

# Annual Report 2007/2008.

**Investment Company under Luxembourg Law (SICAV)**

**Audited annual report as of 31 March 2008**

LUXEMBOURG INVESTMENT FUND

LUXEMBOURG INVESTMENT FUND – Alpha Strategies

LUXEMBOURG INVESTMENT FUND – Amares Strategy Fund - Balanced

LUXEMBOURG INVESTMENT FUND – Global Opportunities

LUXEMBOURG INVESTMENT FUND – Secofind Income

LUXEMBOURG INVESTMENT FUND – Secofind Value

LUXEMBOURG INVESTMENT FUND – U.S. Equity Plus



# Audited annual report as of 31 March 2008

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## Sales restrictions

Shares of this Company may not be offered, sold or distributed within the United States of America.

# Management and Administration

Annual Report as of 31 March 2008  
LUXEMBOURG INVESTMENT FUND

## Registered Office

33A avenue J.F. Kennedy,  
P.O. Box 91, L-2010 Luxembourg\*  
R.C.S. Luxembourg N° B 88 859

\* until 29 July 2007: 291, route d'Arlon, L-1150 Luxembourg

## Management Company

UBS Third Party Management Company S.A.,  
33A avenue J.F. Kennedy,  
P.O. Box 91, L-2010 Luxembourg\*  
R.C.S. Luxembourg N° B 45 991

\* until 29 July 2007: 291, route d'Arlon, L-1150 Luxembourg

Board Members: Andreas Jacobs, Managing Director (until 8 October 2007), UBS AG, Member and Chairman, André Valente, Managing Director (since 9 October 2007), UBS AG, Member and Chairman, Dirk Spiegel, Executive Director, UBS AG, Member, Gerhard Fusenig, Managing Director, UBS AG, Member, Aloyse Hemmen, Executive Director, UBS Fund Services (Luxembourg) S.A., Member and Gilbert Schintgen, Executive Director, UBS Fund Services (Luxembourg) S.A., Member.

## Board of Directors

*Roger Hartmann*, Chairman (until 1 January 2008)  
Managing Director  
UBS (Luxembourg) S.A., Luxembourg

*Ralf Schröter*, Chairman (since 1 January 2008)  
Managing Director  
UBS (Luxembourg) S.A., Luxembourg

*René Egger*, Director  
Managing Director  
UBS (Luxembourg) S.A., Luxembourg

*Alain Hondequin*, Director  
Executive Director  
UBS (Luxembourg) S.A., Luxembourg

## Day to Day Manager

*Isabelle Asseray* (until 1 May 2007)  
Director, UBS Fund Services (Luxembourg) S.A.,  
Luxembourg

*Valérie Bernard*  
Director, UBS Fund Services (Luxembourg) S.A.,  
Luxembourg

*Emmanuel Duterme* (since 1 May 2007)  
Associate Director, UBS Fund Services  
(Luxembourg) S.A., Luxembourg

*Christophe Hilbert*  
Associate Director, UBS Fund Services  
(Luxembourg) S.A., Luxembourg

## Portfolio Managers/Investment Advisors

*LUXEMBOURG INVESTMENT FUND*  
– *Alpha Strategies*

Portfolio Manager:  
UBS Third Party Management Company S.A.,  
33A avenue J.F. Kennedy,  
P.O. Box 91, L-2010 Luxembourg

UBS Third Party Management Company S.A. has delegated, under its control and responsibility, a small part of its portfolio management duties to Banca Albertini Syz & C.S.p.A. whose registered office is at Via Borgonuovo, 14, I-20121 Milano.

Investment Advisor:  
Maxos s.r.l., Via L. Mascheroni, 29, I-20145 Milano

*LUXEMBOURG INVESTMENT FUND*  
– *Amares Strategy Fund – Balanced*

Portfolio Manager:  
UBS Third Party Management Company S.A.,  
33A avenue J.F. Kennedy,  
P.O. Box 91, L-2010 Luxembourg

Investment Advisor:  
Primus Gestione Patrimoniale S.A.,  
Via San Gottardo 10, CH-6900 Lugano

*LUXEMBOURG INVESTMENT FUND*  
– *Global Opportunities*

Portfolio Manager:  
UBS Third Party Management Company S.A.,  
33A avenue J.F. Kennedy,  
P.O. Box 91, L-2010 Luxembourg

*LUXEMBOURG INVESTMENT FUND*  
– *Secofind Income*

Portfolio Manager:  
UBS Third Party Management Company S.A.,  
33A avenue J.F. Kennedy,  
P.O. Box 91, L-2010 Luxembourg

UBS Third Party Management Company S.A. has delegated, under its control and responsibility, its portfolio management duties to PIMCO Europe Limited, 103 Wigmore Street, London, W1U 1QS United Kingdom

Investment Advisor:  
Secofind s.r.l., Cso Italia 15/a, I-20122 Milano

*LUXEMBOURG INVESTMENT FUND*  
– *Secofind Value*

Portfolio Manager:  
UBS Third Party Management Company S.A.,  
33A avenue J.F. Kennedy,  
P.O. Box 91, L-2010 Luxembourg

UBS Third Party Management Company S.A. has delegated, under its control and responsibility, its portfolio management duties to Third Avenue Management, 622 Third Avenue, 32<sup>nd</sup> Floor, New York, NY 10017, United States of America

Investment Advisor:  
Secofind s.r.l., Cso Italia 15/a, I-20122 Milano

*LUXEMBOURG INVESTMENT FUND*  
– *U.S. Equity Plus*

Portfolio Manager:  
UBS Third Party Management Company S.A.,  
33A avenue J.F. Kennedy,  
P.O. Box 91, L-2010 Luxembourg

Investment Advisor:  
Reliance Management (Gibraltar), Limited,  
Suite 207 Neptune House, Marina Bay, Gibraltar

**Custodian Bank, main Distributor and  
main Paying Agent**

UBS (Luxembourg) S.A.,  
33A avenue J.F. Kennedy,  
P.O. Box 2, L-2010 Luxembourg\*

\* until 29 July 2007: 36–38, Grand-Rue, L-1660 Luxembourg

**Administrative Agent**

UBS Fund Services (Luxembourg) S.A.,  
33A avenue J.F. Kennedy,  
P.O. Box 91, L-2010 Luxembourg\*

\* until 29 July 2007: 291, route d'Arlon, L-1150 Luxembourg

**Independent Auditors of the Company**

Ernst & Young S.A.,  
7, Parc d'Activité Syrdall,  
L-5365 Munsbach

**Independent Auditors of the Management  
Company**

PricewaterhouseCoopers S.à r.l.,  
Réviseur d'entreprises,  
400, route d'Esch, B.P. 1443,  
L-1014 Luxembourg

**Distribution in Spain**

Shares of the below mentioned subfund may be sold in Spain:

LUXEMBOURG INVESTMENT FUND – U.S. Equity Plus

*Distributor in Spain*

M&B Capital Advisers,  
Sociedad de Valores, S.A.,  
Plaza Manuel Gómez Moreno nº 2,  
E-28020 Madrid

## **Distribution in Italy**

Shares of the below mentioned subfunds  
may be sold in Italy:

LUXEMBOURG INVESTMENT FUND

- Alpha Strategies
- Amares Strategy Fund – Balanced
- Global Opportunities
- Secofind Income
- Secofind Value

### *Distributors in Italy*

UBS (Italia) S.p.A.,

Via Del Vecchio Politecnico 3, I-20121 Milano

Banca Reale S.p.A., \*

Corso Vittorio Emanuele 101, I-10128 Torino

Intesa Sanpaolo S.p.A.,

Piazza Scala 6, I-20121 Milano

Banca Albertini Syz & C.S.p.A., \*\*

Via Borgonuovo 14, I-20121 Milano

\* Banca Reale S.p.A. is only distributor for  
LUXEMBOURG INVESTMENT FUND – Amares Strategy Fund – Balanced

\*\* Banca Albertini Syz & C.S.p.A. is only distributor for  
LUXEMBOURG INVESTMENT FUND – Alpha Strategies

The sales prospectus and the simplified prospectuses, the articles of association of the Company, the annual and semi-annual reports as well as the portfolio movements of the Company mentioned in this publication are available free of charge at the sales agencies and at the registered office of the Company.

# Features of the Company

Annual Report as of 31 March 2008  
LUXEMBOURG INVESTMENT FUND

LUXEMBOURG INVESTMENT FUND ("the Company") is an investment company qualifying as a "société d'investissement à capital variable" (SICAV) with multiple subfunds under the laws of the Grand Duchy of Luxembourg, which envisages to invest in transferable securities and in other liquid financial assets referred to in article 41, paragraph (1) of the Law, in accordance with the investment policy of each particular subfund. The Company complies with the requirements of the Directive EEC 85/611, 2001/107/EC and 2001/108/EC.

LUXEMBOURG INVESTMENT FUND is characterised by an "umbrella construction" which comprises several specific portfolios of assets known as "subfunds" for each of which various classes of shares may be issued. Such shares belonging to a particular category shall hereinafter also be called "subfund shares".

LUXEMBOURG INVESTMENT FUND was incorporated on 26 August 2002 as an open-end investment company under Luxembourg law in the legal form of a share company (société anonyme) having the status of an investment company with variable capital (Société d'investissement à capital variable) in accordance with Part I of the Luxembourg law relating to undertakings for collective investment enacted on 30 March 1988 (until 17 March 2004) and on 20 December 2002 (from 17 March 2004).

Following an extraordinary general meeting of the shareholders held on 17 March 2004, the articles of incorporation were amended in order to have the Company regulated by the Part I of the Luxembourg law of 20 December 2002 on undertakings for collective investment. The articles of association were published in the "Mémorial, Recueil des Sociétés et Associations", hereinafter called "Mémorial", the official gazette of the Grand Duchy of Luxembourg, on 30 September 2002 and on 30 April 2004, and were deposited together with the legal notice concerning the issue of the Company's shares at the Commercial and Company Register of the District Court of Luxembourg. Any amendment must be published in the "Mémorial". Such amendments become legally binding in respect of all shareholders subsequent to their approval by the general meeting of the shareholders.

UBS Third Party Management Company S.A., incorporated under chapter 13 of the Law and having its registered office at 33A avenue J.F. Kennedy, P.O. Box 91, L-2010 Luxembourg, has been appointed to act as the Management Company of the Company (the "Management Company").

The financial year of the Company ends the last day of March.

The annual general meeting shall be held annually on 31 July at 11 o'clock a.m. at the registered office of the Company or any address specified in the notice meeting. If 31 July happens to be a holiday, the annual general meeting shall be held on the next following business day.

The entirety of the subfunds' net assets forms the total net assets of the Company, which at any time corresponds to the share capital of the Company and consists of fully paid in and non-par-value shares (the "shares").

At general meetings, the shareholder has the right to one vote per share held, irrespective of the difference in value of shares in the respective subfunds. Shares of a particular subfund carry the right of one vote per share held when voting at meetings affecting this subfund.

The Company is a single legal entity and the assets of a particular subfund are only applicable to the debts, engagements and obligations of that subfund. In respect of the relationship between the shareholders, each subfund is treated as a separate entity. The Company is unlimited with regard to duration and total assets.

The Board of Directors reserves the right, at any point in time, to launch new subfunds. The offering memorandum and investment policy of such subfunds are to be communicated through a revised prospectus. In compliance with the regulations laid down in "Liquidation and merging of the Company and its subfunds", the Board of Directors reserves the right to terminate or to merge certain subfunds.

Only the information contained in the sales prospectus and in one of the documents referred to therein shall be deemed to be valid.

The annual and semi-annual reports are available free of charge to shareholders at the registered office of the Company and of the Custodian Bank.

No subscription may be accepted on the basis of the financial reports. Subscriptions are accepted only on the basis of the current prospectus accompanied by the latest annual report and the latest semi-annual report if available.

## **LUXEMBOURG INVESTMENT FUND – Alpha Strategies**

LUXEMBOURG INVESTMENT FUND – Alpha Strategies was launched in January 2008, and the first quarter was spent building up the portfolio. We have initiated positions in 11 sicav and 1 fund of hedge funds, hedging the portfolio through volatility indices and options. Our asset allocation strategy allowed the subfund to protect its capital during the first quarter of 2008 generating 0.32% positive return in February and avoiding the sell-off in March losing 0.45%. We maintain our objective to generate long-term capital growth by investing worldwide in all traditional asset classes as well as in non-traditional asset classes as permitted by law.

Against the background of high financial market volatility and incoming data suggesting more pronounced weakness in US economic activity, the external environment of the euro area has weakened over the past quarter. While global economic activity still continues to be supported by robust economic conditions in emerging markets, country-specific factors, as well as repercussions of the US slowdown, are having more of a dampening effect on the pace of economic expansion in other advanced economies. At the same time, the protracted upward momentum of commodity prices continues to place upward pressure on headline consumer price inflation in OECD countries. On balance, the risks to the outlook for growth are judged to lie on the downside.

Pronounced fluctuations were observed in long-term government bond yields between end-2007 and March 2008, mirroring the sharp movements seen in equity markets in the light of heightened concerns among market participants regarding the prospects for economic activity. Real interest rates declined over the review period, especially at shorter maturities. The pronounced fluctuations in long-term government bond yields were accompanied by a sharp increase in implied bond market volatility.

Between end-2007 and March 2008 equity prices experienced pronounced fluctuations and declined significantly overall, in line with developments in global markets, as concerns regarding the financial and economic implications of the US sub-prime mortgage crisis intensified. In addition to a weaker outlook for short-term economic activity, the strong overall declines in stock prices seemed also to reflect a moderation in reported earnings growth and a deterioration in investor sentiment.

After an extended period of generally tranquil equity market conditions, stock price volatility levels increased again across the globe with the outbreak of the financial turmoil in the summer of 2007 and have remained relatively high since then. Pronounced spikes in realised and expected stock market volatility are typical of periods of market turmoil, with investors generally becoming very uncertain about future stock price developments and, accordingly, requiring a higher risk premium for holding equities. This is why periods of increased stock market volatility tend to coincide with stock price falls and certain indicators of expected stock market volatility have become known as “investor fear gauges”.

## **LUXEMBOURG INVESTMENT FUND – Amares Strategy Fund - Balanced**

### **The Global Economy**

2007 has been in our view the last year where the global economic machine functioned with all its cylinders at full steam. The idea is that the economic cycle is dead and that a new paradigm has emerged, where access to the world economies of millions and millions of Asian and Latin Americans of would-be capitalist, is now for the first time put in danger. Of course the access of all those people to the market economy will continue to be a driver for the medium term; the problem is that the growth they created (demand-driven especially for natural resources) has been too strong. The limited availability of natural resources (at least short to medium term availability) has caused strong increases in the prices of all commodities; the same cylinder transmission mechanism is now causing huge increases in the inflation numbers of both developing (bigger increases due to their biggest weight of food and energy consumption) and developed countries. Coupled with the explosion of the debt-driven bubble in the United States (as well as other parts of the world, Europe in primis) financed by speculative financial products that have been distributed across all types of investors, including institutional investors. Banks have taken on their own books the investments too. In our opinion world growth is now coming to a long pause.

The last point that concerns us is the record profit margin (absolute as well as compared to both GDP and salaries) enjoyed by the corporate sector.

In an environment of slowing growth dynamics, rising inflation, tightening monetary policy (both by central banks and by the difficulties of the commercial banks) and stretched consumers, plus starting from a less than favorable valuation measures, we think that the margins will come under severe pressure in the short to medium term.

### **Asset Allocation**

The subfund continues to adopt a cautious approach in regard to the corporate sector (both equities and bonds). Our bets are concentrated primarily on the agriculture, oil and gas as well as precious sectors and themes.

In term of markets we are extremely cautious towards the European as well as Emerging markets, while we begin for the first time in years to find deep value opportunities in Japan (financial as well as consumer included!).

### **Equities**

While completely avoiding financials and consumer-related exposure, we are also cautious in regard to the "value trap" characteristics of the health care sector (growing imbalances in the pension systems of the developed countries will further squeeze the companies.) The only meaningful bets continue to expose us to the dynamic of the natural resources, especially agriculture (producers, fertilizers, seeds and irrigation-related are our preferred areas), oil and gas (exploration and services as well as US domestic gas companies) and precious metal shares as an edge against inflation risks.

### **Fixed Income**

While maintaining extremely short durations in all markets, we began recently to initiate some small bets (that will be increased in the next months) in two directions:

- a) we are concerned by the increasing expensive valuation of the euro, therefore, we are further increasing the currency diversification,
- b) we are switching some funds from government to the financial area, where the dynamics are now playing in favor of the fixed income investors, in sharp contrast to the last years; we are strongly convinced that this dynamic is here at least to stay in the medium term.

## **LUXEMBOURG INVESTMENT FUND – Global Opportunities**

The fund started trading on 5 October 2007 and in the period to 31 March 2008, the major indexes have declined approximately 20% in Europe, 15% in the USA and 14% taking the MSCI World. Over the same period the subfund has lost approximately 6%.

The overall economic background is well known with growing concerns about the growth in the global economy, and in particular in the US. The impact of the mounting losses in the banking system and the effective closure of the securitisation markets have progressively being felt in the real economy though a massive credit crunch. Real concerns about the viability of some large banks has weighted on the stock markets with a low touched at the end of March when Bear Sterns was close to bankruptcy.

In this treacherous environment, most of the value considerations at company level were disregarded as massive wave of liquidations from institutional investors (mutual Funds under strain because of redemptions) and private individuals affected indiscriminately all shares. The only effective defence was to maintain a low net exposure to the market. The most important decisions in these first six months have been related to asset allocation rather than stock picking. Another important source of gains has been the sale of covered calls to benefit from the high volatility experience in certain sector of the market where we held good names and we traded around them.

After the sell out in August 2007 and the sharp rally in September, we started to invest at the inception of the subfund with a conservative view of the market. On average in the period the portfolio has been positioned to have around 50% of equities and 50% of bonds (short dated and mainly government risk) and cash. The main themes were energy, commodities, infrastructures and industrials with good earnings visibility. The subfund performance remained flat for the first three months from October to December. At the beginning of January when the market did not experience the typical year-end rally and it looked that it was taking a quite negative tone, the subfund invested in puts to protect approximately half of the portfolio, reaching a net exposure of approximately 25%. At the end of January the subfund lost approximately 4% with markets down 16%. In February markets saw a bounce back and then again March was quite negative on the back of the Baer Stearns demise. At the end of March the subfund was down approximately 6% with European markets down approximately 20%.

## **Luxembourg Investment Fund**

### **– Secofind Income**

The inception date for the Luxembourg Investment Fund was 11 August 2006. The since-inception, gross-of-fees, return for this account as at 31 March 2008 is 3.65% (vs. 3.80% for the benchmark).

#### *1<sup>st</sup> Quarter 2008*

Euro bond markets posted strong gains during the first quarter with the broad euro bond market returning 1.85 percent, as measured by the Lehman Brothers Euro Aggregate Index. Government bonds outperformed most other sectors amidst a further flight to quality as the liquidity and credit crisis gripping major financial institutions worsened. The deleveraging trend continued with even high quality assets being sold off due to liquidity issues rather than deteriorating credit quality.

#### **Your portfolio underperformed its benchmark for the quarter**

Important contributors to performance were:

- An overweight to aggregate portfolio duration as government bond yields continued to fall in most regions
- Emphasis on shorter maturities in the US and UK as these yield curves steepened with central banks in both regions cutting rates during the quarter
- Exposure to emerging market currencies as the US dollar weakened

The following strategies detracted from returns:

- Exposure to bank capital as the liquidity crisis continued to weigh on major financial institutions pushing spreads wider
- Holdings of high quality asset-backed bonds which were negatively affected by tight liquidity conditions and forced selling despite strong credit enhancement
- An overweight to high quality mortgages and short-dated swaps which also sold off amidst leverage unwinding
- An overweight to corporates as the sector underperformed Treasuries

#### *4<sup>th</sup> Quarter 2007*

European bond markets posted strong gains in a volatile fourth quarter as the broad European bond market measured by the Lehman Brothers Euro Aggregate Index rose by 0.81 percent. Gains were driven by continued flight to quality as interbank lending dwindled, 3 month Euribor finished the quarter at 4.69% versus an ECB policy rate of 4% and credit markets underperformed. In order to attempt to address the credit squeeze in financial markets, the ECB and other major central banks announced a number of measures, both independently and coordinated, across the quarter to increase liquidity. While the Fed and BOE cut rates, the ECB remained on hold.

#### **Your portfolio outperformed its benchmark for the quarter**

Important contributors to performance were:

- An underweight to aggregate portfolio duration as yields declined on fears of a spill-over of the US housing market to the real economy
- A position for a steeper yield curve in the US as the Fed continued to cut rates across the quarter
- A curve steepener in the UK as the front-end rallied as the BOE cut rates by 25 basis points

The following strategies detracted from returns:

- Overweight to mortgage and asset-backed securities as spreads widened
- Exposure to the front end of the Sterling and Euro swap curve as that part of the curve underperformed strongly
- An allocation to emerging markets as they underperformed on spread widening

#### *3<sup>rd</sup> Quarter 2007*

European bond markets posted substantial gains during the third quarter as the broad European bond market measured by the Lehman Brothers Euro Aggregate Index rose by 1.98 percent. Gains were driven by a flight to quality as fallout from the US subprime mortgage crisis spread across the globe. Several European financial institutions were rocked by direct exposure and the resulting liquidity crisis including German IKB, Sachsen LB, and Northern Rock. Inter-bank liquidity dried up causing Euribor rates to spike and forcing the ECB to provide emergency cash injections and step back from implied rate hikes. During the second quarter GDP growth surprised below estimates at 1.2% year over year (yoy), as CPI declined to 1.7% yoy with core rising to 2.0% yoy.

## **Your portfolio outperformed its benchmark for the quarter**

Important contributors to performance were:

- An overweight to aggregate portfolio duration as yields declined on fears of a spill-over of the US housing market to the real economy
- A position for a steeper yield curve in the US as the fed cut rates by 50 basis points in September
- A curve steepener in the UK as the front-end rallied
- Underweight to the US dollar versus the yen and the Brazilian real

The following strategies detracted from returns:

- Overweight exposure to mortgage and asset-backed securities as spreads widened
- An allocation to emerging markets as they underperformed due to an increase in spreads

### *2<sup>nd</sup> Quarter 2007*

European bonds continued to sell off during the second quarter as the broad European bond market as measured by the Lehman Euro Aggregate Index declining by 1.59 percent. The 10-year German Bund yield rose above 4.65% during June, which was the highest level since August 2002. The ECB increased its benchmark lending rate from 3.75% to 4.00% due to upside risks to price stability. GDP growth for the first quarter came in at 0.6% quarter over quarter (qoq) and 3.0% yoy. Harmonized inflation remained below the ECB's 2% target rate, ending the quarter at 1.9%. Core inflation remained relatively stable at 1.9% as well. M3 money supply grew 10.7% from a year earlier.

## **Your portfolio underperformed its benchmark for the quarter**

Important contributors to performance were:

- An underweight to duration in the Eurozone as yields rose on strong economic data and hawkish ECB comments
- A flattening position at the long end of the Eurozone yield curve as the 30 year outperformed the 10 year

The following strategies detracted from returns:

- Duration exposure in the UK and New Zealand as these markets underperformed the Eurozone
- A further inversion of the UK yield curve as yields in the front end of the curve rose relative to those of longer maturities
- Exposure to US and UK swap spreads which widened in the second quarter

- Exposure to US Mortgage Backed Securities (MBS), which underperformed particularly in June

### **Outlook – 1<sup>st</sup> Quarter 2008**

#### **Mild Stagflation for Global Economy during Next Year**

A housing-led recession in the US will help produce slower growth in Europe, Japan and the UK over the next year. Emerging economies, which have been the main drivers of global growth in the recent past, should decouple to a greater extent from the US Inflation pressure should increase as surging energy and food prices pass through to core inflation, at least for a time. Robust demand from emerging markets is likely to support commodity prices, tempering normal disinflationary effects from economic weakness. The following are the key themes in PIMCO's outlook:

- **A Recession in the US** will arise from bursting bubbles in housing, mortgage creation and a shadow banking system made up of assorted off-balance sheet vehicles. PIMCO expects that credit and liquidity contractions brought on by the bursting of these bubbles will continue to spill over into the broader economy. Personal consumption is vulnerable as falling home prices (depicted in the graph below) threaten to push ever larger numbers of households into negative home equity positions.
- **Strong Monetary and Fiscal Responses** – Policy responses are already in evidence with rate cuts, financing of mortgage collateral and intervention in the Bear Stearns collapse by the Federal Reserve. In an effort to halt mortgage debt deflation, the Fed could also use its balance sheet to buy mortgage collateral outright. While PIMCO does not expect the Fed to cut the federal funds rate much below 2 percent, the central bank is likely to hold rates at reduced levels for an extended time. On the fiscal side, the Federal Housing Administration (FHA) could take in refinanced mortgages at a discount, forcing originators to take a loss but keeping homeowners in their homes and properties off an already glutted market.
- **Other Developed Economies Will Slow** – Lack of domestic growth momentum, especially among consumers, will make Europe more reliant on external demand at a time when the US is slipping into recession. A housing slowdown, negligible real income growth and more restrictive credit will crimp growth in the UK, which resembles the US in its reliance on debt finance. Japan is also increasingly dependent on exports as the corporate sector turns cautious and household conditions weaken amid worsening consumer confidence.

- **Emerging Markets to Decouple** – Emerging markets, led by China, should prove more resilient to the US recession than Europe, Japan and the UK. While not immune to events in the US, China is relatively insulated because domestic fixed investment and consumption, not exports, dominate its growth. PIMCO expects growth in most major emerging economies to slow down but remain strong for reasons similar to those in China.

#### **Look to Safeguard Assets Amid Market Stress; Take Advantage of Attractive Yields on High Quality Assets**

During this period of extreme market stress, PIMCO will seek to protect client assets by retaining a high quality focus overall. At the same time, we will prudently take advantage of attractive valuations created by market dislocations among top quality mortgage-backed bonds and select investment grade corporates. The following is a summary of these strategies:

- **Interest Rate Strategies** – Where guidelines permit, PIMCO will diversify its interest rate and yield curve exposure away from the US, where rates are unlikely to fall much further, toward more compelling opportunities elsewhere. For example, we will take advantage of relatively high short term yields in the UK and Australia. These yields should begin to converge toward lower US levels as Fed easing nears its terminal point and other central banks come under pressure to cut rates amid the global slowdown.

In the US, we will target duration near to modestly below the benchmark given low interest rate levels overall. With the US yield curve likely to remain relatively steep, we will retain our focus on short/intermediate maturities, a strategy that offers the potential for gains as bonds “roll down”, or mature along the steep yield curve over time.

- **Mortgages** – High quality mortgage-backed bonds arranged by the major mortgage agencies continue to represent some of the most compelling values in the fixed income markets. Valuations on these assets cheapened even further during the first quarter of 2008 because of liquidity constraints among institutional investors. PIMCO will overweight this sector to capture yield premiums well above historical averages.
- **Credit** – PIMCO will remain cautious in credit and retain an overall underweight to this sector. However, we will continue to emphasize select, high grade corporates where the credit crisis has produced compelling valuations, especially in the banking and finance sector.

- **Currency** – Over a cyclical time frame, the US dollar’s depreciation against currencies of developed countries has likely run its course. The reason is that PIMCO expects short term interest rates and economic growth in key developed countries to converge toward the US. We will focus instead on a basket of emerging market currencies, where growth rates should be higher and where a number of countries need stronger currencies to combat inflation. In addition, we will employ strategies that benefit when the UK pound declines in value versus the US dollar.

- **Emerging Market Bonds** – We will retain holdings of emerging market bonds near current levels as these credits have held up relatively well amid recent market turmoil. The EM asset class has the potential to add value over the long run. High quality credits such as Mexico, Russia and Brazil could continue to see upgrades given large and growing currency reserves and strong fiscal positions.

- **TIPS and Municipals** – With real yields lower after the recent rally, TIPS are not attractive from a tactical standpoint at present. Municipal bonds are a different story. The ongoing liquidity squeeze in the municipal sector offers opportunities to buy sound credits at yields well above their historical relationships with taxable bonds. PIMCO will look to add municipals to reap gains as these yield relationships revert back to more typical levels.

#### **LUXEMBOURG INVESTMENT FUND**

##### **– U.S. Equity Plus**

The year under review was marked by a difficult period for world markets. During the second quarter of 2007, equity markets continued their strong upward trend through May. In June, the markets began to show the first signs of the possible end of a five year bull market in global equities as problems in the US sub-prime credit began to be apparent. From July 2007 until the end of the period under review, equity and credit markets came under severe stress and volatility increased to levels not seen since the 2000-2002 period. During the year, the S&P 100 lost 5.57%.

This higher volatility environment provided our sub-fund with numerous opportunities to apply our usual strategy and initiate positions in US equities and equity options. This approach allowed us to generate successive positive performance in every month of the period. Of particular note was the performance in the first quarter of 2008 when financial markets ran in to

considerable difficulty, culminating in the rescue of Bear Stearns. The subfund was able to enter the market very close to the January low and held a position in equities and equity options until mid-March and generated a substantial profit, despite the market turbulence.

# Independent Auditor's Report

Annual Report as of 31 March 2008  
LUXEMBOURG INVESTMENT FUND

To the Shareholders of

## **LUXEMBOURG INVESTMENT FUND**

33A avenue J.F. Kennedy,  
P.O. Box 91, L-2010 Luxembourg

### **Report on the financial statements**

We have audited the accompanying financial statements of LUXEMBOURG INVESTMENT FUND and of each of its subfunds, which comprise the statement of net assets and the statement of investments in securities and other net assets as at 31 March 2008 and the statement of operations and statement of changes in net assets for the year then ended, and the notes to the financial statements.

### **Responsibility of the Board of Directors of the SICAV 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.

### **Responsibility of the "Réviseur d'Entreprises"**

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 judgement of the "Réviseur d'Entreprises", 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 "Réviseur d'Entreprises" 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, 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 LUXEMBOURG INVESTMENT FUND and of each of its subfunds as of 31 March 2008, 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 and the presentation of the financial statements.

### **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.

Luxembourg, 30 June 2008

Ernst & Young  
Société Anonyme  
Réviseur d'Entreprises

I. NICKS

# LUXEMBOURG INVESTMENT FUND

Annual Report as of 31 March 2008

## Consolidated Statement of Net Assets

	EUR
<b>Assets</b>	<b>31.3.2008</b>
Investments in securities, cost	464 732 213.97
Investments in securities, unrealized appreciation (depreciation)	-2 688 535.85
Total investments in securities (Note 1)	462 043 678.12
Cash at banks, deposits on demand and deposit accounts	8 465 887.46
Time deposits and fiduciary deposits	1 549 985.72
Other liquid assets (Margins)	490 510.07
Receivable on securities sales (Note 1)	1 126 781.50
Interest receivable on securities	486 107.20
Interest receivable on liquid assets	16 412.42
Receivable on dividends	130 493.81
Other receivables	13 423.73
Formation expenses, net (Note 1)	79 266.14
Unrealized gain (loss) on financial futures (Note 1)	297 426.11
Unrealized gain (loss) on options, futures-styled	-776.76
Unrealized gain (loss) on forward foreign exchange contracts (Note 1)	4 826 702.13
Unrealized gain (loss) on swaps (Note 1)	290 121.25
<b>Total Assets</b>	<b>479 816 018.90</b>
<b>Liabilities</b>	
Bank overdraft	-1 287 080.13
Other short-term liabilities (Margins)	-296 990.62
Payable on securities purchases (Note 1)	-2 365 340.62
Other liabilities	-233.74
Provisions for Investment Advisory fees (Note 2)	-810 893.41
Provisions for custodian bank fees (Note 2)	-127 088.94
Provisions for taxe d'abonnement (Note 3)	-58 692.19
Provisions for audit fees, legal and economic advice (Note 2)	-16 015.58
Provisions for other commissions and fees (Note 2)	-36 437.18
Provisions for formation expenses (Note 1)	-92 437.00
Provisions for distribution fees (Note 2)	-973.42
Total provisions	-1 142 537.72
<b>Total Liabilities</b>	<b>-5 092 182.83</b>
<b>Net assets at the end of the financial year</b>	<b>474 723 836.07</b>

## Consolidated Statement of Operations

	EUR
<b>Income</b>	<b>1.4.2007–31.3.2008</b>
Interest on liquid assets	914 942.34
Interest on securities	1 387 687.05
Dividends	2 587 061.60
Interest received on swaps (Note 1)	587 316.45
Income on subscriptions/redemptions (note 5)	1.40
Other income	4 051.95
<b>Total income</b>	<b>5 481 060.79</b>
<b>Expenses</b>	
Interest paid on swaps (Note 1)	–336 440.89
Investment Advisory fees (Note 2)	–4 127 759.38
Custodian bank fees (Note 2)	–1 621 317.87
Taxe d'abonnement (Note 3)	–252 400.26
Government fees (Note 2)	–4 993.67
Audit fees, legal and economic advice (Note 2)	–68 496.17
Publications, printing costs and publicity (Note 2)	–32 047.22
Amortization of formation expenses (Note 1)	–15 738.58
Liquidation fees	–7 500.00
Other commissions and fees (Note 2)	–358 756.17
Interest on cash liquidity and bank overdraft	–110 502.72
<b>Total expenses</b>	<b>–6 935 952.93</b>
<b>Net income (loss) on investments</b>	<b>–1 454 892.14</b>
<b>Realized gain (loss) (Note 1)</b>	
Realized gain (loss) on market-priced securities without options	34 846 599.93
Realized gain (loss) on options	–9 778 826.45
Realized gain (loss) on yield-evaluated securities and money market instruments	11 516 766.97
Realized gain (loss) on financial futures	–1 123 561.15
Realized gain (loss) on options, futures-styled	–9 258.33
Realized gain (loss) on forward foreign exchange contracts	62 198 866.93
Realized gain (loss) on swaps	328 355.32
Realized result on subscriptions/redemptions (Note 5)	7.03
Total realized gain (loss) on investments	97 978 950.25
Realized gain (loss) on foreign exchange	–16 503 976.00
Other realized gain (loss)	–12.62
<b>Total realized gain (loss)</b>	<b>81 474 961.63</b>
<b>Net realized gain (loss) of the financial year</b>	<b>80 020 069.49</b>
<b>Changes in unrealized appreciation (depreciation) (Note 1)</b>	
Unrealized appreciation (depreciation) on market-priced securities without options	–3 582 092.12
Unrealized appreciation (depreciation) on options	20 664.36
Unrealized appreciation (depreciation) on yield-evaluated securities and money market instruments	493 185.21
Unrealized appreciation (depreciation) on financial futures	220 463.37
Unrealized appreciation (depreciation) on options, futures-styled	–1 025.16
Unrealized appreciation (depreciation) on forward foreign exchange contracts	5 459 347.17
Unrealized appreciation (depreciation) on swaps	544 220.15
<b>Total changes in unrealized appreciation (depreciation)</b>	<b>3 154 762.98</b>
<b>Net increase (decrease) in net assets as a result of operations</b>	<b>83 174 832.47</b>

# LUXEMBOURG INVESTMENT FUND

## – Alpha Strategies

Annual Report as of 31 March 2008

### Most important figures

Date	ISIN	31.3.2008
Net assets in EUR		9 257 560.99
Class A <sup>1</sup>	LU0321087768	
Shares outstanding		92 827.2370
Net asset value per share in EUR		99.73

<sup>1</sup> Initial subscription: 8.2.2008

### Structure of the Securities Portfolio

Geographical Breakdown as a % of net assets	
Luxembourg	38.67
Ireland	13.25
Italy	8.10
United Kingdom	7.86
France	4.50
United States	-0.02
Euro-zone	-0.03
<b>Total</b>	<b>72.33</b>

Economic Breakdown as a % of net assets	
Investment funds & pension foundations	72.38
Miscellaneous services	-0.05
<b>Total</b>	<b>72.33</b>

## Statement of Net Assets

	EUR
<b>Assets</b>	<b>31.3.2008</b>
Investments in securities, cost	6 746 958.59
Investments in securities, unrealized appreciation (depreciation)	-50 982.19
Total investments in securities (Note 1)	6 695 976.40
Cash at banks, deposits on demand and deposit accounts	2 539 185.09
Other liquid assets (Margins)	31 647.63
Interest receivable on liquid assets	8 733.47
Formation expenses, net (Note 1)	29 129.74
Unrealized gain (loss) on financial futures (Note 1)	-1 320.00
<b>Total Assets</b>	<b>9 303 352.33</b>
<b>Liabilities</b>	
Provisions for Investment Advisory fees (Note 2)	-9 999.60
Provisions for custodian bank fees (Note 2)	-2 540.98
Provisions for taxe d'abonnement (Note 3)	-709.78
Provisions for other commissions and fees (Note 2)	-2 540.98
Provisions for formation expenses (Note 1)	-30 000.00
Total provisions	-45 791.34
<b>Total Liabilities</b>	<b>-45 791.34</b>
<b>Net assets at the end of the period</b>	<b>9 257 560.99</b>

## Statement of Operations

	EUR
<b>Income</b>	<b>8.2.2008–31.3.2008</b>
Interest on liquid assets	20 218.86
<b>Total income</b>	<b>20 218.86</b>
<b>Expenses</b>	
Investment Advisory fees (Note 2)	-15 815.57
Custodian bank fees (Note 2)	-4 344.26
Taxe d'abonnement (Note 3)	-709.78
Audit fees, legal and economic advice (Note 2)	-3 567.18
Amortization of formation expenses (Note 1)	-870.26
Other commissions and fees (Note 2)	-4 344.26
Interest on cash liquidity and bank overdraft	-25.04
<b>Total expenses</b>	<b>-29 676.35</b>
<b>Net income (loss) on investments</b>	<b>-9 457.49</b>
<b>Realized gain (loss) (Note 1)</b>	
Realized gain (loss) on options	5 910.05
Realized gain (loss) on financial futures	32 766.74
Total realized gain (loss) on investments	38 676.79
Realized gain (loss) on foreign exchange	-4 493.90
<b>Total realized gain (loss)</b>	<b>34 182.89</b>
<b>Net realized gain (loss) of the period</b>	<b>24 725.40</b>
<b>Changes in unrealized appreciation (depreciation) (Note 1)</b>	
Unrealized appreciation (depreciation) on market-priced securities without options	-59 822.94
Unrealized appreciation (depreciation) on options	8 840.75
Unrealized appreciation (depreciation) on financial futures	-1 320.00
<b>Total changes in unrealized appreciation (depreciation)</b>	<b>-52 302.19</b>
<b>Net increase (decrease) in net assets as a result of operations</b>	<b>-27 576.79</b>

## Statement of Changes in Net Assets

	EUR
	8.2.2008–31.3.2008
Net assets at the beginning of the period	0.00
Subscriptions	9 285 137.78
Total net subscriptions (redemptions)	9 285 137.78
Net income (loss) on investments	–9 457.49
Total realized gain (loss)	34 182.89
Total changes in unrealized appreciation (depreciation)	–52 302.19
Net increase (decrease) in net assets as a result of operations	–27 576.79
<b>Net assets at the end of the period</b>	<b>9 257 560.99</b>

## Changes in the Number of Shares outstanding

	8.2.2008–31.3.2008
<b>Class</b>	<b>A</b>
Number of shares outstanding at the beginning of the period	0.0000
Number of shares issued	92 827.2370
Number of shares redeemed	0.0000
<b>Number of shares outstanding at the end of the period</b>	<b>92 827.2370</b>

## Statement of Investments in Securities and other Net Assets as of 31 March 2008

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
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### UCITS in accordance with Article 41 (1) e)

#### Investment certificates, open end

France				
EUR	SGAM INDEX SGAM ETF XBEAR DJ EUROSTOXX 50 FCP	8 000.00	416 960.00	4.50
Total France			416 960.00	4.50
Ireland				
EUR	CANTILLON GLOBAL VALUE FUND-EUR-B SERIES B3 EUR 0308	75 000.00	750 099.75	8.10
EUR	GLG INVESTMENTS PLC – GLG GLOBAL CONVERTIBLE UCITS FD-N EUR	4 090.00	476 894.00	5.15
Total Ireland			1 226 993.75	13.25
Luxembourg				
EUR	DB X-TRACKERS DBLCI – OY BALANCED ETF-1C-CAPITALISATION	10 000.00	395 000.00	4.27
EUR	DWS INVEST – CONVERTIBLES-LC	4 000.00	497 336.80	5.37
EUR	FORTIS L FUND-BOND CONVERTIBLE ASIA-C	3 970.00	467 745.40	5.05
EUR	LOMBARD ODIER DARIER HENTSCH INV SIC-THE CONVERT BD FD EU-PA	37 800.00	492 458.40	5.32
EUR	MPC FUNDS – MPC GLOBAL CONVERTIBLES FUND-B	495.00	494 918.82	5.35
EUR	OYSTER SICAV-ITALIAN VALUE-EUR	1 700.00	483 956.00	5.23
EUR	PICTET FUNDS LUX – ABSOLUTE RETURN GLOBAL DIVERSIFIED-P CAP	6 685.00	747 917.80	8.08
Total Luxembourg			3 579 333.22	38.67
United Kingdom				
GBP	CF ODEY CONTINENTAL EUROPEAN TRUST FUND-ACC	114 000.00	727 219.17	7.86
Total United Kingdom			727 219.17	7.86
Total Investment certificates, open end			5 950 506.14	64.28
Total UCITS in accordance with Article 41 (1) e)			5 950 506.14	64.28

### Other UCI (Undertakings for collective Investment)

#### Investment certificates, open end

Italy				
EUR	NEWTON ALTERNATIVE TOTAL RETURN PORTFOLIO-A	1.50	750 000.00	8.10
Total Italy			750 000.00	8.10
Total Investment certificates, open end			750 000.00	8.10
Total Other UCI (Undertakings for collective Investment)			750 000.00	8.10

### Derivative instruments listed on an official stock exchange

#### Options on indices, classic-styled

EUR				
EUR	DJ EUROSTOXX 50 PUT 3300.00000 18.04.08	-9.00	-1 026.00	-0.01
EUR	DJ EUROSTOXX 50 PUT 3400.00000 18.04.08	-9.00	-1 926.00	-0.02
Total EUR			-2 952.00	-0.03
USD				
USD	CBOE SPX VOLATILITY INDEX PUT 22.50000 16.04.08	-100.00	-1 577.74	-0.02
Total USD			-1 577.74	-0.02
Total Options on indices, classic-styled			-4 529.74	-0.05
Total Derivative instruments listed on an official stock exchange			-4 529.74	-0.05
Total investments in securities			6 695 976.40	72.33

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
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## Derivative instruments

### Derivative instruments listed on an official stock exchange

#### Financial Futures on bonds

EUR	EURO-BUND FUTURE 06.06.08	2.00	-1 320.00	-0.01
<b>Total Financial Futures on bonds</b>			<b>-1 320.00</b>	<b>-0.01</b>
<b>Total Derivative instruments listed on an official stock exchange</b>			<b>-1 320.00</b>	<b>-0.01</b>
<b>Total Derivative instruments</b>			<b>-1 320.00</b>	<b>-0.01</b>
<b>Cash at banks, deposits on demand and deposit accounts and other liquid assets</b>			<b>2 570 832.72</b>	<b>27.77</b>
<b>Other assets and liabilities</b>			<b>-7 928.13</b>	<b>-0.09</b>
<b>Total net assets</b>			<b>9 257 560.99</b>	<b>100.00</b>

# LUXEMBOURG INVESTMENT FUND

## – Amares Strategy Fund - Balanced

Annual Report as of 31 March 2008

### Three-year comparison

Date	ISIN	31.3.2008	31.3.2007	31.3.2006
Net assets in EUR		16 668 575.74	20 971 387.08	21 881 868.69
<b>Class A</b>	<b>LU0149953746</b>			
Shares outstanding		1 668 560.8040	1 996 027.1080	2 087 026.5690
Net asset value per share in EUR		9.99	10.51	10.48

### Structure of the Securities Portfolio

Geographical Breakdown as a % of net assets	
Germany	13.58
United States	13.35
Netherlands	11.14
France	8.80
Supranationals	5.59
United Kingdom	3.93
Austria	3.60
Switzerland	3.14
Belgium	3.06
Jersey	2.65
Denmark	2.57
Luxembourg	2.53
Italy	1.83
Australia	1.66
Greece	0.77
Canada	0.71
Norway	0.69
Poland	0.53
Spain	0.46
Sweden	0.39
South Africa	0.34
Ireland	0.14
<b>Total</b>	<b>81.46</b>

Economic Breakdown as a % of net assets	
Banks & credit institutions	29.29
Countries & central governments	17.76
Pharmaceuticals, cosmetics & medical products	6.64
Supranational organisations	5.59
Telecommunications	4.19
Investment funds & pension foundations	3.09
Finance & holding companies	3.02
Chemicals	1.63
Food & soft drinks	1.49
Petroleum	1.17
Insurance	1.17
Internet, software & IT services	0.86
Agriculture & fishery	0.64
Miscellaneous unclassified companies	0.53
Building industry & materials	0.51
Mining, coal & steel	0.47
Precious metals & stones	0.47
Miscellaneous consumer goods	0.42
Retail trade, department stores	0.40
Various capital goods	0.34
Computer hardware & network equipment providers	0.34
Miscellaneous services	0.28
Tobacco & alcohol	0.26
Mechanical engineering & industrial equipment	0.23
Electrical devices & components	0.21
Lodging, catering & leisure	0.19
Aerospace industry	0.11
Electronics & semiconductors	0.09
Photographic & optics	0.07
<b>Total</b>	<b>81.46</b>

## Statement of Net Assets

	EUR
<b>Assets</b>	<b>31.3.2008</b>
Investments in securities, cost	14 595 929.39
Investments in securities, unrealized appreciation (depreciation)	-1 016 794.22
Total investments in securities (Note 1)	13 579 135.17
Cash at banks, deposits on demand and deposit accounts	1 617 628.14
Time deposits and fiduciary deposits	1 326 815.89
Other liquid assets (Margins)	90 000.00
Receivable on securities sales (Note 1)	71 131.80
Interest receivable on securities	192 716.98
Interest receivable on liquid assets	83.25
Receivable on dividends	522.53
Other receivables	2 308.92
Formation expenses, net (Note 1)	11 784.60
Unrealized gain (loss) on financial futures (Note 1)	-1 250.00
<b>Total Assets</b>	<b>16 890 877.28</b>
<b>Liabilities</b>	
Other short-term liabilities (Margins)	-2 000.00
Payable on securities purchases (Note 1)	-142 514.67
Provisions for Investment Advisory fees (Note 2)	-24 918.91
Provisions for custodian bank fees (Note 2)	-1 426.83
Provisions for taxe d'abonnement (Note 3)	-2 030.92
Provisions for audit fees, legal and economic advice (Note 2)	-3 029.84
Provisions for other commissions and fees (Note 2)	-12 969.95
Provisions for formation expenses (Note 1)	-32 437.00
Provisions for distribution fees (Note 2)	-973.42
Total provisions	-77 786.87
<b>Total Liabilities</b>	<b>-222 301.54</b>
<b>Net assets at the end of the financial year</b>	<b>16 668 575.74</b>

## Statement of Operations

	EUR
<b>Income</b>	<b>1.4.2007-31.3.2008</b>
Interest on liquid assets	78 338.02
Interest on securities	480 526.88
Dividends	66 856.64
Other income	4 051.95
<b>Total income</b>	<b>629 773.49</b>
<b>Expenses</b>	
Investment Advisory fees (Note 2)	-327 782.45
Custodian bank fees (Note 2)	-18 775.89
Taxe d'abonnement (Note 3)	-8 592.88
Government fees (Note 2)	-1 000.00
Audit fees, legal and economic advice (Note 2)	-2 274.56
Publications, printing costs and publicity (Note 2)	-9 304.89
Amortization of formation expenses (Note 1)	-6 133.47
Other commissions and fees (Note 2)	-73 442.68
Interest on cash liquidity and bank overdraft	-1 452.03
<b>Total expenses</b>	<b>-448 758.85</b>
<b>Net income (loss) on investments</b>	<b>181 014.64</b>
<b>Realized gain (loss) (Note 1)</b>	
Realized gain (loss) on market-priced securities without options	200 728.23
Realized gain (loss) on options	-54 796.07
Realized gain (loss) on financial futures	-87 316.39
Total realized gain (loss) on investments	58 615.77
Realized gain (loss) on foreign exchange	-115 791.32
<b>Total realized gain (loss)</b>	<b>-57 175.55</b>
<b>Net realized gain (loss) of the financial year</b>	<b>123 839.09</b>
<b>Changes in unrealized appreciation (depreciation) (Note 1)</b>	
Unrealized appreciation (depreciation) on market-priced securities without options	-988 041.33
Unrealized appreciation (depreciation) on yield-evaluated securities and money market instruments	9 740.49
Unrealized appreciation (depreciation) on financial futures	-1 250.00
<b>Total changes in unrealized appreciation (depreciation)</b>	<b>-979 550.84</b>
<b>Net increase (decrease) in net assets as a result of operations</b>	<b>-855 711.75</b>

## Statement of Changes in Net Assets

	EUR
	<b>1.4.2007–31.3.2008</b>
Net assets at the beginning of the financial year	20 971 387.08
Subscriptions	1 080 537.30
Redemptions	–4 527 636.89
Total net subscriptions (redemptions)	–3 447 099.59
Net income (loss) on investments	181 014.64
Total realized gain (loss)	–57 175.55
Total changes in unrealized appreciation (depreciation)	–979 550.84
Net increase (decrease) in net assets as a result of operations	–855 711.75
<b>Net assets at the end of the financial year</b>	<b>16 668 575.74</b>

## Changes in the Number of Shares outstanding

	<b>1.4.2007–31.3.2008</b>
<b>Class</b>	<b>A</b>
Number of shares outstanding at the beginning of the financial year	1 996 027.1080
Number of shares issued	103 641.7470
Number of shares redeemed	–431 108.0510
<b>Number of shares outstanding at the end of the financial year</b>	<b>1 668 560.8040</b>

## Statement of Investments in Securities and other Net Assets as of 31 March 2008

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
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### Transferable securities and money market instruments listed on an official stock exchange

#### Bearer shares

<b>Belgium</b>			
EUR AGFA GEVAERT NV NPV	2 500.00	12 375.00	0.07
<b>Total Belgium</b>		<b>12 375.00</b>	<b>0.07</b>
<b>Canada</b>			
USD AGNICO EAGLE MINES LTD COM	500.00	21 365.69	0.13
USD AGRUM INC COM	500.00	19 598.62	0.12
USD CAMECO CORP COM	2 000.00	41 576.47	0.24
USD PAN AMERICAN SILVER CORP COM	1 500.00	36 322.62	0.22
<b>Total Canada</b>		<b>118 863.40</b>	<b>0.71</b>
<b>Denmark</b>			
DKK FIRSTFARMS A/S DKK100	5 000.00	95 208.87	0.57
DKK GN STORE NORD DKK4	4 000.00	12 658.76	0.08
DKK NOVOZYMES A/S SER'B'DKK10	400.00	23 708.35	0.14
<b>Total Denmark</b>		<b>131 575.98</b>	<b>0.79</b>
<b>France</b>			
EUR ALCATEL-LUCENT EUR2	6 000.00	21 720.00	0.13
EUR ATOS ORIGIN EUR1	1 500.00	52 890.00	0.32
EUR AXA EUR2.29	2 263.00	52 026.37	0.31
EUR BNP PARIBAS EUR2	600.00	38 334.00	0.23
EUR BULL SA EUR0.10(POST CONSOLIDATION)	10 000.00	26 200.00	0.16
EUR SANOFI-AVENTIS EUR2	995.00	47 282.40	0.28
EUR TOTAL EUR2.5 (POST SUBDIVISION)	1 290.00	60 681.60	0.36
<b>Total France</b>		<b>299 134.37</b>	<b>1.79</b>
<b>Germany</b>			
EUR FRESENIUS MED CARE NPV	855.00	27 231.75	0.16
EUR KWS SAAT AG NPV	300.00	38 100.00	0.23
EUR SAP AG ORD NPV	2 000.00	62 960.00	0.38
<b>Total Germany</b>		<b>128 291.75</b>	<b>0.77</b>
<b>Greece</b>			
EUR ALAPIS HLDG INDUS&COMM SA OF PHAR CHEM&ORG PROD EUR0.30 (CR)	35 000.00	75 950.00	0.46
EUR NEOCHIMIKI LV LAVE EUR0.30(CR)	3 000.00	51 720.00	0.31
<b>Total Greece</b>		<b>127 670.00</b>	<b>0.77</b>
<b>Ireland</b>			
GBP EXPERIAN GROUP ORD USD0.10	5 000.00	23 016.39	0.14
<b>Total Ireland</b>		<b>23 016.39</b>	<b>0.14</b>
<b>Italy</b>			
EUR ENI EUR1	3 000.00	64 800.00	0.39
EUR INTESA SANPAOLO	8 710.00	38 890.15	0.23
<b>Total Italy</b>		<b>103 690.15</b>	<b>0.62</b>
<b>Netherlands</b>			
EUR AEGON NV	6 000.00	55 920.00	0.34
EUR AHOLD(KON)NV EUR0.30	5 120.00	48 128.00	0.29
EUR HEINEKEN NV EUR1.60	1 200.00	44 148.00	0.26
EUR KON KPN NV EUR0.24	4 000.00	42 800.00	0.26
<b>Total Netherlands</b>		<b>190 996.00</b>	<b>1.15</b>
<b>Norway</b>			
NOK KVERNELAND ASA NOK10	30 000.00	50 296.27	0.30
NOK YARA INTERNATIONAL NOK1.7	500.00	18 286.73	0.11
<b>Total Norway</b>		<b>68 583.00</b>	<b>0.41</b>
<b>Poland</b>			
PLN ASTARTA HOLDING NV EUR0.01	3 000.00	36 945.00	0.22
PLN ZAKL AZOT PULAWY PLN10	1 500.00	52 217.88	0.31
<b>Total Poland</b>		<b>89 162.88</b>	<b>0.53</b>
<b>Spain</b>			
EUR NH HOTELES EUR2	3 000.00	31 590.00	0.19
EUR TELEFONICA SA EUR1	2 500.00	45 500.00	0.27
<b>Total Spain</b>		<b>77 090.00</b>	<b>0.46</b>
<b>Switzerland</b>			
CHF CHARLES VOGELE HLD CHF8	350.00	18 714.92	0.11
<b>Total Switzerland</b>		<b>18 714.92</b>	<b>0.11</b>

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
<b>United Kingdom</b>			
GBP 3I GROUP ORD GBP0.738636	2 500.00	26 026.71	0.16
GBP CADBURY SCHWEPES ORD GBP0.125	5 000.00	34 712.73	0.21
GBP FKI GBP0.10	40 000.00	34 994.95	0.21
GBP NORTHERN FOODS ORD GBP0.25	35 000.00	40 498.19	0.24
GBP ROYAL DUTCH SHELL 'B'SHS EURO.07 (UK LIST)	2 000.00	42 545.83	0.25
<b>Total United Kingdom</b>		<b>178 778.41</b>	<b>1.07</b>
<b>United States</b>			
USD ARCHER DANIELS MIDLAND CO COM	1 000.00	25 975.83	0.16
USD AVIS BUDGET GROUP COM	1 200.00	8 042.66	0.05
USD CISCO SYS INC COM	2 000.00	30 406.11	0.18
USD COCA COLA CO COM	700.00	26 890.28	0.16
USD CORN PRODS INTL INC COM	600.00	14 063.30	0.08
USD D R HORTON INC COM	2 000.00	19 879.46	0.12
USD EXXON MOBIL CORP COM	500.00	26 688.97	0.16
USD GENERAL ELECTRIC CO COM	1 000.00	23 356.79	0.14
USD GENERAL MILS INC COM	600.00	22 673.95	0.14
USD HARTFORD FINL SVCS GROUP INC COM	520.00	24 865.36	0.15
USD HOVNANIAN ENTERPRISES INC CL A	3 500.00	23 413.59	0.14
USD INDYMAC BANCORP INC COM	1 000.00	3 130.23	0.02
USD JOHNSON & JOHNSON COM	470.00	19 241.36	0.12
USD KB HOME COM	1 500.00	23 410.43	0.14
USD LILLY ELI & CO COM	500.00	16 279.07	0.10
USD LINDSAY MFG CO COM	600.00	38 800.92	0.23
USD MEDTRONIC INC COM	600.00	18 315.61	0.11
USD MICROSOFT CORP COM	1 500.00	26 865.67	0.16
USD MOHAWK INDS INC COM	500.00	22 596.32	0.14
USD MORGAN STANLEY COM NEW	1 500.00	43 261.49	0.27
USD PFIZER INC COM	800.00	10 567.04	0.06
USD PROCTER & GAMBLE CO COM	765.00	33 828.88	0.20
USD PULTE HOMES INC COM	2 000.00	18 364.84	0.11
USD TYSON FOODS INC CL A	2 000.00	20 131.90	0.12
USD UNITED TECHNOLOGIES CORP COM	429.00	18 632.28	0.11
USD VERIZON COMMUNICATIONS COM	1 000.00	23 003.38	0.14
USD WALT DISNEY CO. DISNEY COM USD0.01	815.00	16 140.04	0.10
USD WELLS FARGO & CO NEW COM	1 000.00	18 364.84	0.11
USD WYETH COM	386.00	10 172.83	0.06
<b>Total United States</b>		<b>627 363.43</b>	<b>3.78</b>
<b>Total Bearer shares</b>		<b>2 195 305.68</b>	<b>13.17</b>
<b>Other shares</b>			
<b>Sweden</b>			
SEK BLACK EARTH FARMIN SDR NPV	10 000.00	65 451.28	0.40
<b>Total Sweden</b>		<b>65 451.28</b>	<b>0.40</b>
<b>Switzerland</b>			
CHF ROCHE HLDGS AG GENUSSSCHEINE NPV	480.00	57 243.52	0.34
<b>Total Switzerland</b>		<b>57 243.52</b>	<b>0.34</b>
<b>Total Other shares</b>		<b>122 694.80</b>	<b>0.74</b>
<b>Preference shares</b>			
<b>Germany</b>			
EUR HENKEL KGAA NON-VTG PRF NPV	1 260.00	36 892.80	0.22
<b>Total Germany</b>		<b>36 892.80</b>	<b>0.22</b>
<b>Total Preference shares</b>		<b>36 892.80</b>	<b>0.22</b>
<b>Registered shares</b>			
<b>Germany</b>			
EUR ALLIANZ SE NPV(REGD)(VINKULIERT)	300.00	37 644.00	0.23
EUR DEUTSCHE TELEKOM NPV(REGD)	5 000.00	52 750.00	0.31
EUR INFINEON TECHNOLOG ORD NPV (REGD)	3 500.00	15 575.00	0.09
EUR SIEMENS AG NPV(REGD)	500.00	34 325.00	0.21
<b>Total Germany</b>		<b>140 294.00</b>	<b>0.84</b>
<b>Switzerland</b>			
CHF LONZA GROUP AG CHF1(REGD)	600.00	50 421.16	0.30
CHF NESTLE SA CHF1(REGD)	200.00	63 329.54	0.38
CHF NOVARTIS AG CHF0.50(REGD)	1 496.00	48 587.57	0.29
CHF PETROPLUS HOLDINGS CHF9.18 (REGD)	1 000.00	38 986.75	0.23
CHF SYNGENTA CHF0.1(REGD)	400.00	74 272.63	0.46
CHF UBS AG CHF0.1 (POST SUBDIVISION)	3 000.00	55 245.05	0.33
CHF ZURICH FIN SVS GRP CHF0.10	120.00	23 947.18	0.14
<b>Total Switzerland</b>		<b>354 789.88</b>	<b>2.13</b>
<b>Total Registered shares</b>		<b>495 083.88</b>	<b>2.97</b>

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
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#### Depository receipts

South Africa				
USD	ANGLOGOLD ASHANTI LTD SPONSORED ADR	1 000.00	21 431.95	0.13
USD	GOLD FIELDS LTD NEW SPONSORED ADR	4 000.00	34 912.12	0.21
Total South Africa			56 344.07	0.34
Total Depository receipts			56 344.07	0.34

#### Notes, fixed rate

EUR				
EUR	EUROPEAN INVESTMENT BANK 3.62500% 03-15.10.13	600 000.00	591 134.88	3.55
Total EUR			591 134.88	3.55
USD				
USD	EUROPEAN INVESTMENT BANK 4.00000% 05-03.03.10	200 000.00	130 395.50	0.78
Total USD			130 395.50	0.78
Total Notes, fixed rate			721 530.38	4.33

#### Medium term notes, fixed rate

EUR				
EUR	AUSTRALIA & NEW ZEALAND BANKING GROUP 3.12500% 05-24.02.10	200 000.00	193 946.54	1.16
EUR	AUSTRIA, REPUBLIC OF 3.80000% 03-20.10.13	600 000.00	599 577.60	3.59
EUR	AVENTIS SA 4.25000% 03-15.09.10	300 000.00	299 516.43	1.80
EUR	DEUTSCHE TELEKOM INTL FINANCE BV 3.25000% 05-19.01.10	200 000.00	195 473.06	1.17
EUR	GLAXOSMITHKLINE CAPITAL PLC 3.00000% 05-18.06.12	505 000.00	475 943.71	2.86
EUR	ING BANK NV-SUB 4.62500% 99-23.02.09	200 000.00	200 067.12	1.20
EUR	KONINKLIJKE KPN NV 4.75000% 98-05.11.08	500 000.00	499 955.00	3.00
Total EUR			2 464 479.46	14.78
SEK				
SEK	DEUTSCHE BANK AG 3.00000% 05-21.04.10	3 000 000.00	309 965.91	1.86
Total SEK			309 965.91	1.86
TRY				
TRY	KOMMUNALBANKEN A/S 14.75000% 05-09.02.09	100 000.00	46 352.46	0.28
Total TRY			46 352.46	0.28
USD				
USD	AMERICAN EXPRESS BANK LTD 3.62500% 04-20.02.09	870 000.00	542 243.54	3.25
USD	AUSTRALIA & NEW ZEALAND BANKING GROUP 3.75000% 04-05.01.09	130 000.00	82 560.62	0.50
USD	KREDITANSTALT FUER WIEDERAUFBAU 3.50000% 03-15.12.11	600 000.00	389 044.62	2.33
Total USD			1 013 848.78	6.08
ZAR				
ZAR	EUROPEAN INVESTMENT BANK 8.50000% 04-04.11.14	1 500 000.00	108 054.42	0.65
ZAR	KREDITANSTALT FUER WIEDERAUFBAU 10.00000% 07-16.07.09	1 500 000.00	114 347.07	0.68
Total ZAR			222 401.49	1.33
Total Medium term notes, fixed rate			4 057 048.10	24.33

#### Medium term notes, zero coupon

ZAR				
ZAR	NORDIC INVESTMENT BANK 0.00000% 97-09.07.27	1 500 000.00	20 293.40	0.12
Total ZAR			20 293.40	0.12
Total Medium term notes, zero coupon			20 293.40	0.12

#### Medium term notes, floating rate

EUR				
EUR	CITIGROUP INC 3M EURIBOR+10BP 03-10.11.08	1 000 000.00	991 648.25	5.95
Total EUR			991 648.25	5.95
USD				
USD	NIB CAPITAL BANK NV 3M LIBOR+10BP 04-05.05.09	500 000.00	273 771.73	1.64
Total USD			273 771.73	1.64
Total Medium term notes, floating rate			1 265 419.98	7.59

#### Bonds, fixed rate

EUR				
EUR	BAYERISCHE LANDESBANK 3.75000% 03-23.05.11	550 000.00	545 523.05	3.27
EUR	BELGIUM, KINGDOM OF 3.00000% 03-28.09.08	500 000.00	497 650.00	2.99

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
EUR DENMARK, KINGDOM OF 3.12500% 04-15.10.09	300 000.00	296 839.98	1.78
EUR DEUTSCHE HYPOTHEKENBANK AG H/B 4.25000% 06-18.05.16	600 000.00	599 777.76	3.60
EUR FRANCE, REPUBLIC OF-OAT 3.75000% 06-25.04.17	500 000.00	488 629.70	2.93
EUR FRANCE, REPUBLIC OF-OAT 5.25000% 98-25.04.08	380 000.00	380 269.80	2.28
EUR ITALY, REPUBLIC OF-BTP 4.50000% 98-01.05.09	200 000.00	201 266.00	1.21
EUR NETHERLANDS, KINGDOM OF THE 2.75000% 03-15.01.09	500 000.00	495 870.00	2.97
<b>Total EUR</b>		<b>3 505 826.29</b>	<b>21.03</b>
<b>Total Bonds, fixed rate</b>		<b>3 505 826.29</b>	<b>21.03</b>
<b>Bonds, floating rate</b>			
EUR			
EUR UBS CAPITAL JERSEY LTD 7.15200%/3M EURIBOR+345BP 07-PRP	500 000.00	441 858.14	2.65
<b>Total EUR</b>		<b>441 858.14</b>	<b>2.65</b>
<b>Total Bonds, floating rate</b>		<b>441 858.14</b>	<b>2.65</b>
<b>Total Transferable securities and money market instruments listed on an official stock exchange</b>		<b>12 918 297.52</b>	<b>77.49</b>
<b>Transferable securities and money market instruments traded on another regulated market</b>			
<b>Notes, fixed rate</b>			
USD			
USD GENERAL ELECTRIC CAPITAL CORP 3.75000% 04-15.12.09	100 000.00	63 837.17	0.38
<b>Total USD</b>		<b>63 837.17</b>	<b>0.38</b>
<b>Total Notes, fixed rate</b>		<b>63 837.17</b>	<b>0.38</b>
<b>Medium term notes, zero coupon</b>			
TRY			
TRY EUROPEAN INVESTMENT BANK 0.00000% 05-02.03.15	480 000.00	82 351.00	0.50
<b>Total TRY</b>		<b>82 351.00</b>	<b>0.50</b>
<b>Total Medium term notes, zero coupon</b>		<b>82 351.00</b>	<b>0.50</b>
<b>Total Transferable securities and money market instruments traded on another regulated market</b>		<b>146 188.17</b>	<b>0.88</b>
<b>UCITS in accordance with Article 41 (1) e</b>			
<b>Investment certificates, open end</b>			
<b>Luxembourg</b>			
USD JPMORGAN FLEMING FUNDS SICAV-EMERGING MARKETS EQUITY FD GC-A	4 800.00	96 542.24	0.58
USD MERRILL LYNCH INTL INVESTMENT FUNDS-WORLD ENERGY FD-A2	10 000.00	180 303.56	1.08
JPY UBS (LUX) EQUITY FUND – JAPAN B	3 330.00	144 459.31	0.87
<b>Total Luxembourg</b>		<b>421 305.11</b>	<b>2.53</b>
<b>Switzerland</b>			
CHF UBS (CH) EQUITY FUND – MID CAPS SWITZERLAND	46.00	43 036.67	0.26
CHF UBS (CH) EQUITY FUND – SWITZERLAND	100.33	50 307.70	0.30
<b>Total Switzerland</b>		<b>93 344.37</b>	<b>0.56</b>
<b>Total Investment certificates, open end</b>		<b>514 649.48</b>	<b>3.09</b>
<b>Total UCITS in accordance with Article 41 (1) e</b>		<b>514 649.48</b>	<b>3.09</b>
<b>Total investments in securities</b>		<b>13 579 135.17</b>	<b>81.46</b>

## Derivative instruments

### Derivative instruments listed on an official stock exchange

#### Financial Futures on Indices

EUR DJ EURO STOXX 50 INDEX FUTURE 20.06.08	25.00	-1 250.00	-0.01
<b>Total Financial Futures on Indices</b>		<b>-1 250.00</b>	<b>-0.01</b>
<b>Total Derivative instruments listed on an official stock exchange</b>		<b>-1 250.00</b>	<b>-0.01</b>
<b>Total Derivative instruments</b>		<b>-1 250.00</b>	<b>-0.01</b>

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
Time deposits and fiduciary deposits		1 326 815.89	7.96
Cash at banks, deposits on demand and deposit accounts and other liquid assets		1 698 298.70	10.19
Bank overdraft and other short-term liabilities		-2 000.00	-0.01
Other assets and liabilities		67 575.98	0.41
<b>Total net assets</b>		<b>16 668 575.74</b>	<b>100.00</b>

# LUXEMBOURG INVESTMENT FUND

## – Global Opportunities

Annual Report as of 31 March 2008

### Most important figures

Date	ISIN	31.3.2008
Net assets in EUR		10 566 775.28
Class A <sup>1</sup>	LU0317939394	
Shares outstanding		112 279.6460
Net asset value per share in EUR		94.11

<sup>1</sup> Initial subscription: 12.10.2007

### Structure of the Securities Portfolio

Geographical Breakdown as a % of net assets	
Germany	27.17
Italy	14.38
Luxembourg	14.24
United States	13.06
Sweden	6.13
Canada	6.04
Switzerland	4.07
United Kingdom	3.91
Russian Federation (CIS)	3.09
Netherlands	2.07
France	1.25
South Korea	1.07
Greece	0.85
Portugal	0.70
India	0.68
Cayman Islands	0.24
<b>Total</b>	<b>98.95</b>

Economic Breakdown as a % of net assets	
Countries & central governments	21.03
Finance & holding companies	17.24
Investment funds & pension foundations	8.96
Insurance	8.56
Petroleum	5.21
Banks & credit institutions	4.12
Mining, coal & steel	4.01
Energy & water supply	3.80
Food & soft drinks	3.62
Chemicals	3.24
Precious metals & stones	2.99
Telecommunications	2.61
Lodging, catering & leisure	2.36
Building industry & materials	2.07
Miscellaneous consumer goods	1.67
Various capital goods	1.62
Non-ferrous metals	1.24
Traffic & transportation	1.20
Pharmaceuticals, cosmetics & medical products	1.09
Real Estate	0.96
Miscellaneous unclassified companies	0.83
Miscellaneous services	0.52
<b>Total</b>	<b>98.95</b>

## Statement of Net Assets

	EUR
<b>Assets</b>	<b>31.3.2008</b>
Investments in securities, cost	11 463 540.27
Investments in securities, unrealized appreciation (depreciation)	-1 007 436.73
Total investments in securities (Note 1)	10 456 103.54
Cash at banks, deposits on demand and deposit accounts	3 153.01
Time deposits and fiduciary deposits	223 169.83
Receivable on securities sales (Note 1)	448 920.72
Interest receivable on securities	68 727.28
Interest receivable on liquid assets	208.15
Receivable on dividends	7 610.46
Other receivables	97.60
Formation expenses, net (Note 1)	27 060.82
Unrealized gain (loss) on forward foreign exchange contracts (Note 1)	109 602.16
<b>Total Assets</b>	<b>11 344 653.57</b>
<b>Liabilities</b>	
Bank overdraft	-0.18
Payable on securities purchases (Note 1)	-733 333.51
Provisions for Investment Advisory fees (Note 2)	-8 995.68
Provisions for custodian bank fees (Note 2)	-1 943.57
Provisions for taxe d'abonnement (Note 3)	-1 202.88
Provisions for audit fees, legal and economic advice (Note 2)	-458.90
Provisions for other commissions and fees (Note 2)	-1 943.57
Provisions for formation expenses (Note 1)	-30 000.00
Total provisions	-44 544.60
<b>Total Liabilities</b>	<b>-777 878.29</b>
<b>Net assets at the end of the period</b>	<b>10 566 775.28</b>

## Statement of Operations

	EUR
<b>Income</b>	<b>12.10.2007-31.3.2008</b>
Interest on liquid assets	58 284.22
Interest on securities	8 703.64
Dividends	32 393.44
<b>Total income</b>	<b>99 381.30</b>
<b>Expenses</b>	
Investment Advisory fees (Note 2)	-79 082.75
Custodian bank fees (Note 2)	-14 590.16
Taxe d'abonnement (Note 3)	-2 436.42
Government fees (Note 2)	-1 000.00
Audit fees, legal and economic advice (Note 2)	-4 364.66
Publications, printing costs and publicity (Note 2)	-3 782.86
Amortization of formation expenses (Note 1)	-2 939.18
Other commissions and fees (Note 2)	-14 590.16
Interest on cash liquidity and bank overdraft	-1 446.96
<b>Total expenses</b>	<b>-124 233.15</b>
<b>Net income (loss) on investments</b>	<b>-24 851.85</b>
<b>Realized gain (loss) (Note 1)</b>	
Realized gain (loss) on market-priced securities without options	-246 139.13
Realized gain (loss) on options	339 899.24
Realized gain (loss) on forward foreign exchange contracts	220 285.69
Total realized gain (loss) on investments	314 045.80
Realized gain (loss) on foreign exchange	-30 670.37
<b>Total realized gain (loss)</b>	<b>283 375.43</b>
<b>Net realized gain (loss) of the period</b>	<b>258 523.58</b>
<b>Changes in unrealized appreciation (depreciation) (Note 1)</b>	
Unrealized appreciation (depreciation) on market-priced securities without options	-1 007 436.73
Unrealized appreciation (depreciation) on forward foreign exchange contracts	109 602.16
<b>Total changes in unrealized appreciation (depreciation)</b>	<b>-897 834.57</b>
<b>Net increase (decrease) in net assets as a result of operations</b>	<b>-639 310.99</b>

## Statement of Changes in Net Assets

	EUR
	12.10.2007–31.3.2008
Net assets at the beginning of the period	0.00
Subscriptions	11 206 086.27
Total net subscriptions (redemptions)	11 206 086.27
Net income (loss) on investments	–24 851.85
Total realized gain (loss)	283 375.43
Total changes in unrealized appreciation (depreciation)	–897 834.57
Net increase (decrease) in net assets as a result of operations	–639 310.99
<b>Net assets at the end of the period</b>	<b>10 566 775.28</b>

## Changes in the Number of Shares outstanding

	12.10.2007–31.3.2008
<b>Class</b>	<b>A</b>
Number of shares outstanding at the beginning of the period	0.0000
Number of shares issued	112 279.6460
Number of shares redeemed	0.0000
<b>Number of shares outstanding at the end of the period</b>	<b>112 279.6460</b>

## Statement of Investments in Securities and other Net Assets as of 31 March 2008

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
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### Transferable securities and money market instruments listed on an official stock exchange

#### Bearer shares

Canada				
USD	AGRIUM INC COM	4 000.00	156 788.99	1.48
USD	BROOKFIELD ASSET MGMT INC CL A LTD VT SH	6 000.00	101 593.51	0.96
USD	BROOKFIELD INFR PT LTD PARTNERS L.P.' WI'	240.00	2 567.29	0.02
USD	CANADIAN NAT RES LTD COM	4 500.00	193 853.14	1.84
USD	GOLDCORP INC NEW COM	7 500.00	183 411.69	1.74
Total Canada			638 214.62	6.04
France				
EUR	VEOLIA ENVIRONNEME EUR5	3 000.00	132 480.00	1.25
Total France			132 480.00	1.25
Greece				
EUR	OTE(HELLENIC TLCM) EUR2.39(CR)	5 000.00	89 900.00	0.85
Total Greece			89 900.00	0.85
Italy				
EUR	ASSIC GENERALI SPA EUR1	15 000.00	427 200.00	4.06
EUR	CDB WEB TECH INVES EUR1	100 000.00	167 000.00	1.58
EUR	ENEL EUR1	40 000.00	268 800.00	2.54
EUR	PREMUDA SPA EURO.5	100 000.00	127 300.00	1.20
EUR	TELECOM ITALIA SPA DI RISP EURO.55	50 000.00	52 450.00	0.50
EUR	TELECOM ITALIA SPA EURO.55	45 000.00	59 625.00	0.56
EUR	UNICREDIT EURO.50	39 500.00	167 361.50	1.58
Total Italy			1 269 736.50	12.02
Netherlands				
EUR	BOSKALIS WESTMNSTR CVA EURO.80 (POST-SUBD)	6 000.00	218 880.00	2.07
Total Netherlands			218 880.00	2.07
Switzerland				
USD	ALTIN AG CHF17(REGD)	1 150.00	54 794.74	0.52
Total Switzerland			54 794.74	0.52
United Kingdom				
GBP	ABERDEEN ASSET MGT ORD GBP0.10	20 000.00	34 744.09	0.33
GBP	BHP BILLITON PLC USD0.50	12 000.00	225 021.30	2.13
GBP	DELTEX MEDICAL GRO ORD GBP0.01	280 000.00	65 850.71	0.62
GBP	INMARSAT ORD EURO.0005	10 000.00	55 722.25	0.53
Total United Kingdom			381 338.35	3.61
United States				
USD	BECKMAN COULTER INC COM	1 200.00	48 884.54	0.46
USD	COCA COLA CO COM	5 000.00	192 073.46	1.82
USD	FREEPORT-MCMORAN COPPER & GOLD CL B	1 500.00	91 085.80	0.86
USD	GENERAL ELECTRIC CO COM	12 000.00	280 281.47	2.65
USD	NYSE EURONEXT INC USD0.01	6 000.00	233 668.87	2.21
USD	PROCTER & GAMBLE CO COM	4 000.00	176 883.03	1.67
USD	SCHLUMBERGER COM USD0.01	4 000.00	219 620.71	2.08
USD	WEATHERFORD INTL B COM USD1	3 000.00	137 206.15	1.30
Total United States			1 379 704.03	13.05
Total Bearer shares			4 165 048.24	39.41
Bonus shares				
Cayman Islands				
GBP	ABSOLUTE CAP MGT H ORD EURO.01	50 000.00	25 085.99	0.24
Total Cayman Islands			25 085.99	0.24
Total Bonus shares			25 085.99	0.24
Other shares				
Sweden				
SEK	VOSTOK NAFTA INVES SDR USD1.00	15 500.00	189 702.28	1.80
Total Sweden			189 702.28	1.80
Total Other shares			189 702.28	1.80

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
<b>Registered shares</b>			
<b>Germany</b>			
EUR ALLIANZ SE NPV(REGD)(VINKULIERT)	3 800.00	476 824.00	4.50
EUR SIEMENS AG NPV(REGD)	2 500.00	171 625.00	1.62
<b>Total Germany</b>		<b>648 449.00</b>	<b>6.12</b>
<b>Luxembourg</b>			
EUR ARCELORMITTAL NPV	6 000.00	311 280.00	2.95
<b>Total Luxembourg</b>		<b>311 280.00</b>	<b>2.95</b>
<b>Portugal</b>			
EUR PORTUGAL TCOM SGPS EURO.03	10 000.00	73 600.00	0.70
<b>Total Portugal</b>		<b>73 600.00</b>	<b>0.70</b>
<b>Switzerland</b>			
CHF NESTLE SA CHF1(REGD)	600.00	189 988.61	1.80
CHF SYNGENTA CHFO.1(REGD)	1 000.00	185 681.57	1.76
<b>Total Switzerland</b>		<b>375 670.18</b>	<b>3.56</b>
<b>Total Registered shares</b>		<b>1 408 999.18</b>	<b>13.33</b>
<b>Depository receipts</b>			
<b>India</b>			
USD ICICI BK LTD ADR	3 000.00	72 304.44	0.68
<b>Total India</b>		<b>72 304.44</b>	<b>0.68</b>
<b>Russian Federation (CIS)</b>			
USD JSC MMC NORILSK NICKEL SPONSORED ADR	7 500.00	131 346.44	1.24
EUR SAVINGS BK RUSSIAN FEDN SBERBK SPON GDR REG S	900.00	195 300.00	1.85
<b>Total Russian Federation (CIS)</b>		<b>326 646.44</b>	<b>3.09</b>
<b>South Korea</b>			
USD POSCO SPONSORED ADR	1 500.00	112 631.35	1.07
<b>Total South Korea</b>		<b>112 631.35</b>	<b>1.07</b>
<b>Sweden</b>			
SEK VOSTOK GAS LTD SDR USD1.00	10 000.00	458 158.95	4.34
<b>Total Sweden</b>		<b>458 158.95</b>	<b>4.34</b>
<b>Total Depository receipts</b>		<b>969 741.18</b>	<b>9.18</b>
<b>Notes, fixed rate</b>			
<b>EUR</b>			
EUR CIR INTERNATIONAL SA 5.25000% 99-10.03.09	250 000.00	249 961.18	2.37
<b>Total EUR</b>		<b>249 961.18</b>	<b>2.37</b>
<b>Total Notes, fixed rate</b>		<b>249 961.18</b>	<b>2.37</b>
<b>Bonds, fixed rate</b>			
<b>EUR</b>			
EUR GERMANY, REPUBLIC OF 3.75000% 03-04.07.13	400 000.00	402 664.00	3.81
EUR GERMANY, REPUBLIC OF 4.00000% 06-04.07.16	1 000 000.00	1 006 864.00	9.53
EUR GERMANY, REPUBLIC OF 4.00000% 99-04.07.09	810 000.00	812 531.25	7.69
EUR LOTTOMATICA SPA 4.80000% 03-22.12.08	250 000.00	249 820.00	2.36
<b>Total EUR</b>		<b>2 471 879.25</b>	<b>23.39</b>
<b>Total Bonds, fixed rate</b>		<b>2 471 879.25</b>	<b>23.39</b>
<b>Total Transferable securities and money market instruments listed on an official stock exchange</b>		<b>9 480 417.30</b>	<b>89.72</b>
<b>Transferable securities and money market instruments traded on another regulated market</b>			
<b>Bearer shares</b>			
<b>United Kingdom</b>			
GBP YORK PHARMA ORD GBP0.05	50 000.00	31 827.85	0.30
<b>Total United Kingdom</b>		<b>31 827.85</b>	<b>0.30</b>
<b>Total Bearer shares</b>		<b>31 827.85</b>	<b>0.30</b>
<b>Total Transferable securities and money market instruments traded on another regulated market</b>		<b>31 827.85</b>	<b>0.30</b>

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
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## Other UCI (Undertakings for collective Investment)

### Investment certificates, open end

Luxembourg				
EUR	ALTERNATIVE CAPITAL ENHANCEMENT – ACE MULTI ARBITR FD EUR-B	693.25	943 858.39	8.93
Total Luxembourg			943 858.39	8.93
Total Investment certificates, open end			943 858.39	8.93
Total Other UCI (Undertakings for collective Investment)			943 858.39	8.93
Total investments in securities			10 456 103.54	98.95

## Forward Foreign Exchange contracts

### Forward Foreign Exchange contracts (Purchase/Sale)

EUR	603 199.58	GBP	460 000.00	11.4.2008	26 397.60	0.25
EUR	2 821 998.05	USD	4 336 000.00	11.4.2008	85 948.87	0.81
USD	603 000.00	EUR	383 027.38	11.4.2008	-2 538.83	-0.02
GBP	101 571.35	EUR	127 562.14	11.4.2008	-205.48	0.00
<b>Total Forward Foreign Exchange contracts (Purchase/Sale)</b>					<b>109 602.16</b>	<b>1.04</b>

<b>Time deposits and fiduciary deposits</b>				<b>223 169.83</b>	<b>2.11</b>
<b>Cash at banks, deposits on demand and deposit accounts and other liquid assets</b>				<b>3 153.01</b>	<b>0.03</b>
<b>Bank overdraft and other short-term liabilities</b>				<b>-0.18</b>	<b>0.00</b>
<b>Other assets and liabilities</b>				<b>-225 253.08</b>	<b>-2.13</b>
<b>Total net assets</b>				<b>10 566 775.28</b>	<b>100.00</b>

# LUXEMBOURG INVESTMENT FUND

## – Secofind Income

Annual Report as of 31 March 2008

### Most important figures

Date	ISIN	31.3.2008	31.3.2007
Net assets in EUR		38 292 304.99	39 134 474.20
<b>Class A<sup>1</sup></b>	<b>LU0255801929</b>		
Shares outstanding		36 247.7490	38 644.7850
Net asset value per share in EUR		1 056.41	1 012.67

<sup>1</sup> Initial subscription: 11.8.2006

### Structure of the Securities Portfolio

Geographical Breakdown as a % of net assets	
France	22.58
United States	21.67
United Kingdom	19.41
Italy	7.55
Netherlands	6.54
Germany	5.84
Spain	3.85
Luxembourg	1.97
Sweden	0.84
Denmark	0.59
Ireland	0.58
Jersey	0.57
Canada	0.25
Norway	0.24
Finland	0.17
South Korea	0.16
United Arab Emirates	0.16
Cayman Islands	0.13
<b>Total</b>	<b>93.10</b>

Economic Breakdown as a % of net assets	
Countries & central governments	43.95
Banks & credit institutions	16.47
Finance & holding companies	11.54
Miscellaneous unclassified companies	7.11
Mortgage & funding institutions	5.74
Real Estate	2.59
Telecommunications	1.70
Investment funds & pension foundations	0.82
Energy & water supply	0.55
Building industry & materials	0.45
Vehicles	0.40
Issuance Centres	0.40
Traffic & transportation	0.37
Retail trade, department stores	0.26
Mechanical engineering & industrial equipment	0.25
Miscellaneous services	0.25
Chemicals	0.23
Electronics & semiconductors	0.02
<b>Total</b>	<b>93.10</b>

## Statement of Net Assets

	EUR
<b>Assets</b>	<b>31.3.2008</b>
Investments in securities, cost	37 336 217.96
Investments in securities, unrealized appreciation (depreciation)	-1 688 245.82
Total investments in securities (Note 1)	35 647 972.14
Cash at banks, deposits on demand and deposit accounts	2 374 350.75
Other liquid assets (Margins)	368 862.44
Receivable on securities sales (Note 1)	606 728.98
Interest receivable on securities	224 662.94
Interest receivable on liquid assets	7 387.55
Formation expenses, net (Note 1)	6 718.48
Unrealized gain (loss) on financial futures (Note 1)	299 996.11
Unrealized gain (loss) on options, futures-styled	-776.76
Unrealized gain (loss) on forward foreign exchange contracts (Note 1)	279 547.11
Unrealized gain (loss) on swaps (Note 1)	290 121.25
<b>Total Assets</b>	<b>40 105 570.99</b>
<b>Liabilities</b>	
Bank overdraft	-0.68
Other short-term liabilities (Margins)	-294 990.62
Payable on securities purchases (Note 1)	-1 489 492.44
Provisions for Investment Advisory fees (Note 2)	-14 284.69
Provisions for custodian bank fees (Note 2)	-2 127.50
Provisions for taxe d'abonnement (Note 3)	-4 755.36
Provisions for audit fees, legal and economic advice (Note 2)	-5 639.18
Provisions for other commissions and fees (Note 2)	-1 975.53
Total provisions	-28 782.26
<b>Total Liabilities</b>	<b>-1 813 266.00</b>
<b>Net assets at the end of the financial year</b>	<b>38 292 304.99</b>

## Statement of Operations

	EUR
<b>Income</b>	<b>1.4.2007–31.3.2008</b>
Interest on liquid assets	219 106.17
Interest on securities	898 456.53
Interest received on swaps (Note 1)	587 316.45
<b>Total income</b>	<b>1 704 879.15</b>
<b>Expenses</b>	
Interest paid on swaps (Note 1)	–336 440.89
Investment Advisory fees (Note 2)	–165 280.77
Custodian bank fees (Note 2)	–24 616.24
Taxe d'abonnement (Note 3)	–17 557.38
Government fees (Note 2)	–1 028.97
Audit fees, legal and economic advice (Note 2)	–9 113.68
Publications, printing costs and publicity (Note 2)	–9 304.90
Amortization of formation expenses (Note 1)	–2 010.55
Other commissions and fees (Note 2)	–22 857.96
Interest on cash liquidity and bank overdraft	–93 080.86
<b>Total expenses</b>	<b>–681 292.20</b>
<b>Net income (loss) on investments</b>	<b>1 023 586.95</b>
<b>Realized gain (loss) (Note 1)</b>	
Realized gain (loss) on market-priced securities without options	184 507.01
Realized gain (loss) on options	17 458.94
Realized gain (loss) on yield-evaluated securities and money market instruments	–122 358.18
Realized gain (loss) on financial futures	–1 069 011.50
Realized gain (loss) on options, futures-styled	–9 258.33
Realized gain (loss) on forward foreign exchange contracts	1 665 378.75
Realized gain (loss) on swaps	328 355.32
Total realized gain (loss) on investments	995 072.01
Realized gain (loss) on foreign exchange	–33 480.57
<b>Total realized gain (loss)</b>	<b>961 591.44</b>
<b>Net realized gain (loss) of the financial year</b>	<b>1 985 178.39</b>
<b>Changes in unrealized appreciation (depreciation) (Note 1)</b>	
Unrealized appreciation (depreciation) on market-priced securities without options	–1 309 637.63
Unrealized appreciation (depreciation) on options	11 823.61
Unrealized appreciation (depreciation) on yield-evaluated securities and money market instruments	–306 560.23
Unrealized appreciation (depreciation) on financial futures	223 033.37
Unrealized appreciation (depreciation) on options, futures-styled	–1 025.16
Unrealized appreciation (depreciation) on forward foreign exchange contracts	292 242.60
Unrealized appreciation (depreciation) on swaps	544 220.15
<b>Total changes in unrealized appreciation (depreciation)</b>	<b>–545 903.29</b>
<b>Net increase (decrease) in net assets as a result of operations</b>	<b>1 439 275.10</b>

## Statement of Changes in Net Assets

	EUR
	<b>1.4.2007–31.3.2008</b>
Net assets at the beginning of the financial year	39 134 474.20
Subscriptions	4 170 190.90
Redemptions	–6 451 635.21
Total net subscriptions (redemptions)	–2 281 444.31
Net income (loss) on investments	1 023 586.95
Total realized gain (loss)	961 591.44
Total changes in unrealized appreciation (depreciation)	–545 903.29
Net increase (decrease) in net assets as a result of operations	1 439 275.10
<b>Net assets at the end of the financial year</b>	<b>38 292 304.99</b>

## Changes in the Number of Shares outstanding

	<b>1.4.2007–31.3.2008</b>
<b>Class</b>	<b>A</b>
Number of shares outstanding at the beginning of the financial year	38 644.7850
Number of shares issued	3 957.5090
Number of shares redeemed	–6 354.5450
<b>Number of shares outstanding at the end of the financial year</b>	<b>36 247.7490</b>

## Statement of Investments in Securities and other Net Assets as of 31 March 2008

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
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### Transferable securities and money market instruments listed on an official stock exchange

#### Asset Backed Securities, floating rate

<b>EUR</b>			
EUR AGRISECURITIES SRL 2006-A2-REG-S 3M EURIBOR+15BP 06-08.12.23	200 000.00	195 934.54	0.52
EUR F-E GOLD SRL 3M EURIBOR+13BP 06-30.07.25	100 000.00	97 256.58	0.25
EUR ITALEASE FINANCE-REG-S-SUB 3M EURIBOR+10BP 05-14.09.20	200 000.00	185 348.11	0.48
EUR LOCAT SECURITISATION 3M EURIBOR+18BP 05-12.12.24	300 000.00	151 201.09	0.39
EUR SCIP-SOC PER LA CARTOLARIZZAZIONE 3M EURIBOR+20BP 05-26.04.25	100 000.00	32 613.77	0.09
EUR SPLIT SRL 3M EURIBOR+14BP 04-25.10.18	100 000.00	47 217.67	0.12
<b>Total EUR</b>		<b>709 571.76</b>	<b>1.85</b>
<b>Total Asset Backed Securities, floating rate</b>		<b>709 571.76</b>	<b>1.85</b>

#### Mortgage Backed Securities, floating rate

<b>EUR</b>			
EUR BELUGA MASTER ISSUER BV-REG-S 3M EURIBOR+13BP 06-28.04.99	100 000.00	97 422.89	0.25
EUR DUTCH MTGE PORTFOLIO LOANS-REG-S 3M EURIBOR+15BP 04-20.11.52	500 000.00	243 813.61	0.64
EUR DUTCH MTGE PORTFOLIO-REG-S-SUB 3M LIBOR+10BP 05-28.12.51	400 000.00	244 765.33	0.64
EUR IMMEO RESIDENTIAL-REG-S 3M EURIBOR+16BP 07-15.12.16	100 000.00	94 247.96	0.25
EUR MOUND FINANCING PLC-REG-S 3M EURIBOR+12BP 06-08.02.42	300 000.00	282 120.90	0.74
EUR PERMANENT FINANCING PLC REG S-3M EURIBOR+11BP 06-10.06.33	400 000.00	379 728.00	0.98
<b>Total EUR</b>		<b>1 342 098.69</b>	<b>3.50</b>
<b>Total Mortgage Backed Securities, floating rate</b>		<b>1 342 098.69</b>	<b>3.50</b>

#### Notes, fixed rate

<b>USD</b>			
USD DAIMLER NORTH AMERICA CORP 7.20000% 99-01.09.09	100 000.00	65 279.03	0.17
<b>Total USD</b>		<b>65 279.03</b>	<b>0.17</b>
<b>Total Notes, fixed rate</b>		<b>65 279.03</b>	<b>0.17</b>

#### Notes, floating rate

<b>EUR</b>			
EUR CREDIT LOGEMENT SA SUB 3M EURIBOR+20BP 07-15.06.17	200 000.00	179 533.01	0.47
EUR GMAC INTERNATIONAL FINANCE BV 3M EURIBOR+120BP 07-22.05.09	100 000.00	87 430.84	0.23
EUR RHODIA SA-REG-S 3M EURIBOR+275BP 06-15.10.13	100 000.00	87 981.50	0.23
<b>Total EUR</b>		<b>354 945.35</b>	<b>0.93</b>
<b>USD</b>			
USD KOREA DEVELOPMENT BANK 3M LIBOR+14BP 07-03.04.10	100 000.00	62 949.98	0.16
<b>Total USD</b>		<b>62 949.98</b>	<b>0.16</b>
<b>Total Notes, floating rate</b>		<b>417 895.33</b>	<b>1.09</b>

#### Medium term notes, fixed rate

<b>EUR</b>			
EUR BASF FINANCE EUROPE NV 5.00000% 07-26.09.14	100 000.00	100 952.60	0.26
EUR BAT INTERNATIONAL FINANCE PLC 5.37500% 07-29.06.17	50 000.00	49 556.46	0.13
EUR BRITISH TELECOMMUNICATIONS PLC 5.25000% 07-22.01.13	50 000.00	48 726.17	0.13
EUR CARREFOUR SA 5.12500% 07-10.10.14	100 000.00	101 065.00	0.26
EUR CIE DE SAINT-GOBAIN SA 4.75000% 07-11.04.17	200 000.00	173 867.40	0.45
EUR DAIMLER NORTH AMERICA CORP 4.37500% 07-16.03.10	200 000.00	198 350.06	0.52
EUR E.ON INTERNATIONAL FINANCE BV 5.50000% 07-02.10.17	100 000.00	101 921.74	0.27
EUR FORD MOTOR CREDIT CO 5.75000% 03-12.01.09	150 000.00	143 315.15	0.37
EUR FRANCE TELECOM SA 4.75000% 07-21.02.17	150 000.00	144 180.27	0.38
EUR GAZ CAPITAL SA/GAZPROM LPN 5.36400% 07-31.10.14	250 000.00	222 285.00	0.57
EUR GMAC LLC 6.00000% 03-03.07.08	100 000.00	97 945.00	0.26
EUR OTE PLC 6.00000% 08-12.02.15	100 000.00	99 925.50	0.26
EUR TELECOM ITALIA SPA 4.75000% 06-19.05.14	100 000.00	89 167.18	0.23
EUR TELEFON AB L M ERICSSON 5.37500% 07-27.06.17	50 000.00	43 083.25	0.11
EUR TELEFONICA EMISIONES SA 4.67400% 07-07.02.14	200 000.00	189 707.08	0.50
EUR VEOLIA ENVIRONNEMENT 4.37500% 06-16.01.17	230 000.00	209 245.74	0.55
EUR VOLKSWAGEN LEASING GMBH 4.87500% 07-18.10.12	100 000.00	98 799.32	0.26
<b>Total EUR</b>		<b>2 112 092.92</b>	<b>5.51</b>
<b>GBP</b>			
GBP AMERICAN EXPRESS CREDIT CORP 6.62500% 07-24.09.12	200 000.00	244 737.34	0.64
GBP VTB CAPITAL SAVNESHTORGBANK LPN 6.33200% 07-15.03.10	50 000.00	60 449.39	0.16
<b>Total GBP</b>		<b>305 186.73</b>	<b>0.80</b>
<b>Total Medium term notes, fixed rate</b>		<b>2 417 279.65</b>	<b>6.31</b>

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
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#### Medium term notes, floating rate

##### EUR

EUR	BBVA SUB CAP SA 3M EURIBOR+30BP/+80BP 06-24.10.16	200 000.00	184 774.00	0.48
EUR	CAISSE NATL CAISSES EPAR & P 6.117%/3M EURIBOR+237BP 07-PRP	50 000.00	43 004.61	0.11
EUR	DANSKE BANK A/S 6.00000%/3M EURIBOR+295BP 07-20.03.16	50 000.00	49 733.21	0.13
EUR	DNB NORBANK ASA-SUB 3M LIBOR+20BP 06-30.05.17	100 000.00	93 275.17	0.24
EUR	HBOS PLC-SUB VAR 06-29.03.16	100 000.00	92 159.75	0.24
EUR	INTESA SANPAOLO SPA-SUB VARIABLE 06-08.02.16	50 000.00	47 661.32	0.12
EUR	SANTANDER ISSUANCES SA-SUB 3M LIBOR+25BP 07-23.03.17	100 000.00	91 844.02	0.24
EUR	SVENSKA HANDELSBANKEN AB-SUB 3M EURIBOR+30BP 07-PRP	300 000.00	277 507.00	0.74
EUR	UBS AG JERSEY BRANCH-SUB 3M EURIBOR+15BP 05-17.11.15	100 000.00	91 271.39	0.24

##### Total EUR

971 230.47 2.54

##### GBP

GBP	BARCLAYS BANK PLC-SUB 6.75000%/3M LIBOR+249BP 07-16.01.23	50 000.00	61 798.14	0.16
GBP	HSBC HOLDINGS PLC-SUB 6.37500%/3M LIBOR+130BP 07-18.10.22	100 000.00	122 253.92	0.32
GBP	INTESA SANPAOLO SPA-SUB 6.37500%/3M LIBOR+1.35BP 07-12.11.17	150 000.00	184 477.96	0.47
GBP	POHJOLA BANK PLC-SUB 6.500% /3M LIBOR+150BP 07-PRP	50 000.00	63 631.93	0.17
GBP	SANTANDER ISSUANC SA-SUB 6.53250%/3M LIBOR+140BP 07-24.10.17	100 000.00	124 785.29	0.33

##### Total GBP

556 947.24 1.45

##### USD

USD	BARCLAYS BANK PLC-SUB 3M LIBOR+20BP 05-11.09.17	100 000.00	55 933.77	0.15
USD	CREDIT AGRICOLE SA-SUB 3M LIBOR+20BP/70BP 05-13.03.16	100 000.00	62 417.78	0.16
USD	UNICREDIT LUX FINANCE SA REG-S-SUB 5.58400%/FLR 06-13.01.17	200 000.00	126 774.16	0.33

##### Total USD

245 125.71 0.64

#### Total Medium term notes, floating rate

1 773 303.42 4.63

#### Bonds, fixed rate

##### EUR

EUR	AUTOROUTES DU SUD DE LA FRANCE 5.62500% 07-04.07.22	150 000.00	142 301.25	0.37
EUR	FRANCE, REPUBLIC OF-OAT 3.50000% 05-25.04.15	400 000.00	390 222.84	1.02
EUR	FRANCE, REPUBLIC OF-OAT 4.00000% 05-25.04.55	150 000.00	132 673.22	0.35
EUR	FRANCE, REPUBLIC OF-OAT 4.00000% 06-25.10.38	200 000.00	179 299.48	0.47
EUR	GAZ CAPITAL SA/GAZPROM-REG-S LPN 5.44000% 07-02.11.17	100 000.00	82 969.99	0.22
EUR	GERMANY, REPUBLIC OF 3.50000% 05-04.01.16	700 000.00	683 659.69	1.79
EUR	GERMANY, REPUBLIC OF 3.75000% 03-04.07.13	100 000.00	100 666.00	0.26
EUR	GERMANY, REPUBLIC OF 4.50000% 03-04.01.13	1 300 000.00	1 351 425.40	3.55
EUR	ITALY, REPUBLIC OF-BPT 3.75000% 06-01.08.16	1 000 000.00	969 327.90	2.53
EUR	ITALY, REPUBLIC OF-BTP 4.00000% 06-01.02.17	100 000.00	98 052.51	0.26
EUR	KONINKLIJKE KPN NV 6.50000% 08-15.01.16	100 000.00	100 439.60	0.26
EUR	NETHERLANDS, KINGDOM OF THE 5.00000% 02-15.07.12	500 000.00	524 940.00	1.37

##### Total EUR

4 755 977.88 12.45

##### GBP

GBP	UNITED KINGDOM OF GREAT BRITAIN & N IRL 4.25000% 03-07.03.36	1 400 000.00	1 716 555.17	4.48
GBP	UNITED KINGDOM OF GREAT BRITAIN & N IRL 4.00000% 03-07.03.09	900 000.00	1 128 306.20	2.95
GBP	UNITED KINGDOM OF GREAT BRITAIN & N IRL 4.75000% 04-07.12.38	200 000.00	266 406.65	0.70

##### Total GBP

3 111 268.02 8.13

#### Total Bonds, fixed rate

7 867 245.90 20.58

#### Bonds, floating rate

##### DKK

DKK	REALKREDIT DANMARK A/S 6M CIBOR+85BP 05-01.10.38	1 395 417.10	176 455.34	0.46
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##### Total DKK

176 455.34 0.46

##### EUR

EUR	BBVA INTERNATIONAL PREFERRED SA-SUB 3.79800%/FLR 05-PRP	100 000.00	77 939.70	0.20
EUR	BNP PARIBAS-SUB 5.01900%/3M EURIBOR+172BP 07-PRP	200 000.00	168 506.56	0.44
EUR	BOMBARDIER INC-REG-S 3M EURIBOR+312.5BP 06-15.11.13	100 000.00	95 902.87	0.25
EUR	CREDIT AGRICOLE SA 8.20000%/VAR 08-PRP	50 000.00	50 332.50	0.13
EUR	CREDIT LOGEMENT SA 4.60400%/3M EURIBOR+115BP 06-PRP	100 000.00	90 055.93	0.24
EUR	GENERAL ELECTRIC-REG-S-SUB 5.500%/3M EURIBOR+200BP 07-15.09.67	300 000.00	272 865.64	0.71

##### Total EUR

755 603.20 1.97

##### GBP

GBP	HBOS CAPITAL FUNDING LP-SUB 9.5400%/3M LIBOR+675BP 08-PRP	100 000.00	127 052.56	0.33
GBP	MUFG CAPITAL FINANCE 5 LTD 6.29900%/6M LIBOR+206BP 07-PRP	50 000.00	49 163.64	0.13
GBP	SANTANDER FINANCE PREF SA-SUB 7.005%/3M LIBOR+83.5BP 07-PRP	50 000.00	57 563.44	0.15

##### Total GBP

233 779.64 0.61

#### Total Bonds, floating rate

1 165 838.18 3.04

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
<b>Treasury notes, fixed rate</b>			
EUR			
EUR ITALY, REPUBLIC OF-BTP 3.50000% 06-15.03.11	700 000.00	693 464.17	1.81
<b>Total EUR</b>		<b>693 464.17</b>	<b>1.81</b>
<b>Total Treasury notes, fixed rate</b>		<b>693 464.17</b>	<b>1.81</b>
<b>Total Transferable securities and money market instruments listed on an official stock exchange</b>		<b>16 451 976.13</b>	<b>42.98</b>
<b>Transferable securities and money market instruments traded on another regulated market</b>			
<b>Treasury bills, zero coupon</b>			
EUR			
EUR FRANCE, REPUBLIC OF BTF TB 0.00000% 03.01.08-03.04.08	5 000 000.00	4 998 398.98	13.06
EUR FRANCE, REPUBLIC OF BTF TB 0.00000% 17.01.08-17.04.08	1 000 000.00	998 176.63	2.61
<b>Total EUR</b>		<b>5 996 575.61</b>	<b>15.67</b>
USD			
USD AMERICA, UNITED STATES OF TB 0.00000% 18.10.07-17.04.08	2 000 000.00	1 261 441.08	3.30
USD AMERICA, UNITED STATES OF TB 0.00000% 10.01.08-10.07.08	500 000.00	314 582.46	0.82
USD AMERICA, UNITED STATES OF TB 0.00000% 28.02.08-28.08.08	300 000.00	188 394.74	0.49
<b>Total USD</b>		<b>1 764 418.28</b>	<b>4.61</b>
<b>Total Treasury bills, zero coupon</b>		<b>7 760 993.89</b>	<b>20.28</b>
<b>Discounted notes, zero coupon</b>			
USD			
USD FANNIE MAE DN 0.00000% 07.05.07-30.04.08	1 500 000.00	945 221.04	2.47
USD FANNIE MAE DN 0.00000% 14.05.07-07.05.08	1 200 000.00	755 949.64	1.97
USD FANNIE MAE DN 0.00000% 23.04.07-16.04.08	200 000.00	126 130.45	0.33
<b>Total USD</b>		<b>1 827 301.13</b>	<b>4.77</b>
<b>Total Discounted notes, zero coupon</b>		<b>1 827 301.13</b>	<b>4.77</b>
<b>Asset Backed Securities, floating rate</b>			
EUR			
EUR LOCAT SECURITISATION VEHI-REG-S 3M EURIBOR+16BP 06-12.12.28	100 000.00	97 547.08	0.25
<b>Total EUR</b>		<b>97 547.08</b>	<b>0.25</b>
<b>Total Asset Backed Securities, floating rate</b>		<b>97 547.08</b>	<b>0.25</b>
<b>Mortgage Backed Securities, floating rate</b>			
EUR			
EUR ARKLE MASTER ISSUER PLC-REG-S 3M EURIBOR+10BP 06-17.02.52	200 000.00	194 495.88	0.51
EUR BANCAJA 9 FTA-REG-S-SUB 3M EURIBOR+13BP 06-25.09.43	200 000.00	136 831.23	0.36
EUR IM GRUPO BANCO POPULAR EMPRES-REG-S 3M EURO+13BP 06-21.03.33	300 000.00	285 033.97	0.75
EUR IM PASTOR 4 FTA 3M EURIBOR+14BP 06-22.03.44	300 000.00	195 150.96	0.51
EUR LUSITANO MORTGAGES PLC-REG-S 3M EURIBOR+13BP 04-16.10.47	200 000.00	128 000.25	0.33
EUR UCI 9 A-REG-S 3M EURIBOR+26.5BP 03-19.06.35	500 000.00	131 283.88	0.34
<b>Total EUR</b>		<b>1 070 796.17</b>	<b>2.80</b>
<b>Total Mortgage Backed Securities, floating rate</b>		<b>1 070 796.17</b>	<b>2.80</b>
<b>Notes, fixed rate</b>			
USD			
USD CITIGROUP INC 6.12500% 07-21.11.17	100 000.00	63 016.25	0.16
USD ENEL FINANCE INTERNATIONAL SA-REG-S 5.70000% 07-15.01.13	400 000.00	261 196.39	0.69
USD TIME WARNER CABLE INC 5.40000% 07-02.07.12	200 000.00	124 014.01	0.32
<b>Total USD</b>		<b>448 226.65</b>	<b>1.17</b>
<b>Total Notes, fixed rate</b>		<b>448 226.65</b>	<b>1.17</b>
<b>Notes, floating rate</b>			
EUR			
EUR NXP BV/NXP FUNDING LLC 3M EURIBOR+275BP 07-15.10.13	10 000.00	7 965.23	0.02
<b>Total EUR</b>		<b>7 965.23</b>	<b>0.02</b>

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
<b>USD</b>			
USD GMAC LLC 3M LIBOR+125BP 07-15.05.09	100 000.00	53 937.39	0.14
USD XSTRATA FINANCE DUBAI LTD REG-S 3M LIBOR+35BP 06-13.11.09	100 000.00	61 363.86	0.16
<b>Total USD</b>		<b>115 301.25</b>	<b>0.30</b>
<b>Total Notes, floating rate</b>		<b>123 266.48</b>	<b>0.32</b>
<b>Medium term notes, fixed rate</b>			
<b>USD</b>			
USD BEAR STEARNS COMPANIES INC 6.95000% 07-10.08.12	100 000.00	63 140.52	0.16
<b>Total USD</b>		<b>63 140.52</b>	<b>0.16</b>
<b>Total Medium term notes, fixed rate</b>		<b>63 140.52</b>	<b>0.16</b>
<b>Bonds, floating rate</b>			
<b>EUR</b>			
EUR AMERICAN INTL-SUB 4.87500%/3M EURIBOR+173BP 07-15.03.67	200 000.00	151 625.54	0.40
<b>Total EUR</b>		<b>151 625.54</b>	<b>0.40</b>
<b>USD</b>			
USD CITIGROUP INC-SUB 8.30000%/3M EURIBOR+417BP 07-21.12.57	200 000.00	124 372.60	0.32
<b>Total USD</b>		<b>124 372.60</b>	<b>0.32</b>
<b>Total Bonds, floating rate</b>		<b>275 998.14</b>	<b>0.72</b>
<b>Treasury notes, floating rate</b>			
<b>USD</b>			
USD AMERICA, UNITED STATES OF VAR/INFLATION INDEX 04-15.04.10	800 000.00	575 804.20	1.50
<b>Total USD</b>		<b>575 804.20</b>	<b>1.50</b>
<b>Total Treasury notes, floating rate</b>		<b>575 804.20</b>	<b>1.50</b>
<b>Total Transferable securities and money market instruments traded on another regulated market</b>		<b>12 243 074.26</b>	<b>31.97</b>
<b>Transferable securities and money market instruments not listed on an official stock exchange and not traded on another regulated market</b>			
<b>Treasury bills, zero coupon</b>			
<b>USD</b>			
USD AMERICA, UNITED STATES OF TB 0.00000% 06.12.07-05.06.08	400 000.00	252 373.14	0.66
<b>Total USD</b>		<b>252 373.14</b>	<b>0.66</b>
<b>Total Treasury bills, zero coupon</b>		<b>252 373.14</b>	<b>0.66</b>
<b>Domestic Commercial Papers, Zero Coupon</b>			
<b>USD</b>			
USD BARCLAYS US FUNDING CORP CP 0.00000% 05.11.07-05.05.08	500 000.00	314 614.53	0.82
USD CBA (DELAWARE) FINANCE CP 0.00000% 09.01.08-09.04.08	700 000.00	441 291.67	1.15
USD CBA (DELAWARE) FINANCE CP 0.00000% 01.02.08-01.05.08	200 000.00	125 912.31	0.33
USD HSBC USA INC CP 0.00000% 23.01.08-25.04.08	500 000.00	314 880.19	0.82
USD UBS FINANCE DELAWARE PLC CP 0.00000% 30.10.07-30.04.08	600 000.00	377 713.16	0.99
<b>Total USD</b>		<b>1 574 411.86</b>	<b>4.11</b>
<b>Total Domestic Commercial Papers, Zero Coupon</b>		<b>1 574 411.86</b>	<b>4.11</b>
<b>Total Transferable securities and money market instruments not listed on an official stock exchange and not traded on another regulated market</b>		<b>1 826 785.00</b>	<b>4.77</b>
<b>Other money market instruments in accordance with Article 41 (1) h)</b>			
<b>Euro Commercial Papers, zero coupon</b>			
<b>EUR</b>			
EUR ABN AMRO BANK NV ECP 0.00000% 27.02.08-27.05.08	1 000 000.00	993 238.91	2.59
EUR BANQUE FED DU CREDIT MUTUEL ECP 0.00000% 27.02.08-27.05.08	500 000.00	496 620.06	1.30
EUR NATIONWIDE BUILDING SOCIETY ECP 0.00000% 27.02.08-27.05.08	1 000 000.00	993 176.45	2.59
EUR ROYAL BANK OF SCOTLAND PLC ECP 0.00000% 27.02.08-27.05.08	1 000 000.00	993 254.53	2.60
<b>Total EUR</b>		<b>3 476 289.95</b>	<b>9.08</b>
<b>Total Euro Commercial Papers, zero coupon</b>		<b>3 476 289.95</b>	<b>9.08</b>

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
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#### Domestic Certificates of Deposits, zero coupon

<b>USD</b>			
USD SVENSKA HANDELSBANKEN INC CP 0.00000% 15.02.08-19.05.08	100 000.00	62 881.46	0.16
<b>Total USD</b>		<b>62 881.46</b>	<b>0.16</b>
<b>Total Domestic Certificates of Deposits, zero coupon</b>		<b>62 881.46</b>	<b>0.16</b>

#### Domestic Commercial Papers, Zero Coupon

<b>USD</b>			
USD BANK OF AMERICA CORP 0.00000% 08.06.07-01.05.08	800 000.00	503 675.28	1.32
USD BANK OF SCOTLAND PLC CP 0.00000% 16.01.08-16.04.08	800 000.00	504 025.64	1.31
USD BANK OF SCOTLAND PLC CP 0.00000% 28.01.08-29.04.08	200 000.00	125 912.27	0.33
USD BANK OF SCOTLAND PLC CP 0.00000% 05.03.08-09.06.08	300 000.00	188 359.93	0.49
USD LLOYDS TSB BANK PLC CP 0.00000% 05.03.08-08.04.08	200 000.00	126 150.05	0.33
USD SANTANDER CENTRAL HISPANO FIN CP 0.00000% 20.02.08-21.05.08	200 000.00	125 713.19	0.33
<b>Total USD</b>		<b>1 573 836.36</b>	<b>4.11</b>
<b>Total Domestic Commercial Papers, Zero Coupon</b>		<b>1 573 836.36</b>	<b>4.11</b>

<b>Total Other money market instruments in accordance with Article 41 (1) h)</b>		<b>5 113 007.77</b>	<b>13.35</b>
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#### Derivative instruments listed on an official stock exchange

##### Options on interest rate futures, classic-styled

<b>USD</b>			
USD 90 DAY EURO DOLLAR FUTURE CALL 99.00000 16.06.08	46.00	181.44	0.00
USD 90 DAY EURO DOLLAR FUTURE CALL 98.50000 16.06.08	35.00	828.31	0.00
USD 90 DAY EURO DOLLAR FUTURE CALL 99.75000 15.12.08	28.00	110.44	0.00
USD 90 DAY EURO DOLLAR FUTURE PUT 94.50000 16.03.09	55.00	216.94	0.00
<b>Total USD</b>		<b>1 337.13</b>	<b>0.00</b>
<b>Total Options on interest rate futures, classic-styled</b>		<b>1 337.13</b>	<b>0.00</b>

##### Options on bond futures, classic-styled

<b>USD</b>			
USD US LONG BOND FUTURE CALL 142.00000 JUN 08 23.05.08	2.00	19.71	0.00
USD US 5YR TREASURY NOTE FUTURE CALL 126.00000 JUN 08 23.05.08	33.00	162.65	0.00
<b>Total USD</b>		<b>182.36</b>	<b>0.00</b>
<b>Total Options on bond futures, classic-styled</b>		<b>182.36</b>	<b>0.00</b>

<b>Total Derivative instruments listed on an official stock exchange</b>		<b>1 519.49</b>	<b>0.00</b>
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#### Derivative instruments not listed on an official stock exchange and not traded on another regulated market

##### Options on bonds, classic-styled

<b>EUR</b>			
EUR DEUTSCHE BANK LDN/GERMANY 5.250% 10 CALL 107.50000 26.08.08	11 400 000.00	1 140.00	0.00
<b>Total EUR</b>		<b>1 140.00</b>	<b>0.00</b>
<b>GBP</b>			
GBP CREDIT SUISSE/UNITED KINGD 5.000% 18 CALL 116.00000 26.08.08	5 300 000.00	664.78	0.00
<b>Total GBP</b>		<b>664.78</b>	<b>0.00</b>
<b>USD</b>			
USD ROYAL BANK OF SCOT/AMERICA 4.000% 10 CALL 107.50000 27.05.08	25 000 000.00	1 577.74	0.00
USD WACHOVIA/FANNIE MAE 5.00000% 35 PUT 81.00000 05.06.08	1 000 000.00	0.69	0.00
USD WACHOVIA/FANNIE MAE 5.50000% 35 PUT 86.12000 05.06.08	3 000 000.00	2.08	0.01
<b>Total USD</b>		<b>1 580.51</b>	<b>0.01</b>
<b>Total Options on bonds, classic-styled</b>		<b>3 385.29</b>	<b>0.01</b>

##### Options on interest rate swaps, classic-styled

<b>EUR</b>			
EUR MORGAN STANLEY/SWAPTION CALL 3.80000% 15.03.10	11 900 000.00	56 494.06	0.15

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
EUR MORGAN STANLEY/SWAPTION CALL 4.10000% 15.03.10	-3 800 000.00	-45 254.20	-0.12
EUR MORGAN STANLEY/SWAPTION PUT 5.00000% 15.09.2008	-300 000.00	-3 015.66	-0.01
<b>Total EUR</b>		<b>8 224.20</b>	<b>0.02</b>
<b>Total Options on interest rate swaps, classic-styled</b>		<b>8 224.20</b>	<b>0.02</b>
<b>Total Derivative instruments not listed on an official stock exchange and not traded on another regulated market</b>		<b>11 609.49</b>	<b>0.03</b>
<b>Total investments in securities</b>		<b>35 647 972.14</b>	<b>93.10</b>

## Derivative instruments

### Derivative instruments listed on an official stock exchange

#### Options on interest rate futures, futures-styled

GBP 90 DAY GBP LIBOR FUTURE PUT 92.25000 17.12.08	5.00	-31.36	0.00
EUR 90 DAY EURIBOR FUTURE PUT 94.25000 15.12.08	53.00	-550.98	0.00
GBP 90 DAY GBP LIBOR FUTURE PUT 91.75000 17.06.09	12.00	94.07	0.00
GBP 90 DAY GBP LIBOR FUTURE PUT 92.50000 17.12.08	153.00	0.00	0.00
GBP 90 DAY GBP LIBOR FUTURE PUT 91.87500 17.12.08	46.00	-288.49	0.00
<b>Total Options on interest rate futures, futures-styled</b>		<b>-776.76</b>	<b>0.00</b>

#### Options on bond futures, futures-styled

EUR EURO-BUND FUTURE CALL 126.00000 JUN 08 23.05.08	47.00	0.00	0.00
EUR EURO-BOBL FUTURE PUT 104.00000 JUN 08 23.05.08	67.00	0.00	0.00
<b>Total Options on bond futures, futures-styled</b>		<b>0.00</b>	<b>0.00</b>

#### Financial Futures on bonds

EUR EURO-BUND FUTURE 06.06.08	-47.00	56 870.00	0.15
EUR EURO-SCHATZ FUTURE 06.06.08	-95.00	77 900.00	0.20
EUR EURO-BOBL FUTURE 06.06.08	21.00	-28 980.00	-0.08
USD US 10YR TREASURY NOTE FUTURE 19.06.08	-2.00	-1 577.74	0.00
USD US 2YR NOTE (CBT) FUTURE 30.06.08	-135.00	9 663.63	0.03
USD US LONG BOND FUTURE 19.06.08	-2.00	-1 321.35	0.00
USD US 5YR TREASURY NOTE FUTURE 30.06.08	-26.00	-6 286.37	-0.02
GBP LONG GILT FUTURE 26.06.08	-53.00	-54 511.85	-0.14
<b>Total Financial Futures on bonds</b>		<b>51 756.32</b>	<b>0.14</b>

#### Financial Futures on interest rates

GBP 90DAY GBP LIBOR FUTURE 17.12.08	159.00	134 178.67	0.34
GBP 90DAY GBP LIBOR FUTURE 17.06.09	54.00	34 822.49	0.09
USD 90DAY EURO DOLLAR FUTURE 14.09.09	11.00	10 933.70	0.03
GBP 90DAY GBP LIBOR FUTURE 18.03.09	-33.00	-1 552.20	0.00
USD 90DAY EURO DOLLAR FUTURE 14.12.09	33.00	19 059.04	0.05
EUR 90DAY EURIBOR LIFFE FUTURE 14.12.09	8.00	3 800.00	0.01
USD 90DAY EURO DOLLAR FUTURE 15.06.09	11.00	10 499.83	0.03
GBP 90DAY GBP LIBOR FUTURE 16.12.09	36.00	-2 822.17	-0.01
<b>Total Financial Futures on interest rates</b>		<b>208 919.36</b>	<b>0.54</b>

<b>Total Derivative instruments listed on an official stock exchange</b>		<b>259 898.92</b>	<b>0.68</b>
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### Derivative instruments not listed on an official stock exchange and not traded on another regulated market

#### Swaps and forward swaps on interest rates

USD BARCLAYS /INTEREST RATE SWAP PAYER 4.00000% 08-18.06.15			
USD BARCLAYS/ INTEREST RATE SWAP REC LIBOR 3M 08-18.06.15	-1 000 000.00	-8 912.35	-0.02
USD BARCLAYS/INTEREST RATE SWAP PAYER LIBOR 3M 08-18.06.13			
USD BARCLAYS/INTEREST RATE SWAP REC 4.00000% 08-18.06.13	-1 300 000.00	-23 064.40	-0.06
EUR CITIGROUP/INTEREST RATE SWAP PAYER 6M EURIBOR 07-19.09.08			
EUR CITIGROUP/INTEREST RATE SWAP REC 4.00000% 07-19.09.08	-2 800 000.00	-20 601.35	-0.05
GBP JPM/INTEREST RATE SWAP PAYER 4.00000% 06-15.09.35			
GBP JPM/INTEREST RATE SWAP REC 6M LIBOR 06-15.09.35	-200 000.00	2 991.93	0.01
EUR GS/INTEREST RATE SWAP PAYER 4.00000% 06-15.09.35			
EUR GS/INTEREST RATE SWAP REC 6M EURIBOR 06-15.09.35	-200 000.00	11 101.87	0.03
GBP GS/INTEREST RATE SWAP PAYER 4.00000% 06-15.09.35			
GBP GS/INTEREST RATE SWAP REC 6M LIBOR 06-15.09.35	-600 000.00	9 224.97	0.02
USD LEHMAN BROTHER/INTEREST RATE SWAP PAYER 5.00000% 06-20.06.17			
USD LEHMAN BROTHER/INTEREST RATE SWAP REC 3M LIBOR 06-20.06.17	-3 700 000.00	-185 241.37	-0.48
JPY GOLDMAN SACHS/INTEREST RATE SWAP PAYER 6M LIBOR 06-20.06.36			
JPY GOLDMAN SACHS/INTEREST RATE SWAP REC 2.50000% 06-20.06.36	-3 000 000.00	1 085.29	0.00
USD GOLDMAN SACHS/INTEREST RATE SWAP PAYER 3M LIBOR 07-20.06.09			
USD GOLDMAN SACHS/INTEREST RATE SWAP REC 5.00000% 07-20.06.09	-10 000 000.00	198 379.41	0.52
NZD CITIBANK/INTEREST RATE SWAP PAYER 3M BKB 07-20.06.09			
NZD CITIBANK/INTEREST RATE SWAP REC 7.25000% 07-20.06.09	-1 000 000.00	12 824.05	0.03
GBP JPM/INTEREST RATE SWAP PAYER 6M LIBOR 07-21.06.37			
GBP JPM/INTEREST RATE SWAP REC 4.50000% 07-21.06.37	-200 000.00	-4 464.83	-0.01

Description		Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
GBP	GOLDMAN SACHS/INTEREST RATE SWAP PAYER 6M LIBOR 07-21.06.37			
GBP	GOLDMAN SACHS/INTEREST RATE SWAP REC 4.50000% 07-21.06.37	-100 000.00	-2 232.41	-0.01
JPY	GOLDMAN SACHS/INTEREST RATE SWAP PAYER 6M LIBOR 06-20.06.36			
JPY	GOLDMAN SACHS/INTEREST RATE SWAP REC 2.50000% 06-20.06.36	-50 000 000.00	18 088.22	0.05
JPY	UBS/INTEREST RATE SWAP PAYER 6M LIBOR 08-18.03.09			
JPY	UBS/INTEREST RATE SWAP REC 1.00000% 08-18.03.09	-290 000 000.00	-2 239.53	-0.01
GBP	GOLDMAN SACHS/INTEREST RATE SWAP PAYER 4.00000% 20-15.09.35			
GBP	GOLDMAN SACHS/INTEREST RATE SWAP REC 6M LIBOR 20-15.09.35	-400 000.00	6 038.58	0.02
NZD	MORGAN STANLEY/INTEREST RATE SWAP PAYER 6.50000% 07-15.06.17			
NZD	MORGAN STANLEY/INTEREST RATE SWAP REC 3M LIBOR 07-15.06.17	-500 000.00	19 971.11	0.05
NZD	MORGAN STANLEY/INTEREST RATE SWAP PAYER 6.50000% 07-15.06.17			
NZD	MORGAN STANLEY/INTEREST RATE SWAP REC 3M LIBOR 07-15.06.17	-400 000.00	15 976.89	0.04
GBP	HSBC/INTEREST RATE SWAP PAYER 5.00000% 07-20.09.37			
GBP	HSBC/INTEREST RATE SWAP REC 6M LIBOR 07-20.09.37	-100 000.00	-8 276.69	-0.02
EUR	BARCLAYS/INTEREST RATE SWAP PAYER 6M LIBOR 07-19.03.38			
EUR	BARCLAYS/INTEREST RATE SWAP REC 4.00000% 07-19.03.38	-300 000.00	-32 416.12	-0.08
GBP	BARCLAYS/INTEREST RATE SWAP PAYER 5.00000% 20-15.09.35			
GBP	BARCLAYS/INTEREST RATE SWAP REC 6M LIBOR 20-15.09.35	-700 000.00	-42 291.59	-0.11
EUR	MORGAN STANLEY/INTEREST RATE SWAP PAY 6M EURIBOR 07-19.09.09			
EUR	MORGAN STANLEY/INTEREST RATE SWAP REC 4.00000% 07-19.09.09	-6 600 000.00	-61 647.45	-0.16
USD	MORGAN STANLEY/INTEREST RATE SWAP PAYER 3M LIBOR 07-19.09.08			
USD	MORGAN STANLEY/INTEREST RATE SWAP REC 5.00000% 07-19.09.08	-9 500 000.00	70 284.71	0.18
EUR	MORGAN STANLEY/INTEREST RATE SWAP PAY 6M EURIBOR 07-15.09.22			
EUR	MORGAN STANLEY/INTEREST RATE SWAP REC 5.00000% 07-15.09.22	-3 400 000.00	-22 412.13	-0.06
GBP	BARCLAYS/INTEREST RATE SWAP PAYER 5.00000% 20-15.09.35			
GBP	BARCLAYS/INTEREST RATE SWAP REC 6M LIBOR 20-15.09.35	-300 000.00	-18 124.99	-0.05
USD	JPMORGAN/INTEREST RATE SWAP PAYER 3M LIBOR 07-19.09.2009			
USD	JPM/INTEREST RATE SWAP REC 5.01800% 07-19.09.09	-600 000.00	14 445.19	0.04
GBP	MORGAN STANLEY/INTEREST RATE SWAP PAYER 5.00000% 20-15.09.35			
GBP	MORGAN STANLEY/INTEREST RATE SWAP REC 6M LIBOR 20-15.09.35	-800 000.00	-48 333.30	-0.13
EUR	BARCLAYS/INTEREST RATE SWAP PAYER 6M EURIBOR 07-15.09.22			
EUR	BARCLAYS/INTEREST RATE SWAP REC 5.00000% 07-15.09.22	-3 000 000.00	-23 701.41	-0.06
EUR	MORGAN STANLEY/INTEREST RATE SWAP PAY 6M LIBOR 17-15.09.22			
EUR	MORGAN STANLEY/INTEREST RATE SWAP REC 5.00000% 17-15.09.22	-800 000.00	-4 606.34	-0.01
EUR	MORGAN STAN/INTEREST RATE SWAP PAYER 6M EURIBOR 07-15.09.22			
EUR	MORGAN STAN/INTEREST RATE SWAP REC 5.00000% 07-15.09.22	-500 000.00	-2 878.96	-0.01
USD	BARCLAYS INTEREST RATE SWAP PAYER 5.00000% 07-18.06.38			
USD	BARCLAYS INTEREST RATE SWAP REC DEFAULT 07-18.06.38	-200 000.00	-6 814.77	-0.02
EUR	BARCLAYS/INTEREST RATE SWAP PAYER 5.00000% 07-15.09.35			
EUR	BARCLAYS/INTEREST RATE SWAP REC 6M EURIBOR 07-15.09.35	-200 000.00	-743.04	0.00
JPY	UBS AG/INTEREST RATE SWAP PAYER 2.00000% 07-20.06.17			
JPY	UBS AG/INTEREST RATE SWAP REC LIBOR 6M 07-20.06.17	-180 000 000.00	-60 993.02	-0.16
USD	BARCLAYS/INTEREST RATE SWAP PAYER 5.00000% 07-18.06.18			
USD	BARCLAYS/INTEREST RATE SWAP REC 3M LIBOR 07-18.06.18	-2 400 000.00	-107 871.49	-0.28
EUR	MORGAN STANLEY/INTEREST RATE SWAP PAYER 5.00000% 07-15.09.35			
EUR	MORGAN STANLEY/INTEREST RATE SWAP REC 3M LIBOR 07-15.09.35	-100 000.00	-371.58	0.00
USD	MORGAN STANLEY/INTEREST RATE SWAP PAYER 5.00000% 08-18.06.38			
USD	MORGAN STANLEY/INTEREST RATE SWAP REC 3M LIBOR 08-18.06.38	-300 000.00	-10 222.01	-0.03
EUR	BARCLAYS/INTEREST RATE SWAP PAYER 5.00000% 08-15.09.35			
EUR	BARCLAYS/INTEREST RATE SWAP REC 6M EURIBOR 08-15.09.35	-900 000.00	-3 343.68	-0.01
USD	MORGAN STANLEY/INTEREST RATE SWAP PAYER 5.00000% 08-18.06.18			
USD	MORGAN STANLEY/INTEREST RATE SWAP 3M LIBOR 08-18.06.18	-1 500 000.00	46 164.05	0.12
EUR	MORGAN STANLEY/INTEREST RATE SWAP PAYER 4.00000% 08-17.09.13			
EUR	MORGAN STANLEY/INTEREST RATE SWAP 6M LIBOR 08-17.09.13	-700 000.00	3 157.05	0.01
EUR	MORGAN STANLEY/INTEREST RATE SWAP PAYER 4.00000% 08-17.09.13			
EUR	MORGAN STANLEY/INTEREST RATE SWAP 6M EURIBOR 08-17.09.13	-400 000.00	1 804.03	0.00
GBP	BARCLAYS/INTEREST RATE SWAP PAYER 5.00000% 08-17.09.18			
GBP	BARCLAYS/INTEREST RATE SWAP REC 6M LIBOR 08-17.09.18	-100 000.00	0.00	0.00
GBP	BARCLAYS/INTEREST RATE SWAP PAYER 5.00000% 08-17.09.10			
GBP	BARCLAYS/INTEREST RATE SWAP REC 6M LIBOR 08-17.09.10	-700 000.00	0.00	0.00
USD	MORGAN STANLEY/INTEREST RATE SWAP PAYER 5.00000% 08-18.06.38			
USD	MORGAN STANLEY/INTEREST RATE SWAP REC DEFAULT 08-18.06.38	-500 000.00	0.00	0.00
USD	BARCLAYS INTEREST RATE SWAP PAYER DEFAULT 07-17.09.09			
USD	BARCLAYS INTEREST RATE SWAP REC 4.50000% 07-17.09.09	-4 100 000.00	54 489.85	0.14
USD	BARCLAYS/INTEREST RATE SWAP PAYER 3M LIBOR 07-18.06.13			
USD	BARCLAYS/INTEREST RATE SWAP REC 4.00000% 07-18.06.13	-2 800 000.00	49 245.64	0.13
USD	MORGAN STAN/INTEREST RATE SWAP PAYER 3M LIBOR 08-18.06.13			
USD	MORGAN STANLEY/INTEREST RATE SWAP REC 4.00000% 08-18.06.13	-3 100 000.00	54 521.79	0.14
USD	MORGAN STAN/INTEREST RATE SWAP PAYER 3M LIBOR 08-18.06.10			
USD	MORGAN STANLEY/INTEREST RATE SWAP REC 4.00000% 08-18.06.10	-3 300 000.00	61 099.97	0.16
USD	MORGAN STANLEY INTEREST RATE SWAP PAYER 3M LIBOR 08-18.06.13			
USD	MORGAN STANLEY/INTEREST RATE SWAP REC 4.00000% 08-18.06.13	-600 000.00	10 552.61	0.03
AUD	MORGAN STANLEY/INTEREST RATE SWAP PAYER 6M LIBOR 08-15.06.10			
AUD	MORGAN STANLEY/INTEREST RATE SWAP REC 7.00000% 08-15.06.10	-4 800 000.00	-15 758.38	-0.04
NZD	UBS/INTEREST RATE SWAP PAYER 3M BKB 08-15.06.10			
NZD	UBS/INTEREST RATE SWAP REC 8.25000% 08-15.06.10	-5 600 000.00	11 707.84	0.03
EUR	BARCLAYS BANK/INTEREST RATE SWAP PAYER 3M LIBOR 08-18.03.10			
EUR	BARCLAYS BANK/INTEREST RATE SWAP REC 4.00000% 08-18.03.10	-7 300 000.00	-20 256.59	-0.05
GBP	BARCLAYS/INTEREST RATE SWAP PAYER 6M LIBOR 08-20.03.13			
GBP	BARCLAYS/INTEREST RATE SWAP REC 5.00000% 08-20.03.13	-400 000.00	-341.31	0.00
EUR	MS/INTEREST RATE SWAP PAYER 6M EURIBOR 08-17.09.18			
EUR	MS/INTEREST RATE SWAP REC 5.00000% 08-17.09.18	-1 800 000.00	82 368.52	0.22
GBP	MORGAN STANLEY/INTEREST RATE SWAP 6M EURIBOR 08-17.09.13			
GBP	MORGAN STANLEY/INTEREST RATE SWAP REC 5.00000% 08-17.09.13	-300 000.00	1 521.60	0.00
USD	MORGAN STANLEY/INTEREST RATE SWAP PAYER 3M LIBOR 08-18.06.13			
USD	MORGAN STANLEY INTEREST RATE SWAP REC 4.00000% 08-18.06.13	-6 200 000.00	108 346.44	0.28
EUR	BARCLAYS/INTEREST RATE SWAP PAYER 6M EURIBOR 08-17.09.10			
EUR	BARCLAYS/INTEREST RATE SWAP REC 4.25000% 08-17.09.10	-9 200 000.00	0.00	0.00

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
GBP MORGAN STANLEY/INTEREST RATE SWAP PAYER 6M LIBOR 08-17.09.13			
GBP MORGAN STANLEY/INTEREST RATE SWAP REC 5.00000% 08-17.09.13	-400 000.00	2 028.81	0.01
GBP MORGAN STANLEY/INTEREST RATE SWAP PAYER 6M LIBOR 08-17.09.13			
GBP MORGAN STANLEY/INTEREST RATE SWAP REC 5.00000% 08-17.09.13	-5 000 000.00	25 360.05	0.07
<b>Total Swaps and forward swaps on interest rates</b>		<b>154 619.38</b>	<b>0.41</b>

#### Credit default swaps

USD GOLDMAN SACHS/UKRAINE CDS PAYER DEFAULT 06-20.12.08			
USD GOLDMAN SACHS/UKRAINE CDS REC 0.78000% 06-20.12.08	-200 000.00	-1 453.26	0.00
EUR DEUTSCHE BK/ITRAXX EUR CROSS CDS PAYER 0.50000% 06-20.12.16			
EUR DEUTSCHE BANK/ITRAXX EUR CROSS CDS REC DEFAULT 06-20.12.16	-1 600 000.00	88 681.52	0.23
EUR GOLDMAN SACHS/KONINKLIJKE DSM CDS PAYER 0.26000% 06-20.03.12			
EUR GOLDMAN SACHS/KONINKLIJKE DSM CDS REC DEFAULT 06-20.03.12	-30 000.00	447.44	0.00
EUR GOLDMAN SACHS/KONINKLIJKE DSM CDS PAYER 0.26000% 07-20.03.12			
EUR GOLDMAN SACHS/KONINKLIJKE DSM CDS REC DEFAULT 07-20.03.12	-50 000.00	745.74	0.00
EUR JPM/AKZO NOBEL NV CDS PAYER 0.26000% 07-20.03.12			
EUR JPM/AKZO NOBEL NV CDS REC DEFAULT 07-20.03.12	-30 000.00	308.98	0.00
EUR GOLDMAN SACHS/KONINKLIJKE DSM CDS PAYER 0.27000% 07-20.03.12			
EUR GOLDMAN SACHS/KONINKLIJKE DSM CDS REC DEFAULT 07-20.03.12	-30 000.00	436.43	0.00
EUR GOLDMAN SACHS/WOLTERS KLUWER CDS PAYER 0.40500% 07-20.03.12			
EUR GOLDMAN SACHS/WOLTERS KLUWER CDS REC DEFAULT 07-20.03.12	-30 000.00	479.19	0.00
USD BARCLAYS BANK PLC/DJ CDX EM IG7 CDS PAYER 0.65000% 07-20.12.16			
USD BARCLAYS BANK PLC/DJ CDX EM IG7 CDS REC DEFAULT 07-20.12.16	-1 300 000.00	35 039.83	0.09
EUR SG/ITRAXX EUR XOVER 8 5YR CDS PAYER 3.75000% 07-20.12.12			
EUR SG/ITRAXX EUR XOVER 8 5YR CDS REC DEFAULT 07-20.12.12	-100 000.00	7 114.00	0.02
EUR RBS/ITRAXX EUR XOVER 8 5YR CDS PAYER 3.75000% 07-20.12.12			
EUR RBS/ITRAXX EUR XOVER 8 5YR CDS REC DEFAULT 07-20.12.12	-100 000.00	7 114.00	0.02
EUR LB/ITRAXX EUR XOVER 8 5YR CDS PAYER 3.75000% 07-20.12.12			
EUR LB/ITRAXX EUR XOVER 8 5YR CDS REC DEFAULT 07-20.12.12	-100 000.00	7 114.00	0.02
EUR BARCLAYS/ITRAXX EUR XOVER 8 CDS PAYER 3.75000% 07-20.12.12			
EUR BARCLAYS/ITRAXX EUR XOVER 8 CDS REC DEFAULT 07-20.12.12	-100 000.00	7 114.00	0.02
EUR BARCLAYS/ITRAXX EUR SNR FIN 8 CDS PAYER DEFAULT 07-20.12.12			
EUR BARCLAYS/ITRAXX EUR SNR FIN 8 CDS REC 0.45000% 07-20.12.12	-500 000.00	-17 640.00	-0.05
<b>Total Credit default swaps</b>		<b>135 501.87</b>	<b>0.35</b>

#### Financial Futures on bonds

USD FANNIE MAE (TBA-US01F0526495) 5.50000% APR 08 14.04.38	3 000 000.00	18 932.82	0.05
USD FANNIE MAE (TBA US01F0506430) 5.00000% APR 08 14.04.38	1 000 000.00	20 387.61	0.05
<b>Total Financial Futures on bonds</b>		<b>39 320.43</b>	<b>0.10</b>

#### Total Derivative instruments not listed on an official stock exchange and not traded on another regulated market

**329 441.68** **0.86**

#### Total Derivative instruments

**589 340.60** **1.54**

### Forward Foreign Exchange contracts

#### Forward Foreign Exchange contracts (Purchase/Sale)

USD	200 000.00	CNY	1 474 900.00	1.10.2008	-6 683.71	-0.02
MXN	2 244 000.00	USD	200 000.00	10.7.2008	3 728.29	0.01
INR	6 145 245.00	USD	153 000.00	12.5.2008	-313.52	0.00
INR	1 888 460.00	USD	47 000.00	12.5.2008	-85.29	0.00
RUB	2 527 500.00	USD	100 000.00	10.7.2008	4 303.61	0.01
RUB	5 004 000.00	USD	200 000.00	10.7.2008	7 256.01	0.02
USD	40 580.76	MXN	450 000.00	10.7.2008	-450.76	0.00
BRL	395 850.00	USD	214 204.55	2.12.2008	797.20	0.00
INR	11 856 000.00	USD	300 000.00	12.5.2008	-3 636.93	-0.01
BRL	945 600.00	USD	468 815.07	2.7.2008	36 030.00	0.09
BRL	543 000.00	USD	300 000.00	2.7.2008	1 386.37	0.00
SEK	3 408 000.00	USD	550 609.90	9.6.2008	13 848.41	0.04
USD	8 117 562.00	GBP	4 106 000.00	17.4.2008	-24 328.02	-0.06
USD	299 432.85	DKK	1 473 000.00	9.6.2008	-7 896.59	-0.02
USD	22 089.24	CAD	22 000.00	17.4.2008	406.25	0.00
JPY	83 019 000.00	USD	816 553.56	12.5.2008	12 099.57	0.03
EUR	325 806.55	USD	500 000.00	3.4.2008	10 272.17	0.03
USD	600 000.00	GBP	295 589.07	17.4.2008	8 090.31	0.02
USD	70 000.00	BRL	120 015.00	2.7.2008	2 009.23	0.01
USD	40 000.00	BRL	69 292.00	2.7.2008	899.68	0.00
USD	6 000.00	BRL	10 278.00	2.7.2008	175.36	0.00
EUR	317 520.80	USD	500 000.00	3.4.2008	1 987.27	0.01
USD	300 000.00	GBP	149 327.35	3.4.2008	2 026.35	0.01
EUR	100 000.00	JPY	15 151 700.00	12.5.2008	3 544.67	0.01
USD	200 000.00	GBP	99 758.63	17.4.2008	1 158.71	0.00
USD	200 000.00	GBP	99 877.85	17.4.2008	1 009.50	0.00
USD	10 000.00	BRL	17 610.00	2.7.2008	124.78	0.00
USD	30 000.00	BRL	53 070.00	2.7.2008	290.57	0.00
USD	70 000.00	BRL	123 235.00	2.7.2008	885.62	0.00
GBP	117 205.65	EUR	150 000.00	17.4.2008	-3 065.08	-0.01
GBP	117 265.80	EUR	150 000.00	17.4.2008	-2 989.80	-0.01
USD	20 000.00	BRL	35 790.00	2.12.2008	320.64	0.00
USD	70 000.00	BRL	126 000.00	2.12.2008	874.05	0.00
USD	10 000.00	BRL	17 995.00	2.12.2008	126.55	0.00
JPY	7 742 750.00	EUR	50 000.00	12.5.2008	-714.85	0.00

Description					Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
JPY	7 747 625.00	EUR	50 000.00	12.5.2008		-683.96	0.00
USD	50 000.00	BRL	89 300.00	2.12.2008		860.69	0.00
USD	30 000.00	BRL	55 005.00	2.12.2008		35.24	0.00
USD	32 000.00	BRL	58 096.00	2.12.2008		232.08	0.00
USD	67 009.96	NZD	84 025.03	24.4.2008		728.55	0.00
AUD	31 032.30	USD	28 102.85	24.4.2008		101.41	0.00
EUR	13 333 000.00	USD	20 772 814.00	28.4.2008		214 072.99	0.57
USD	300 000.00	JPY	29 726 100.00	12.5.2008		464.43	0.00
USD	29 000.00	BRL	52 925.00	2.12.2008		117.30	0.00
USD	10 000.00	BRL	17 590.00	2.7.2008		131.76	0.00
<b>Total Forward Foreign Exchange contracts (Purchase/Sale)</b>						<b>279 547.11</b>	<b>0.73</b>
<b>Cash at banks, deposits on demand and deposit accounts and other liquid assets</b>						<b>2 743 213.19</b>	<b>7.16</b>
<b>Bank overdraft and other short-term liabilities</b>						<b>-294 991.30</b>	<b>-0.77</b>
<b>Other assets and liabilities</b>						<b>-672 776.75</b>	<b>-1.76</b>
<b>Total net assets</b>						<b>38 292 304.99</b>	<b>100.00</b>

# LUXEMBOURG INVESTMENT FUND

## – Secofind Value

Annual Report as of 31 March 2008

### Most important figures

Date	ISIN	7.3.2008	31.3.2007
Net assets in EUR		1 382 264.69	6 697 810.01
<b>Class A<sup>1</sup></b>	<b>LU0255801416</b>		
Shares outstanding		1 530.0830	6 375.4320
Net asset value per share in EUR		903.39	1 050.57

<sup>1</sup> Initial subscription: 11.8.2006

### Structure of the Securities Portfolio

As LUXEMBOURG INVESTMENT FUND – Secofind Value was liquidated as at 7 March 2008, there is no securities portfolio or securities portfolio structure at the end of the reporting period.

## Statement of Operations

	EUR
	1.4.2007–31.3.2008
<b>Income</b>	
Interest on liquid assets	62 602.01
Dividends	53 880.74
<b>Total income</b>	<b>116 482.75</b>
<b>Expenses</b>	
Investment Advisory fees (Note 2)	–76 069.76
Custodian bank fees (Note 2)	–3 803.46
Taxe d'abonnement (Note 3)	–2 287.21
Government fees (Note 2)	–1 028.98
Audit fees, legal and economic advice (Note 2)	–1 943.81
Publications, printing costs and publicity (Note 2)	–7 614.89
Amortization of formation expenses (Note 1)	–1 882.50
Liquidation fees	–7 500.00
Other commissions and fees (Note 2)	–3 676.93
Interest on cash liquidity and bank overdraft	–14 497.83
<b>Total expenses</b>	<b>–120 305.37</b>
<b>Net income (loss) on investments</b>	<b>–3 822.62</b>
<b>Realized gain (loss) (Note 1)</b>	
Realized gain (loss) on market-priced securities without options	–1 040 432.45
Realized gain (loss) on forward foreign exchange contracts	316 403.93
Total realized gain (loss) on investments	–724 028.52
Realized gain (loss) on foreign exchange	–61 800.38
<b>Total realized gain (loss)</b>	<b>–785 828.90</b>
<b>Net realized gain (loss) of the financial year</b>	<b>–789 651.52</b>
<b>Changes in unrealized appreciation (depreciation) (Note 1)</b>	
Unrealized appreciation (depreciation) on market-priced securities without options	–105 041.21
Unrealized appreciation (depreciation) on forward foreign exchange contracts	6 652.99
<b>Total changes in unrealized appreciation (depreciation)</b>	<b>–98 388.22</b>
<b>Net increase (decrease) in net assets as a result of operations</b>	<b>–888 039.74</b>

## Statement of Changes in Net Assets

	EUR
	1.4.2007–31.3.2008
Net assets at the beginning of the financial year	6 697 810.01
Subscriptions	2 149 030.38
Redemptions	–7 958 800.65
Total net subscriptions (redemptions)	–5 809 770.27
Net income (loss) on investments	–3 822.62
Total realized gain (loss)	–785 828.90
Total changes in unrealized appreciation (depreciation)	–98 388.22
Net increase (decrease) in net assets as a result of operations	–888 039.74
<b>Net assets at the end of the financial year</b>	<b>0.00</b>

## Changes in the Number of Shares outstanding

	1.4.2007–31.3.2008
<b>Class</b>	<b>A</b>
Number of shares outstanding at the beginning of the financial year	6 375.4320
Number of shares issued	1 966.2030
Number of shares redeemed	–8 341.6350
<b>Number of shares outstanding at the end of the financial year</b>	<b>0.0000</b>

# LUXEMBOURG INVESTMENT FUND

## – U.S. Equity Plus

Annual Report as of 31 March 2008

### Three-year comparison

Date	ISIN	31.3.2008	31.3.2007	31.3.2006
Net assets in USD		633 722 738.48	761 119 651.27	140 215 063.88
<b>Class A</b>	<b>LU0225433936</b>			
Shares outstanding		121 647.3300	144 013.3160	51 914.4590
Net asset value per share in USD		1 274.57	1 174.69	1 062.75
<b>Class B</b>	<b>LU0225434231</b>			
Shares outstanding		143 000.7580	225 990.8280	60 937.3240
Net asset value per share in EUR		1 225.97	1 137.62	1 051.57
<b>Class C</b>	<b>LU0225434405</b>			
Shares outstanding		27 220.9090	43 499.8330	4 305.9330
Net asset value per share in USD		1 258.24	1 165.49	1 059.69
<b>Class D</b>	<b>LU0225434587</b>			
Shares outstanding		77 323.0890	120 311.4760	2 311.7080
Net asset value per share in EUR		1 209.37	1 129.41	1 048.81
<b>Class E<sup>1</sup></b>	<b>LU0225434660</b>			
Shares outstanding		2 102.1300	1 973.6070	
Net asset value per share in USD		1 095.00	1 018.37	
<b>Class F<sup>1</sup></b>	<b>LU0225434744</b>			
Shares outstanding		9 425.5720	11 932.8290	
Net asset value per share in EUR		1 081.48	1 015.79	

<sup>1</sup> Initial subscription: 15.2.2007

### Structure of the Securities Portfolio

Geographical Breakdown as a % of net assets	
United States	98.93
<b>Total</b>	<b>98.93</b>

Economic Breakdown as a % of net assets	
Countries & central governments	98.93
<b>Total</b>	<b>98.93</b>

## Statement of Net Assets

	USD
<b>Assets</b>	<b>31.3.2008</b>
Investments in securities, cost	625 246 899.25
Investments in securities, unrealized appreciation (depreciation)	1 703 269.41
Total investments in securities (Note 1)	626 950 168.66
Cash at banks, deposits on demand and deposit accounts	3 060 669.98
Receivable on dividends	193 886.83
Other receivables	17 457.32
Formation expenses, net (Note 1)	7 245.35
Unrealized gain (loss) on forward foreign exchange contracts (Note 1)	7 031 524.38
<b>Total Assets</b>	<b>637 260 952.52</b>
<b>Liabilities</b>	
Bank overdraft	-2 039 441.46
Other liabilities	-370.37
Provisions for Investment Advisory fees (Note 2)	-1 192 682.11
Provisions for custodian bank fees (Note 2)	-188 640.77
Provisions for taxe d'abonnement (Note 3)	-79 216.81
Provisions for audit fees, legal and economic advice (Note 2)	-10 913.84
Provisions for other commissions and fees (Note 2)	-26 948.68
Total provisions	-1 498 402.21
<b>Total Liabilities</b>	<b>-3 538 214.04</b>
<b>Net assets at the end of the financial year</b>	<b>633 722 738.48</b>

## Statement of Operations

	USD
<b>Income</b>	<b>1.4.2007–31.3.2008</b>
Interest on liquid assets	754 868.63
Dividends	3 856 685.01
Income on subscriptions/redemptions (note 5)	2.22
<b>Total income</b>	<b>4 611 555.86</b>
<b>Expenses</b>	
Investment Advisory fees (Note 2)	-5 488 450.32
Custodian bank fees (Note 2)	-2 464 272.92
Taxe d'abonnement (Note 3)	-349 894.93
Government fees (Note 2)	-1 482.70
Audit fees, legal and economic advice (Note 2)	-74 841.91
Publications, printing costs and publicity (Note 2)	-3 231.98
Amortization of formation expenses (Note 1)	-3 014.79
Other commissions and fees (Note 2)	-380 045.10
<b>Total expenses</b>	<b>-8 765 234.65</b>
<b>Net income (loss) on investments</b>	<b>-4 153 678.79</b>
<b>Realized gain (loss) (Note 1)</b>	
Realized gain (loss) on market-priced securities without options	56 644 392.38
Realized gain (loss) on options	-15 983 829.00
Realized gain (loss) on yield-evaluated securities and money market instruments	18 442 775.75
Realized gain (loss) on forward foreign exchange contracts	95 067 927.10
Realized result on subscriptions/redemptions (Note 5)	11.14
Total realized gain (loss) on investments	154 171 277.37
Realized gain (loss) on foreign exchange	-25 761 201.04
Other realized gain (loss)	-20.00
<b>Total realized gain (loss)</b>	<b>128 410 056.33</b>
<b>Net realized gain (loss) of the financial year</b>	<b>124 256 377.54</b>
<b>Changes in unrealized appreciation (depreciation) (Note 1)</b>	
Unrealized appreciation (depreciation) on market-priced securities without options	-177 647.52
Unrealized appreciation (depreciation) on yield-evaluated securities and money market instruments	1 251 802.35
Unrealized appreciation (depreciation) on forward foreign exchange contracts	8 003 323.45
<b>Total changes in unrealized appreciation (depreciation)</b>	<b>9 077 478.28</b>
<b>Net increase (decrease) in net assets as a result of operations</b>	<b>133 333 855.82</b>

## Statement of Changes in Net Assets

	USD
	1.4.2007–31.3.2008
Net assets at the beginning of the financial year	761 119 651.27
Subscriptions	56 637 697.71
Redemptions	–317 368 466.32
Total net subscriptions (redemptions)	–260 730 768.61
Net income (loss) on investments	–4 153 678.79
Total realized gain (loss)	128 410 056.33
Total changes in unrealized appreciation (depreciation)	9 077 478.28
Net increase (decrease) in net assets as a result of operations	133 333 855.82
<b>Net assets at the end of the financial year</b>	<b>633 722 738.48</b>

## Changes in the Number of Shares outstanding

	1.4.2007–31.3.2008
<b>Class A</b>	<b>A</b>
Number of shares outstanding at the beginning of the financial year	144 013.3160
Number of shares issued	10 125.8040
Number of shares redeemed	–32 491.7900
<b>Number of shares outstanding at the end of the financial year</b>	<b>121 647.3300</b>
<b>Class B</b>	<b>B</b>
Number of shares outstanding at the beginning of the financial year	225 990.8280
Number of shares issued	16 314.4110
Number of shares redeemed	–99 304.4810
<b>Number of shares outstanding at the end of the financial year</b>	<b>143 000.7580</b>
<b>Class C</b>	<b>C</b>
Number of shares outstanding at the beginning of the financial year	43 499.8330
Number of shares issued	3 894.3860
Number of shares redeemed	–20 173.3100
<b>Number of shares outstanding at the end of the financial year</b>	<b>27 220.9090</b>
<b>Class D</b>	<b>D</b>
Number of shares outstanding at the beginning of the financial year	120 311.4760
Number of shares issued	4 060.2740
Number of shares redeemed	–47 048.6610
<b>Number of shares outstanding at the end of the financial year</b>	<b>77 323.0890</b>
<b>Class E</b>	<b>E</b>
Number of shares outstanding at the beginning of the financial year	1 973.6070
Number of shares issued	228.1350
Number of shares redeemed	–99.6120
<b>Number of shares outstanding at the end of the financial year</b>	<b>2 102.1300</b>
<b>Class F</b>	<b>F</b>
Number of shares outstanding at the beginning of the financial year	11 932.8290
Number of shares issued	2 470.0260
Number of shares redeemed	–4 977.2830
<b>Number of shares outstanding at the end of the financial year</b>	<b>9 425.5720</b>

## Statement of Investments in Securities and other Net Assets as of 31 March 2008

Description	Quantity/ Nominal	Valuation in USD Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
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### Transferable securities and money market instruments traded on another regulated market

#### Treasury bills, zero coupon

##### USD

USD	AMERICA, UNITED STATES OF TB 0.00000% 01.11.07-01.05.08	51 325 000.00	51 271 981.28	8.09
USD	AMERICA, UNITED STATES OF TB 0.00000% 08.11.07-08.05.08	51 325 000.00	51 259 047.38	8.09
USD	AMERICA, UNITED STATES OF TB 0.00000% 15.11.07-15.05.08	51 325 000.00	51 245 959.50	8.09
USD	AMERICA, UNITED STATES OF TB 0.00000% 06.12.07-05.06.08	20 775 000.00	20 727 175.95	3.27
USD	AMERICA, UNITED STATES OF TB 0.00000% 13.12.07-12.06.08	20 375 000.00	20 325 896.25	3.21
USD	AMERICA, UNITED STATES OF TB 0.00000% 03.01.08-03.07.08	64 350 000.00	64 126 898.55	10.12
USD	AMERICA, UNITED STATES OF TB 0.00000% 10.01.08-10.07.08	64 350 000.00	64 111 905.00	10.12
USD	AMERICA, UNITED STATES OF TB 0.00000% 17.01.08-17.07.08	64 925 000.00	64 658 677.65	10.19
USD	AMERICA, UNITED STATES OF TB 0.00000% 24.01.08-24.07.08	64 400 000.00	64 122 629.20	10.12
USD	AMERICA, UNITED STATES OF TB 0.00000% 07.02.08-07.08.08	38 725 000.00	38 538 422.95	6.08
USD	AMERICA, UNITED STATES OF TB 0.00000% 14.02.08-14.08.08	38 725 000.00	38 525 333.90	6.08
USD	AMERICA, UNITED STATES OF TB 0.00000% 21.02.08-21.08.08	38 725 000.00	38 509 611.55	6.08
USD	AMERICA, UNITED STATES OF TB 0.00000% 28.02.08-28.08.08	59 875 000.00	59 495 871.50	9.39

#### Total USD

626 919 410.66 98.93

#### Total Treasury bills, zero coupon

626 919 410.66 98.93

#### Total Transferable securities and money market instruments traded on another regulated market

626 919 410.66 98.93

### Transferable securities and money market instruments not listed on an official stock exchange and not traded on another regulated market

#### Investment certificates, open end

##### United States

USD	FIDELITY HEREFORD STREET TRUST-SPARTAN US TREASURY MMKT	30 758.00	30 758.00	0.00
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#### Total United States

30 758.00 0.00

#### Total Investment certificates, open end

30 758.00 0.00

#### Total Transferable securities and money market instruments not listed on an official stock exchange and not traded on another regulated market

30 758.00 0.00

#### Total investments in securities

626 950 168.66 98.93

### Forward Foreign Exchange contracts

#### Forward Foreign Exchange contracts (Purchase/Sale)

EUR	93 193 356.19	USD	145 208 296.01	28.4.2008	2 357 943.88	0.37
EUR	10 166 191.89	USD	15 840 350.23	28.4.2008	257 221.24	0.04
EUR	174 551 975.73	USD	271 976 415.46	28.4.2008	4 416 449.63	0.70
EUR	761 235.56	USD	1 206 482.24	28.4.2008	-1 067.50	0.00
EUR	342 065.36	USD	542 139.39	28.4.2008	-479.69	0.00
EUR	31 901.95	USD	50 561.40	28.4.2008	-44.73	0.00
USD	15 366 260.33	EUR	9 687 467.11	3.4.2008	15 316.97	0.00
EUR	9 687 467.11	USD	15 353 666.62	28.4.2008	-13 584.93	0.00
USD	244 772.87	EUR	154 314.00	3.4.2008	244.01	0.00
EUR	154 314.00	USD	244 572.26	28.4.2008	-216.40	0.00
EUR	926 433.62	USD	1 469 509.01	3.4.2008	-1 464.80	0.00
USD	1 468 212.00	EUR	926 433.62	28.4.2008	1 206.70	0.00

#### Total Forward Foreign Exchange contracts (Purchase/Sale)

7 031 524.38 1.11

#### Cash at banks, deposits on demand and deposit accounts and other liquid assets

3 060 669.98 0.48

#### Bank overdraft and other short-term liabilities

-2 039 441.46 -0.32

#### Other assets and liabilities

-1 280 183.08 -0.20

#### Total net assets

633 722 738.48 100.00

# Notes to the Financial Statements

Annual Report as of 31 March 2008  
LUXEMBOURG INVESTMENT FUND

## **Note 1 – Summary of significant accounting policies**

### *a) Calculation of the net asset value*

The net asset value per share of the individual subfunds is calculated on:

- each Monday for the subfunds LUXEMBOURG INVESTMENT FUND – Alpha Strategies and LUXEMBOURG INVESTMENT FUND – Global Opportunities. Should a Monday not be a business day in Luxembourg, the net asset value is calculated on the next following business day.
- each Wednesday for the subfund LUXEMBOURG INVESTMENT FUND – Amares Strategy Fund – Balanced. Should a Wednesday not be a business day in Luxembourg, the net asset value is calculated on the next following business day.
- each Friday for the subfunds LUXEMBOURG INVESTMENT FUND – Secofind Value and LUXEMBOURG INVESTMENT FUND – Secofind Income. Should a Friday not be a business day in Luxembourg, the net asset value is calculated on the next following business day.
- the fifteenth day and the last business day of each month for the subfund LUXEMBOURG INVESTMENT FUND – U.S. Equity Plus. Should the fifteenth day of the month not be a business day in Luxembourg, the net asset value is calculated on the next following business day.

In this context, “business day” shall mean the usual bank business days (i.e. each day on which banks are opened during normal business hours) in Luxembourg with the exception of individual, non-statutory rest days as well as days on which exchanges in the main countries in which the subfund invests are closed or 50% or more subfund investments cannot be adequately valued. Non-statutory rest days are days on which individual banks and financial institutions are closed.

The net asset value of each subfund is equal to the total assets of that subfund less its liabilities. The net asset value of each subfund will be expressed in the currency of the relevant subfund (except when there exists any state of affairs which, in the opinion of the Board of Directors, makes the determination in the currency of the relevant subfund either not reasonably practical or prejudicial to the shareholders, the net asset value may temporarily be determined in such other currency as the Board of Directors may determine) and shall be determined in respect of any Valuation Day by dividing the total net assets of the subfund by the number of its shares then outstanding. The net asset value per share of the individual subfunds is calculated on the basis of the last known prices (i.e. closing prices or if such do not reflect reasonable market value in the opinion of the Board of Directors, the last available prices at the time of valuation) on each business day in Luxembourg.

The total net assets of the Company are expressed in EUR and correspond to the difference between the total assets of the Company and its total liabilities. For the purpose of this calculation, the net assets of each subfund, if they are not denominated in EUR, are converted into EUR and added together.

### *b) Valuation principles*

- Securities and other investments listed on a stock exchange are valued at the last known price. If the same security or investment is quoted on several stock exchanges, the last known price on the stock exchange that represents the major market for this security will apply.

In the case of securities and other investments where the trade on the stock market is thin but which are traded between securities dealers on a secondary market using usual market price formation methods, the Company can use the prices on this secondary market as the basis for their valuation of these securities and investments.

Securities and other investments that are not listed on a stock exchange, but which are traded on another regulated market which is recognized, open to the public and operating regularly, are valued at the last known price on this market.

- Securities and other investments that are not listed at a stock exchange or traded on another regulated market, and for which no appropriate price can be obtained, will be valued by the Management Company according to other principles chosen by it in good faith on the basis of the likely sales prices.

- Based on the net acquisition price and by keeping the calculated investment return constant, the value of money market instruments having a residual maturity which does not exceed 12 months are successively adjusted to the redemption price thereof. In the event of material changes in market conditions, the valuation basis is adjusted on the new market yields.
- Debt securities are valued at the last known price, if they are listed on an official stock exchange. If the same security is listed on several stock exchanges, the last known price on the stock exchange that represents the major market for this security will apply.
- Debt securities and other securities are valued at the last known price on this market, if they are not listed on an official stock exchange, but traded on another regulated market, which is recognised, open to the public and operating regularly.
- Time deposits with an original maturity exceeding 30 days can be valued at their respective rate of return, provided the corresponding agreement between the credit institution holding the time deposits and the Company stipulates that these time deposits may be called at any time and that, if called for repayment, their cash value corresponds to this rate of return.
- Any cash in hand or on deposit, notes payable on demand, bills and accounts receivable, prepaid expenses, cash dividends, interests declared or accrued as aforesaid and not yet received shall be valued at their full nominal value, unless in any case the same is unlikely to be paid or received in full, in which case the Board of Directors may value these assets with a discount he may consider appropriate to reflect the true value thereof. Liquid funds are valued at their nominal value plus any accrued interest.
- Units of UCITS authorised according to Directive 85/611/EEC and/or other assimilated UCI will be valued at the last known net asset value for such shares or units as of the relevant Valuation Day.

The Company is authorised to temporarily apply other adequate valuation principles for the assets of an individual subfund if the aforementioned valuation criteria appear impossible or inappropriate due to extraordinary circumstances or events.

In the case of extensive redemption applications, the Company may establish the value of the shares of the relevant subfund on the basis of the prices at which the necessary sales of securities are effected. In such an event, the same basis for calculation shall be applied for subscription and redemption applications submitted at the same time.

*c) Net realized gain (loss) on sales of securities*

The realized gains or losses on the sales of securities are calculated on the basis of the average cost of the securities sold.

*d) Valuation of forward foreign exchange contracts*

The unrealized gain (loss) of outstanding forward foreign exchange contracts is valued on the basis of the forward exchange rates prevailing at valuation date.

*e) Valuation of financial futures contracts*

Financial futures contracts are valued based on the latest available published price applicable on the valuation date. Realized gains and losses and the changes in unrealized gains and losses are recorded in the statement of operations. The realized gains and losses are calculated in accordance with the FIFO method, i.e. the first contracts acquired are regarded as the first to be sold.

*f) Valuation of swap contracts*

The value of swaps is calculated by the counterpart to the swap transactions, according to a method based on market value. This valuation method is recognized by the Company.

*g) Conversion of foreign currencies*

Bank accounts, other net assets and the valuation of the investments in securities held denominated in currencies other than the reference currency of the different subfunds are converted at the mid closing spot rates on the valuation date. Income and expenses denominated in currencies other than the currency of the different subfunds are converted at the mid closing spot rates at payment date. Gain or loss on foreign exchange is included in the statement of operations.

The cost of securities denominated in currencies other than the reference currency of the different subfunds is converted at the mid closing spot rate prevailing on the day of acquisition.

*h) Formation expenses*

Formation expenses are amortised during a period of five years. The costs of launching new subfunds may be written off over a period of up to five years. If this is the case, only the respective subfund will be charged.

*i) Accounting of securities' portfolio transactions*

The securities' portfolio transactions are accounted for the bank business day following the transaction dates.

*j) Consolidated financial statements*

The consolidated financial statements of the Company are expressed in EUR. The various items of the consolidated statement of net assets and the consolidated statement of operations as of 31 March 2008 of the Company are equal to the sum of the corresponding items in the financial statements of each subfund.

The following exchange rates were used for the conversion of foreign currencies and the consolidated financial statements as of 31 March 2008:

Exchange rates			
EUR	1 =	CAD	1.625828
EUR	1 =	CHF	1.567199
EUR	1 =	DKK	7.457288
EUR	1 =	GBP	0.797258
EUR	1 =	JPY	157.718184
EUR	1 =	NOK	8.052287
EUR	1 =	PLN	3.516037
EUR	1 =	SEK	9.396302
EUR	1 =	TRY	2.116959
EUR	1 =	USD	1.584550
EUR	1 =	ZAR	12.876846

*k) Receivable on securities sales,*

*Payable on securities purchases*

The account "Receivables on securities sales" can also include receivables from foreign currency transactions. The account "Payables on securities purchases" can also include payables from foreign currency transactions.

*l) Income recognition*

Dividends, net of withholding taxes, are recognized as income on the date upon which the relevant securities are first listed as "ex-dividend". Interest income is accrued on a daily basis.

**Note 2 – Commissions and fees**

The Company has to pay the following commissions and fees for each of the subfunds:

- All taxes which may be payable on the Company's assets or income,
- the customary commissions usually incurred on security transactions,

- fee for the Portfolio Manager shall be paid monthly (except quarterly for the subfunds LUXEMBOURG INVESTMENT FUND – Global Opportunities, LUXEMBOURG INVESTMENT FUND – Secofind Value and LUXEMBOURG INVESTMENT FUND – U.S. Equity Plus) and shall represent an amount not exceeding a percentage specified in the prospectus, calculated on the total net assets of end of month of the subfund, furthermore, subfunds may be subject to a performance fee. No Performance fee has been accrued for the year ended 31 March 2008.
- monthly fees calculated on the average total net assets of the subfund during the month concerned for services rendered by the Custodian and the administrative agent (included in "other commissions and fees") as well as a fee for possible distribution services by the distributor and the investment advisor services provided by the investment advisor,
- the costs which may be incurred for extraordinary steps or measures to protect shareholders, in particular expert opinions or lawsuits,
- the cost of printing the shares certificates, the cost of preparing, depositing and publishing agreements and other documents concerning the Company, including fees for the notification of and registration with all authorities and stock exchanges, the cost of preparing, translating, printing and distributing the periodical publications and all other documents which are required by the relevant legislation or regulations, the cost of preparing and distributing notifications to shareholders, the fees for the Company's auditors and legal advisers and all other similar expenses.

Fees and expenses that cannot be attributed to one single subfund will either be ascribed to all subfunds on an equal basis or will be prorated on basis of the net asset value of each subfund, if the amount and cause justify doing so.

**Note 3 – Taxe d'abonnement**

In accordance with the law and the regulations currently in force, the Company is subject to a subscription tax at the annual rate of 0.05%, payable quarterly and calculated on the basis of the net assets of each subfund at the end of each quarter.

The taxe d'abonnement is waived for that part of the Company assets invested in units or shares of other undertakings for collective investment that have already paid the taxe d'abonnement in accordance with the statutory provisions of Luxembourg law.

#### Note 4 – Securities Lending

The Company may also lend portions of its securities portfolio to third parties. In general, lendings may only be effected via recognized clearing houses such as Clearstream International or Euroclear, or through the intermediary of prime financial institutions that specialize in such activities and in the modus specified by them. However such transactions may not be entered into for longer than 30 days. If the loan exceeds 50% of the market value of the securities portfolio of the corresponding subfund, it may only be effected on condition that the Company has the right, at all time, to terminate the loan contract and obtain restitution of the securities lent.

There were no securities lent out in LUXEMBOURG INVESTMENT FUND as of 31 March 2008.

#### Note 5 – Realized result on subscriptions/redemptions

The average fees (brokerage commission, stock exchange fees/duties, etc.) incurred by the Company in connection with the investment of incoming monies may be charged to the investor on a net asset value basis. This income is in favour of the Company and mentioned in the Statement of Operations as "Realized result on subscriptions/redemptions".

#### Note 6 – Income distribution

The general meeting of shareholders of the respective subfunds shall decide, at the proposal of the Board of Directors and after closing the annual accounts per subfund, whether and to what extent distributions are to be paid out of investment income and realized gains in the net asset value after deduction of all fees and expenses. The payment of distributions must not result in the net asset value of the Company falling below the minimum capital amount prescribed by law.

Entitlements to distributions and allocations not claimed within five years of the due date shall be forfeited and the corresponding assets returned to the respective subfund. If the subfund in question has already been liquidated, the distributions and allocations will accrue to the remaining subfunds of the same Company in proportion to their respective net assets. At the proposal of the Board of Directors, the general meeting of shareholders of a specific subfund may decide to issue bonus shares as part of the distribution of net investment income and capital gains.

An income equalisation amount will be calculated so that the distribution corresponds to the actual income entitlement.

#### Note 7 – Commitments on Financial Futures and Options

Commitments on Financial Futures and Options per subfund and respective currency as of 31 March 2008 can be summarised as follows:

##### a) Financial Futures

LUXEMBOURG INVESTMENT FUND	Financial Futures on bonds (purchased)	Financial Futures on bonds (sold)
– Alpha Strategies	231 960.00 EUR	– EUR
– Secofind Income	4 853 702.68 EUR	43 240 731.64 EUR

LUXEMBOURG INVESTMENT FUND	Financial Futures on interest rates (purchased)	Financial Futures on interest rates (sold)
– Secofind Income	47 555 560.92 EUR	4 935 464.03 EUR

LUXEMBOURG INVESTMENT FUND	Financial Futures on Indices (purchased)	Financial Futures on Indices (sold)
– Amares Strategy Fund		
– Balanced	887 250.00 EUR	– EUR

##### b) Options

LUXEMBOURG INVESTMENT FUND	Options on swaps
– Secofind Income	4 100 000.00 EUR

LUXEMBOURG INVESTMENT FUND	Options on Indices
– Alpha Strategies	744 996.15 EUR

#### Note 8 – Segregated Accounts

The Board of Directors resolved that the Portfolio Manager may open segregated accounts with registered broker dealers. As of 31 March 2008, the portfolio of the subfund LUXEMBOURG INVESTMENT FUND – U.S. Equity Plus is part of such a segregated account.

#### **Note 9 – Liquidation of subfund**

The Board of Directors of LUXEMBOURG INVESTMENT FUND decided to liquidate the subfund LUXEMBOURG INVESTMENT FUND – Secofind Value as of 7 March 2008.

#### **Note 10 – Applicable law, place of performance and authoritative language**

The Luxembourg District Court is the place of performance for all legal disputes between the shareholders, the Company and the Custodian Bank. Luxembourg law applies. However, in matters concerning the claims of investors from other countries, the Company and/or the Custodian Bank can elect to make themselves and the Company subject to the jurisdiction of the countries in which the Company shares were bought and sold.

The English version of these financial statements is the authoritative version and only this version was audited by the auditors. However, in the case of shares sold to investors from the other countries in which Company shares can be bought and sold, the Company and the Custodian Bank may recognize approved translations (i.e. approved by the Company and the Custodian Bank) into the languages concerned as binding upon themselves and the Company.

