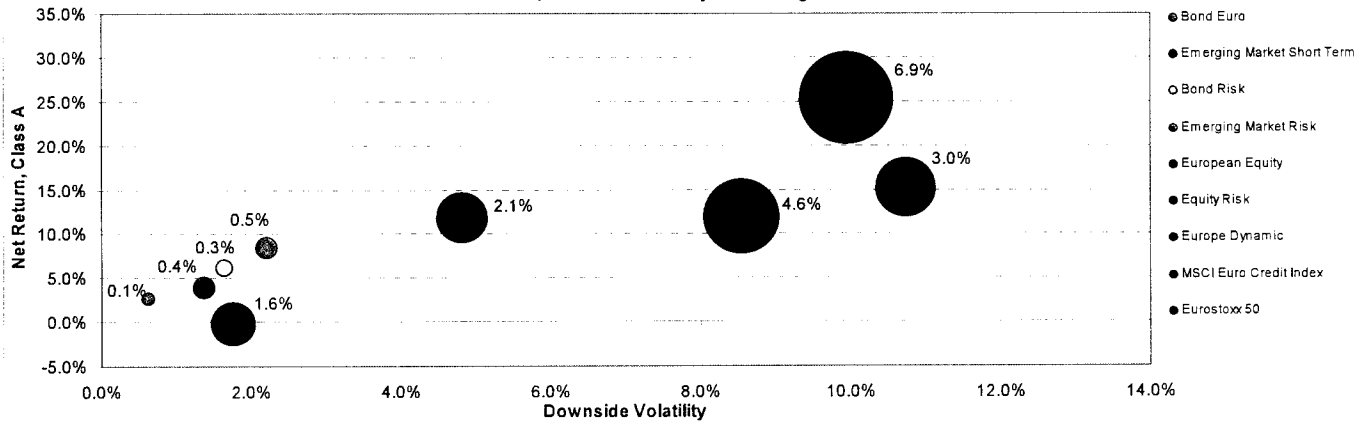
100 euro invested on Dec 30th 2005



Return, Annualized Volatility and Maximum Drawdown

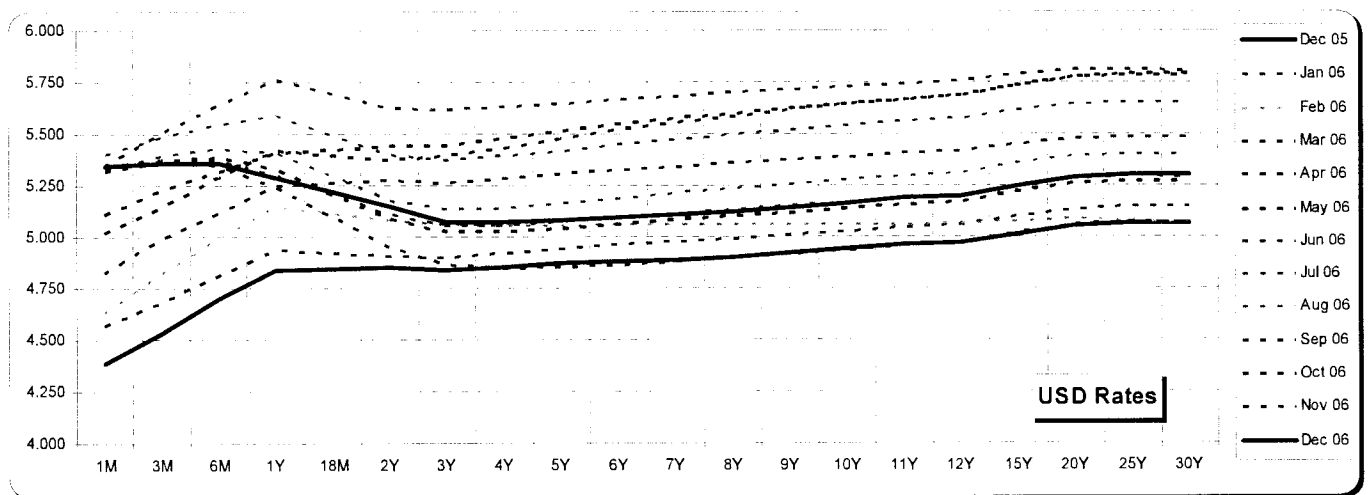
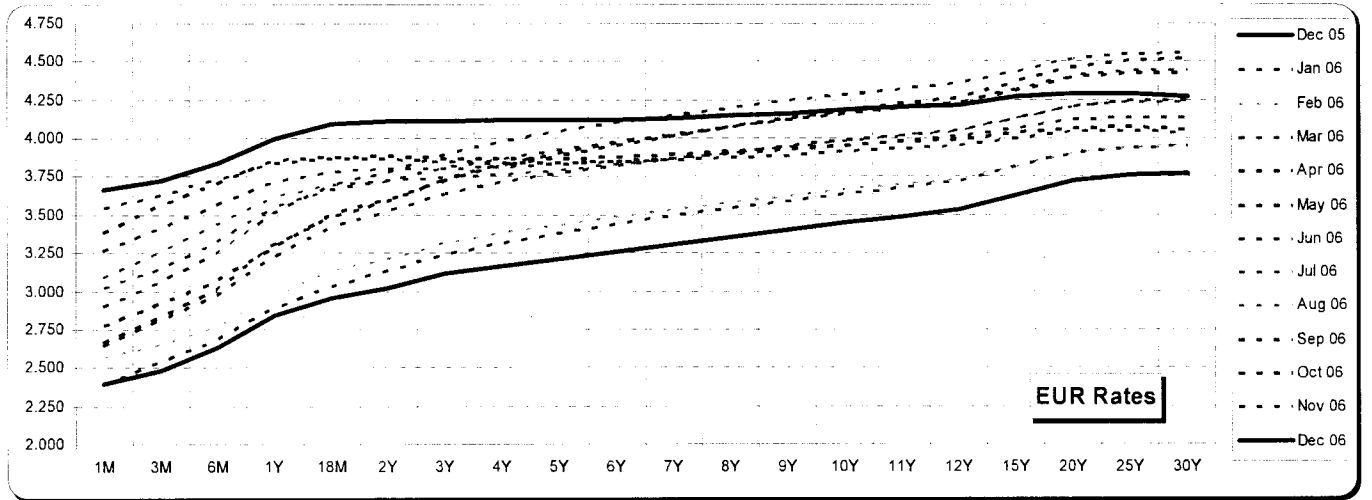
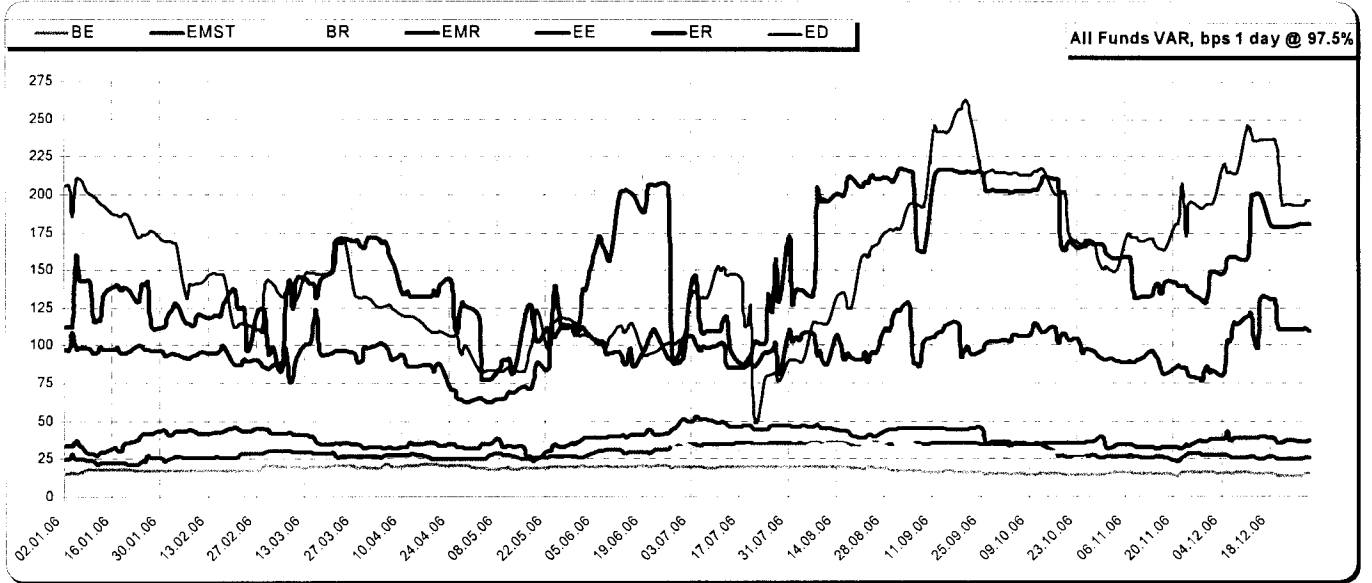


Net Return, Downside Volatility and average Drawdown



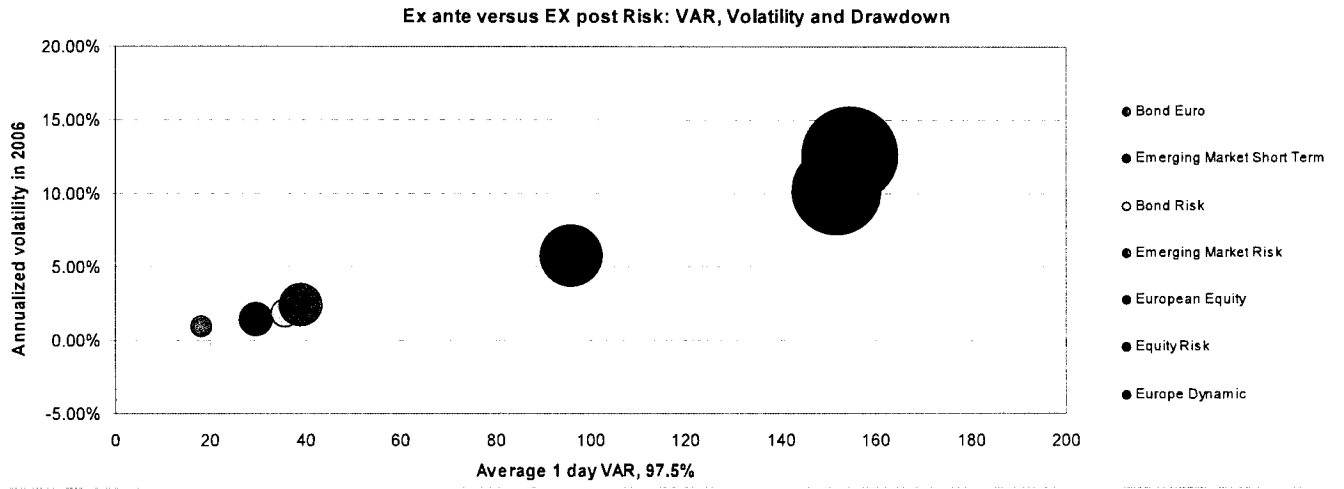
CompAM FUND

DIRECTOR'S REPORT



CompAM FUND

DIRECTOR'S REPORT



DIRECTOR'S REPORT

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. With a recommended investment time horizon of 1 to 2 years, the purpose of the sub-fund is to achieve average yearly returns in excess of Euro money market rates.

In the whole of 2006, the fund's class A share returned 2.63% net of all fees. This brings the annualized compound rate of return to 4.29% since its inception in April 2003.

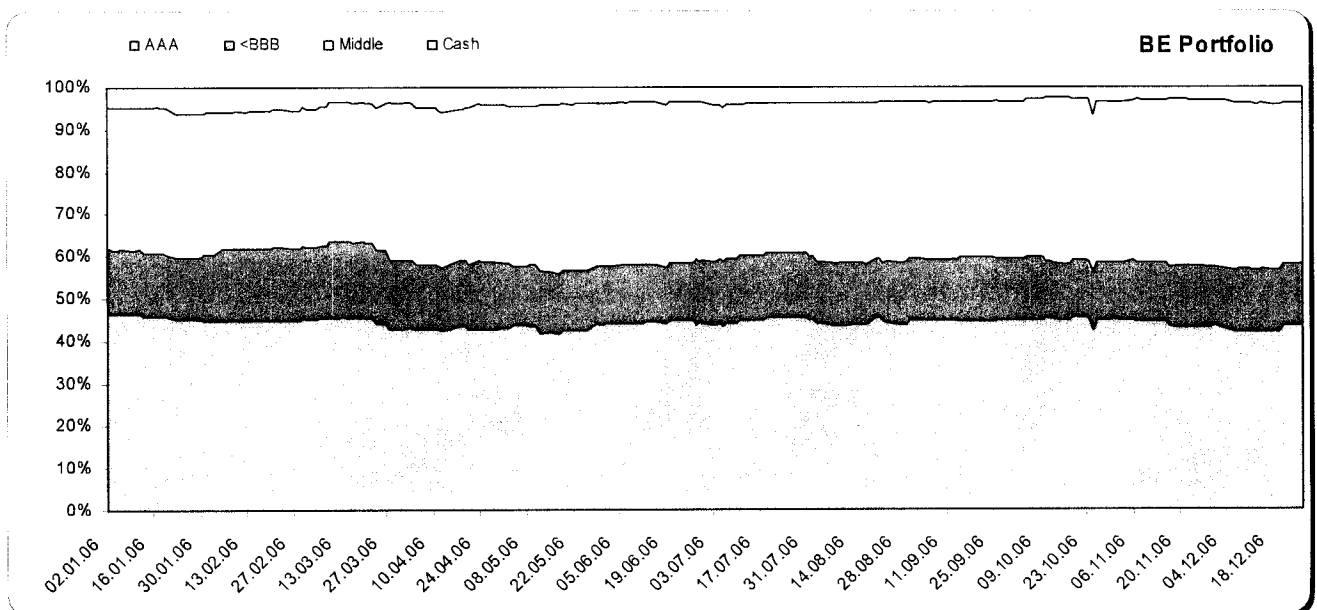
Year 2006 was definitively not an easy one for fixed income assets. Government bond yields, both in Europe and US and across the entire spectrum of the yield curve, had a volatile year and ended considerably above their levels at the beginning of the year.

A hypothetical investor who had bought at the beginning of the year German government bonds with a maturity comprised between 1 and 3 years would have gained 1.7%. If we move along the curve, holding bonds between 5 and 7 years maturity throughout 2006 would have generated a negative return of -1%. The loss would have increased to -3.1% with German government bonds exceeding 10 years maturity.

Therefore, given these circumstances, we are pleased with the performance achieved by the fund during the year. The average duration of the fund portfolio during 2006 was close to two years but both returns and volatility of returns were far better than those of a generic 2 years maturity German government bond.

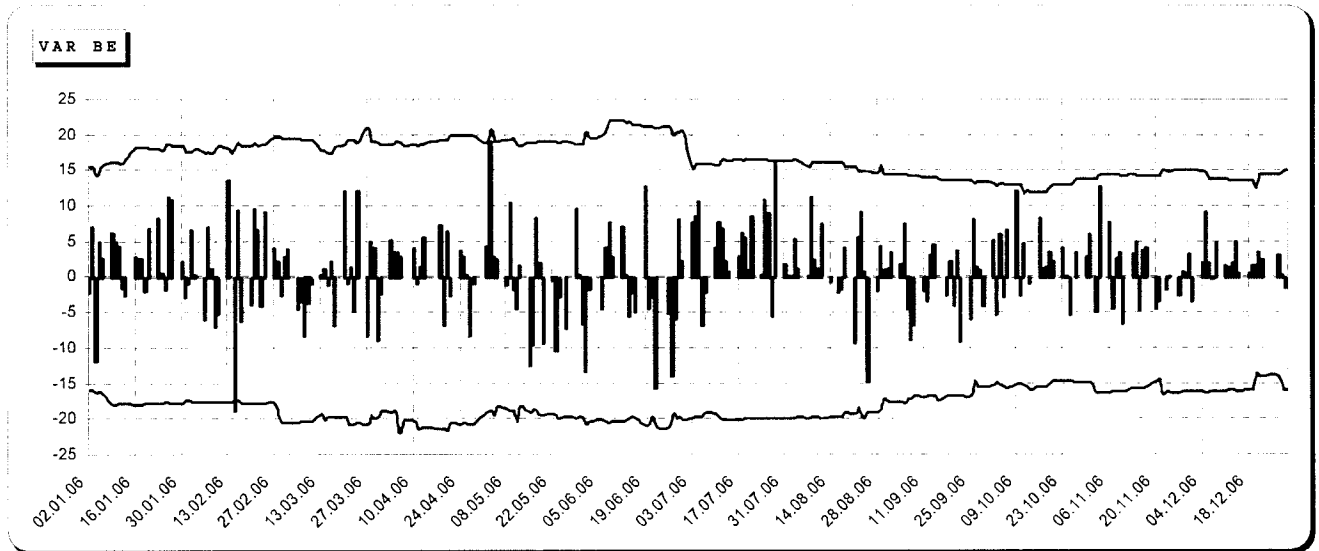
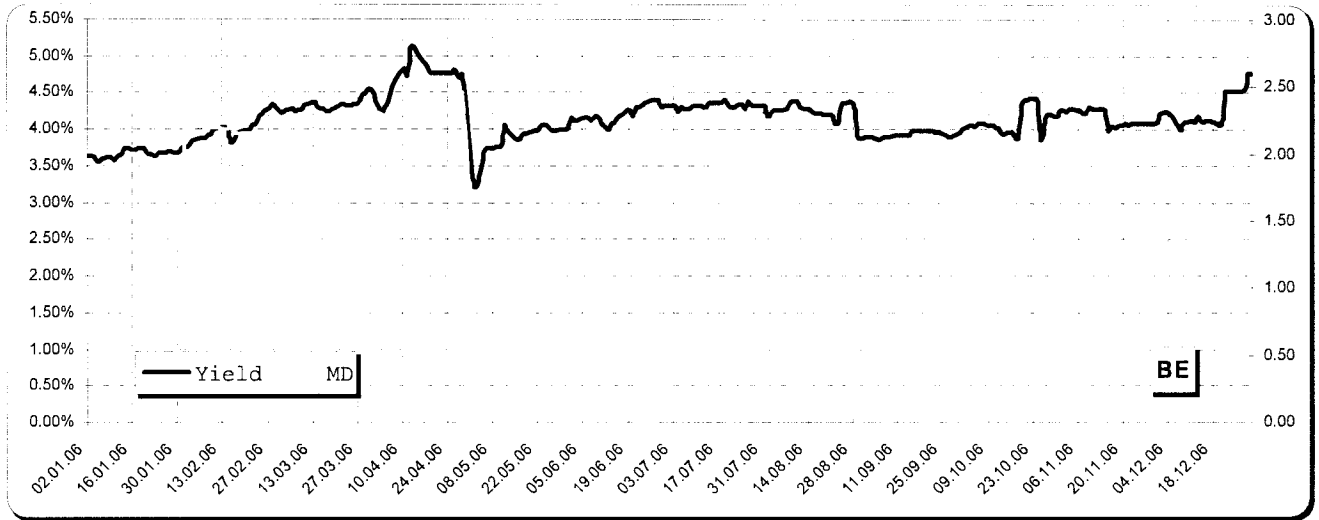
The first chart below, drawn from data gathered by Compass Asset Management, shows the portfolio composition during the year between the various types of investments (Cash, AAA, Investment Grade Credits, Sub Investment Grade Credits). The second chart shows the evolution of the portfolio average Duration and Yield to Maturity (net of hedging costs) during 2006. The third chart reports the VAR model of the fund, showing the maximum expected daily loss (red line), gain (blue line) and the actual performance (green columns).

There is no easy money to be made in fixed income markets under current conditions. Although the yield curve has moved higher during 2006, interest rates are still historically low. Moreover European yield curves have essentially no steepness, giving no incentive to roll down strategies. Credit spreads are generally tight, but luckily the credit market has broadened significantly during the last couple of years, creating enough room for a bottom-up, research driven, investment strategy. Overall such conditions suggest to our Investment Advisors that it may be difficult for the fund to achieve returns significantly above the money market rates.



CompAM FUND

DIRECTOR'S REPORT



DIRECTOR'S REPORT

BOND RISK

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

In the whole of 2006, the fund's class A share returned 6.17% net of all fees. This brings the annualized compound rate of return to 7.68% since the inauguration of the actual investment policy in January 2005.

Even though the performance achieved in 2006 is lower than the one recorded in 2005, the return is sound and consistent with the fund target performance.

The lower returns compared to 2005 are mainly the consequence of three distinct factors:

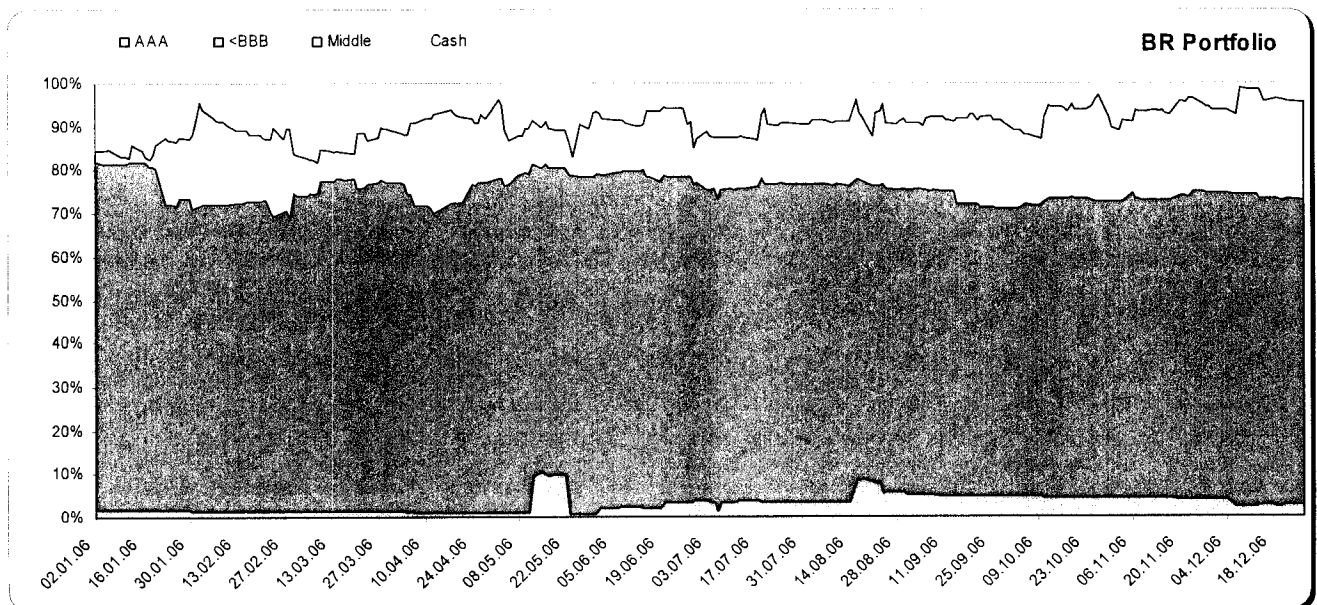
1. unfortunately, some special situations that contributed to the outstanding returns of 2005 did not repeat themselves in 2006: we are particularly referring to the Argentine debt restructuring which took place in the first half of last year and out of which the fund had a nice profit. During the course of 2006 such special situations were absent and there is no certainty that others will materialize in the near future.
2. the position in Schefenacker bonds, albeit small, had a tangible negative contribution to the fund performance. We extensively wrote about the company and the dynamics of the huge price drop in our monthly commentaries. We can add that we learnt from this dear lesson and that we implemented stricter rules when assigning weights to sub-investment grade issuers.
3. government bond yields, both in Europe and US and across the entire spectrum of the yield curve, had a volatile year and ended considerably above their levels at the beginning of the year

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 2006.

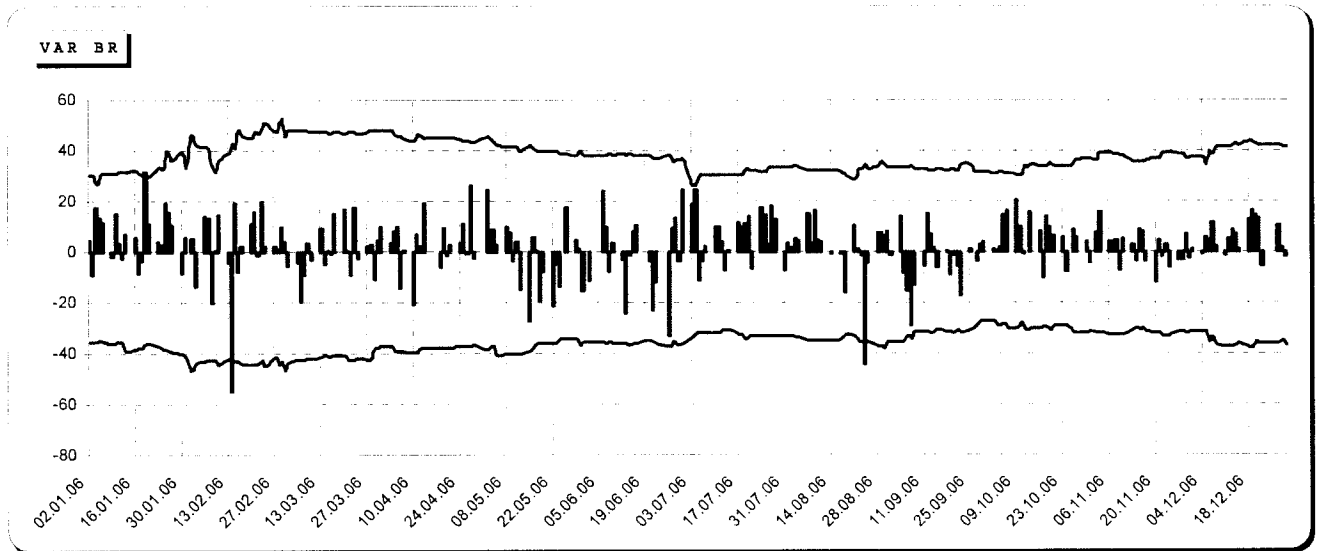
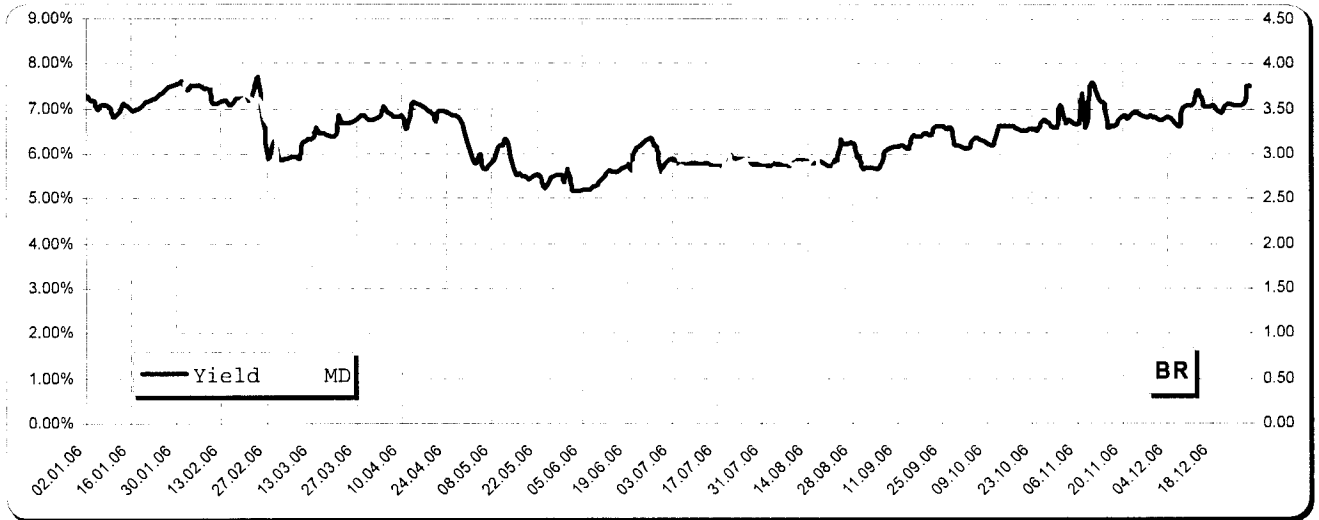
The third chart reports the VAR model of the fund, showing the maximum expected daily loss (red line), gain (blue line) and the actual performance (green columns).

There is no easy money to be made in fixed income markets under current conditions. Still historically low interest rates, flat or even inverted yield curves and narrow credit spreads, suggest to our Investment Advisors to concentrate on niches and special situations in order to maximize the portfolio risk/return potential and minimize the correlation with potentially negative market movements.



CompAM FUND

DIRECTOR'S REPORT



DIRECTOR'S REPORT

EMERGING MARKET SHORT TERM

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

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

In the whole of 2006, the fund's class A share returned 3.93% net of all fees. This brings the annualized compound rate of return to 4.83% since its inception in April 2003.

Even though the performance achieved in 2006 is lower than the one recorded in 2005, the return is sound and consistent with the fund target performance. Unfortunately, some special situations that contributed to the outstanding returns of 2005 did not repeat themselves in 2006: we are particularly referring to the Argentine debt restructuring which took place in the first half of last year and out of which the fund had a nice profit. During the course of 2006 such special situations were absent and there is no certainty that others will materialize in the near future.

Throughout the course of the year, the portfolio average duration has been in the range between the upper limit of 2 years and 1.5 years. As far as portfolio yield to maturity is concerned, this has been increasing during 2006 from around 5% at the beginning of the year to well above 6% by the end of December. The move in the portfolio yield to maturity is a direct consequence of the substantial upward shift of the yield curves both in Europe and in US.

In terms of portfolio composition, the local currency component was maintained stable between 15% and 20% of the fund net assets. Within this sector, the exposure to East Europe currencies was gradually reduced: both the Hungarian Forint and the Polish Zloty are no longer present in portfolio, while the position on Turkish Lira was reduced. On the other side, an exposure to the Russian Ruble was built throughout the year: this currency now accounts for 5.25% of the fund net assets and is the highest weighted local currency in portfolio. In Latin America the weights of the Brazilian Real and the Mexican Peso did not vary much while a new position on the Colombian Peso was established. In East Asia the fund has no longer an exposure after we took profit on the Philippine Peso in the latter part the year.

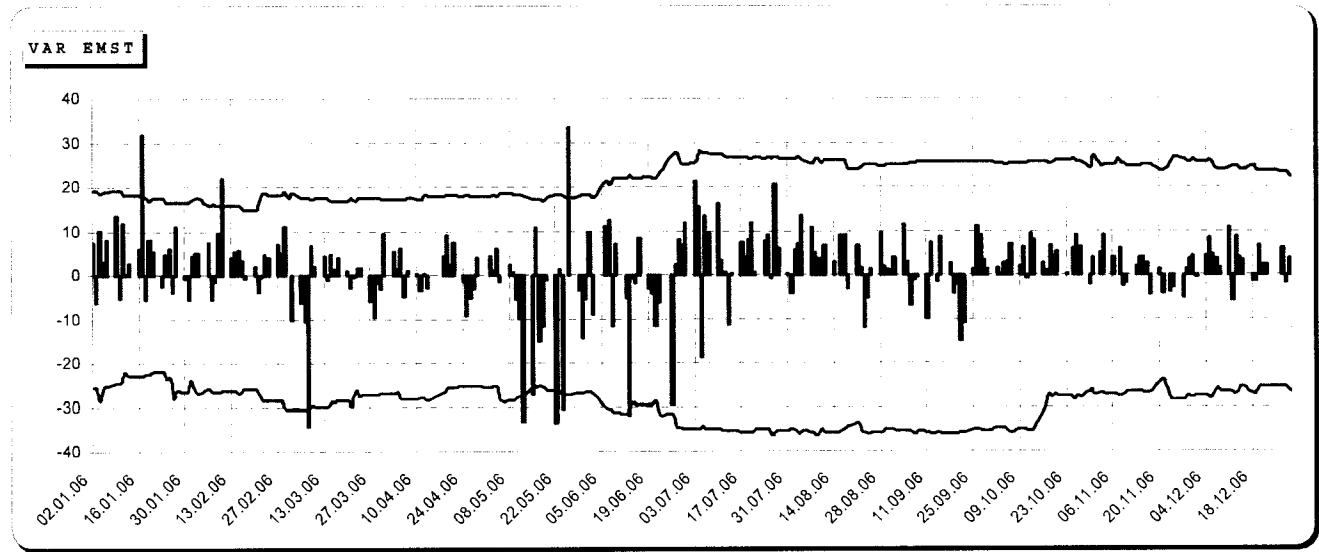
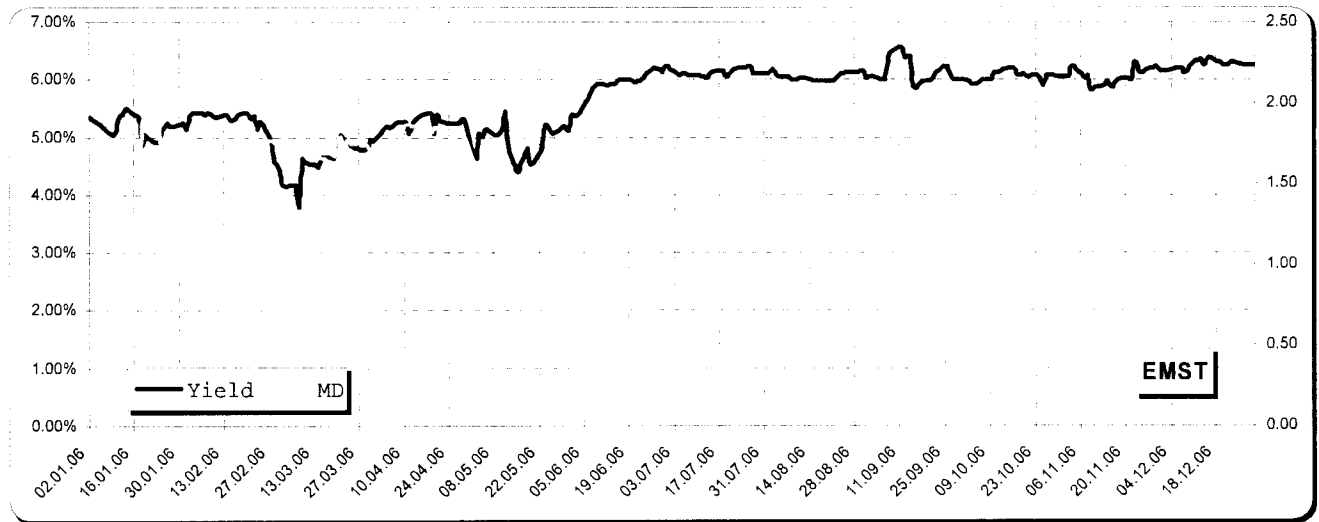
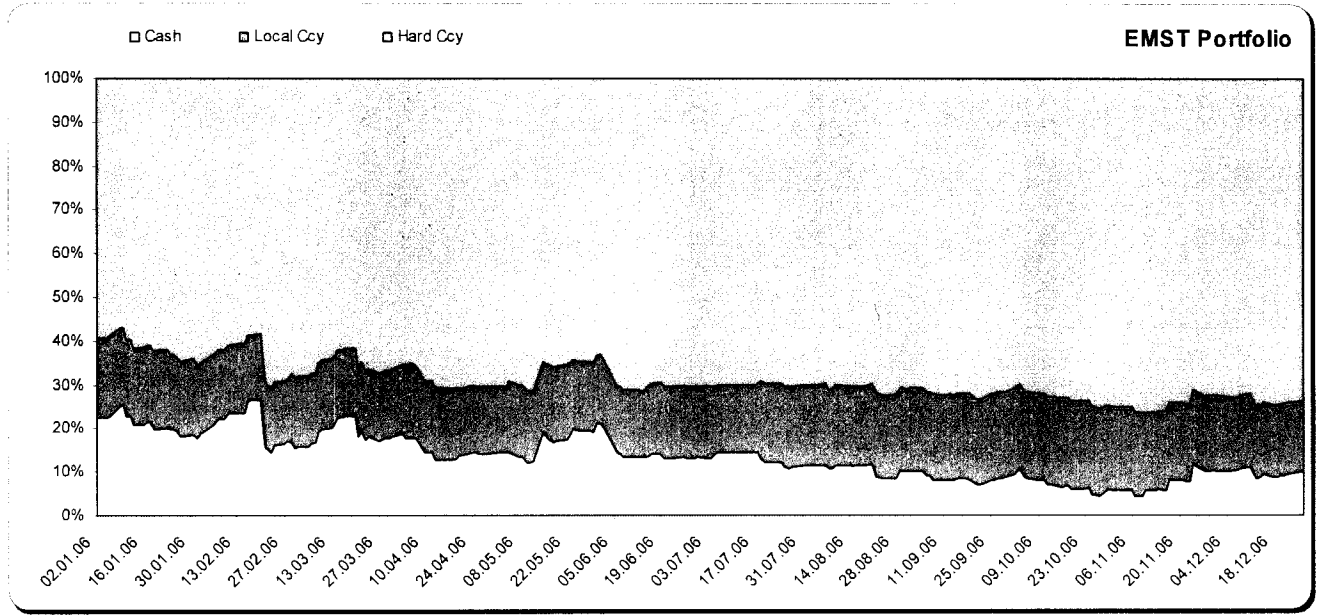
In the hard currency section of portfolio, the trend over the course of the year was a reduction in the sovereign component and an increase in the corporate one. This transition is the natural consequence of two linked factors:

- sovereign issues are becoming more and more a scarce resource given that the vast majority of emerging country governments keep retiring debt from the market, either by redeeming using their excess fiscal balances or by substituting it with domestic debt. This has caused a substantial contraction of spreads at which sovereign issues are traded.
- the lack of issuance by sovereigns and improving country macro fundamentals have crowded in corporate issuers. This phenomenon has been clear especially in the second half of the year and has created, for smart investors, several investment opportunities.

Finally, cash position at the end of year was close to 10%, almost halved from the levels prevailing in January 2006.

CompAM FUND

DIRECTOR'S REPORT



DIRECTOR'S REPORT

EMERGING MARKET RISK

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

In the whole of 2006, the fund's class A share returned 8.44% net of all fees. This brings the annualized compound rate of return to 7.72% since its inception in December 2005.

We are pleased with the performance of the fund and the way it developed throughout the course of the year. Volatility of returns was contained especially during the tough months of May and June, and the fund was able to fully recover those losses and establish new highs by the beginning of August.

Throughout the course of the year portfolio average duration has been in the range between 2.5 years and 4.5 years. As far as portfolio yield to maturity is concerned, this has been increasing during 2006 from around 6% at the beginning of the year to slightly above 7% by the end of December. The move in the portfolio yield to maturity is partially motivated by the upward shift of the yield curves both in Europe and in US.

In terms of portfolio composition, the local currency component was maintained stable between 15% and 20% of the fund net assets.

Within this sector, as far as East Europe is concerned, an exposure to the Russian Ruble was built throughout the year: this currency now accounts for 6.75% of the fund net assets and is the highest weighted local currency in portfolio. The other exposure within this geographical area is on the Turkish Lira: the position was established during the sell off of May and June and subsequently was more than halved following the currency recovery.

In Latin America the weights of the Brazilian Real and the Mexican Peso did not vary much while a new position on the Colombian Peso was established.

In East Asia the fund has no longer an exposure after we took profit on the Philippine Peso in the latter part the year.

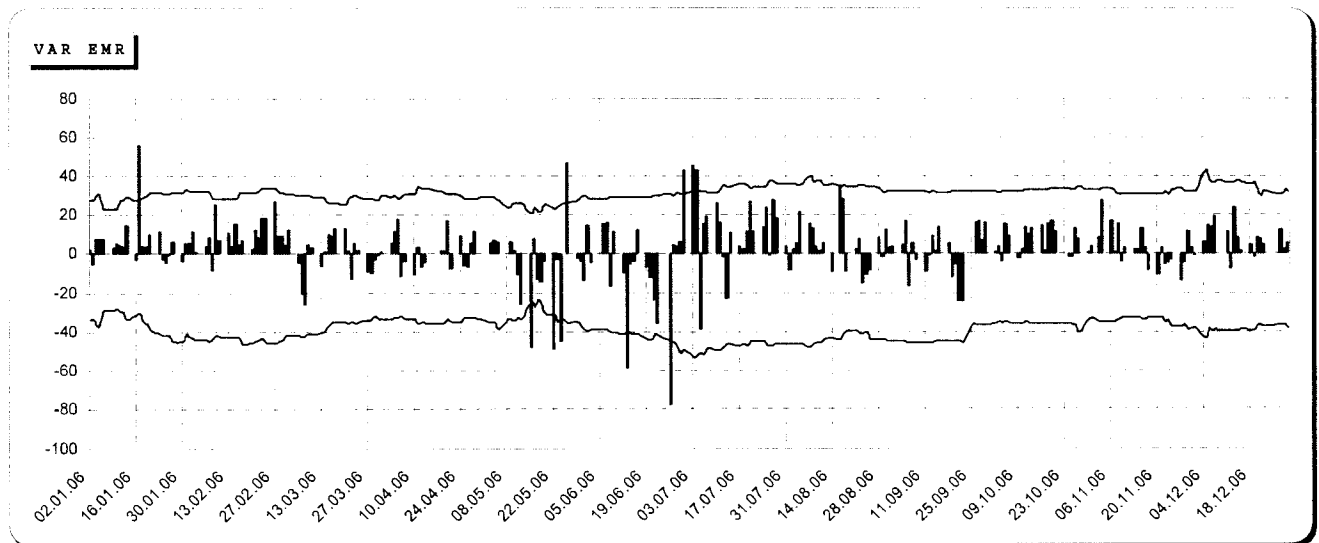
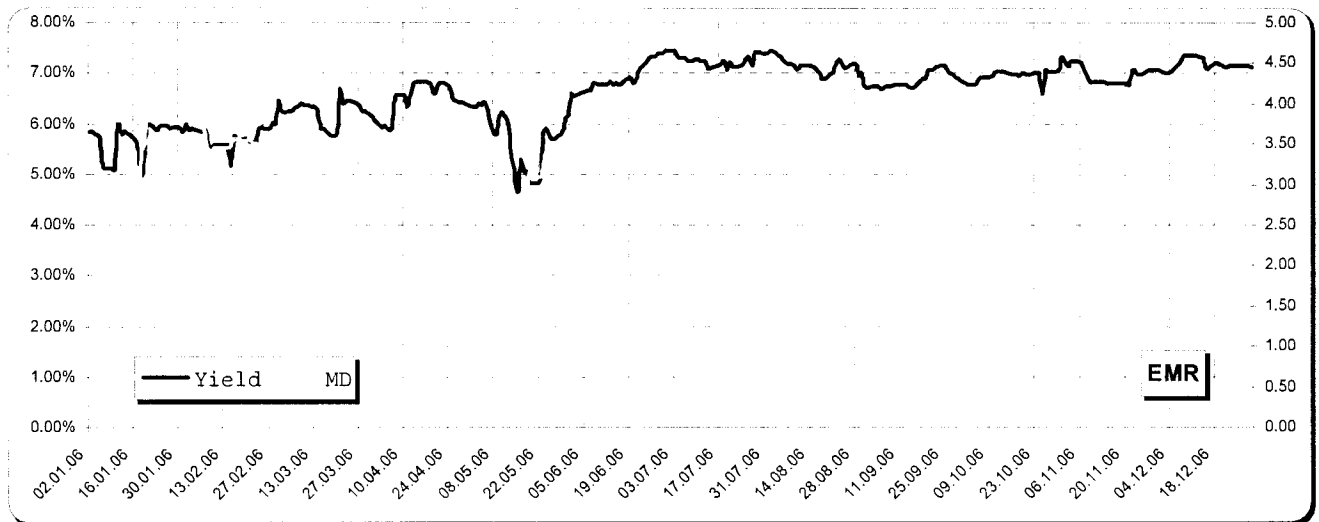
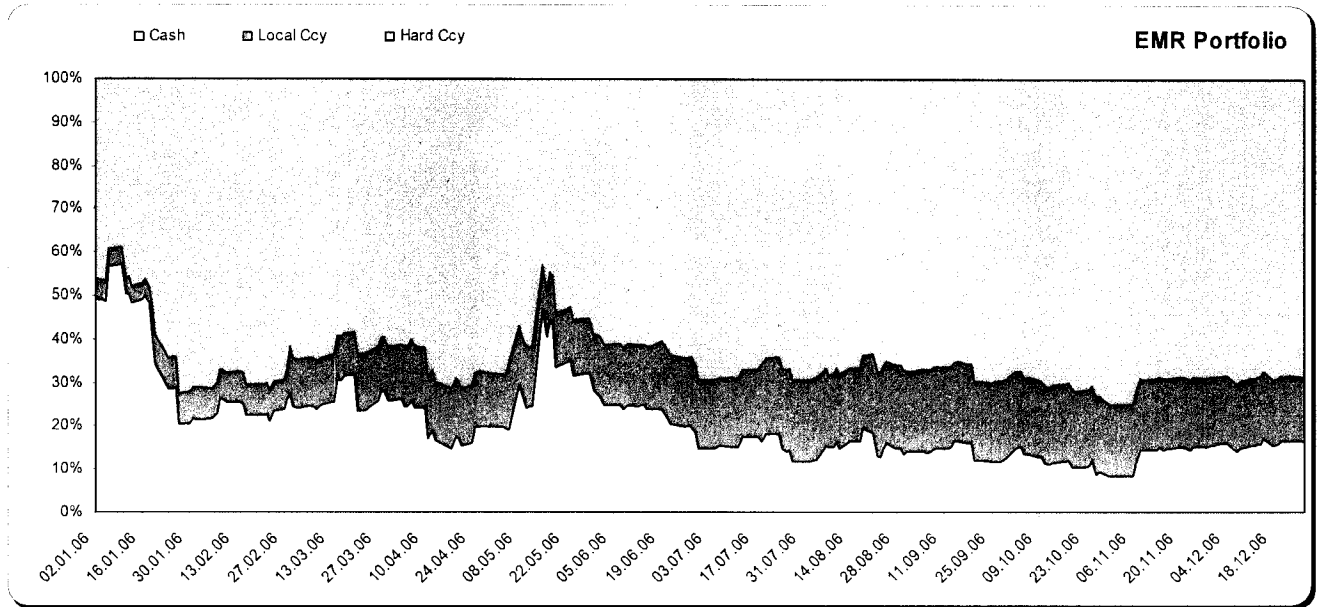
In the hard currency section of portfolio, the trend over the course of the year was a substantial reduction in the sovereign component and an increase in the corporate one. This transition is the natural consequence of two linked factors:

- sovereign issues are becoming more and more a scarce resource given that the vast majority of emerging country governments keep retiring debt from the market, either by redeeming using their excess fiscal balances or by substituting it with domestic debt. This has caused a substantial contraction of spreads at which sovereign issues are traded.
- the lack of issuance by sovereigns and improving country macro fundamentals have crowded in corporate issuers. This phenomenon has been clear especially in the second half of the year and has created, for smart investors, several investment opportunities.

Finally, cash position at the end of year was close to 20%, following new subscriptions coming in right at the end of December.

CompAM FUND

DIRECTOR'S REPORT



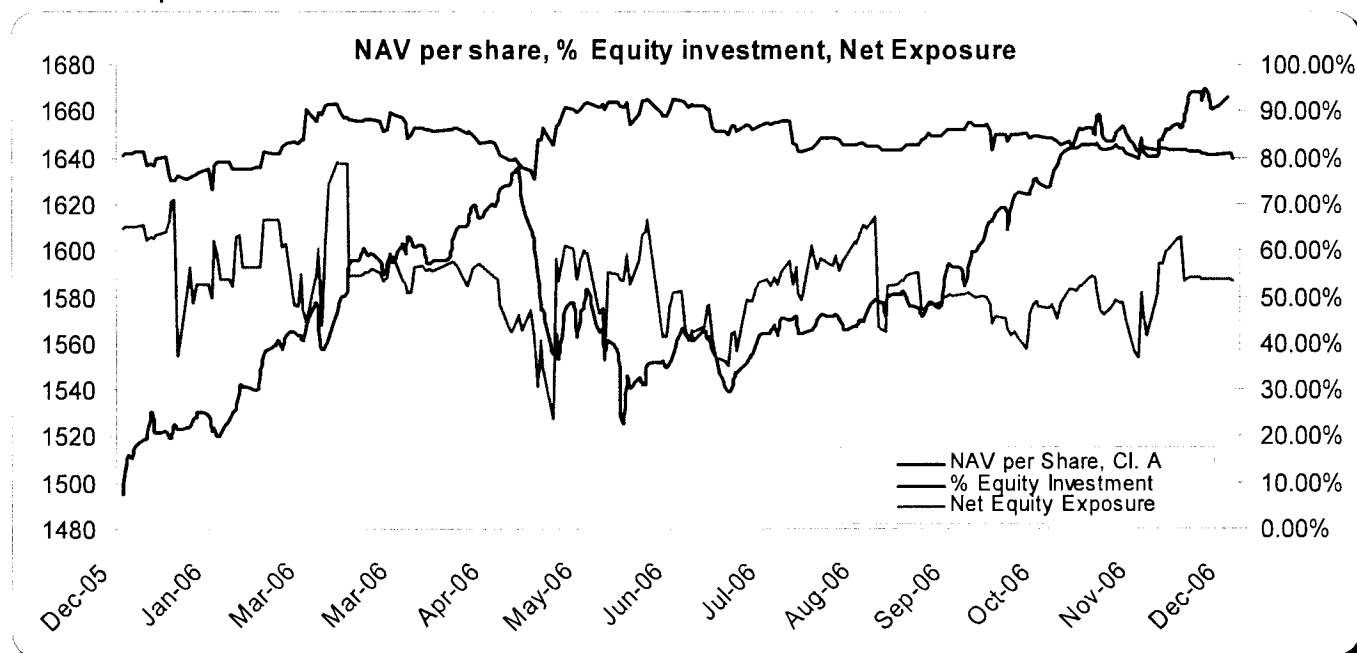
DIRECTOR'S REPORT**EUROPEAN EQUITY**

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

In 2006 the fund's class A delivered a net return of 11.81% that is essentially in line with our targets; we are also pleased by the fund's relative performance during the May/June sell off on the markets that allowed to test the reviewed risk control policy of the fund established toward the end of 2005. The average compounded annual return since inception in March 2003 is 14.27%, still well in excess of target.

Based on the daily data, the average exposure during the year, calculated by our Investment Advisor subtracting from the value of the fund's portfolio of stocks the underlying value of futures sold or the delta adjusted option exposure, was 53.10% (versus last year's average of 59.77%), with an average hedging ratio of 36.96% (versus 31.42% in 2005), i.e. an average gross exposure of 84.24% against 91.19% in 2005. On average the portfolio was tilted towards the Communication and Financial sectors (Bloomberg sectors definitions) with, respectively, 27.64% and 27.37% of the value invested in equities whilst in geographical terms Italy had the lion share with an average of 48.3% of the portfolio; Germany had 16.10% and France 11.01%.

During the year, the portfolio turned 1.95 times the average end of day assets (sum of purchases and sales divided by average end of day assets), with an average transaction cost of 7.8 basis points, i.e. a total transaction cost to the fund of 15.2 basis points, increasing to 26 basis points once the commissions for futures and options are taken into account.



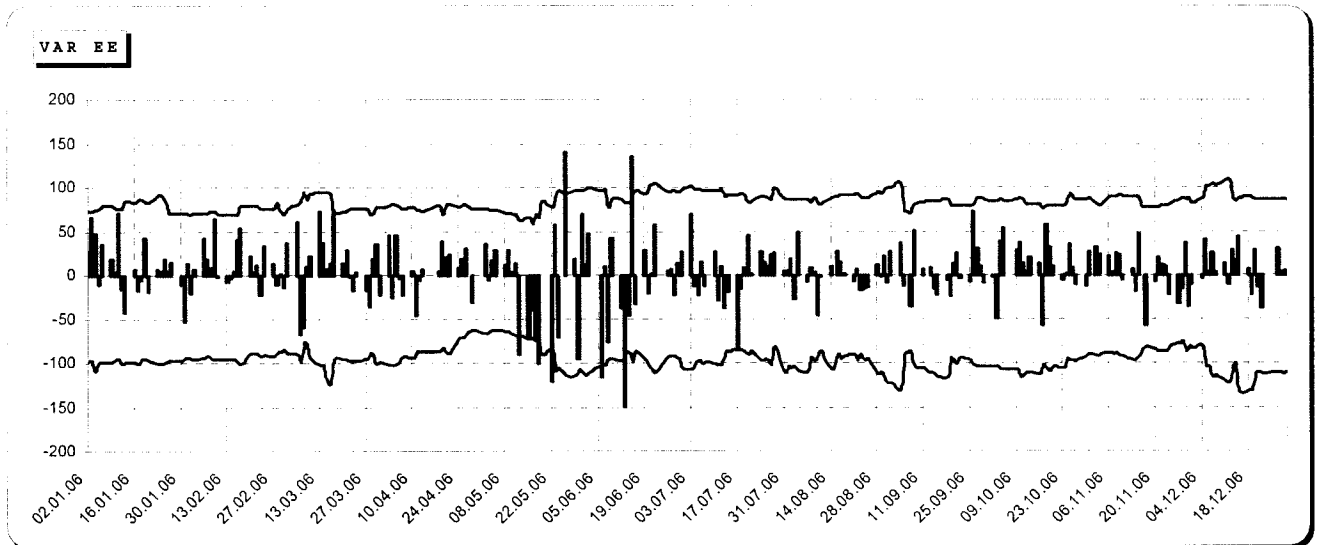
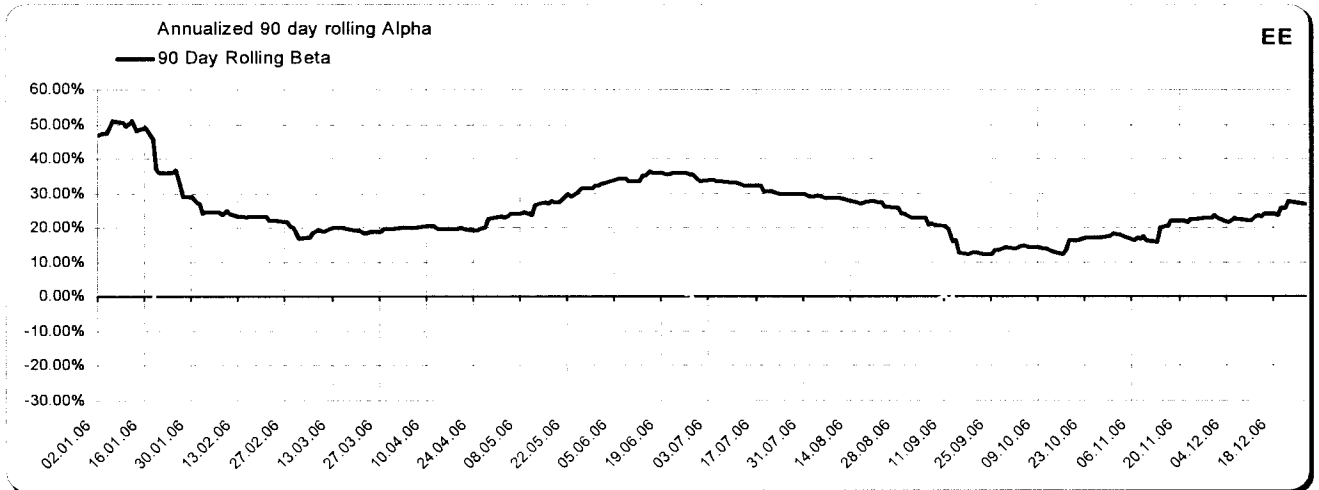
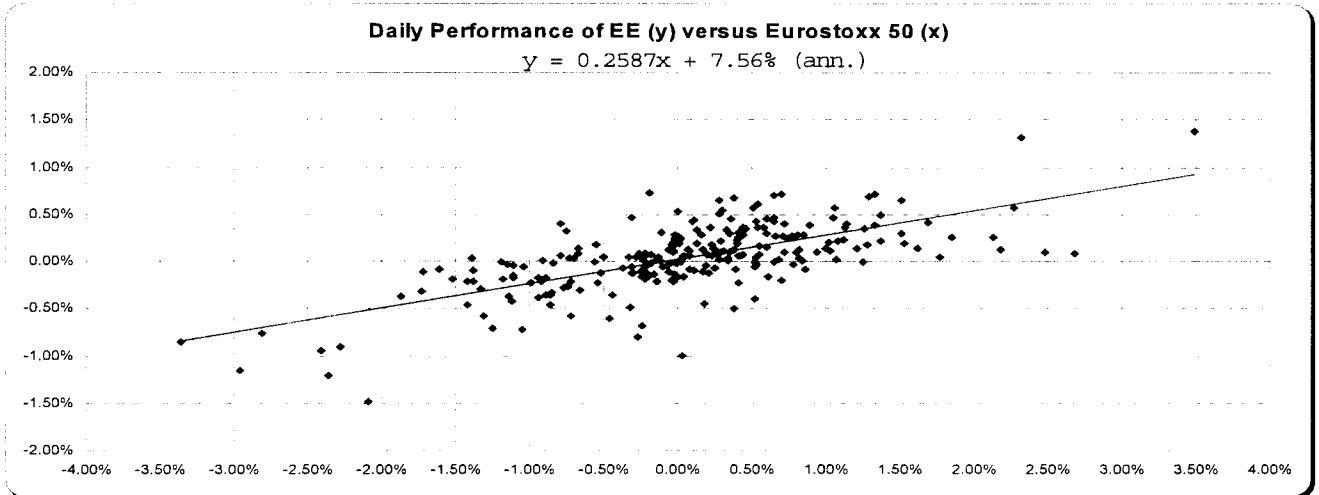
The greatest 30 contributors to the performance during the year were (in decreasing order) Azimut, Fiat, Hera, Parmalat, DMT, Deutsche Postbank, Cementir, Allianz, Post Austria, Pirelli, Amplifon, Aberdeen Asset Management, Swedish Match, Sultzer, Hellenic Exchanges, Autostrade, Ifil, Porsche, Unicredito, ENI, Vodafone, United Internet, Renault, Daimler, Banco BPI, Seat Pagine Gialle, Acerinox, Navigazione Montanari, HVB, Fondiaria Sai and Campari.

Hedging was a cost to the fund of 6.38% (versus last year's 12.5%); we're definitely pleased of having achieved a higher hedging ratio at almost half the cost of last year. This is due to an extensive effort to fine tune the hedging process, trading the gamma and reducing the time decay cost by selling out of the money call options.

CompAM FUND

DIRECTOR'S REPORT

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 7.56% and had a beta of 25.87%. We are happy with the low beta and satisfied by the alpha consistency as depicted in the 90 day rolling chart. Risk absorption was tuned during the year according to the market developments, reducing risk before and during the correction to increase once the markets were out of the woods.



DIRECTOR'S REPORT

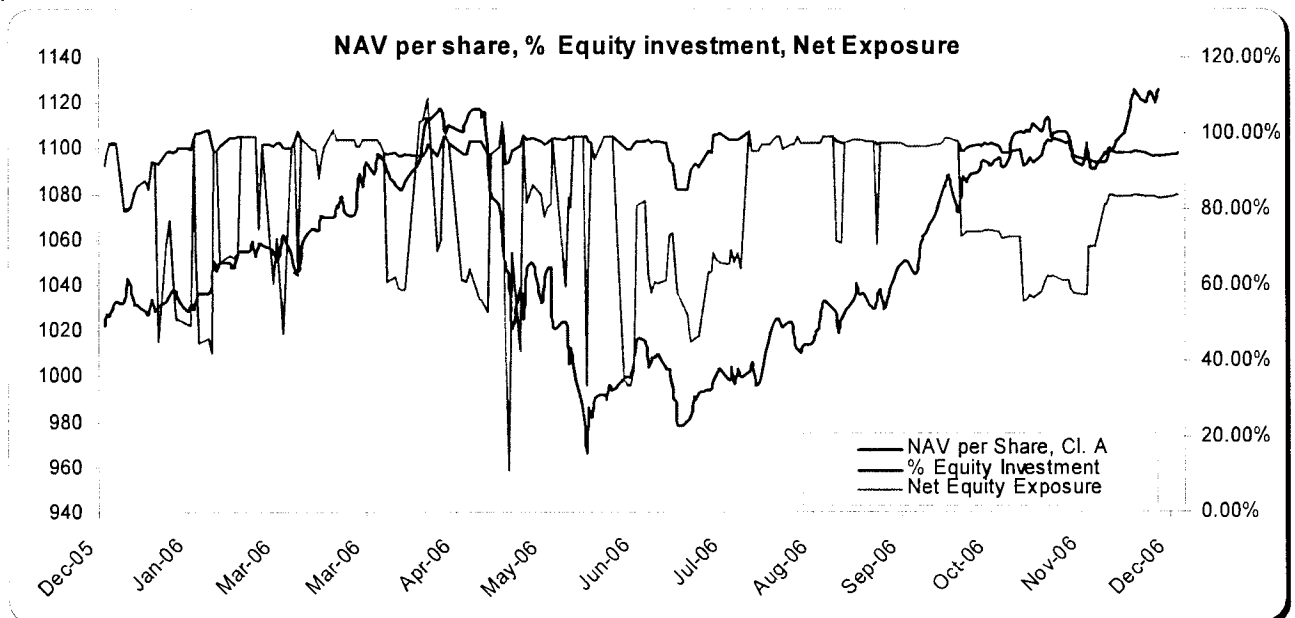
EQUITY RISK

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

In 2006 the fund's class A delivered a net return of 11.85%. Given the strong equity market context, we are not satisfied of this return. Furthermore the drawdown incurred by the fund in the May/June sell off was a lot higher than our expectations and triggered a complete review of the original investment and risk guidelines of the subfund. The outcome of this self-examination was that the portfolio was too concentrated and that it needed more diversification and less turnover. The results achieved in the latter part of 2006 (although in a very favorable market context) seem encouraging, but another acid test is needed before we can claim to have achieved a satisfactory result.

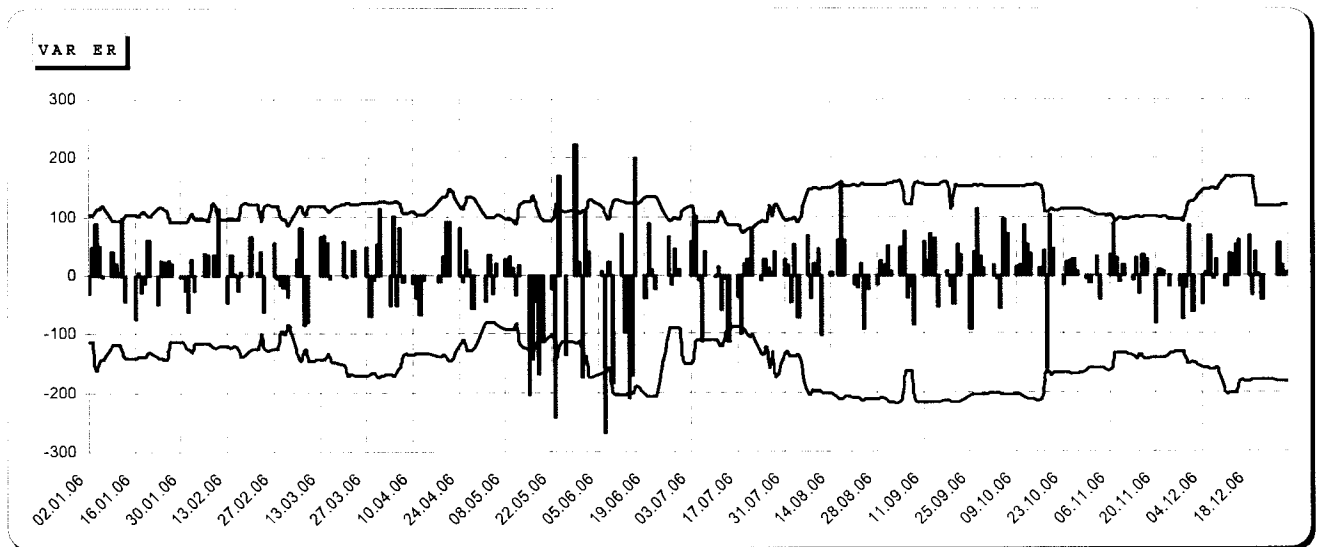
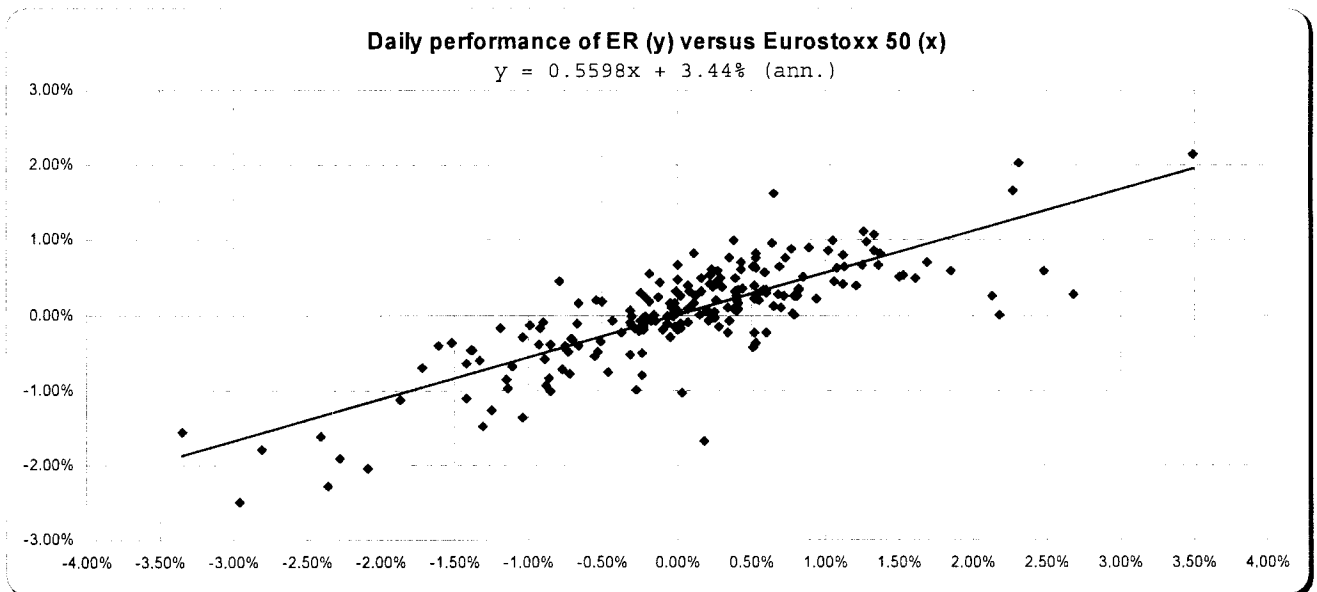
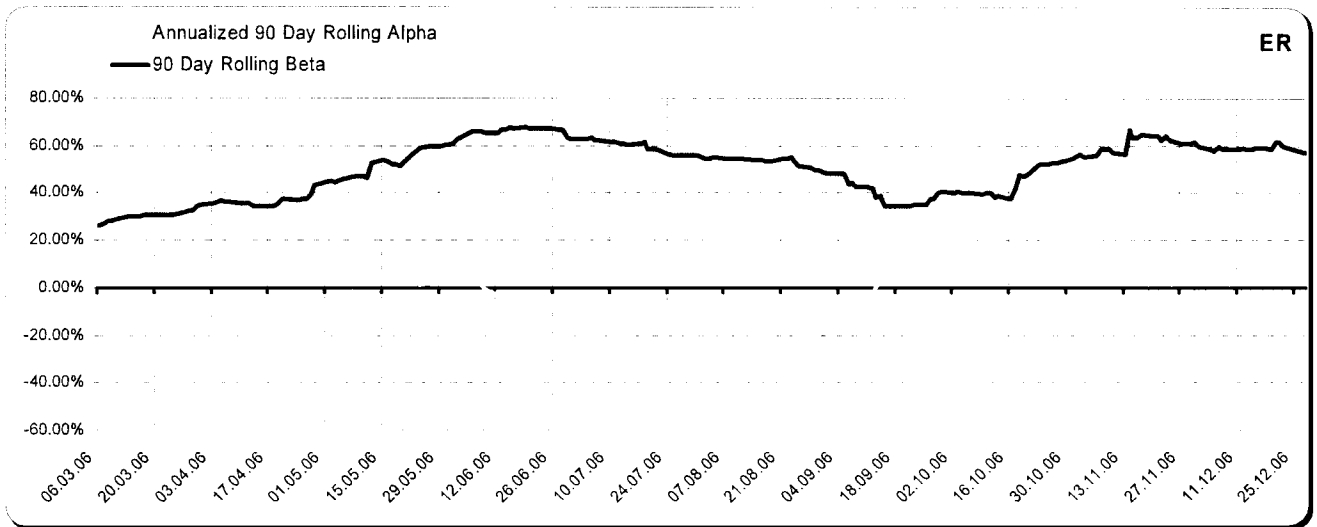
During the year, the portfolio turned 4.032 times the average end of day assets, with an average transaction cost of 8.2 basis points, i.e. a total transaction cost to the fund of 33 basis points, increasing to 54 basis points once the commissions for futures and options are taken into account. Excessive turnover was certainly one further reason of the poor performance.

The greatest 20 contributors to the performance during the year were (in decreasing order) Azimut, DMT, Parmalat, Allianz, Seat Pagine Gialle, Renault, Porsche, IFIL, Carnival PLC, United Internet, Mota Engil, ENI, Unicredito, Fiat, Campari, Safilo, Eutelsat, France Telecom, Repsol and Autostrade. Hedging costed to the fund 4.50% and failed to reduce the downside in the only period of the year when (with hindsight) it was needed; we clearly have to adapt the hedging process in the context of a more dynamic and concentrated portfolio.



CompAM FUND

DIRECTOR'S REPORT

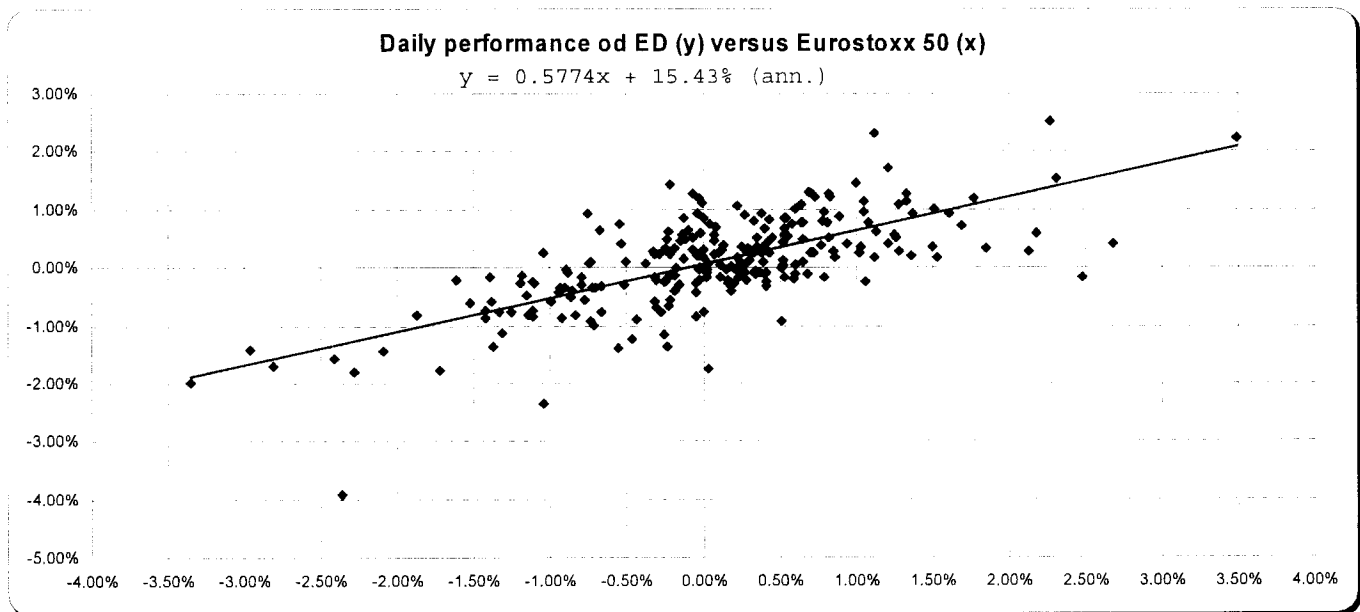
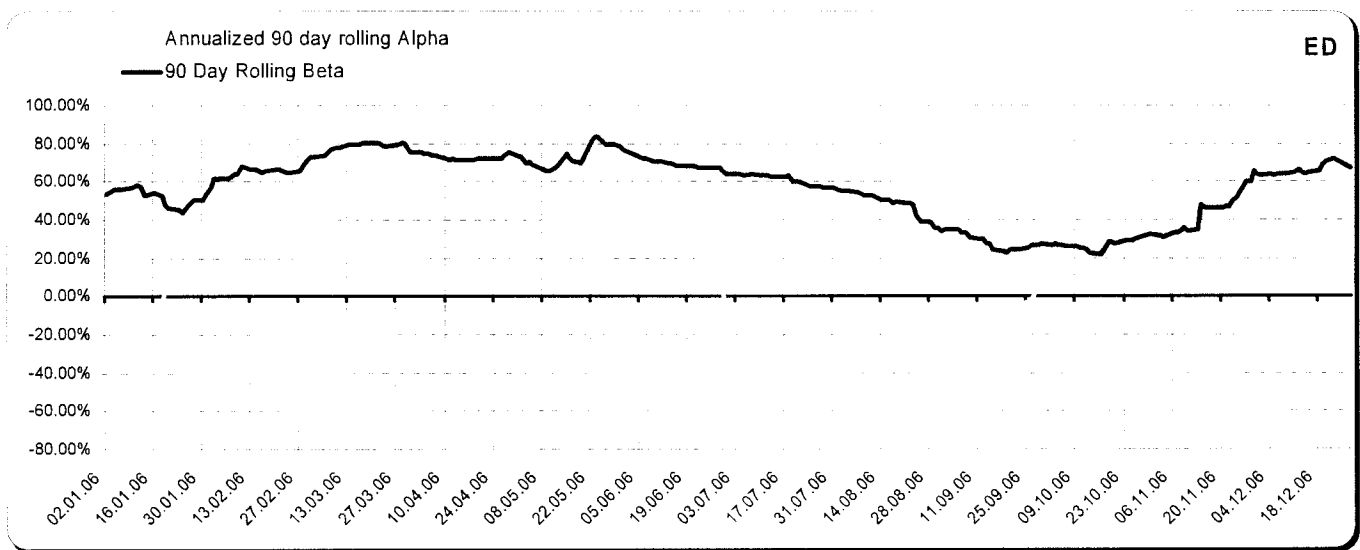


DIRECTOR'S REPORT

EUROPE DYNAMIC 0/100

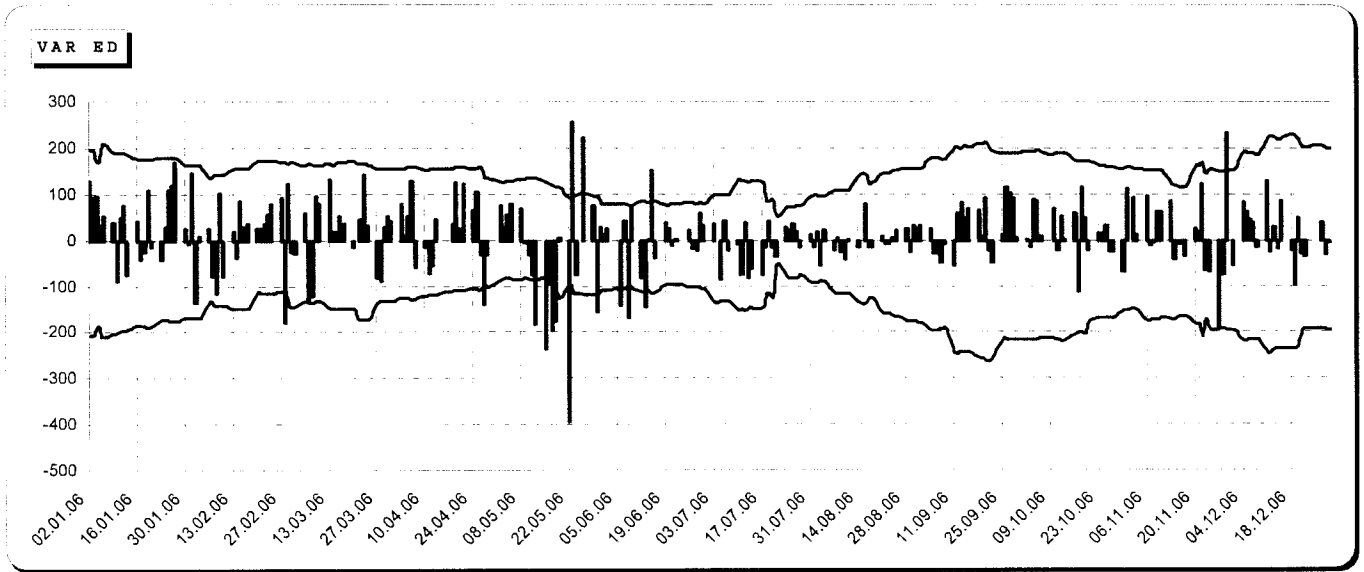
The Europe Dynamic 0/100 sub-fund can invest in securities (at least 80% issued by companies domiciled or deriving a significant part of their revenues from Europe) with the freedom to go from 0% up to 100% of its assets in Equities. The investment strategy is based on market timing rather than stock 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; these developments certainly helped in improving the performance by a significant margin in 2006.

During 2006 this fund returned 25.32%, adequately compensating the high volatility and large drawdown incurred.



CompAM FUND

DIRECTOR'S REPORT



DIRECTOR'S REPORT

2006 Director's Report – Outlook for 2007

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

Our investment process in 2007 will continue to assume that the markets will be essentially unchanged and we will focus on specific bottom-up research to identify good risk/reward positions, to mix them in a portfolio and manage the resulting market risk, optimizing weights of the positions and various hedging techniques depending on the risk profile of each sub-fund.

During 2006 our Investment Advisor has continued to increase its structure and personnel, investing significant amounts of money to build knowledge and systems in order to be able to better support Compam Fund in its development. Major improvements have been achieved in risk management, administration, reconciliation and operational issues. For instance, all distributors will have noticed a dramatic reduction in the time to calculate and pay the placing agent fees. Increasingly detailed reporting is available on a monthly basis to all directors, covering all sorts of issues from investment performance to risk management, to operational issues etc. Reporting to investors has also improved in transparency, responsiveness and, hopefully, clarity.

While we are looking forward to continue our efforts in 2007, we wish to thank here all the personnel at Compass Asset Management, Sella Bank Luxembourg, Banca Sella, Deloitte, Arendt-Medernach and, of course, all the distributors and investors in the fund for their support and cooperation.

The Board of Directors

April 26, 2007

REPORT OF THE REVISEUR D'ENTREPRISES

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

Following our appointment by the annual general meeting of the shareholders dated May 10, 2006, we have audited the accompanying financial statements of CompAM FUND and of each of its sub-funds which comprise the combined statement of net assets, the statement of net assets and the statement of investments and other net assets as at December 31, 2006 as well as the combined statement of operations and changes in net assets and the statement of operations and changes in net assets for the year then ended, and a summary of significant accounting policies, and other explanatory notes to the financial statements.

Board of Directors' of the SICAV responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the Institut des réviseurs d'entreprises. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of CompAM FUND and of each of its Sub-Funds as at December 31, 2006, and of the results of their operations and changes in their net assets for the year then ended in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

REPORT TO THE REVISEUR D'ENTREPRISES (continued)

Other matter

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

Deloitte SA
Réviseur d'entreprises



S. Césari
Partner

April 26, 2007
560 rue de Neudorf
L-2220 Luxembourg

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2006
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	264,756,868.26
- Net unrealised result	2 c	<u>2,429,441.93</u>
		267,186,310.19
Cash & other liquid assets:		
- Cash at bank		18,196,615.27
- Time deposits		17,292.98
- Deposits on futures contracts		972,015.19
Other assets:		
- Formation expenses, net	2 h	34,454.39
- Receivables on investments		2,026,020.10
- Receivables on subscriptions		845,834.49
- Interest on time deposit receivable		108.61
- Dividends receivable		37,494.87
- Bank interest receivable		179,937.12
- Interest receivable on bonds		5,065,200.07
- Unrealised gain on futures contracts	10	227,288.12
- Unrealised gain on forward foreign exchange contracts	11	<u>1,625,965.63</u>
		296,414,537.03
LIABILITIES		
- Deposits on futures contracts		32,605.98
- Unrealised loss on futures contracts	10	75,492.50
- Taxes and expenses payable		2,082,423.97
- Payables on redemptions		456,170.69
- Payables on securities purchased		<u>272,080.94</u>
		2,918,774.08
NET ASSETS		<u><u>293,495,762.95</u></u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2006
(in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		206,091,888.79
INCOME		
Income from investments:		
- Dividends, net		820,614.34
- Bond interest		12,530,500.64
- Bank interest		742,894.77
- Extraordinary income		1,956.77
		14,095,966.52
EXPENSES		
Fees:		
- Investment advisory fee	5	1,732,312.16
- Director's fees		52,791.98
- Performance fee	6	1,474,834.65
- Custodian and administration fees	7	546,423.65
- Placing agent and correspondent bank fees	8	1,910,357.89
Other expenses:		
- Annual tax	9	137,661.55
- Amortisation of formation expenses	2 h	22,402.26
- Audit and legal fees		72,291.66
- Printing, publishing and reporting expenses		77,345.83
- Administration and other expenses		45,453.95
- Futures and options expenses		71,641.94
- Bank interest		3,556.29
		6,147,073.81
NET RESULT ON INVESTMENTS		7,948,892.71
Net realised result on:		
- Investments		7,448,716.92
- Foreign exchange		1,968,687.70
- Options		(1,518,720.00)
- Futures contracts		381,385.12
NET REALISED RESULT		16,228,962.45
Change in net unrealised appreciation/(depreciation) on:		
- Investments		(3,940,913.85)
- Forward foreign exchange contracts		2,253,043.00
- Futures contracts		374,960.73
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		14,916,052.33
MOVEMENTS IN CAPITAL		
Subscriptions of shares		199,541,804.36
Redemptions of shares		(127,053,982.53)
		72,487,821.83
NET ASSETS AT THE END OF THE YEAR		293,495,762.95

The accompanying notes form an integral part of these financial statements

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2006
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	46,329,191.47
- Net unrealised result	2 c	<u>(1,547,949.48)</u>
		44,781,241.99
Cash & other liquid assets:		
- Cash at bank		5,400,951.12
- Deposits on futures contracts		48,238.32
Other assets:		
- Formation expenses, net	2 h	3,763.65
- Receivables on investments		282,749.97
- Receivables on subscriptions		159,385.99
- Bank interest receivable		42,772.88
- Interest receivable on bonds		1,382,494.21
- Unrealised gain on futures contracts	10	28,234.34
- Unrealised gain on forward foreign exchange contracts	11	<u>568,975.88</u>
		52,698,808.35
LIABILITIES		
- Taxes and expenses payable		319,730.84
- Payables on redemptions		<u>147,646.84</u>
		467,377.68
NET ASSETS		<u><u>52,231,430.67</u></u>
Net asset value per Class A share		1,193.421
Number of Class A shares		34,524.318
Net asset value per Class B share		1,186.382
Number of Class B shares		8,354.304
Net asset value per Class Z share		1,050.020
Number of Class Z shares		1,064.735

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2006
 (in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		38,157,512.39
INCOME		
Income from investments:		
- Bond interest, net		3,380,097.92
- Bank interest		206,032.89
- Extraordinary income		1,120.45
		<u>3,587,251.26</u>
EXPENSES		
Fees:		
- Advisory fee	5	315,554.20
- Director's fees		8,056.00
- Performance fee	6	194,741.79
- Custodian and administration fees	7	105,335.28
- Placing agent and correspondent bank fees	8	369,136.19
Other expenses:		
- Annual tax	9	26,872.05
- Amortisation of formation expenses	2 h	5,645.64
- Audit and legal fees		10,129.22
- Printing, publishing and reporting expenses		12,062.29
- Administration and other expenses		17,227.62
- Futures and options expenses		1,815.84
- Bank interest		385.06
		<u>1,066,961.18</u>
NET RESULT ON INVESTMENTS		<u>2,520,290.08</u>
Net realised result on:		
- Investments		(483,082.12)
- Foreign exchange		901,879.24
- Futures contracts		218,005.47
NET REALISED RESULT		<u>3,157,092.67</u>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		(2,381,676.50)
- Forward foreign exchange contracts		954,587.64
- Futures contracts		72,361.24
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		<u>1,802,365.05</u>
MOVEMENTS IN CAPITAL		
Subscriptions of shares		32,016,818.40
Redemptions of shares		(19,745,265.17)
		<u>12,271,553.23</u>
NET ASSETS AT THE END OF THE YEAR		<u>52,231,430.67</u>

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE YEAR ENDED DECEMBER 31, 2006

	Class A	Class B	Class Z
Shares outstanding at the beginning of the year	29,140.325	3,586.979	583.658
Subscriptions of shares	19,476.505	7,129.035	956.878
Redemptions of shares	<u>(14,092.512)</u>	<u>(2,361.710)</u>	<u>(475.801)</u>
Shares outstanding at the end of the year	34,524.318	8,354.304	1,064.735

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
31.12.2004	18,348.361	-	-	19,869,386.38	1,082.897	-	-
31.12.2005	29,140.325	3,586.979	583.658	38,157,512.39	1,148.342	1,146.101	999.597
31.12.2006	34,524.318	8,354.304	1,064.735	52,231,430.67	1,193.421	1,186.382	1,050.020

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2006

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
Transferable securities admitted to an official stock exchange, Bonds					
ARS	1,430	ARGENTINA 15/12/2035 0.000%	0.00	44.24	0.00%
ARS	482	ARGENTINA 31/12/2033 5.830%	0.00	174.02	0.00%
BRL	1,500,000	BANCO DO BRASIL CAYMAN BRL 17/12/2007 0.000%	288,988.49	462,927.49	0.89%
COP	2,700,000,000	COLOMBIA 01/03/2010 11.750%	998,275.02	986,488.58	1.89%
EUR	1,000,000	ALFA DIV 15/10/2011 FRN	1,000,030.00	1,000,000.00	1.91%
EUR	576,956	BUENOS AIRES 15/04/2017 8.500%	579,135.13	603,294.04	1.16%
EUR	250,000	BANQUE CENTRALE DE TUNISIE REGS 07/04/2011 4.750%	248,937.50	252,212.50	0.48%
EUR	766,938	BRAZIL 23/04/2008 7.000%	807,375.21	791,633.22	1.52%
EUR	1,022,584	BRAZIL 26/02/2007 8.000%	1,088,570.42	1,027,696.68	1.97%
EUR	576,956	BUENOS AIRES 15/04/2017 8.500%	579,135.13	603,294.04	1.16%
EUR	3,000,000	COLOMBIA 31/01/2008 11.375%	3,436,475.00	3,228,000.00	6.18%
EUR	1,000,000	GAZ CAPITAL SA 27/09/2010 7.800%	1,122,545.00	1,103,600.00	2.11%
EUR	1,000,000	KAZKOMMERTSBANK INTERNATIONAL BV 23/03/2011 5.125%	993,030.00	989,400.00	1.89%
EUR	542,279	MEXICO 20/02/2007 9.125%	616,795.00	546,671.74	1.05%
EUR	500,000	PETROL 26/10/2011 8.375%	497,565.00	516,250.00	0.99%
EUR	800,000	RUSSIAN CAR LOAN 16/10/2017	800,030.00	800,000.00	1.53%
EUR	1,000,000	RUSSIAN CONSUMER FINANCE NO 1 SA 14/01/2012 FRN	1,000,735.00	1,002,300.00	1.92%
EUR	500,000	RUSSIAN STANDARD BANK 19/09/2009 6.825%	500,030.00	502,750.00	0.96%
EUR	79,356	UKRAINE 15/03/2007 10.000%	85,248.44	79,911.49	0.15%
EUR	2,000,000	VENEZUELA 05/03/2008 11.000%	2,276,340.00	2,140,000.00	4.10%
GBP	500,000	TURANALEM 21/12/2009 7.125%	740,900.56	741,711.83	1.42%
MXN	10,000,000	RABOBANK 15/12/2008 9.250%	697,017.17	719,819.04	1.38%
RUB	35,000,000	DALI CAP 30/09/2009 7.250%	1,012,832.36	1,008,774.84	1.93%
RUB	35,607,898	RED ARROW INTL 06/2012 8.375%	1,061,799.13	1,057,640.86	2.02%
TRY	1,000,000	KRED WIEDER 10.250%	457,715.89	493,032.78	0.94%
TRY	550,000	LANDW 08/02/2008 11.250%	338,902.35	273,038.86	0.52%
USD	500,000	ARGENTINA 03/08/2012 5.590%	261,874.91	274,800.25	0.53%
USD	1,000,000	BANCO INDUSTRIAL E COMERCIAL SA EMTN 05/08/2008 8.375%	822,276.14	780,416.64	1.49%
USD	1,000,000	BCO HIPOT 16/11/2010 9.750%	876,907.06	804,893.90	1.54%
USD	619,920	BCO REP DOM 30/08/2009 FRN	500,741.82	471,027.52	0.90%
USD	500,000	BERTIN 25/07/2008 8.500%	426,490.80	385,402.13	0.74%
USD	500,000	CHAODA MODERN AGRICULTURE REGS 08/02/2010 7.750%	413,351.42	382,561.34	0.73%
USD	1,000,000	CITY GROUP 06/11/2007 11.000%	912,617.98	787,053.67	1.51%
USD	1,000,000	COSAN SA INDUSTRIA E COMERCIO REGS 01/11/2009 9.000%	917,172.59	804,893.90	1.54%
USD	548,924	DOMINICAN REPB. 27/09/2011 9.500%	487,399.20	446,607.32	0.86%
		Sub-total	26,268,104.59	25,465,028.88	48.75%

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2006

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
		Report	26,268,104.59	25,465,028.88	48.75%
USD	1,250,000	MEGAFON SA FOR OJSC MEGAFON 10/12/2009 8.000%	1,072,294.23	984,811.36	1.89%
USD	1,000,000	MMK FINANCE SA 21/10/2008 8.000%	828,547.95	774,781.40	1.48%
USD	1,000,000	NATIONAL POWER CORP REGS 23/08/2011 8.630%	801,890.37	855,043.53	1.64%
USD	1,000,000	NORILSK NICKEL FINANCE LUXEMBOURG SA 30/09/2009 7.125%	803,496.20	778,758.52	1.49%
USD	1,000,000	OR-ICB FOR INDUSTRY & CONSTRUCTION BANK ST PETERSBURG OJSC 29/07/2008 6.875%	838,972.91	769,667.95	1.47%
USD	1,000,000	SLAVIN 21/12/2009 9.875%	752,758.71	761,827.34	1.46%
USD	1,673,438	TELECOM ARGENT 15/10/2011	1,321,379.37	1,299,875.98	2.49%
USD	1,000,000	TURANALEM FINANCE BV GMTN 23/11/2008 FRN	846,900.67	762,206.11	1.46%
USD	1,000,000	CITYGROUP 06/11/2007 11,000%	912,617.98	787,053.67	1.51%
USD	74,688	UKRAINE 15/03/2007 11.000%	65,295.09	57,202.06	0.11%
USD	500,000	UKRCHEM CAPITAL FOR CONCERN STIROL 19/08/2008 7.875%	413,982.41	368,357.33	0.71%
USD	500,000	VEDANTA RESOURCES PLC REGS 22/02/2010 6.625%	406,006.23	376,387.33	0.72%
ZAR	1,100,000	EUROPEAN INVESTMENT BANK 22/10/2007 13.750%	163,736.84	122,411.92	0.23%
Total transferable securities admitted to an official stock exchange, Bonds			34,583,365.57	33,376,359.71	63.90
<u>Transferable securities admitted to an other regulated market, Bonds</u>					
BRL	1,229,000	ELETROPAULO METROPOLITANA DE SAO PAULO SA REGS 28/06/2010 19.125%	458,945.06	489,373.77	0.94%
USD	2,000,000	AXTEL SA 15/12/2013 11.000%	1,786,861.03	1,691,649.41	3.24%
USD	1,000,000	BCO CRU EMTN 26/09/2011 9.375%	794,578.59	771,751.21	1.48%
USD	500,000	CRR 24/10/2008 8.625%	398,253.94	382,712.84	0.73%
USD	1,000,000	TELE PERS 12/10 9.250%	861,346.52	795,424.56	1.52%
USD	2,000,000	TELEMIG CELULAR SA/AMAZONIA CELULAR SA REGS 20/01/2009 8.750%	1,660,418.61	1,586,832.00	3.04%
USD	1,000,000	VITRO ENVASES NORTEAMERICA REGS 23/07/2011 10.750%	818,892.77	835,006.40	1.60%
Total transferable securities admitted to an other regulated market, Bonds			6,779,296.52	6,552,750.19	12.55%

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2006

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
Other transferable securities, Bonds					
EUR	500,000	AB CAP TRUST 28/12/2007	496,545.00	497,500.00	0.95%
EUR	1,628,980	HELLAS TEL 15/04/2014 FRN	1,667,306.03	1,666,650.16	3.19%
RUB	22,000,000	REACHCOM 27/07/2007 FRN	648,031.71	638,264.08	1.22%
USD	1,500,000	ING BANK NV FOR OPEN INVESTMENTS OAO 09/11/2007 9.125%	1,224,279.34	1,140,661.21	2.18%
USD	600,000	ING BK 18/03/2008 12.000%	472,248.00	454,528.32	0.87%
USD	600,000	RENAISSANCE 15/12/2008 10.750%	458,119.30	454,528.32	0.87%
Total other transferable securities, Bonds			4,966,529.38	4,852,132.09	9.28%
Total Investments			46,329,191.47	44,781,241.99	85.73%
Other Net Assets				7,450,188.68	14.27%
Total Net Assets				52,231,430.67	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2006

(in %)

Branch of business	% of net assets
Government bonds	19.52%
Miscellaneous	16.52%
Banks and other credit institutions	16.29%
Holding and finance companies	14.65%
Telecommunication	10.29%
Energy and water supply	2.58%
Building and building materials	1.60%
Oil	0.99%
Miscellaneous services	0.87%
Food products and non-alcoholic drinks	0.74%
Agriculture and fishing	0.73%
Mines and steel works	0.72%
Bonds issued by supranational institutions	0.23%
Total	85.73%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2006

(in %)

Countries	% of net assets
Luxembourg	18.45%
Brazil	12.72%
Netherlands	10.64%
Colombia	8.07%
Argentina	7.24%
Mexico	5.89%
Venezuela	4.10%
Ireland	3.95%
Cayman Islands	3.47%
Germany	2.97%
Philippines	1.64%
Cyprus	1.22%
Bulgaria	0.99%
Russia	0.96%
Bermuda	0.87%
Dominican Republic	0.86%
United Kingdom	0.72%
Tunisia	0.48%
Ukraine	0.26%
Supranational	0.23%
Total	85.73%

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2006
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	16,633,089.82
- Net unrealised result	2 c	<u>(78,812.50)</u>
		16,554,277.32
Cash & other liquid assets:		
- Cash at bank		3,276,457.71
Other assets:		
- Formation expenses, net	2 h	4,321.84
- Receivables on investments		139,723.63
- Receivables on subscriptions		50,182.20
- Bank interest receivable		23,928.11
- Interest receivable on bonds		329,464.96
- Unrealised gain on futures contracts	10	29,473.31
- Unrealised gain on forward foreign exchange contracts	11	<u>278,227.65</u>
		20,686,056.73
LIABILITIES		
- Deposits on futures contracts		29,475.59
- Taxes and expenses payable		149,542.36
- Payables on redemptions		<u>2,553.82</u>
		181,571.77
NET ASSETS		<u>20,504,484.96</u>
Net asset value per Class A share		1,083.915
Number of Class A shares		12,480.241
Net asset value per Class B share		1,053.444
Number of Class B shares		1,580.490
Net asset value per Class Z share		1,107.378
Number of Class Z shares		4,796.927

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2006
(in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		5,331,528.95
INCOME		
Income from investments:		
- Bond interest, net		1,013,035.87
- Bank interest		92,147.87
		<u>1,105,183.74</u>
EXPENSES		
Fees:		
- Advisory fee	5	121,564.33
- Director's fees		6,255.98
- Performance fee	6	96,895.24
- Custodian and administration fees	7	34,517.48
- Placing agent and correspondent bank fees	8	110,716.48
Other expenses:		
- Annual tax	9	8,565.41
- Amortisation of formation expenses	2 h	1,087.81
- Audit and legal fees		10,503.26
- Printing, publishing and reporting expenses		9,098.42
- Administration and other expenses		3,312.20
- Futures and options expenses		229.86
- Bank interest		918.86
		<u>403,665.33</u>
NET RESULT ON INVESTMENTS		<u>701,518.41</u>
Net realised result on:		
- Investments		122,943.02
- Foreign exchange		241,274.94
- Futures contracts		(38,102.60)
NET REALISED RESULT		<u>1,027,633.77</u>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		(92,496.52)
- Forward foreign exchange contracts		304,778.11
- Futures contracts		29,473.31
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		<u>1,269,388.67</u>
MOVEMENTS IN CAPITAL		
Subscriptions of shares		22,430,219.14
Redemptions of shares		(8,526,651.80)
		<u>13,903,567.34</u>
NET ASSETS AT THE END OF THE YEAR		<u><u>20,504,484.96</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, 2006

	Class A	Class B	Class Z
Shares outstanding at the beginning of the year	3,342.519	0.000	1,989.397
Subscriptions of shares	14,726.902	1,752.294	5,160.005
Redemptions of shares	(5,589.180)	(171.804)	(2,352.475)
Shares outstanding at the end of the year	12,480.241	1,580.490	4,796.927

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
31.12.2005	3,342.519	-	1,989.397	5,331,528.95	999.598	-	1,000.48
31.12.2006	12,480.241	1,580.490	4,796.927	20,504,484.96	1,083.915	1,053.444	1,107.378

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2006

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
Transferable securities admitted to an official stock exchange, Bonds					
COP	1,000,000,000	COLOMBIA 22/10/2015 12.000%	402,523.46	401,393.39	1.96%
EUR	3,250,000	ARGENTINA 15/12/2035 0.000%	313,604.47	427,375.00	2.08%
EUR	350,000	BANCO HIPOTECARIO SA 01/12/2013 FRN	322,030.00	335,343.75	1.64%
EUR	1,001,253	BUENOS AIRES 15/04/2017 8.500%	997,270.46	1,046,960.20	5.11%
EUR	500,000	GAZ CAPITAL FOR GAZPROM EMTN 09/12/2012 4.560%	481,350.00	494,150.00	2.41%
EUR	250,000	PETROL 26/10/2011 8.375%	248,797.50	258,125.00	1.26%
EUR	700,000	TROY CAPI 10/08/2011 9.500%	700,060.00	726,775.00	3.54%
EUR	500,000	TURANALEM FINANCE BV EMTN 27/09/2011 6.250%	498,570.00	504,500.00	2.46%
MXN	2,000,000	RABOBANK 07/04/2010 9.750%	139,177.32	147,484.70	0.72%
MXN	4,200,000	RABOBANK 15/12/2008 9.250%	298,259.47	302,324.00	1.47%
RUB	15,000,000	DALI CAP 30/09/2009 8.000%	436,471.89	433,669.77	2.11%
RUB	17,803,949	RED ARROW INTL 31/03/2012 8.375%	528,832.05	528,820.43	2.58%
TRY	500,000	EIB 23/03/2008	243,216.59	251,658.84	1.23%
TRY	200,000	LANDW 08/02/2008 11.250%	123,241.30	99,286.85	0.48%
USD	500,000	ASIA ALUMINUM HOLDINGS LTD REGS 23/12/2011 8.000%	380,755.88	379,720.54	1.85%
USD	750,000	ATF BANK 11/05/2016 9.000%	585,343.57	560,490.23	2.73%
USD	500,000	BCO PANAMERICANO 18/07/2016 11.000%	392,987.07	389,072.45	1.90%
USD	350,000	BELIZE 12/06/2015 9.750%	245,714.37	198,234.70	0.97%
USD	500,000	BHIP 27/04/2016 9.750%	391,267.61	401,443.20	1.96%
USD	250,000	CHAODA MODERN AGRICULTURE REGS 08/02/2010 7.750%	206,675.70	191,280.67	0.93%
USD	800,000	CORP INTERAMERICANA DE ENTRETENIMIENTO SA REGS 14/06/2015 8.875%	632,277.50	606,037.76	2.96%
USD	500,000	RUSSIAN STANDARD BANK 16/12/2015 8.875%	397,839.96	376,254.75	1.83%
USD	438,750	TRANSENER 12/2015 9.000%	352,577.13	332,373.84	1.62%
USD	1,300,000	TRANSPORTADORA DE GAS DEL SUR SA REGS 15/12/2013 FRN	1,017,818.59	1,011,893.68	4.93%
USD	600,000	UKRCHEM CAPITAL FOR CONCERN STIROL 19/08/2008 7.875%	460,486.67	442,028.79	2.16%
Total transferable securities admitted to an official stock exchange, Bonds			10,797,148.56	10,846,697.54	52.89%

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2006

(in EUR)

Currency	Quantity/ Nominal	Description	Cost	Market value	% of net assets
Transferable securities admitted to an other regulated market					
Bonds					
BRL	600,000	ELETROPAULO METROPOLITANA DE SAO PAULO SA REGS 28/06/2010 19.125%	258,826.71	238,913.15	1.17%
USD	500,000	BERTIN 05/10/2016 10.250%	395,885.07	400,704.59	1.95%
USD	700,000	CAP SRN-S 03/11/2013 9.625%	549,387.54	538,237.29	2.62%
USD	500,000	CITY TELECOM HK LTD 01/02/2015 8.750%	331,193.28	334,267.70	1.63%
USD	300,000	TRICOM SA 01/09/2004 11.375%	158,139.28	128,972.41	0.63%
USD	750,000	EMP DIST NORT 14/12/2014 3.000%	580,385.54	558,927.79	2.73%
USD	500,000	INDUS 16 SRN-S 15/11/2016	382,749.39	399,606.14	1.95%
USD	1,000,000	VITRO ENVASES NORTEAMERICA REGS 23/07/2011 10.750%	839,539.73	835,006.40	4.07%
USD	600,000	RENAISSANCE 15/12/2008 10.750%	458,119.30	454,528.32	2.22%
Total Bonds			3,954,225.84	3,889,163.79	18.97%
Warrants and rights					
USD	94	TEOREMA HLDS	0.00	0.00	0.00%
Total Warrants and rights			0.00	0.00	0.00%
Total transferable securities admitted to an other regulated market			3,954,225.84	3,889,163.79	18.97%
Other transferable securities, Bonds					
RUB	13,000,000	REACHCOM 27/07/2007 FRN	382,940.13	377,156.04	1.84%
USD	500,000	CRED SUISSE 16/10/2009 FRN	398,825.91	378,773.60	1.85%
USD	500,000	ING BANK NV FOR OPEN INVESTMENTS OAO 09/11/2007 9.125%	389,022.00	380,220.40	1.85%
USD	400,000	ING BK 18/03/2008 12.000%	314,841.96	303,018.88	1.48%
USD	500,000	TEOREMA 27/08/2008 9.000%	396,085.42	379,247.07	1.85%
Total other transferable securities, Bonds			1,881,715.42	1,818,415.99	8.87%
Total Investments			16,633,089.82	16,554,277.32	80.73%
Other Net Assets				3,950,207.64	19.27%
Total Net Assets				20,504,484.96	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2006

(in %)

Branch of business	% of net assets
Miscellaneous	17.57%
Banks and other credit institutions	14.23%
Government bonds	13.66%
Energy and water supply	7.72%
Holding and finance companies	6.09%
Building and building materials	4.07%
Gastronomy	2.96%
Electronics and semiconductors	2.73%
Telecommunication	2.26%
Miscellaneous services	2.22%
Food products and non-alcoholic drinks	1.95%
Non ferrous metals	1.85%
Oil	1.26%
Bonds issued by supranational institutions	1.23%
Agriculture and fishing	0.93%
Total	80.73%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2006

(in %)

Countries	% of net assets
Argentina	17.34%
Netherlands	10.14%
Mexico	8.98%
Luxembourg	7.78%
Brazil	5.02%
Ireland	4.69%
Bermuda	4.07%
Cyprus	3.69%
Dominican Republic	3.25%
United States	2.73%
Kazakhstan	2.73%
Colombia	1.96%
United Kingdom	1.85%
Hong Kong	1.63%
Bulgaria	1.26%
Supranational	1.23%
Belize	0.97%
Cayman Islands	0.93%
Germany	0.48%
Total	80.73%

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2006
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	26,306,449.16
- Net unrealised result	2 c	<u>4,872,464.08</u>
		31,178,913.24
Cash & other liquid assets:		
- Cash at bank		2,712,616.13
- Time deposits		1,770.83
- Deposits on futures contracts		788,492.50
Other assets:		
- Formation expenses, net	2 h	9,141.65
- Receivables on subscriptions		368,224.64
- Interest on time deposit receivable		26.64
- Dividends receivable		15,259.87
- Bank interest receivable		24,420.86
- Interest receivable on bonds		<u>31,666.66</u>
		35,130,533.02
LIABILITIES		
- Unrealised loss on futures contracts	10	75,492.50
- Taxes and expenses payable		437,534.79
- Payables on redemptions		<u>5,901.23</u>
		518,928.52
NET ASSETS		<u>34,611,604.50</u>
Net asset value per Class A share		1,667.467
Number of Class A shares		15,488.674
Net asset value per Class B share		1,651.026
Number of Class B shares		3,220.152
Net asset value per Class Z share		1,160.266
Number of Class Z shares		2,989.143

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2006
 (in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		33,533,686.97
INCOME		
Income from investments:		
- Dividends, net		567,562.03
- Bond interest, net		71,354.97
- Bank interest		83,885.01
- Extraordinary income		756.71
		<u>723,558.72</u>
EXPENSES		
Fees:		
- Advisory fee	5	315,513.13
- Director's fees		8,056.00
- Performance fee	6	396,061.91
- Custodian and administration fees	7	70,683.56
- Placing agent and correspondent bank fees	8	332,189.02
Other expenses:		
- Annual tax	9	16,855.60
- Amortisation of formation expenses	2 h	4,841.80
- Audit and legal fees		10,167.18
- Printing, publishing and reporting expenses		11,080.95
- Administration and other expenses		3,766.56
- Futures and options expenses		38,081.70
- Bank interest		385.00
		<u>1,207,682.41</u>
NET RESULT ON INVESTMENTS		<u>(484,123.69)</u>
Net realised result on:		
- Investments		5,064,574.22
- Foreign exchange		(6,768.88)
- Options		(1,386,408.00)
- Futures contracts		(529,215.00)
NET REALISED RESULT		<u>2,658,058.65</u>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		1,126,829.04
- Futures contracts		47,007.50
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		<u>3,831,895.19</u>
MOVEMENTS IN CAPITAL		
Subscriptions of shares		15,066,417.03
Redemptions of shares		(17,820,394.69)
		<u>(2,753,977.66)</u>
NET ASSETS AT THE END OF THE YEAR		<u><u>34,611,604.50</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, 2006

	Class A	Class B	Class Z
Shares outstanding at the beginning of the year	20,433.422	1,576.019	712.511
Subscriptions of shares	4,280.680	2,498.968	3,926.851
Redemptions of shares	(9,225.428)	(854.835)	(1,650.219)
Shares outstanding at the end of the year	15,488.674	3,220.152	2,989.143

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
31.12.2004	15,129.647	-	-	20,521,031.37	1,356.346	-	-
31.12.2005	20,433.422	1,576.019	712.511	33,533,686.97	1,491.365	1,484.539	1,010.972
31.12.2006	15,488.674	3,220.152	2,989.143	34,611,604.50	1,667.467	1,651.026	1,160.266

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2006

(in EUR)

Currency	Quantity	Description	Cost	Market value	% of net assets
<u>Transferable securities admitted to an official stock exchange</u>					
<u>Equities</u>					
EUR	95,000	ALLEANZA ASSICURAZIONI	825,943.81	960,450.00	2.77%
EUR	7,000	ALLIANZ AG-REG	661,391.61	1,083,320.00	3.13%
EUR	100,000	AZIMUT HOLDING SPA	636,051.90	1,014,000.00	2.93%
EUR	40,000	BANCO DESIO E DELLA BRIANZA	285,990.00	339,800.00	0.98%
EUR	18,000	BAYERISCHE HYPO-UND VEREINSB	516,715.97	594,540.00	1.72%
EUR	30,000	BULGARI SPA	269,716.72	322,500.00	0.93%
EUR	8,000	CASINO GUICHARD PERRACHON	517,767.00	563,200.00	1.63%
EUR	102,500	CEMENTIR SPA	459,457.06	696,487.50	2.01%
EUR	16,000	DAIMLERCHRYSLER AG-REG	643,730.73	748,800.00	2.16%
EUR	60,000	DAVIDE CAMPARI-MILANO SPA	347,849.45	450,600.00	1.30%
EUR	12,500	DEUTSCHE POSTBANK AG	546,697.39	799,625.00	2.31%
EUR	70,000	DEUTSCHE TELEKOM AG-REG	1,037,453.25	968,800.00	2.80%
EUR	20,000	ENAGAS	246,859.58	352,400.00	1.02%
EUR	100,000	ENERTAD SPA	310,467.72	364,750.00	1.05%
EUR	40,000	ENI SPA	870,694.85	1,019,200.00	2.94%
EUR	30,000	ERG SPA	483,791.98	521,400.00	1.51%
EUR	30,000	FIAT SPA	241,399.26	434,400.00	1.26%
EUR	48,000	FRANCE TELECOM SA	1,119,788.38	1,005,600.00	2.91%
EUR	220,000	GRUPPO EDITORIALE L'ESPRESSO	962,105.28	906,400.00	2.62%
EUR	7,000	HELLENIC DUTY FREE SHOPS SA	109,337.14	110,600.00	0.32%
EUR	300,000	HERA SPA	640,533.48	987,000.00	2.85%
EUR	16,200	IFI-ISTITUTO FINANZIARIO INDUSTRIALE SPA	333,420.48	370,980.00	1.07%
EUR	70,000	IFIL SPA	326,067.26	434,000.00	1.25%
EUR	270,000	IMMOBILIARE GRANDE DISTRIBUZIONE	1,008,389.82	1,000,350.00	2.89%
EUR	20,000	MIRATO SPA	171,083.48	174,000.00	0.50%
EUR	105,000	NAVIGAZIONI MONTANARI SPA	205,056.50	399,000.00	1.15%
EUR	20,000	OESTERREICHISCHE POST AG	514,516.86	722,000.00	2.09%
EUR	30,000	PAGESJAUNES SA	381,017.08	452,100.00	1.31%
EUR	300,000	PARMALAT SPA	651,714.27	978,000.00	2.83%
EUR	4,000	PINAULT-PRINTEMPS-REDOUTE	354,039.23	452,800.00	1.31%
EUR	1,000,000	PIRELLI & C.	660,580.25	754,500.00	2.18%
EUR	10,000	PREMIERE AG	117,731.93	127,000.00	0.37%
EUR	25,000	SAIPEM	256,207.07	493,500.00	1.43%
EUR	1,600,000	SEAT PAGINE GIALLE SPA	603,654.72	722,400.00	2.09%
EUR	41,425	TELEGATE AG	463,237.19	729,080.00	2.11%
EUR	16,000	TOTAL FINA ELF SA	721,288.63	874,400.00	2.53%
EUR	140,000	UNICREDITO ITALIANO SPA	771,724.79	929,600.00	2.69%
EUR	150,000	UNIPOL SPA	307,500.00	409,500.00	1.18%
EUR	30,000	UNITED INTERNET AG	296,850.00	375,900.00	1.09%
EUR	40,580	VIANINI LAVORI SPA	388,109.38	385,510.00	1.11%
EUR	23,000	VIVENDI UNIVERSAL SA	622,010.74	681,030.00	1.97%
		Sub-total	20,887,942.24	25,709,522.50	74.30%

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2006

(in EUR)

Currency	Quantity/ Nominal	Description	Cost	Market value	% of net assets
		Report	20,887,942.24	25,709,522.50	74.30%
GBP	437,501	VODAFONE GROUP PLC	964,346.87	918,839.43	2.65%
SEK	30,000	SWEDISH MATCH AB	277,593.22	424,677.76	1.23%
TRY	30,555	AKBANK T.A.S.	168,357.46	140,760.22	0.41%
TRY	60,000	TURKIYE GARANTI BANKASI	178,664.53	150,416.78	0.43%
Total Equities			22,476,904.32	27,344,216.69	79.02%
Bonds					
EUR	1,000,000	BCM IRELAND 15/02/2017 FRN	993,780.00	1,000,000.00	2.89%
EUR	950,000	JAZZTEL PLC 29/04/2010 5.000%	742,090.00	742,471.55	2.15%
Total Bonds			1,735,870.00	1,742,471.55	5.04%
Total transferable securities admitted to an official stock exchange			24,212,774.32	29,086,688.24	84.06%
Transferable securities admitted to an other regulated market, Equities					
EUR	9,000	CAIRO COMMUNICATION SPA	288,856.21	382,860.00	1.11%
EUR	600,000	EPLANET SPA	302,291.90	258,000.00	0.75%
EUR	20,000	ESPRINET SPA	286,030.00	286,400.00	0.83%
EUR	24,000	EUTELIA SPA	206,466.73	141,840.00	0.41%
Total transferable securities admitted to an other regulated market, Equities			1,083,644.84	1,069,100.00	3.10%
Other transferable securities, Bonds					
EUR	1,000,000	HELLAS TEL 15/04/2014 FRN	1,010,030.00	1,023,125.00	2.96%
Total other transferable securities, Bonds			1,010,030.00	1,023,125.00	2.96%
Total Investments			26,306,449.16	31,178,913.24	90.12%
Other Net Assets				3,432,691.26	9.88%
Total Net Assets				34,611,604.50	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2006

(in %)

Branch of business	% of net assets
Telecommunication	16.45%
Holding and finance companies	10.39%
Banks and other credit institutions	8.54%
Oil	8.41%
Insurance	7.08%
Graphic and publishing industry	5.08%
Miscellaneous	3.94%
Energy and water supply	3.87%
Road vehicles	3.42%
Retail trade	3.26%
Transportation	3.24%
Building and building materials	3.12%
Building societies	2.89%
Food products and non-alcoholic drinks	2.83%
Internet services	2.81%
Tobacco and alcohol	2.53%
Miscellaneous consumer goods	0.93%
Electrotechnical and electronic industry	0.83%
Pharmaceutical and cosmetics industry	0.50%
Total	90.12%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2006

(in %)

Countries	% of net assets
Italy	46.62%
Germany	15.69%
France	11.66%
United Kingdom	4.80%
Luxembourg	2.96%
Ireland	2.89%
Austria	2.09%
Sweden	1.23%
Spain	1.02%
Turkey	0.84%
Greece	0.32%
Total	90.12%

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2006
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	11,007,444.83
- Net unrealised result	2 c	<u>1,119,025.29</u>
		12,126,470.12
Cash & other liquid assets:		
- Cash at bank		495,652.04
- Deposits on futures contracts		64,350.00
Other assets:		
- Formation expenses, net	2 h	4,321.83
- Receivables on subscriptions		7,300.00
- Dividends receivable		19,022.96
- Bank interest receivable		3,175.66
- Unrealised gain on futures contracts	10	<u>21,900.00</u>
		12,742,192.61
LIABILITIES		
- Taxes and expenses payable		98,242.17
- Payables on redemptions		<u>27,525.42</u>
		125,767.59
NET ASSETS		<u><u>12,616,425.02</u></u>
Net asset value per Class A share		1,128.354
Number of Class A shares		4,919.655
Net asset value per Class B share		1,114.714
Number of Class B shares		336.895
Net asset value per Class Z share		1,163.634
Number of Class Z shares		5,749.037

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2006
(in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		6,764,093.26
INCOME		
Income from investments:		
- Dividends, net		183,857.95
- Bond interest, net		260.82
- Bank interest		8,465.28
		<u>192,584.05</u>
EXPENSES		
Fees:		
- Advisory fee	5	87,814.77
- Director's fees		6,256.00
- Performance fee	6	62,534.55
- Custodian and administration fees	7	26,915.21
- Placing agent and correspondent bank fees	8	59,826.47
Other expenses:		
- Annual tax	9	5,659.35
- Amortisation of formation expenses	2 h	1,087.81
- Audit and legal fees		10,503.26
- Printing, publishing and reporting expenses		9,190.83
- Administration and other expenses		3,080.60
- Futures and options expenses		22,590.00
- Bank interest		549.79
		<u>296,008.64</u>
NET RESULT ON INVESTMENTS		<u>(103,424.59)</u>
Net realised result on:		
- Investments		744,072.35
- Foreign exchange		(712.90)
- Options		(132,312.00)
- Futures contracts		(307,942.50)
NET REALISED RESULT		<u>199,680.36</u>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		1,077,518.04
- Futures contracts		21,900.00
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		<u>1,299,098.40</u>
MOVEMENTS IN CAPITAL		
Subscriptions of shares		9,668,235.10
Redemptions of shares		(5,115,001.74)
		<u>4,553,233.36</u>
NET ASSETS AT THE END OF THE YEAR		<u><u>12,616,425.02</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, 2006

	Class A	Class B	Class Z
Shares outstanding at the beginning of the year	3,517.271	0.000	3,180.935
Subscriptions of shares	2,944.277	603.835	5,515.599
Redemptions of shares	<u>(1,541.893)</u>	<u>(266.940)</u>	<u>(2,947.497)</u>
Shares outstanding at the end of the year	4,919.655	336.895	5,749.037

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
31.12.2005	3,517.271	-	3,180.935	6,764,093.26	1,008.781	-	1,011.004
31.12.2006	4,919.655	336.895	5,749.037	12,616,425.02	1,128.354	1,114.714	1,163.634

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2006

(in EUR)

Currency	Quantity	Description	Cost	Market value	% of net assets
Transferable securities admitted to an official stock exchange, Equities					
EUR	50,000	ALLEANZA ASSICURAZIONI	480,418.19	505,500.00	4.01%
EUR	4,000	ALLIANZ AG-REG	519,382.00	619,040.00	4.91%
EUR	30,000	AMPLIFON SPA	191,538.00	192,150.00	1.52%
EUR	10,000	ANSALDO STS SPA	83,989.38	89,500.00	0.71%
EUR	70,000	AZIMUT HOLDING SPA	545,664.18	709,800.00	5.63%
EUR	40,000	BOLZONI SPA	146,457.16	162,700.00	1.29%
EUR	3,000	CASINO GUICHARD PERRACHON	195,108.00	211,200.00	1.67%
EUR	45,000	COBRA	310,530.00	346,050.00	2.74%
EUR	3,000	DAIMLERCHRYSLER AG-REG	141,169.38	140,400.00	1.11%
EUR	50,000	DAVIDE CAMPARI-MILANO SPA	294,209.00	375,500.00	2.98%
EUR	10,000	DEUTSCHE POST AG-REG	209,403.26	229,000.00	1.82%
EUR	35,000	DEUTSCHE TELEKOM AG-REG	460,448.84	484,400.00	3.84%
EUR	30,000	ENI SPA	701,302.20	764,400.00	6.06%
EUR	10,000	ERG SPA	173,649.00	173,800.00	1.38%
EUR	29,000	EUTELSAT COMMUNICATIONS	366,054.73	419,920.00	3.33%
EUR	20,000	FIAT SPA	303,382.00	289,600.00	2.30%
EUR	36,000	FRANCE TELECOM SA	688,230.32	754,200.00	5.98%
EUR	12,000	HCI CAPITAL AG	164,172.25	171,840.00	1.36%
EUR	10,800	IFI-ISTITUTO FINANZIARIO INDUSTRIALE SPA	222,290.32	247,320.00	1.96%
EUR	40,000	IFIL SPA	188,174.00	248,000.00	1.97%
EUR	30,000	MIRATO SPA	253,413.63	261,000.00	2.07%
EUR	22,000	MOTA ENGIL SGPS SA	94,750.37	113,080.00	0.90%
EUR	110,000	PARMALAT SPA	237,431.62	358,600.00	2.84%
EUR	20,000	PFLEIDERER AG	376,606.17	409,800.00	3.25%
EUR	15,000	PREMIERE AG	180,633.75	190,500.00	1.51%
EUR	2,000	RENAULT SA	139,761.43	182,000.00	1.44%
EUR	1,000,000	SEAT PAGINE GIALLE SPA	367,504.00	451,500.00	3.58%
EUR	65,000	TELES AG	365,229.31	233,350.00	1.85%
EUR	50,000	UNICREDITO ITALIANO SPA	302,493.32	332,000.00	2.63%
EUR	25,000	UNITED INTERNET AG	247,874.70	313,250.00	2.48%
EUR	40,565	VIANINI LAVORI SPA	362,341.45	385,367.50	3.05%
EUR	16,000	VIVENDI UNIVERSAL SA	443,854.44	473,760.00	3.76%
GBP	11,061	CARNIVAL PLC	348,893.85	424,876.58	3.37%
TRY	30,000	AKBANK T.A.S.	144,868.66	138,203.45	1.10%
TRY	50,000	DOGAN YAYIN HOLDING	132,272.98	133,382.40	1.06%
TRY	29,651	TURKCELL ILETISIM HIZMET AS	94,029.23	113,565.02	0.90%
TRY	50,000	TURKIYE GARANTI BANKASI	147,634.76	125,347.32	0.99%
TRY	90,000	YAPI VE KREDI BANKASI	127,047.90	118,597.85	0.94%
Total transferable securities admitted to an official stock exchange, Equities			10,752,213.78	11,892,500.12	94.29%

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2006

(in EUR)

Currency	Quantity	Description	Cost	Market value	% of net assets
<u>Transferable securities admitted to an other regulated market, Equities</u>					
EUR	5,500	CAIRO COMMUNICATION SPA	255,231.05	233,970.00	1.85%
Total transferable securities admitted to an other regulated market, Equities			<u>255,231.05</u>	<u>233,970.00</u>	<u>1.85%</u>
Total Investments			<u>11,007,444.83</u>	<u>12,126,470.12</u>	<u>96.14%</u>
Other Net Assets				<u>489,954.90</u>	<u>3.86%</u>
Total Net Assets				<u><u>12,616,425.02</u></u>	<u><u>100.00%</u></u>

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2006

(in %)

Branch of business	% of net assets
Telecommunication	17.28%
Holding and finance companies	12.89%
Insurance	8.92%
Oil	7.44%
Building and building materials	7.20%
Banks and other credit institutions	7.02%
Graphic and publishing industry	6.15%
Road vehicles	4.85%
Pharmaceutical and cosmetics industry	3.59%
Gastronomy	3.37%
Tobacco and alcohol	2.98%
Food products and non-alcoholic drinks	2.84%
Electrotechnical and electronic industry	2.74%
Transportation	2.53%
Internet services	2.48%
Retail trade	1.67%
Machinery and apparatus construction	1.29%
Miscellaneous	0.90%
Total	96.14%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2006

(in %)

Countries	% of net assets
Italy	48.57%
Germany	22.13%
France	16.18%
Turkey	4.99%
United Kingdom	3.37%
Portugal	0.90%
Total	96.14%

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2006
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	117,379,481.81
- Net unrealised result	2 c	<u>(1,996,990.63)</u>
		115,382,491.18
Cash & other liquid assets:		
- Cash at bank		3,823,571.26
Other assets:		
- Formation expenses, net	2 h	5,209.65
- Receivables on investments		279,477.23
- Receivables on subscriptions		87,097.22
- Bank interest receivable		56,591.54
- Interest receivable on bonds		2,553,196.22
- Unrealised gain on futures contracts	10	137,364.81
- Unrealised gain on forward foreign exchange contracts	11	<u>442,189.37</u>
		122,767,188.48
LIABILITIES		
- Deposits on futures contracts		3,130.39
- Taxes and expenses payable		528,720.23
- Payables on redemptions		<u>117,800.32</u>
		649,650.94
NET ASSETS		<u><u>122,117,537.54</u></u>
Net asset value per Class A share		1,170.724
Number of Class A shares		87,253.999
Net asset value per Class B share		1,164.208
Number of Class B shares		16,231.453
Net asset value per Class Z share		1,033.668
Number of Class Z shares		1,035.570

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2006
(in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		89,637,590.83
INCOME		
Income from investments:		
- Bond interest, net		5,178,642.75
- Bank interest		188,179.80
		<u>5,366,822.55</u>
EXPENSES		
Fees:		
- Advisory fee	5	503,042.58
- Director's fees		8,056.00
- Performance fee	6	287,288.22
- Custodian and administration fees	7	196,638.54
- Placing agent and correspondent bank fees	8	582,434.28
Other expenses:		
- Annual tax	9	53,991.66
- Amortisation of formation expenses	2 h	5,645.64
- Audit and legal fees		10,178.86
- Printing, publishing and reporting expenses		15,617.65
- Administration and other expenses		9,153.79
- Futures and options expenses		6,050.63
- Bank interest		436.59
		<u>1,678,534.44</u>
NET RESULT ON INVESTMENTS		<u>3,688,288.11</u>
Net realised result on:		
- Investments		(208,821.85)
- Foreign exchange		412,745.23
- Futures contracts		762,075.79
NET REALISED RESULT		<u>4,654,287.28</u>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		(2,808,049.00)
- Forward foreign exchange contracts		591,286.31
- Futures contracts		177,315.33
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		<u>2,614,839.92</u>
MOVEMENTS IN CAPITAL		
Subscriptions of shares		69,331,818.03
Redemptions of shares		(39,466,711.24)
		<u>29,865,106.79</u>
NET ASSETS AT THE END OF THE YEAR		<u><u>122,117,537.54</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, 2006

	Class A	Class B	Class Z
Shares outstanding at the beginning of the year	70,738.033	7,392.452	526.232
Subscriptions of shares	47,593.179	11,458.537	1,051.629
Redemptions of shares	(31,077.213)	(2,619.536)	(542.291)
Shares outstanding at the end of the year	87,253.999	16,231.453	1,035.570

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
31.12.2004	48,231.975	-	-	53,057,323.61	1,100.045	-	-
31.12.2005	70,738.033	7,392.452	526.232	89,637,590.83	1,140.770	1,138.376	1,000.323
31.12.2006	87,253.999	16,231.453	1,035.570	122,117,537.54	1,170.724	1,164.208	1,033.668

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2006

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
Transferable securities admitted to an official stock exchange, Bonds					
EUR	1,000,000	ACEA SPA 23/07/2014 4.875%	1,043,360.00	1,020,750.00	0.84%
EUR	1,000,000	ALFA DIV 15/12/2011 FRN	1,000,030.00	1,000,000.00	0.82%
EUR	1,100,000	ARCELOR FINANCE SCA 24/09/2010 5.125%	1,175,753.00	1,125,080.00	0.92%
EUR	1,000,000	ASSET BACKED OBLIGATIES LTD 07/05/2012 FRN	985,030.00	947,500.00	0.78%
EUR	1,000,000	BANCA POPOLARE DI LODI INVESTORS TRUST III 00/01/1900 6.742%	1,098,830.00	1,089,600.00	0.89%
EUR	6,000,000	BANK OF ENGLAND EURO NOTE 28/01/2008 2.500%	5,940,890.00	5,914,800.00	4.84%
EUR	1,000,000	BAYER AG EMTN 10/04/2012 6.000%	1,093,430.00	1,071,900.00	0.88%
EUR	850,000	BUENOS AIRES 15/04/2017 8.500%	856,405.00	888,802.50	0.73%
EUR	2,000,000	CARNIVAL PLC 27/11/2013 4.250%	1,990,670.00	1,964,400.00	1.61%
EUR	1,000,000	CIMPOR FINANCIAL OPERATIONS BV EMTN 27/05/2011 4.500%	999,780.00	989,700.00	0.81%
EUR	1,000,000	CIR INTERNATIONAL SA 10/01/2011 3.000%	998,458.00	1,044,200.00	0.86%
EUR	1,000,000	CIR INTERNATIONAL SA 10/03/2009 5.250%	1,047,580.00	1,006,600.00	0.82%
EUR	770,000	COGNIS GMBH REGS 15/05/2014 9.500%	829,972.50	840,840.00	0.69%
EUR	1,000,000	DAIMLERCHRYSLER NA HOLDING CORP EMTN 04/10/2011 4.250%	1,002,730.00	986,500.00	0.81%
EUR	1,000,000	DEUTSCHE BANK AG 31/01/2013 5.125%	1,048,340.00	1,041,700.00	0.85%
EUR	800,000	DEUTSCHE TELEKOM INTERNATIONAL FINANCE BV 29/05/2007 7.500%	897,058.50	809,760.00	0.66%
EUR	1,000,000	DEUTSCHE TELEKOM INTERNATIONAL FINANCE BV EMTN 19/01/2010 3.250%	970,130.00	971,800.00	0.80%
EUR	800,000	EB HOLDINGS INC REGS 15/02/2015 10.000%	836,030.00	848,000.00	0.69%
EUR	750,000	EDISON SPA EMTN 20/07/2007 6.375%	823,710.00	762,900.00	0.62%
EUR	820,000	EUROPCAR GROUPE SA REGS 15/05/2013 FRN	829,406.57	842,017.00	0.69%
EUR	10,000,000	EUROPEAN INVESTMENT BANK BR 15/04/2008 5.000%	10,467,180.00	10,133,000.00	8.30%
EUR	2,000,000	EUROPEAN INVESTMENT BANK EARN 15/02/2007 5.750%	2,139,304.00	2,004,400.00	1.64%
EUR	5,000,000	EUROPEAN INVESTMENT BANK INTL 15/10/2007 2.625%	4,985,030.00	4,954,000.00	4.06%
EUR	3,000,000	EUROPEAN INVESTMENT BANK INTL 15/10/2008 3.250%	2,978,430.00	2,970,000.00	2.43%
EUR	1,100,000	FIAT FINANCE & TRADE LTD 15/02/2013 6.625%	1,179,780.00	1,193,225.00	0.98%
EUR	1,500,000	FIDIS RETAIL FINANCIAL SERVICES IRELAND PLC EMTN 11/05/2009 4.334%	1,500,030.00	1,515,150.00	1.24%
EUR	10,000,000	FRANCE 25/10/2008 8.500%	11,174,530.00	10,783,000.00	8.83%
EUR	1,000,000	FRANCE TELECOM EMTN 28/01/2013 7.250%	1,176,230.00	1,143,800.00	0.94%
EUR	1,500,000	GAZ CAPITAL FOR GAZPROM REGS 01/06/2015 5.875%	1,552,685.00	1,585,200.00	1.30%
		Sub-total	62,620,792.57	61,448,624.50	50.33%

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2006

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
		Report	62,620,792.57	61,448,624.50	50.33%
EUR	3,000,000	GERMANY 04/01/2009 3.750%	2,997,100.00	2,993,700.00	2.45%
EUR	1,200,000	HBOS 07/02/2035	948,030.00	965,580.24	0.79%
EUR	880,000	INEOS GROUP HOLDINGS PLC REGS 15/02/2016 7.875%	868,172.80	840,752.00	0.69%
EUR	800,000	JAZZTEL PLC 29/04/2010 5.000%	593,230.00	625,239.20	0.51%
EUR	5,300,000	KFW - KREDITANSTALT FUER WIEDERAUFBAU INTL 15/11/2007 3.000%	5,348,962.36	5,263,430.00	4.31%
EUR	750,000	LEHMAN BROTHERS TREASURY CO BV EMTN 01/02/2013 FRN	744,405.00	711,562.50	0.58%
EUR	750,000	LEHMAN BROTHERS TREASURY CO BV EMTN 18/03/2015 7.625%	743,880.00	645,000.00	0.53%
EUR	750,000	LIGHTHOUSE INTERNATIONAL CO SA REGS 30/04/2014 8.000%	813,810.00	823,612.50	0.67%
EUR	2,200,000	MEINL EURO 09/08/2013 5.375%	2,196,660.00	2,197,910.00	1.80%
EUR	1,000,000	OLIVETTI FINANCE NV EMTN 24/04/2012 7.250%	1,153,310.00	1,107,900.00	0.91%
EUR	750,000	ONO FINANCE REGS 15/05/2014 10.500%	805,497.50	848,475.00	0.69%
EUR	1,200,000	OTE PLC GMTN 11/11/2011 3.750%	1,166,272.00	1,155,960.00	0.95%
EUR	1,000,000	PERI GMBH REGS 15/12/2009 4.846%	1,023,795.00	1,024,350.00	0.84%
EUR	1,032,914	PETROLEOS MEXICANOS 13/08/2007 FRN	1,123,840.22	1,053,365.49	0.86%
EUR	700,000	RENAULT SA 19/10/2007 6.375%	767,015.00	712,285.00	0.58%
EUR	1,000,000	ROYAL KPN NV EMTN 21/07/2011 4.500%	1,044,030.00	990,400.00	0.81%
EUR	1,200,000	RUSSIAN CAR LOAN 16/10/2017	1,200,030.00	1,200,000.00	0.98%
EUR	950,000	RUSSIAN CONSUMER FINANCE NO 1 SA 14/01/2012 FRN	950,030.00	952,185.00	0.78%
EUR	1,000,000	SASOL FINANCING INTERNATIONAL PLC 29/06/2010 3.375%	983,175.00	964,250.00	0.79%
EUR	500,000	SCHEFENACKER AG REGS 11/02/2014 9.500%	377,976.67	109,400.00	0.09%
EUR	1,500,000	TURANALEM FINANCE BV EMTN 27/09/2011 6.250%	1,491,780.00	1,513,500.00	1.24%
EUR	2,000,000	UNICRED 28/02/2012 6.100%	2,192,340.00	2,158,900.00	1.77%
EUR	2,000,000	VIVENDI UNIVERSAL SA 15/02/2012 3.875%	1,960,360.00	1,921,600.00	1.57%
EUR	1,000,000	VODAFONE GROUP PLC EMTN 13/01/2012 3.479%	1,000,430.00	1,003,850.00	0.82%
GBP	600,000	COLLINS STEWART TULLETT PLC 12/08/2014 FRN	903,195.60	917,972.76	0.75%
GBP	2,600,000	EUROPEAN INVESTMENT BANK EMTN 07/12/2007 4.500%	3,772,245.05	3,837,027.56	3.14%
RUB	26,705,924	RED ARROW INTL 31/03/2012 8.375%	789,506.51	793,230.65	0.65%
TRY	1,650,000	BEI 05/07/2016 14.000%	845,159.98	857,343.50	0.70%
USD	5,760	ALESTRA SA 30/06/2010 8.000%	4,674.39	4,330.75	0.00%
USD	1,000,000	CONTROLADORA COMERCIAL MEXICANA SA DE CV REGS 01/06/2015 6.625%	833,305.74	777,713.11	0.64%
USD	1,000,000	CORP INTERAMERICANA DE ENTRETENIMIENTO SA REGS 14/06/2015 8.875%	820,282.62	757,547.20	0.62%
		Sub-total	103,083,294.01	101,176,996.96	82.84%

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2006

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
		Report	103,083,294.01	101,176,996.96	82.84%
USD	1,250,000	GAZPROM INTERNATIONAL SA REGS 01/02/2020 7.201%	991,621.15	1,000,909.24	0.82%
USD	1,500,000	KUZNETSKI CAPITAL FOR BANK OF MOSCOW 25/11/2015 FRN	1,272,472.43	1,178,932.83	0.97%
USD	1,000,000	MASTELLONE HERMANOS SA A-2 30/06/2012 8.000%	653,738.36	594,674.55	0.49%
USD	1,200,000	MOBILE TELESYSTEMS FINANCE SA REGS 28/01/2012 8.000%	1,023,470.76	953,964.04	0.78%
USD	1,000,000	TRANSPORTADORA DE GAS DEL SUR SA REGS 15/12/2013 FRN	833,053.59	778,379.75	0.64%
Total transferable securities admitted to an official stock exchange, Bonds			107,857,650.30	105,683,857.37	86.54%
<u>Transferable securities admitted to an other regulated market, Bonds</u>					
BRL	1,200,000	ELETROPAULO METROPOLITANA DE SAO PAULO SA REGS 28/06/2010 19.125%	464,749.61	477,826.31	0.39%
EUR	750,000	ART 21/12/2011 FRN	750,030.00	764,025.00	0.63%
EUR	900,000	BCM IRELAND 15/02/2017 FRN	903,405.00	900,000.00	0.74%
GBP	350,000	PIPE HLDGS 01/11/2013 9.750%	544,585.49	555,847.88	0.46%
USD	991,273	AXTEL SA 15/12/2013 11.000%	887,982.92	838,443.19	0.69%
USD	600,000	RURAL CELLULAR CORP 15/01/2010 9.750%	446,153.05	467,027.85	0.38%
USD	1,000,000	VITRO ENVASES NORTEAMERICA REGS 23/07/2011 10.750%	783,732.54	835,006.40	0.68%
USD	1,000,000	TENGIZCHEVROIL FINANCE CO SARL REGS 15/11/2014 6.124%	777,039.56	759,668.33	0.62%
Total transferable securities admitted to an other regulated market, Bonds			5,557,678.17	5,597,844.96	4.59%
<u>Other transferable securities, Bonds</u>					
EUR	514,030	ART BV 01/06/2016 FRN	514,060.00	515,315.08	0.42%
EUR	500,000	ASSET REPACKAGING TRUST BV 26/05/2014 5.884%	495,170.00	503,125.00	0.41%
EUR	854,490	HELLAS TEL FRN 15/04/2014	855,419.86	874,250.08	0.72%
USD	1,000,000	GAZPROM INTERNATIONAL SA 144A 01/02/2020 7.201%	815,879.77	800,727.39	0.66%
USD	867,665	HIDROELECTRICA PIEDRA AGUILA REGS 30/06/2013 5.000%	452,139.36	647,437.82	0.53%
USD	1,000,000	PETROBRAS INTERNATIONAL FINANCE CO 01/02/2007 9.125%	831,484.35	759,933.48	0.62%
Total other transferable securities, Bonds			3,964,153.34	4,100,788.85	3.36%
Total Investments			117,379,481.81	115,382,491.18	94.49%
Other Net Assets				6,735,046.36	5.51%
Total Net Assets				122,117,537.54	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2006

(in %)

Branch of business	% of net assets
Bonds issued by supranational institutions	20.27%
Holding and finance companies	15.62%
Banks and other credit institutions	15.27%
Government bonds	12.01%
Miscellaneous	10.73%
Telecommunication	6.67%
Energy and water supply	2.49%
Gastronomy	2.23%
Building societies	1.80%
Building and building materials	1.52%
Mines and steel works	0.92%
Chemistry	0.88%
Oil	0.86%
Miscellaneous services	0.78%
Transportation	0.69%
Retail trade	0.64%
Road vehicles	0.58%
Electrotechnical and electronic industry	0.53%
Total	94.49%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2006

(in %)

Countries	% of net assets
Supranational	20.27%
United Kingdom	13.68%
Luxembourg	12.70%
France	12.61%
Germany	10.11%
Netherlands	7.80%
Italy	4.12%
Mexico	3.49%
Ireland	2.63%
Argentina	2.39%
United States	1.88%
Jersey	1.80%
Cayman Islands	0.62%
Brazil	0.39%
Total	94.49%

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2006
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	40,588,152.41
- Net unrealised result	2 c	<u>(368,499.62)</u>
		40,219,652.79
Cash & other liquid assets:		
- Cash at bank		1,658,187.35
- Deposits on futures contracts		70,934.37
Other assets:		
- Formation expenses, net	2 h	3,849.62
- Receivables on investments		279,825.41
- Receivables on subscriptions		168,644.44
- Bank interest receivable		23,353.76
- Interest receivable on bonds		768,378.02
- Unrealised gain on futures contracts	10	10,315.66
- Unrealised gain on forward foreign exchange contracts	11	<u>336,572.73</u>
		43,539,714.15
LIABILITIES		
- Taxes and expenses payable		374,300.24
- Payables on redemptions		<u>106,418.38</u>
		480,718.62
NET ASSETS		<u><u>43,058,995.53</u></u>
Net asset value per Class A share		1,139.297
Number of Class A shares		22,219.375
Net asset value per Class B share		1,132.155
Number of Class B shares		13,929.349
Net asset value per Class Z share		1,086.751
Number of Class Z shares		1,816.742

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2006
(in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		26,349,185.28
INCOME		
Income from investments:		
- Bond interest, net		2,851,087.76
- Bank interest		123,888.13
		2,974,975.89
EXPENSES		
Fees:		
- Advisory fee	5	305,842.92
- Director's fees		8,056.00
- Performance fee	6	249,519.04
- Custodian and administration fees	7	86,122.80
- Placing agent and correspondent bank fees	8	361,191.63
Other expenses:		
- Annual tax	9	21,389.38
- Amortisation of formation expenses	2 h	2,046.78
- Audit and legal fees		10,453.83
- Printing, publishing and reporting expenses		11,153.05
- Administration and other expenses		4,438.02
- Futures and options expenses		2,873.91
- Bank interest		502.99
		1,063,590.35
NET RESULT ON INVESTMENTS		1,911,385.54
Net realised result on:		
- Investments		475,423.16
- Foreign exchange		420,269.31
- Futures contracts		276,563.96
NET REALISED RESULT		3,083,641.97
Change in net unrealised appreciation/(depreciation) on:		
- Investments		(1,104,627.79)
- Forward foreign exchange contracts		402,390.94
- Futures contracts		26,903.35
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		2,408,308.47
MOVEMENTS IN CAPITAL		
Subscriptions of shares		44,739,524.56
Redemptions of shares		(30,438,022.78)
		14,301,501.78
NET ASSETS AT THE END OF THE YEAR		43,058,995.53

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE YEAR ENDED DECEMBER 31, 2006

	Class A	Class B	Class Z
Shares outstanding at the beginning of the year	19,834.801	2,656.704	2,202.269
Subscriptions of shares	27,228.095	12,520.068	765.541
Redemptions of shares	(24,843.521)	(1,247.423)	(1,151.068)
Shares outstanding at the end of the year	22,219.375	13,929.349	1,816.742

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
31.12.2004	1,145.834	-	-	1,125,880.69	982.586	-	-
31.12.2005	19,834.801	2,656.704	2,202.269	26,349,185.28	1,073.086	1,071.051	1,007.718
31.12.2006	22,219.375	13,929.349	1,816.742	43,058,995.53	1,139.297	1,132.155	1,086.751

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2006

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
Transferable securities admitted to an official stock exchange, Bonds					
EUR	750,000	ART FRN 21/12/2011	750,030.00	764,025.00	1.77%
EUR	2,000,000	ATU AUTO-TEILE-UNGER INVESTMENT GMBH & CO KG REGS 01/10/2014 FRN	2,098,560.00	2,049,900.00	4.76%
EUR	1,800,000	BANCA POPOLARE DI LODI INVESTORS TRUST III 00/01/1900 6.742%	1,957,732.00	1,961,280.00	4.55%
EUR	1,600,000	BCM IRELAND 15/02/2017 FRN	1,606,030.00	1,600,000.00	3.72%
EUR	1,300,000	EB HOLDINGS INC REGS 15/02/2015 10.000%	1,358,530.00	1,378,000.00	3.20%
EUR	1,580,000	EUROPCAR GROUPE SA REGS 15/05/2013 FRN	1,613,918.00	1,622,423.00	3.77%
EUR	2,000,000	FIAT FINANCE & TRADE LTD 15/02/2013 6.625%	2,145,023.08	2,169,500.00	5.04%
EUR	1,000,000	GAZ CAPITAL FOR GAZPROS 01/06/2015 5.875%	1,031,395.00	1,056,800.00	2.45%
EUR	1,500,000	GERMANY 15/01/2015 11.139%	1,486,717.50	1,560,000.00	3.62%
EUR	1,500,000	INEOS GROUP HOLDINGS PLC REGS 15/02/2016 7.875%	1,454,989.41	1,433,100.00	3.33%
EUR	500,000	INEOS VINYLs FINANCE PLC REGS 01/12/2011 9.125%	520,030.00	535,325.00	1.24%
EUR	1,550,000	JAZZTEL PLC 29/04/2010 5.000%	1,115,100.00	1,211,400.95	2.81%
EUR	1,500,000	LIGHTHOUSE INTERNATIONAL CO SA REGS 30/04/2014 8.000%	1,601,935.00	1,647,225.00	3.83%
EUR	800,000	MAUSER BETEILIGUNGS GMBH REGS 15/02/2013 9.125%	850,372.31	873,760.00	2.03%
EUR	700,000	PIAGGIO FINANCE SA REGS 30/04/2012 10.000%	781,810.00	809,249.00	1.88%
EUR	1,000,000	RUSSIAN CAR LOAN 16/10/2017	1,000,030.00	1,000,000.00	2.32%
EUR	1,950,000	SAFILO CAPITAL INTERNATIONAL SA REGS 15/05/2013 9.625%	2,202,659.63	2,152,800.00	5.00%
EUR	850,000	SCHEFENACKER AG REGS 11/02/2014 9.500%	670,820.00	185,980.00	0.43%
GBP	1,033,784	PIPE HLDGS 15/05/2016	1,576,728.34	1,611,102.74	3.74%
RUB	23,000,000	DALI CAP 30/09/2009 8.000%	669,240.88	664,960.30	1.54%
RUB	13,352,962	RED ARROW INTL 31/03/2012 8.375%	394,766.72	396,615.33	0.92%
TRY	1,500,000	BEI 05/07/2016 14.000%	778,034.37	779,403.18	1.81%
USD	4,800	ALESTRA SA 30/06/2010 8.000%	3,904.73	3,608.95	0.01%
USD	1,000,000	ATF BANK 11/05/2016 9.000%	773,105.54	747,320.32	1.74%
USD	500,000	BICBANCO 03/03/2016 FRN	421,012.14	392,882.92	0.91%
USD	1,000,000	CORP INTERAMERICANA DE ENTRETENIMIENTO SA REGS 14/06/2015 8.875%	821,561.21	757,547.20	1.76%
USD	700,000	KAZKOMMERTS FINANCE 2 BV REGS 00/01/1900 FRN	579,527.53	561,755.33	1.30%
USD	1,200,000	MOBILE TELESYSTEMS FINANCE SA REGS 28/01/2012 8.000%	1,024,947.68	953,964.04	2.22%
USD	1,600,000	TRANSPORTADORA DE GAS DEL SUR SA REGS 15/12/2013 FRN	1,311,684.98	1,245,407.60	2.89%
Total transferable securities admitted to an official stock exchange, Bonds			32,600,196.05	32,125,335.86	74.59%

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS (continued)

AS AT DECEMBER 31, 2006

(in EUR)

Currency	Nominal	Description	Cost	Market value	% of net assets
Transferable securities admitted to an other regulated market, Bonds					
BRL	2,141,000	ELETROPAULO METROPOLITANA DE SAO PAULO SA REGS 28/06/2010 19.125%	877,359.80	852,521.76	1.98%
GBP	550,000	PIPE HLDGS 01/11/2013 9.750%	847,347.25	873,475.24	2.03%
USD	1,100,000	VITRO ENVASES NORTEAMERICA REGS 23/07/2011 10.750%	905,528.99	918,507.04	2.13%
USD	992,727	AXTEL SA 15/12/2013 11.000%	887,994.90	839,673.02	1.95%
Total transferable securities admitted to an other regulated market, Bonds			3,518,230.94	3,484,177.06	8.09%
Other transferable securities, Bonds					
EUR	1,028,060	ART BV FRN 01/06/2016	1,028,090.00	1,030,630.15	2.39%
EUR	1,200,000	ASSET REPACKAGING TRUST BV 26/05/2014 5.884%	1,200,024.00	1,207,500.00	2.80%
EUR	1,066,640	ASSET REPACKAGING TRUST BV EMTN 15/04/2015 0.000%	1,024,052.25	1,098,639.48	2.55%
RUB	19,000,000	REACHCOM 27/07/2007 FRN	559,667.85	551,228.07	1.28%
USD	200,230	HIDROELECTRICA PIEDRA AGUILA REGS 30/06/2013 5.000%	104,355.85	149,408.73	0.35%
USD	767,550	HIDROPIE 30/06/2013 5.000%	553,535.47	572,733.44	1.33%
Total other transferable securities, Bonds			4,469,725.42	4,610,139.87	10.70%
Total Investments			40,588,152.41	40,219,652.79	93.38%
Other Net Assets				2,839,342.74	6.62%
Total Net Assets				43,058,995.53	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2006

(in %)

Branch of business	% of net assets
Holding and finance companies	33.46%
Miscellaneous	24.54%
Banks and other credit institutions	5.48%
Energy and water supply	4.87%
Telecommunication	4.77%
Transportation	3.77%
Government bonds	3.62%
Miscellaneous services	2.22%
Building and building materials	2.13%
Packing industry	2.03%
Bonds issued by supranational institutions	1.81%
Gastronomy	1.76%
Electrotechnical and electronic industry	1.68%
Chemistry	1.24%
Total	93.38%

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2006

(in %)

Countries	% of net assets
Luxembourg	22.74%
United Kingdom	13.15%
Germany	10.84%
Netherlands	10.81%
Ireland	6.18%
Mexico	5.85%
Argentina	4.57%
Italy	4.55%
France	3.77%
United States	3.20%
Brazil	2.89%
Supranational	1.81%
Kazakhstan	1.74%
Cyprus	1.28%
Total	93.38%

STATEMENT OF NET ASSETS
AS AT DECEMBER 31, 2006
(in EUR)

ASSETS	Notes	
Portfolio:		
- Cost	2 g	6,513,058.76
- Net unrealised result	2 c	430,204.79
		6,943,263.55
Cash & other liquid assets:		
- Cash at bank		829,179.66
- Time deposits		15,522.15
Other assets:		
- Formation expenses, net	2 h	3,846.15
- Receivables on investments		1,044,243.86
- Receivables on subscriptions		5,000.00
- Interest on time deposit receivable		81.97
- Dividends receivable		3,212.04
- Bank interest receivable		5,694.31
		8,850,043.69
LIABILITIES		
- Taxes and expenses payable		174,353.34
- Payables on redemptions		48,324.68
- Payables on securities purchased		272,080.94
		494,758.96
NET ASSETS		<u>8,355,284.73</u>
Net asset value per Class A share		1,421.284
Number of Class A shares		3,232.885
Net asset value per Class B share		1,411.932
Number of Class B shares		2,663.328

The accompanying notes form an integral part of these financial statements

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2006
 (in EUR)

	Notes	
NET ASSETS AT THE BEGINNING OF THE YEAR		6,318,291.11
INCOME		
Income from investments:		
- Dividends, net		69,194.36
- Bond interest, net		36,020.55
- Bank interest		40,295.79
- Extraordinary income		79.61
		145,590.31
EXPENSES		
Fees:		
- Advisory fee	5	82,980.23
- Director's fees		8,056.00
- Performance fee	6	187,793.90
- Custodian and administration fees	7	26,210.78
- Placing agent and correspondent bank fees	8	94,863.82
Other expenses:		
- Annual tax	9	4,328.10
- Amortisation of formation expenses	2 h	2,046.78
- Audit and legal fees		10,356.05
- Printing, publishing and reporting expenses		9,142.64
- Administration and other expenses		4,475.16
- Bank interest		378.00
		430,631.46
NET RESULT ON INVESTMENTS		(285,041.15)
Net realised result on:		
- Investments		1,733,608.14
- Foreign exchange		0.76
NET REALISED RESULT		1,448,567.75
Change in net unrealised appreciation/(depreciation) on:		
- Investments		241,588.88
NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS		1,690,156.63
MOVEMENTS IN CAPITAL		
Subscriptions of shares		6,288,772.10
Redemptions of shares		(5,941,935.11)
		346,836.99
NET ASSETS AT THE END OF THE YEAR		8,355,284.73

The accompanying notes form an integral part of these financial statements

CHANGES IN THE NUMBER OF SHARES
FOR THE YEAR ENDED DECEMBER 31, 2006

	Class A	Class B
Shares outstanding at the beginning of the year	4,528.220	1,045.222
Subscriptions of shares	2,793.323	2,025.031
Redemptions of shares	<u>(4,088.658)</u>	<u>(406.925)</u>
Shares outstanding at the end of the year	3,232.885	2,663.328

STATISTICS

	Number of shares outstanding		Net assets (in EUR)	Net asset value per share (in EUR)	
	Class A	Class B		Class A	Class B
31.12.2004	3,347.913	-	3,294,800.96	984.136	-
31.12.2005	4,528.220	1,045.222	6,318,291.11	1,134.101	1,131.657
31.12.2006	3,232.885	2,663.328	8,355,284.73	1,421.284	1,411.932

The accompanying notes form an integral part of these financial statements

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

AS AT DECEMBER 31, 2006

(in EUR)

Currency	Quantity	Description	Cost	Market value	% of net assets
<u>Transferable securities admitted to an official stock exchange, Equities</u>					
EUR	10,650	ABENGOA SA	269,254.21	296,176.50	3.54%
EUR	15,250	ACEA SPA	215,444.47	221,582.50	2.65%
EUR	15,650	ACERINOX SA	286,879.00	360,732.50	4.32%
EUR	73,980	ASM BRESCIA SPA	283,731.91	306,832.05	3.67%
EUR	9,800	BUSINESS OBJECTS	290,402.10	291,354.00	3.49%
EUR	32,000	DANIELI & CO-RNC	283,913.36	304,000.00	3.64%
EUR	8,000	ENDESA S.A.	285,492.53	286,640.00	3.43%
EUR	3,000	EURONEXT NV	275,061.01	268,500.00	3.21%
EUR	14,000	FIAT SPA	156,317.09	202,720.00	2.43%
EUR	45,000	IFIL SPA	275,772.47	279,000.00	3.34%
EUR	64,000	IMPREGILO SPA	274,978.38	270,720.00	3.24%
EUR	2,160	KLEPIERRE	268,935.73	308,880.00	3.70%
EUR	61,000	M-REAL OYJ-B SHARES	289,814.20	292,190.00	3.50%
EUR	143,000	NATRACEUTICAL SA	272,080.94	260,260.00	3.11%
EUR	12,800	NICOX SA	284,358.19	292,352.00	3.50%
EUR	17,800	NOKIAN RENKAAT OYJ	287,735.85	276,256.00	3.31%
EUR	8,400	OUTOKUMPU OYJ	213,510.52	249,144.00	2.98%
EUR	6,000	RAMIRENT OYJ	279,872.11	268,800.00	3.22%
EUR	7,500	RHI AG	271,877.14	290,250.00	3.47%
EUR	3,750	SALZGITTER AG	263,276.76	371,437.50	4.45%
EUR	2,370	SILIC	275,377.38	270,180.00	3.23%
EUR	92,500	URBAS	278,869.11	268,250.00	3.21%
EUR	5,150	VOLKSWAGEN AG PFD	273,982.09	291,232.50	3.49%
EUR	39,000	WIRECARD AG	283,047.27	306,150.00	3.66%
Total transferable securities admitted to an official stock exchange, Equities			6,439,983.82	6,833,639.55	81.79%
<u>Other transferable securities, Warrants and rights</u>					
EUR	7,100	H&R AG ANR.16.01.07	73,074.94	109,624.00	1.31%
Total other transferable securities, Warrants and rights			73,074.94	109,624.00	1.31%
Total Investments			6,513,058.76	6,943,263.55	83.10%
Other Net Assets				1,412,021.18	16.90%
Total Net Assets				8,355,284.73	100.00%

The accompanying notes form an integral part of these financial statements

ECONOMIC CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2006

(in %)

Branch of business	% of net assets
Building and building materials	13.47%
Energy and water supply	9.75%
Mines and steel works	8.77%
Building societies	6.93%
Holding and finance companies	6.55%
Road vehicles	5.92%
Miscellaneous consumer goods	3.66%
Machinery and apparatus construction	3.64%
Pharmaceutical and cosmetics industry	3.50%
Paper and wood industry	3.50%
Internet services	3.49%
Rubber and tyres industry	3.31%
Transportation	3.21%
Food products and non-alcoholic drinks	3.11%
Non ferrous metals	2.98%
Chemistry	1.31%
Total	<u>83.10%</u>

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

AS AT DECEMBER 31, 2006

(in %)

Countries	% of net assets
Italy	18.97%
Spain	17.61%
France	13.92%
Finland	13.01%
Germany	12.91%
Austria	3.47%
Netherlands	3.21%
Total	<u>83.10%</u>

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2006

1. GENERAL

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

The SICAV has been incorporated on February 28, 2003 for an unlimited period of time and is governed by the law of August 10, 1915 on commercial companies, as amended, and by Part I of the law of December 20, 2002 as amended on undertakings for collective investments.

The SICAV is self-managed.

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, 2006, the SICAV offers shares of the following Sub-Funds:

	Launched on
- CompAM FUND - Emerging Market Short Term	denominated in Euro (EUR) 11/04/2003
- CompAM FUND - Emerging Market Risk	denominated in Euro (EUR) 05/12/2005
- CompAM FUND - European Equity	denominated in Euro (EUR) 04/04/2003
- CompAM FUND - Equity Risk	denominated in Euro (EUR) 05/12/2005
- CompAM FUND - Bond Euro	denominated in Euro (EUR) 04/04/2003
- CompAM FUND - Bond Risk	denominated in Euro (EUR) 10/11/2003
- CompAM FUND - Europe Dynamic 0/100	denominated in Euro (EUR) 10/11/2003

The net asset value is calculated on a daily basis.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Presentation of financial statements

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

b) Combined financial statements

The Net Asset Value of each Sub-Fund was calculated on December 29, 2006 using the closing prices of December 29, 2006.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT DECEMBER 31, 2006

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, 2006

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 29, 2006 are as follows:

1 EUR =	4.040365	ARS	1 EUR =	64.690720	PHP
1 EUR =	2.819016	BRL	1 EUR =	3.832210	PLN
1 EUR =	1.608881	CHF	1 EUR =	34.761474	RUB
1 EUR =	2,954.707291	COP	1 EUR =	9.042150	SEK
1 EUR =	7.457205	DKK	1 EUR =	34.442033	SKK
1 EUR =	0.673745	GBP	1 EUR =	46.782422	THB
1 EUR =	340.749996	GRD	1 EUR =	1,866.812975	TRK
1 EUR =	251.201307	HUF	1 EUR =	1.866813	TRY
1 EUR =	1,227.553268	KRW	1 EUR =	1.320050	USD
1 EUR =	14.257750	MXN	1 EUR =	9.245750	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, 2006

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	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	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, 2006 are as follows:

	Amounts in EUR
CompAM FUND - Emerging Market Short Term	168,547.95
CompAM FUND - Emerging Market Risk	82,969.15
CompAM FUND - European Equity	302,114.01
CompAM FUND - Equity Risk	56,054.03
CompAM FUND - Bond Euro	250,867.91
CompAM FUND - Bond Risk	205,123.39
CompAM FUND - Europe Dynamic 0/100	126,979.29
Total:	1,192,655.73

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT DECEMBER 31, 2006

7. CUSTODIAN AND ADMINISTRATION FEES

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

8. PLACING AGENT AND CORRESPONDENT BANK FEES

In Italy, the Correspondent Bank shall receive for their services an annual fee out of the assets of the 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	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	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, 2006

10. FUTURES CONTRACTS

As at December 31, 2006, the following futures contracts and the corresponding unrealised results are outstanding:

CompAM Fund - Emerging Market Short Term

Type	Number of contracts	Denomination	Currency	Commitments in currency	Unrealised gain/(loss) (in EUR)
Short	(15.00)	EURO BOBL FUTURE	EUR	(1,632,300.00)	22,200.00
Long	23.00	EURO FX CURRENCY FUTURE	USD	3,805,350.00	(5,553.77)
Short	(11.00)	US 5 YEAR NOTES	USD	(1,155,687.50)	11,588.11
					28,234.34

CompAM Fund - Emerging Market Risk

Type	Number of contracts	Denomination	Currency	Commitments in currency	Unrealised gain (in EUR)
Short	(20.00)	US 10 YEAR NOTES	USD	(2,149,375.00)	29,473.31

CompAM Fund - European Equity

Type	Number of contracts	Denomination	Currency	Commitments in currency	Unrealised gain/(loss) (in EUR)
Short	(40.00)	DAX INDEX	EUR	(6,652,500.00)	(119,362.50)
Short	(20.00)	IBEX 35	EUR	(2,819,200.00)	43,870.00
					(75,492.50)

CompAM Fund - Equity Risk

Type	Number of contracts	Denomination	Currency	Commitments in currency	Unrealised gain (in EUR)
Short	(10.00)	IBEX 35	EUR	(1,409,600.00)	21,900.00

CompAM Fund - Bond Euro

Type	Number of contracts	Denomination	Currency	Commitments in currency	Unrealised gain (in EUR)
Short	(30.00)	EURO BUND	EUR	(3,480,900.00)	82,200.00
Short	(31.00)	US 10 YEAR NOTES	USD	(3,331,531.25)	45,683.63
Short	(9.00)	US 5 YEAR NOTES	USD	(945,562.50)	9,481.18
					137,364.81

CompAM Fund - Bond Risk

Type	Number of contracts	Denomination	Currency	Commitments in currency	Unrealised gain (in EUR)
Short	(7.00)	US 10 YEAR NOTES	USD	(752,281.25)	10,315.66

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

AS AT DECEMBER 31, 2006

11. FORWARD FOREIGN EXCHANGE CONTRACTS

As at December 31, 2006, the following forward foreign exchange contracts and the corresponding unrealised results are outstanding:

CompAM Fund - Emerging Market Short Term

Maturity	Currency	Purchase	Currency	Sales	Unrealised gain (in EUR)
26/11/2007	EUR	24,131,459.00	USD	(31,500,000.00)	566,599.59
05/01/2007	EUR	327,604.73	TRY	(610,000.00)	2,376.29
					568,975.88

CompAM Fund - Emerging Market Risk

Maturity	Currency	Purchase	Currency	Sales	Unrealised gain (in EUR)
26/11/2007	EUR	11,720,994.37	USD	(15,300,000.00)	275,205.51
26/11/2007	EUR	188,993.05	USD	(250,000.00)	1,939.17
05/01/2007	EUR	149,301.83	TRY	(278,000.00)	1,082.97
					278,227.65

CompAM Fund - Bond Euro

Maturity	Currency	Purchase	Currency	Sales	Unrealised gain (in EUR)
05/04/2007	EUR	13,259,909.83	USD	(17,000,000.00)	440,089.67
05/01/2007	EUR	289,473.68	TRY	(539,000.00)	2,099.70
					442,189.37

CompAM Fund - Bond Risk

Maturity	Currency	Purchase	Currency	Sales	Unrealised gain/(loss) (in EUR)
05/04/2007	EUR	10,139,931.05	USD	(13,000,000.00)	336,539.16
26/11/2007	USD	250,000.00	EUR	(189,064.51)	(2,015.49)
05/01/2007	EUR	282,491.94	TRY	(526,000.00)	2,049.06
					336,572.73

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

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, 2006 is available free of charge at the SICAV's Registered Office.