

# W&W Global Strategies Fund

Annual Report for the year ended 31 October 2010

Keine Vertriebszulassung für Deutschland und Österreich.  
Daher steht nur eine englische Version zur Verfügung.

W&W Asset Management Dublin Limited

- 
- W&W Global Strategies Fund
  - The W&W Euro Corporate Bond Fund
  - The W&W US Equity Fund
  - The W&W South East Asian Equity Fund
  - The W&W Asset-backed Securities Fund
  - The W&W European Equity Value Fund



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## General Information

The following is derived from and should be read in conjunction with the full text and definitions section of the Prospectus and any supplements to the Prospectus.

The W&W Global Strategies Fund (“the Fund”) was established on the 30th June 2000 as an open-ended unit trust organised in the form of an umbrella fund under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 1989 (as amended) (S.I No 78 of 1989). The sub-funds are listed individually on the Irish Stock Exchange.

The collective investment undertaking of the Fund comes within the scope of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) (the “UCITS Regulations”) and fulfils the conditions which are set out in the Council Directive of 20 December 1985 (85/611/EEC) (as amended), on the co-ordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investment in Transferable Securities “UCITS”.

The Trust Deed provides for separate sub-funds, each representing interests in defined portfolios of assets and liabilities, which may be established with prior approval of the Central Bank of Ireland formerly Irish Financial Services Regulatory Authority (“Central Bank”). There are currently five sub-funds in operation: The W&W Euro Corporate Bond Fund, The W&W US Equity Fund, The W&W South East Asian Equity Fund, The W&W Asset-backed Securities Fund and The W&W European Equity Value Fund.

As the reporting currency of the sub-funds is Euro (€), the Investment Adviser may enter into hedging transactions for the purposes of efficient portfolio management and protection against currency risk when operating in US dollars or other non-Euro currencies.

## DEALING

The dealing day is every business day (or such other day as the Directors of the Manager may determine from time to time). The business day means every day except Saturday or Sunday upon which retail banks in Dublin, Frankfurt and Paris are open for business.

The dealing deadlines for each of the sub-funds are as follows:

- The W&W Euro Corporate Bond Fund  
2 p.m. Irish time on the business day immediately prior to the relevant dealing day.
- The W&W US Equity Fund  
5 p.m. Irish time on the business day immediately prior to the relevant dealing day.
- The W&W South East Asian Equity Fund  
5 p.m. Irish time two business days immediately prior to the relevant dealing day.
- The W&W Asset-backed Securities Fund  
2 p.m. Irish time on the business day immediately prior to the relevant dealing day.
- The W&W European Equity Value Fund  
2 p.m. Irish time on the business day immediately prior to the relevant dealing day.

## DIVIDENDS

Dividends, if any, will be declared and paid within two months of the accounting date.

## UNITS

Units will be issued at a price equal to the Net Asset Value per unit on the relevant dealing day on which units are to be issued plus such amount (if any) as the Manager may determine to represent an appropriate allowance for fiscal and purchase charges. A preliminary charge not exceeding 5% of the Net Asset Value per unit may be added to the total subscription amount. The preliminary charge shall be retained by the distributor. Applications for the purchase of units must be received by the Administrator prior to the dealing deadline described above.

Redemption of units may take place on any dealing day at a price per unit equal to the Net Asset Value per unit less such a sum as the Manager may consider represents the appropriate allowance for fiscal and sales charges. All redemption requests must be received by the Administrator prior to the dealing deadline described above.

All requests for Units should be addressed to:

**SOCIÉTÉ GÉNÉRALE S.A. (DUBLIN BRANCH)**  
3RD FLOOR  
IFSC HOUSE  
IFSC  
DUBLIN 1  
TEL. (353) 1 675 03 05  
FAX (353) 1 675 03 55

# Statement of Responsibilities of the Manager and Trustee

## 1. MANAGER

The Manager of the Fund is required to prepare financial statements for each accounting period, which give a true and fair view of the financial position of the Fund at the end of that period, and of the profit/loss and the movement in unitholders funds for the period then ended.

In preparing these financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are prudent and reasonable;
- prepare the financial statements on the going concern basis.

The Manager is also required to manage the Fund in accordance with the Trust Deed, the UCITS Regulations 2003, and any applicable regulations made by the Financial Regulator pursuant to the Regulations and to maintain proper accounting records to enable them to ensure that the financial statements comply with accounting standards generally accepted in Ireland and the Listing Rules of the Irish Stock Exchange.

W&W ASSET MANAGEMENT DUBLIN LIMITED

## 2. TRUSTEE

The trustees are required to:

- take responsibility for safe-keeping the assets of the Trust in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003 ('the Regulations')
- ensure that the Trust is managed by the Manager, in all material respects, in that period, in accordance with its constitutional documentation and the appropriate Regulations
- prepare a report for inclusion in the annual report on the conduct of the Manager in relation to the management of the Trust in accordance with the trust deed and the Regulations.
- if the Manager has not complied, in all material respects, with the Fund's constitutional documentation or the appropriate regulations, the Trustee must state why this is the case and outline the steps which the Trustee has taken to rectify the situation.

SOCIÉTÉ GÉNÉRALE S.A., DUBLIN BRANCH

## Trustee's Report

We have enquired into the conduct of the Trust for the period ended 31 October 2010 in our capacity as trustees of the Trust.

In our opinion the Manager has managed the Trust in all material respects during that period in accordance with the provisions of the trust deed and the Regulations, including specifically the provisions relating to the limitations imposed on the investment and borrowing powers of the scheme.

This report including the opinion has been prepared for and solely for the unitholders in the Fund as a body, in accordance with the Financial Regulator's UCITS Notice 4.1 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

The Trustee conducts its reviews on a test basis to ensure that it adheres to the Trustee duties outlined in UCITS Notice 4.1 and to ensure that the Fund is managed, in all material respects, in accordance with the Fund's constitutional documentation and the appropriate Regulations.

On behalf of the Trustee

Michael Clifford  
Société Générale S.A. Dublin Branch

**SOCIÉTÉ GÉNÉRALE S.A. (DUBLIN BRANCH)**  
**3RD FLOOR**  
**IFSC HOUSE**  
**IFSC**  
**DUBLIN 1**

# Independent Auditors' Report to the Unitholders of W&W Global Strategies Fund

We have audited the financial statements of W&W Global Strategies Fund (the "Fund") for the year ended 31 October 2010 which comprise for each sub-fund the Income Statement, the Balance Sheet, the Statement of Movement in Unitholder Funds, the Cash Flow Statement specifically for The W&W Asset-backed Securities Fund and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Fund's unit holders, as a body in accordance with the requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 and the Trust Deed. Our audit work has been undertaken so that we might state to the unit holders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund's unit holders as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of the Trustee, the Manager and the Auditors

The Manager is responsible for preparing the Annual Report including, as set out in the Statement of Manager's Responsibilities, the preparation of the financial statements in accordance with applicable law and accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland). The Trustee is responsible for safeguarding the assets of the Fund.

Our responsibility, as independent auditor, is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with or Generally Accepted Accounting Practice in Ireland and are properly prepared in accordance with Irish statute comprising the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 and the Trust Deed.

We read the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements. The other information comprises only the Statement of Responsibilities of the Manager and Trustee, the Trustee's Report, the Investment Advisors' Reports, the statement of portfolio changes and the portfolio of investment. Our responsibilities do not extend to other information.

## Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Manager in the preparation of the financial statements and of whether the accounting policies are appropriate to the Fund's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we evaluated the overall adequacy of the presentation of information in the financial statements.



## Opinion

In our opinion the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the affairs of the Fund as at 31 October 2010 and of the gains and losses for the year ended; and have been properly prepared in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 and the Trust Deed.

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the affairs of the Fund as at 31 October 2010 and of its results for the year ended; and
- have been properly prepared in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 and the Trust Deed.

### EMPHASIS OF MATTER – VALUATION OF INVESTMENT

Without qualifying our opinion we draw your attention to the valuation policy of investments set out in note 2 to the financial statements. The W&W Asset-backed Securities Fund has investment valued at €209,640,819 as of 31 October 2010, the fair value of which have been estimated by management on the basis of indicative non-binding broker marks. Given the continued illiquidity of markets, these broker marks may not necessarily represents the realisation value of such assets at the balance sheet date. If binding quotes were available for the investments, they may be different to those presented and those differences could be material. Therefore, the realisable value of the fund's investments may differ significantly from the fair value recorded. The ultimate outcome of these uncertainties cannot at present be determined.

We have obtained all the information and explanations we considered necessary for the purpose of our audit.

**DELOITTE & TOUCHE**  
CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS  
DUBLIN

DATE: 24 FEBRUARY 2011

# Unaudited taxation advice

for German Unitholders for the year ended 31 October 2010

## THE W&W EURO CORPORATE BOND FUND

	PER UNIT CLASS A	PER UNIT CLASS B
in €		
Distribution	0.38	0.39
Deemed Distribution Income	—	—
Proportion of which is realised gains	—	—
Income to be taxed	—	—
Private Capital	0.38	0.39
Company Capital	0.38	0.39
Income liable to Dividend Withholding Tax	0.38	0.39
Dividend Withholding Tax – 30 %	0.11	0.12
The income distribution occurred on the 22 December 2010		

## THE W&WUS EQUITY FUND

	PER UNIT
in €	
Distribution	0.010
Deemed Distribution Income	—
Proportion of which is realised gains	—
Income to be taxed	—
Private Capital	0.010
Company Capital	0.010
Income liable to Dividend Withholding Tax	0.010
Dividend Withholding Tax – 30 %	0.003
The income distribution occurred on the 22 December 2010	

THE W&W SOUTH EAST ASIAN EQUITY FUND

	PER UNIT
in €	
Distribution	0.51
Deemed Distribution Income	—
Proportion of which is realised gains	—
Income to be taxed	—
Private Capital	0.51
Company Capital	0.51
Income liable to Dividend Withholding Tax	0.51
Dividend Withholding Tax – 30 %	0.15
The income distribution occurred on the 22 December 2010	

THE W&W ASSET-BACKED SECURITIES FUND

	PER UNIT CLASS A	PER UNIT CLASS B
in €		
Distribution	1.66	1.61
Deemed Distribution Income	—	
Proportion of which is realised gains	—	
Income to be taxed	—	
Private Capital	1.66	1.61
Company Capital	1.66	1.61
Income liable to Dividend Withholding Tax	1.66	1.61
Dividend Withholding Tax – 30 %	0.50	0.48
The income distribution occurred on the 22 December 2010		

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 THE W&W EUROPEAN EQUITY VALUE FUND
 

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 PER UNIT
 

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 in €
 

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Distribution	1.71
Deemed Distribution Income	—
Proportion of which is realised gains	—
Income to be taxed	—
Private Capital	1.71
Company Capital	1.71
Income liable to Dividend Withholding Tax	1.71
Dividend Withholding Tax – 30 %	0.51
The income distribution occurred on the 22 December 2010	

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# Investment Adviser's Report for the year ended 31 October 2010

## REVIEW OF THE YEAR

In the first six months of the reporting period Investment Grade Non-Financial Corporate Bond spreads continued to grind tighter, since investors were willing to take credit risk due to the lack of investment alternatives. Consequently, the risk premium (asset swap spread) of the iBoxx € Corporate Non-Financial Index decreased by 21 bps from 103 bps at the end of October 2009 to 82 bps at the end of April 2010. In the second half of the reporting period the risk premium of the index increased by 15 bps to 97 bps at the end of October 2010. The main reasons for the spread widening in last six months were the increased uncertainties and fears in peripheral sovereign bond markets.

The highlight of the reporting period occurred in May, when the European Sovereign Debt Crisis accelerated. Investors around the globe feared a renewed meltdown of the global financial system and a collapse in lending due to the high debt levels and household deficits in peripheral Europe, especially in Greece. The consequence was that more and more international investors reduced risk and switched into risk free assets like US Treasuries and German government bonds. To combat this development, the EU finance ministers agreed a stunning € 750 billion bailout package in May. At the same time the European Central Bank announced a scheme to buy up government bonds on the financial market, which is a revolutionary shift away from its inflation-fighting mission. Subsequently, the yield of 10-year German government bonds fell to a new low of 2.7 % at the end of May. In August the US economic outlook turned sour again and investor fears that the US could fall back into recession increased due to the high unemployment rate, the weaker ISM Non-Manufacturing Index and the weak real estate data. At the end of August German 10 year government bond yields fell significantly to a YTD low of 2.1 % due to the high demand for riskless assets and a likely second Quantitative Easing package of the US Federal Reserve Bank.

On the positive side the fundamental big picture is that the corporate credit world continued to improve significantly during the reporting period. Earnings of large European and US companies (e.g. Siemens, Daimler, BMW, Volvo and IBM) have been impressive in 2010. In addition company strategies were very bondholder friendly as companies continued to reduce their leverage ratios and kept M&A activity at low levels. Taking a closer look at the high yield sector, default rates declined significantly in the last 12 months in all major markets. According to BofA Merrill Lynch the global 12-month trailing High Yield default rates dropped to 3.4 % at the end of September 2010 from 9.7 % at the end of October 2009. In addition banks have been extending credit to the private sector for the first time since the beginning of the financial crisis and only marginally tightened lending standards in the third quarter of 2010.

## PERFORMANCE

If all fees are deducted and when dividend distributions (paid in December 2009) are assumed to be immediately reinvested at NAV (Time Weighted Return), the NAV of the class A shares increased by 7.03 % and the NAV of the class B shares gained 6.9 % in the reporting period. The benchmark gained 7.06 %. However, before deducting fees, the fund outperformed its benchmark by 35 bps according to DPG. The main reason for the outperformance was our good bond selection.

## MARKET OUTLOOK

At the end of October the synthetic iTraxx Europe Index, a CDS index for European Investment Grade issuers, priced in a cumulative 5-year default probability of around 8 %. Goldman Sachs cumulative 5-year default rate and loss rate forecasts from October 2010 for European Investment Grade corporate bonds remain unchanged at 1 % and 0.6 %. This means that the market is currently pricing

in a default scenario that is 8 times worse than the forecast of Goldman Sachs and much worse than historical worst case default scenarios. Investment Grade corporate bonds therefore still look attractive at current spread levels, since the asset class remains cheap on any comparison with historical default rates. However, in the short term we expect the credit market to remain volatile due to the uncertainties of the European Sovereign Debt Crisis.

These extreme Sovereign themes will most likely continue to dominate the markets for the next weeks or maybe months, which could also have further negative impact on credit spreads. However, we still think that current spread levels offer attractive entry levels for fixed income investors who can withstand certain market volatility with a medium-term view.

## PROPOSED INVESTMENT STRATEGY

We believe that solid Investment Grade corporate bonds remain attractive at current spread levels compared to core European government bonds and therefore stick to our macro credit overweight allocation with a spread duration of 4.6 years and an almost benchmark neutral modified duration of 4.4 years. Our overall sector and issuer allocation remains credit neutral with small overweight positions in the telecommunication, automobiles and healthcare sectors.

W&W ADVISORY DUBLIN LIMITED  
34 MOLESWORTH STREET  
DUBLIN 2

## INCOME STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2010

	31 October 2010	31 October 2009
<i>in €</i>		
<b>Income</b>		
Bond Interest Income	8,215,511	4,802,254
Fixed Deposit Interest Income	–	33,633
Bank Interest Income	14,467	8,744
Stock Lending Income	18,661	–
<b>Net gain/(loss) on derivatives and investments:</b>		
Movement on unrealised (losses) on Investments	194,441	12,689,792
Realised (losses) on Investments	3,714,008	(978,220)
<b>TOTAL INVESTMENT INCOME</b>	<b>12,157,088</b>	<b>16,556,203</b>
<b>Expenses</b>		
Management Fee (Note 5)	(613,910)	(359,496)
Trustee Fee (Note 5)	(46,099)	(18,922)
Audit Fee	(9,929)	(12,134)
Legal Fee	(7,169)	(1,726)
Sub-custody Fee	(56,673)	(39,720)
Other Expenses	(3,748)	(13,131)
<b>TOTAL OPERATING EXPENSES</b>	<b>(737,528)</b>	<b>(445,129)</b>
Distribution to unitholders	(7,815,614)	(2,695,984)
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>	<b>3,603,946</b>	<b>13,415,089</b>



BALANCE SHEET AS AT 31 OCTOBER 2010

	31 October 2010	31 October 2009
<i>in €</i>		
<b>Assets</b>		
Investments at fair value through profit and loss	182,865,736	182,865,736
Cash	2,364,204	2,364,204
Accrued interest	4,413,361	4,413,361
Securities sold receivable	1,289,495	1,289,495
Capital shares receivable	0	0
<b>TOTAL ASSETS</b>	<b>190,932,796</b>	<b>190,932,796</b>
<b>Liabilities</b>		
Accrued expenses	(64,383)	(123,959)
Securities bought payable	(1,315,463)	(3,218,392)
Capital shares payable	0	(214,774)
<b>TOTAL LIABILITIES</b>	<b>(1,379,846)</b>	<b>(3,557,124)</b>
<b>NET ASSETS</b>	<b>189,552,949</b>	<b>177,589,088</b>

STATEMENT OF MOVEMENT IN UNITHOLDER FUNDS FOR THE YEAR ENDED 31 OCTOBER 2010

	31 October 2010	31 October 2009
<i>in €</i>		
<b>Net Assets at the beginning of the year</b>	<b>177,589,088</b>	<b>53,453,375</b>
Amounts received on creation of units	47,936,441	117,462,547
Amounts paid on redemption of units	(39,576,527)	(6,741,923)
Net profit/(loss) for the year	3,603,946	13,415,089
<b>NET ASSETS AT THE END OF THE YEAR</b>	<b>189,552,949</b>	<b>177,589,088</b>

## STATEMENT OF PORTFOLIO CHANGES FOR THE YEAR ENDED 31 OCTOBER 2010

COUPON		MATURITY	NOMINAL	PURCHASE COST	SALE PROCEEDS
%				in € thousands	in € thousands
<b>Euro Countries</b>					
7.875	Bertelsmann AG	2014	1,000,000	1,135	
3.641	Bouygues	2019	2,500,000		
4.750	Bouygues	2016	1,000,000	2,500	
4.750	Bouygues	2016	1,000,000		1,114
6.125	Bouygues	2015	1,300,000	1,085	1,488
7.875	Daimler International	2014	1,800,000		2,119
5.375	EDF	2020	1,000,000		1,120
5.250	Enel SpA	2024	1,000,000		
5.250	Enel SpA	2017	1,300,000		1,420
5.000	Enel Finance	2022	1,000,000		1,107
4.000	Eni SpA	2020	1,250,000		
5.625	France Telecom	2018	1,000,000		1,140
5.625	France Telecom	2018	1,000,000		1,121
5.000	France Telecom	2014	1,000,000		
5.250	France Telecom	2014	1,500,000	1,086	
5.250	France Telecom	2014	1,000,000		
5.875	Gazprom Capital	2015	1,000,000		
2.750	GDF Suez	2017	2,000,000		
3.500	GDF Suez	2022	2,500,000		
5.625	GDF Suez	2016	2,250,000		2,605
7.625	Lafarge	2014	1,000,000	1,248	1,148
7.625	Lafarge	2016	1,000,000		1,147
4.875	Merck Finance	2013	1,000,000		
5.625	Roche Holdings	2016	1,000,000		
4.625	Roche Holdings	2013	1,000,000		1,072
4.125	Sanofi- Aventis	2019	1,000,000		
4.500	Sanofi- Aventis	2016	1,250,000	1,089	1,332
5.125	Siemens Financieringsmaatsch	2017	1,000,000		1,091
5.250	Telecom Italia	2022	1,500,000	1,655	
5.431	Telefonica Emisiones S.A.U	2014	1,000,000		
4.750	Teliasonera AB	2021	1,000,000	1,102	
4.750	Teliasonera AB	2021	1,000,000		1,070
8.000	Thyssenkrupp AG	2014	1,000,000	1,033	
4.875	Total Capital	2019	1,000,000		1,102
5.625	Volkswagon International Finance	2012	1,500,000	1,988	
5.375	Volkswagon International Finance	2013	1,000,000		1,079
3.500	Volkswagon International Finance	2015	2,000,000	2,487	
3.500	Volkswagon International Finance	2015	2,000,000		2,037
4.875	Volkswagen Leasing	2012	1,500,000		1,586
<b>United States</b>					
5.000	BMW US Capital LLC	2015	1,750,000		1,929

PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	COUPON	MATURITY	VALUE	NET ASSETS
			%		in €	in %
<b>Australia – 0.90 %</b>						
Eurobond						
250,000	Optus Finance		3.500	15/09/20	247,071	0.13
1,000,000	Telstra Corp		3.625	15/03/21	989,690	0.52
200,000	Telstra Corp		4.250	23/03/20	209,754	0.11
250,000	Telstra Corp		4.750	21/03/17	273,245	0.14
<b>Czech Republic – 0.67 %</b>						
Eurobond						
300,000	Xstrata Canada		5.250	13/06/17	324,714	0.17
<b>Denmark – 0.30 %</b>						
400,000	Dansk Naturgas A/S		5.500	31/12/99	374,656	0.21
150,000	Dong Energy		4.875	07/05/14	157,514	0.09
<b>Czech Republic – 1.46 %</b>						
Eurobond						
*1,500,000	Cez		4.500	29/06/20	1,559,595	0.82
500,000	Cez		5.125	12/10/12	527,005	0.28
100,000	Cez		5.000	19/10/21	106,664	0.06
500,000	Cez		5.750	26/05/15	561,060	0.30
<b>Denmark – 0.67 %</b>						
300,000	Carlsberg A/S		6.000	28/05/14	331,716	0.17
400,000	Dansk Naturgas A/S		5.500	29/12/49	407,084	0.21
150,000	Dong Energy		7.875	07/05/14	161,666	0.09
*100,000	Dong Energy		4.000	16/12/16	105,101	0.06
250,000	Dong Energy		4.875	16/12/21	270,115	0.14
<b>Euro Countries – 70.12 %</b>						
*500,000	Adecco		7.625	28/04/14	569,215	0.30
500,000	Adecco		4.500	25/04/13	516,870	0.27
*850,000	Air Liquide		2.908	12/10/18	841,339	0.44
500,000	Alliander Finance		5.500	20/04/16	568,765	0.30
500,000	Alstom		4.125	01/02/17	516,540	0.27
500,000	Alstom		4.500	18/03/20	515,795	0.27
*1,000,000	Alstom		3.625	05/10/18	985,460	0.52
1,250,000	Anheuser-Busch NV		6.570	27/02/14	1,404,125	0.74
750,000	ArcelorMittal		8.250	03/06/13	848,273	0.45
250,000	Areva		3.875	23/09/16	258,378	0.14
1,000,000	Areva		3.500	22/03/21	961,053	0.51
500,000	Atlantia		3.375	18/09/17	497,561	0.26
700,000	Atlantia		5.000	09/06/14	751,366	0.40
100,000	Autoroutes Paris		7.500	12/01/15	113,983	0.06
*500,000	Banque PSA Finance		8.500	04/05/12	539,735	0.28

## PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	COUPON	MATURITY	VALUE	NET ASSETS
					in €	in %
			%			
*500,000	Banque PSA Finance		4.000	19/07/13	508,130	0.27
*750,000	BASF Finance Europe NV		5.000	26/09/14	823,913	0.43
200,000	BASF Finance Europe NV		5.125	09/06/15	222,450	0.12
250,000	BASF Financial		6.000	04/12/13	278,648	0.15
*500,000	Bayer Capital Corp BV		4.625	26/09/14	541,715	0.29
*500,000	Bertelsmann AG		7.875	16/01/14	577,845	0.30
*1,000,000	BMW Finance NV		3.875	18/01/17	1,041,040	0.55
1,500,000	BMW Finance NV		6.125	02/04/12	1,586,925	0.84
300,000	Bord Gáis		5.750	16/06/14	304,974	0.16
750,000	Bouygues		4.000	12/02/18	783,173	0.41
2,500,000	Bouygues		3.641	29/10/19	2,500,335	1.32
*500,000	Carrefour		5.125	10/10/14	549,875	0.29
900,000	Casino Guichard Perrach		4.379	08/02/17	933,615	0.49
500,000	Casino Guichard Perrach		5.500	30/01/15	546,425	0.29
300,000	Casino Guichard Perrach		4.481	12/11/18	310,500	0.16
250,000	Casino Guichard Perrach		6.375	04/04/13	271,718	0.14
*500,000	Cie Saint Gobain		4.000	08/10/18	502,537	0.27
*1,750,000	Cie Saint Gobain		6.000	20/05/13	1,896,090	1.00
200,000	Cofiroute		5.250	30/04/18	222,984	0.12
*1,000,000	Daimler		4.125	19/01/17	1,051,350	0.55
1,000,000	Deutsche Telekom		4.500	28/10/30	978,589	0.52
*2,000,000	Deutsche Telekom		6.000	20/01/17	2,305,620	1.22
1,000,000	Deutsche Telekom		5.750	14/04/15	1,123,350	0.59
*500,000	Deutsche Telekom		5.875	10/09/14	558,800	0.29
1,000,000	EADS Finance		4.625	12/08/16	1,083,350	0.57
*1,500,000	EDF		4.625	11/09/24	1,596,600	0.84
250,000	Edison SpA		4.250	22/07/14	259,475	0.14
*200,000	Edison SpA		3.250	17/03/15	199,940	0.11
200,000	EDP Finance		4.625	13/06/16	201,468	0.11
*750,000	EDP Finance		4.750	26/09/16	754,605	0.40
1,000,000	EDP Finance		5.500	18/02/14	1,050,170	0.55
1,200,000	Electricite de France		5.000	05/02/18	1,346,136	0.71
300,000	Elia System		4.750	13/05/14	322,164	0.17
250,000	Elia System		5.625	22/04/16	283,218	0.15
250,000	Enagas		4.375	06/07/15	265,135	0.14
250,000	ENBW International		6.875	20/11/18	312,403	0.16
*1,250,000	ENBW International		4.125	07/07/15	1,336,188	0.70
1,000,000	Enel SpA		5.250	20/05/24	1,080,551	0.57
*200,000	Eni SpA		4.750	14/11/17	219,302	0.12
*1,500,000	Eni SpA		5.000	28/01/16	1,651,875	0.87
1,250,000	Eni SpA		4.000	29/06/20	1,280,313	0.68

PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	COUPON	MATURITY	VALUE	NET ASSETS
			%		in €	in %
1,000,000	Eon		4.125	26/03/13	1,049,410	0.55
1,000,000	Eon International Finance		5.750	07/05/20	1,185,510	0.63
1,000,000	Eon International Finance		5.125	07/05/13	1,076,340	0.57
*1,250,000	Eon International Finance		5.250	08/09/15	1,401,500	0.74
400,000	EWE AG		4.375	14/10/14	427,380	0.23
300,000	EWE AG		5.250	16/07/21	335,955	0.18
*500,000	Finmeccanica Finance		8.125	03/12/13	579,675	0.31
500,000	Finmeccanica Finance		5.250	21/01/22	521,240	0.27
750,000	Fortum		6.000	20/03/19	895,118	0.47
600,000	Fortum		4.625	20/03/14	645,120	0.34
500,000	France Telecom		7.250	28/01/13	556,190	0.29
3,000,000	France Telecom		5.250	22/05/14	3,296,550	1.74
*1,200,000	France Telecom		5.000	22/01/14	1,300,116	0.69
2,500,000	Gas Natural Finance		4.125	26/01/18	2,421,675	1.28
700,000	Gazprom Capital		5.030	25/02/14	726,698	0.38
1,500,000	Gazprom Capital		5.875	01/06/15	1,578,540	0.83
1,250,000	Gazprom Capital		8.125	04/02/15	1,421,325	0.75
500,000	GDF Suez		6.875	24/01/19	629,160	0.33
2,000,000	GDF Suez		2.750	18/10/17	1,974,448	1.04
2,500,000	GDF Suez		3.500	18/10/22	2,447,720	1.29
400,000	Gie Suez Alliance		5.125	24/06/15	438,760	0.23
1,000,000	Glencore Finance		5.250	22/03/17	1,019,420	0.54
700,000	Henkel KGaA		5.375	25/11/04	712,558	0.38
400,000	Hit Finance BV		4.875	27/10/21	376,604	0.20
400,000	Holcim Finance		9.000	26/03/14	476,656	0.25
*250,000	Iberdrola Finance		5.625	09/05/18	278,303	0.15
*1,000,000	Iberdrola Finance		7.500	25/11/15	1,188,620	0.63
*1,000,000	Iberdrola Finance		3.500	13/10/16	995,342	0.53
1,000,000	Iberdrola International BV		4.875	04/03/14	1,057,960	0.56
250,000	K+S AG		5.000	24/09/14	269,920	0.14
500,000	Koninklijke Philips Elec		4.000	10/11/15	529,930	0.28
250,000	KPN		5.625	30/09/24	281,580	0.15
*2,750,000	KPN		6.250	04/02/14	3,065,480	1.62
*1,000,000	Lafarge		7.625	24/11/16	1,148,970	0.61
500,000	Lanxess Finance		7.750	09/04/14	577,200	0.30
500,000	Linde Finance		5.375	12/09/13	544,130	0.29
*950,000	LVMH		4.375	12/05/14	1,014,581	0.54
750,000	MAN AG		5.375	20/05/13	805,935	0.43
200,000	MAN AG		7.250	20/05/16	241,210	0.13
1,700,000	Merck GmbH		4.875	27/09/13	1,821,397	0.96
*950,000	Metro AG		7.625	05/03/15	1,124,031	0.59

## PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	COUPON	MATURITY	VALUE	NET ASSETS
					in €	in %
			%			
500,000	Metro AG		4.250	22/02/17	525,205	0.28
500,000	Michelin Luxembourg		8.625	24/04/14	594,085	0.31
750,000	Nederlandse Gas		6.000	30/10/13	833,145	0.44
1,000,000	OMV		6.250	07/04/14	1,117,600	0.59
400,000	Peugeot SA		5.000	28/10/16	400,231	0.21
500,000	Portugal Telecomm. Intl.		6.000	30/04/13	531,280	0.28
500,000	PPR		3.750	08/04/15	511,985	0.27
*500,000	RCI Banque SA		4.000	11/07/13	510,490	0.27
1,000,000	RCI Banque SA		3.375	23/01/13	1,006,741	0.53
1,000,000	RCI Banque SA		4.000	25/01/16	998,936	0.53
550,000	Repsol International Finance		5.000	22/07/13	581,361	0.31
1,000,000	Repsol International Finance		4.625	08/10/14	1,054,350	0.56
1,000,000	Robert Bosch		5.125	12/06/17	1,133,440	0.60
1,500,000	Rte Edf Tr		5.125	12/09/18	1,696,185	0.89
*500,000	RWE Finance		5.000	10/02/15	550,705	0.29
*500,000	RWE Finance		4.625	28/09/15	489,779	0.26
500,000	RWE Finance		6.500	10/08/21	620,745	0.33
*2,250,000	RWE Finance		6.625	31/01/19	2,778,210	1.47
1,000,000	Sanofi-Aventis		4.125	11/10/19	1,059,700	0.56
150,000	Schlumberger		4.500	25/03/14	160,625	0.08
1,000,000	Schneider Electric SA		2.875	20/07/16	1,008,069	0.53
500,000	Schneider Electric SA		3.625	20/07/20	507,090	0.27
300,000	Schneider Electric SA		5.375	08/01/15	334,308	0.18
*500,000	Schneider Electric SA		4.500	17/01/14	534,925	0.28
1,000,000	Shell International Finance		4.375	14/04/18	1,096,710	0.58
500,000	Siemens Financieringsmaatsch		4.125	20/02/13	524,820	0.28
*900,000	Siemens Financieringsmaatsch		5.250	14/09/66	935,280	0.49
*500,000	Solvay Finance		6.375	02/06/04	524,730	0.28
250,000	Suez Environnement		4.820	21/09/49	245,456	0.13
*450,000	Suez Environnement		4.875	08/04/14	486,315	0.26
100,000	Syngenta Finance		4.000	30/06/14	105,684	0.06
*700,000	Telecom Italia Finance		6.875	24/01/13	761,586	0.40
*1,000,000	Telecom Italia SpA		4.750	19/05/14	1,054,090	0.56
*1,500,000	Telecom Italia SpA		5.250	10/02/22	1,521,240	0.80
*500,000	Telecom Italia SpA		8.250	21/03/16	600,620	0.32
500,000	Telefonica		5.580	12/06/13	536,880	0.28
1,750,000	Telefonica		5.431	03/02/14	1,886,430	1.00
3,750,000	Telefonica		5.496	01/04/16	4,114,163	2.17
*800,000	Telekom Finance		6.375	29/01/16	906,960	0.48
1,500,000	Thyssenkrupp AG		8.000	18/06/14	1,714,725	0.90
250,000	Total SA		4.875	28/01/19	283,745	0.15

PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	COUPON	MATURITY	VALUE	NET ASSETS
			%		in €	in %
*500,000	Total SA		5.125	26/03/24	585,285	0.31
*500,000	Total SA		3.125	16/09/22	488,040	0.26
150,000	TPSA		6.000	22/05/14	165,497	0.09
250,000	TVO Power Co		6.000	27/06/16	281,778	0.15
*750,000	Veolia Environnement		5.250	24/04/14	818,153	0.43
800,000	Veolia Environnement		4.375	16/01/17	853,512	0.45
300,000	Veolia Environnement		6.750	24/04/19	369,396	0.19
500,000	Verbund International		4.750	16/07/19	546,300	0.29
*200,000	Verbund International		4.750	17/04/15	216,190	0.11
1,400,000	Vivendi		4.000	31/03/17	1,431,332	0.76
300,000	Vivendi		4.250	01/12/16	311,421	0.16
500,000	Voith AG		5.375	21/06/17	539,055	0.28
500,000	Volkswagon International Finance		5.375	15/11/13	544,305	0.29
*1,500,000	Volkswagon International Finance		5.625	09/02/12	1,570,515	0.83
1,000,000	Volkswagen Leasing		4.875	18/10/12	1,053,910	0.56
300,000	Voto-Votorantim Ltd		5.250	28/04/17	307,149	0.16
<b>Hong Kong – 0.57 %</b>						
Eurobond						
500,000	Hutchison Whampoa		4.750	14/11/16	528,560	0.28
507,000	Hutchison Whampoa		5.875	08/07/13	551,900	0.29
<b>Mexico – 1.27 %</b>						
Eurobond						
1,000,000	America Movil		4.750	28/06/22	1,057,090	0.56
250,000	America Movil		3.750	28/06/17	256,208	0.14
1,000,000	Petroleos Mexicanos		5.500	09/01/17	1,070,920	0.57
<b>Norway – 1.02 %</b>						
Eurobond						
500,000	Statkraft		5.500	02/04/15	558,825	0.29
400,000	Statkraft		6.625	02/04/19	489,064	0.26
500,000	StatoilHydro		5.625	11/03/21	599,855	0.32
250,000	Telenor		4.875	29/05/17	276,948	0.15
<b>Sweden – 3.68 %</b>						
Eurobond						
*1,000,000	Akzo Nobel		7.750	31/01/14	1,155,870	0.61
200,000	Atlas Copco		4.750	05/06/14	216,050	0.11
500,000	Ericsson		5.375	27/06/17	554,280	0.29
*500,000	TeliaSonera AB		5.125	13/03/14	544,690	0.29
250,000	Vattenfall AB		5.250	17/03/16	281,388	0.15
*500,000	Vattenfall AB		5.000	18/06/18	555,992	0.29
1,000,000	Vattenfall AB		6.250	17/03/21	1,219,020	0.64
500,000	Vattenfall Treasury AB		6.750	31/01/19	620,450	0.33

## PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	COUPON	MATURITY	VALUE	NET ASSETS
					in €	in %
			%			
200,000	Vattenfall Treasury AB		4.250	19/05/14	212,796	0.11
*500,000	Volvo Treasury		7.875	01/10/12	551,800	0.29
1,000,000	Volvo Treasury		5.000	31/05/17	1,066,930	0.56
<b>United Kingdom – 8.43 %</b>						
Eurobond						
*800,000	ABB International		4.625	06/06/13	848,888	0.45
350,000	Anglo American Capital		4.250	30/09/13	367,567	0.19
250,000	Anglo American Capital		4.375	02/12/16	264,225	0.14
400,000	BAT International Finance		4.875	24/02/21	438,644	0.23
2,000,000	BAT International Finance		5.875	12/03/15	2,256,480	1.19
*1,000,000	BP Capital Markets		3.100	07/10/14	1,003,934	0.53
250,000	British Telecom		6.500	07/07/15	282,195	0.15
500,000	British Telecom		5.250	22/01/13	528,025	0.28
*1,500,000	GlaxoSmithKline		3.875	06/07/15	1,588,845	0.84
300,000	GlaxoSmithKline		5.625	13/12/17	349,998	0.18
500,000	Imperial Tobacco		7.250	15/09/14	579,270	0.31
*1,000,000	Imperial Tobacco		4.375	22/11/13	1,052,560	0.56
200,000	Imperial Tobacco		5.000	25/06/12	208,686	0.11
500,000	NGG Finance		5.125	14/05/13	535,970	0.28
1,000,000	OTE Plc		6.000	12/02/15	1,024,910	0.54
500,000	Rentokil International		4.625	27/03/14	516,115	0.27
*250,000	Sabmiller Plc		4.500	20/01/15	265,645	0.14
200,000	Severn Trent		5.250	11/03/16	221,630	0.12
*200,000	Tesco		5.125	24/02/15	221,666	0.12
200,000	Tesco		5.875	12/09/16	232,918	0.12
*250,000	Tobacco Finance		8.375	17/02/16	310,593	0.16
*1,000,000	Vodafone Group		6.250	15/01/16	1,161,050	0.61
500,000	Vodafone Group		6.875	04/12/13	566,975	0.30
1,000,000	WPP Group		6.625	12/05/16	1,148,350	0.61
<b>United States – 8.18 %</b>						
Eurobond						
*400,000	American Honda Finance		3.875	16/09/14	420,932	0.22
1,000,000	BMW US Capital LLC		6.375	23/07/12	1,073,630	0.57
800,000	Bristol Myers Squibb		4.375	15/11/16	868,824	0.46
250,000	Cargill Inc		6.250	24/07/15	286,855	0.15
*500,000	Daimler Chrysler NA		5.000	23/05/12	522,445	0.28
1,000,000	Honda America		5.125	03/10/12	1,059,050	0.56
*750,000	Kraft Foods Inc		6.250	20/03/15	855,413	0.45
1,000,000	Pfizer		4.750	03/06/16	1,100,910	0.58
1,250,000	Pfizer		5.750	03/06/21	1,486,475	0.78
300,000	Philip Morris		5.750	24/03/16	344,646	0.18



PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	COUPON	MATURITY	VALUE	NET ASSETS
			%		in €	in %
850,000	Roche Holding		6.500	04/03/21	1,065,178	0.56
3,250,000	Roche Holding		5.625	04/03/16	3,721,088	1.96
700,000	Schering Plough Corp		5.375	01/10/14	778,652	0.40
*650,000	SES Global		4.875	09/07/14	694,447	0.36
*1,000,000	Toyota Motor Credit Company		4.250	02/05/12	1,034,990	0.55
200,000	Wal-Mart Stores		4.875	21/09/29	223,290	0.12

\* Holdings with a preceding asterisk indicate securities which were lent out at the year end, as part of the securities lending agreement.

PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

	VALUE	NET ASSETS
	in €	in %
<b>Total of Investments</b>	<b>182,865,736</b>	<b>96.47</b>
Current Assets	8,067,060	4.26
<b>Total Assets</b>	<b>190,932,796</b>	<b>100.73</b>
Current Liabilities	(1,379,846)	(0.73)
<b>Net Asset Value as at 31 October 2009</b>	<b>189,552,949</b>	<b>100.00</b>
Number of Units in Issue – A	23,119,626	
Number of Units in Issue – B	1,259,131	
Net Asset Value per Unit – A	7.71	
Net Asset Value per Unit – B	8.90	

(a) Transferable securities dealt in on another Regulated Market

(b) Securities not listed on an official stock exchange or dealt in on another Regulated Market

All other securities are transferable securities admitted to an official stock exchange listing.

ANALYSIS OF TOTAL ASSETS

	% OF TOTAL ASSETS
Securities admitted to official stock exchange listing	95.77
Securities listed on another Regulated Market (a) above	-
Securities not listed on an official stock exchange or dealt in on another Regulated Market (b) above	-
Other assets (cash/debtors)	4.23
	100.00



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# Investment Adviser's Report for the year ended 31 October 2010

## REVIEW OF THE YEAR

The U.S. stock markets continued their upward trend - which started in spring 2009 – in the fourth quarter of 2009, but the upward trend lost its dynamic. Furthermore, positive economic data (such as the employment report for November), and better than-expected quarterly reports of many companies lead to an increase in investor risk appetite as well as a high degree of liquidity, which needed to be invested. At the end of the year the S&P 500 Index reached 1,115 points, which represents an increase of 23.5 %. From the low point in early March 2009, the increase was 65 %.

The U.S. stock market started in 2010 with a brief rally up to 1,150 points in mid-January, followed by a significant decline to 1,057 points in February. Besides disappointing data from the real estate sector, other factors stressed the stock markets, especially President Obama's proposal concerning the reform of the financial sector. Among other things Obama plans to restrict proprietary trading by commercial banks and the acquisition of hedge funds. In March, however, the continuing economic recovery shifted the focus of investors and led to significant gains on the stock market. Additional support was provided by the U.S. Federal Reserve, which emphasized that it was likely to keep interest rates at a low level over a longer period. As a result, the S&P 500 Index increased up to 1,173 points in March 2010, its highest level since 2008. Encouraging economic data and positive results in the first quarter reporting season, ensured the return of confidence and risk appetite among investors. As a result the S&P 500 Index continued the upward trend started in January to a peaked in April of 1217 points, its new annual high. However, during the following months the U.S. stock index reversed this seven per cent gain.

The first negative event was the worsening debt crisis of the European Monetary Union, which triggered a higher risk aversion among investors. As a consequence investors reduced their risky equity asset exposures and invested into the safe haven of government bonds. Furthermore

more and more disappointing fundamental data supported this downward trend. Negative data concerning the U.S. real estate sector were interpreted by investors as a sign that the U.S. economy was not able to continue its recovery after the support of the stimulus packages started to fade. The voices of those who feared a double-dip, became again louder. In addition, the psychologically important level of 1,040 points was broken at the end of June, resulting in a quick fall to 1,031 points.

Positive results of the second quarter reporting season led to price gains on the stock markets that saw the S&P 500 Index rise from its previous year low of 1,023 points to 1,128 points in July. In August, however, some disappointing U.S. economic data were leading to a growing fear of a double dip. Therefore, investors again switched to the relative safety of government bonds and as a result, the S&P 500 Index fell back to 1,050 points in August. In September, on the one hand the positive economic data and on the other hand positive U.S. Federal Reserve's willingness to ease monetary policy in order to additionally support the economic recovery resulted in price gains. The S&P 500 Index closed at 1,141 points at the end of September. In October stock markets gained even more, because of positive economic data and positive results for the third quarter reporting season.

## PERFORMANCE

During the reporting period from 30. 10. 2009 to 29. 10. 2010 the S&P 500 Index rose 20.92 % (in euro terms). The NAV ("net asset value") of the W&W US Equity Fund improved by 10.24 % and therefore underperformed the benchmark by 10.68 %. Due to a hedging position (short futures on S&P 500 Index) within the Fund from 29. 06. 2010 to 15. 09. 2010, the Fund couldn't fully participate in the advancing equity markets. If the effect of the hedge is excluded, the return of the pure equity portfolio (i.e. Fund's performance net of futures and cash position) would have been 20.79 %, underperforming the benchmark only by 0.13 %.

The two best performing sectors within the Index were the Consumer Discretionary sector and the Industrials sector, with gains of 31.45 % and 25.64 %. On the other hand, the two worst performing sectors were the Financials sector and the Energy sector, with gains of 3.60 % and 4.82 %.

The two best performing companies in the Fund's portfolio were Akamai Technologies Inc. and Coca-Cola Enterprises Inc. Akamai Technologies Inc. provides global delivery services for Internet content, streaming media, and applications and global Internet traffic management. The Company uses technology and software based on mathematical formulas and algorithms to monitor Internet traffic patterns. Akamai Inc. achieved a gain of 94.98 % during the holding period in the Fund. Coca-Cola Enterprises Inc. as the second best company markets, sells, manufactures and distributes non-alcoholic beverages. The Company provides refreshments including sparkling waters, juices, isogonics, teas and sodas. Coca-Cola Enterprises operates internationally. Coca-Cola Enterprises Incorporation achieved a gain of 84.97 % during the holding period in the Fund.

## MARKET OUTLOOK

For the remainder of the year and for 2011, the economic outlook remains subdued. The consequences of the economic crisis still have an impact on the growth of the U.S. economy. In particular, the absence of a strong recovery of the U.S. labour market will stress consumer spending by private U.S. households. As a result, it is not expected that this most important pillar of the U.S. economy will soon regain its former strength. Improvements in the U.S. industrial sector as well as in foreign trade cannot compensate for the moderation of consumer spending.

The U.S. central bank is expected to leave its target interest rate unchanged until well into 2011. The focus is now on the meeting of the Federal Reserve in early November, which it is expected to introduce new measures of quantitative easing. The U.S. economic data (particularly the U.S. labour market and private consumption) should continue to be moderate in the following weeks. Because of the modest economic outlook, we expect long-term interest rates, especially the yield on 10-year government bonds, will increase only slowly.

The globally deteriorating economic outlook and the simmering crisis of the European Union PIIGS countries will initially contribute to a continuing high risk aversion among international investors. A positive response can be expected if there is another favourable company reporting season for the fourth quarter. However, because of the above mentioned reasons we expect the upside potential of the U.S. stock market to be limited in the coming months.

W&W ADVISORY DUBLIN LIMITED  
34 MOLESWORTH STREET  
DUBLIN 2

## INCOME STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2010

	31 October 2010	31 October 2009
in €		
<b>Income</b>		
Dividend Income	1,665,046	1,766,231
Fixed Deposit Interest Income	0	4,039
Bank Interest Income	(34,206)	1,630
Stock Lending Income	641	4,629
<b>Net gain/(loss) on derivatives and investments:</b>		
Movement on unrealised (losses) on Investments	5,450,989	568,200
Realised (losses) on Investments	(1,561,272)	(11,165,177)
Realised (losses) on foreign exchange and FFCT's <sup>1</sup>	2,600,611	3,496
<b>TOTAL INVESTMENT INCOME/(LOSS)</b>	<b>8,121,809</b>	<b>(8,816,951)</b>
<b>Expenses</b>		
Management Fee (Note 5)	(1,308,487)	(1,112,727)
Trustee Fee (Note 5)	(73,879)	(8,669)
Audit Fee	(9,929)	(12,134)
Legal Fee	(5,269)	(1,723)
Sub-custody Fee	(26,017)	(21,536)
Transaction Fee	(249,615)	(300,058)
Withholding Tax	(482,070)	(527,898)
Other Expenses	(6,987)	(13,743)
<b>TOTAL OPERATING EXPENSES</b>	<b>(2,162,252)</b>	<b>(1,998,487)</b>
Distribution to unitholders	0	0
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>5,959,556</b>	<b>(10,815,438)</b>

<sup>1</sup> Forward Foreign Currency Contracts

BALANCE SHEET AS AT 31 OCTOBER 2010

	31 October 2010	31 October 2009
<i>in €</i>		
<b>Assets</b>		
Investments at fair value through profit and loss	77,244,482	57,033,252
Cash	6,455,117	941,516
Accrued interest	50,764	50,181
<b>TOTAL ASSETS</b>	<b>83,750,363</b>	<b>58,024,949</b>
<b>Liabilities</b>		
Accrued expenses	(117,499)	(172,317)
<b>TOTAL LIABILITIES</b>	<b>(117,499)</b>	<b>(172,317)</b>
<b>NET ASSETS</b>	<b>83,632,863</b>	<b>57,852,632</b>

STATEMENT OF MOVEMENT IN UNITHOLDER FUNDS FOR THE YEAR ENDED 31 OCTOBER 2010

	31 October 2010	31 October 2009
<i>in €</i>		
<b>Net Assets at the beginning of the year</b>	<b>57,852,632</b>	<b>90,763,591</b>
Amounts received on creation of units	19,845,515	71,284
Amounts paid on redemption of units	(24,840)	(22,166,806)
Increase (Decrease) in net assets attributable to unitholders from operations	5,959,556	(10,815,438)
<b>Net Assets at the end of the year</b>	<b>83,632,863</b>	<b>57,852,632</b>

## STATEMENT OF PORTFOLIO CHANGES FOR THE YEAR ENDED 31 OCTOBER 2010

SECURITY DESCRIPTION	NOMINAL	PURCHASE	SALE
		COST	PROCEEDS
		in € thousands	in € thousands
3 M	17,830	947	
Amazon.Com	11,820	1,092	
American Electric Power Inc	44,040	999	
Apple Inc	11,890		1,902
Berkshire Hataw B	13,450	846	
Carnival Corp	53,190		1,176
Caterpillar Inc	30,020		1,234
Chevron Corp	17,430	926	
Chubb Corp	23,800	835	
Cisco Systems Inc	67,650		1,126
Cognizant Technology Solutions	38,670		1,193
Devry Inc.	27,200		1,139
Diamond Offshore Drilling Inc	16,500		1,142
EOG Resources	18,110		1,116
Express Scripts	21,900		1,259
Exxon Mobil	20,080	1,004	
Exxon Mobil	33,113		1,516
Federated Investor	54,270	963	
Flir Systems	60,080	1,254	
General Dynamics	24,370		1,115
General Electric Co	101,040	1,164	
Google Inc-A	3,290	1,286	
IBM Corp	16,260	1,481	
IBM Corp	30,060		2,691
Intel Corp	114,890		1,628
Intuit	42,690	999	
J.P.Morgan Chase	47,210		1,378
Johnson & Johnson	40,170		1,754
Loews Corp	45,030		1,098
Microsoft Corp	47,950	976	
Northrop Grumman	21,680	834	
National Oilwell Varco	41,370		1,296
Pactiv	65,800		1,112
Procter & Gamble Co	22,110	934	
Procter & Gamble Co	24,920		1,167
US Bancorp	56,370	898	
Varian Medical Systems Inc	35,810		1,123
Walt Disney Company	46,230	962	
Waters Corp	22,190	971	



PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
<b>Aerospace</b>				
8,240	Boeing Co			
910	Goodrich Corp			
1,020	<b>Precision Castparts Corp</b>			
1,140	Rockwell Collins Inc.			
5,650	United Technologies Corp			
<b>Aluminum</b>				
7,300	Alcoa Inc		68,961	0.08
<b>Apparel Retailers</b>				
6,310	Abercrombie & Fitch Co-A		194,580	0.23
2,870	Gap Inc		39,254	0.05
2,220	Kohl S Corp		81,779	0.10
1,930	Limited Brands		40,811	0.05
1,190	Nordstrom Inc		32,971	0.04
8,190	TJX Companies Inc		270,407	0.32
7,310	Urban Outfitters		161,831	0.19
<b>Asset Managers</b>				
3,310	Capital One Financial Corp		88,757	0.11
*21,500	Federated Investor Inc-B		385,326	0.46
1,060	Franklin Resources Inc		87,475	0.10
6,180	T Rowe Price Group Inc		245,750	0.29
<b>Auto Parts</b>				
4,830	Johnson Controls Inc		122,044	0.15
<b>Automobiles</b>				
23,740	Ford Motor Co		241,346	0.29
1,150	Genuine Parts Co		39,599	0.05
1,780	Goodyear Tyre & Rubber Co		13,088	0.02
1,740	Harley Davidson		38,408	0.05
<b>Banks</b>				
65,250	Bank of America Corp		537,060	0.64
8,850	Bank of New York Mellon Corp		159,566	0.19
5,120	Branch Banking and Trust Corp		86,236	0.10
147,160	Citigroup Inc		441,512	0.53
1,120	Comerica Inc		28,832	0.03
5,890	Fifth Third Bancorp		53,226	0.06
1,687	First Horizon National		12,247	0.01
2,100	Hess Corp		95,232	0.11
3,470	Hudson City Bancorp		29,085	0.03
5,180	Huntington Bancshares Inc		21,131	0.03
5,750	Keycorp		33,882	0.04

## PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
1,210	Legg Mason Inc		27,014	0.03
*580	M&T Bank		31,193	0.04
3,870	Marshall & Ilsley Corp		16,456	0.02
1,760	Northern Trust Corp		62,845	0.08
2,660	Peoples United Financial		23,559	0.03
3,820	PNC Financial Services Group		148,139	0.18
8,660	Regions Financial Corp		39,253	0.05
3,600	Suntrust Banks Inc		64,805	0.08
13,870	US Bancorp		241,295	0.29
33,650	Wells Fargo & Co		631,407	0.75
1,140	Zions Bancorp		16,945	0.02
<b>Biotechnology</b>				
9,920	Amgen Inc		408,177	0.49
6,680	Celgene Corp		298,315	0.36
5,010	Genzyme Corp		259,998	0.31
17,720	Gilead Sciences Inc		505,758	0.60
<b>Brewers</b>				
1,140	Molson Coors Brewing Co-B		38,738	0.05
<b>Broadcasting &amp; Entertainment</b>				
4,950	CBS Corp-B		60,295	0.07
20,480	Comcast Class A		303,244	0.36
7,260	Discovery Communications Inc		233,016	0.28
13,380	News Corporation A		139,201	0.17
14,490	Time Warner		338,924	0.41
2,220	Time Warner Cable A		92,432	0.11
4,440	Viacom Inc-B		123,275	0.15
11,800	Walt Disney Company		306,567	0.37
<b>Broadline Retailers</b>				
14,270	Big Lots Inc		322,073	0.39
1,700	JC Penney Co Inc		38,137	0.05
3,000	Macys Store		51,025	0.06
*350	Sears Holdings		18,126	0.02
4,400	Target Corp		164,426	0.20
12,700	Wal-Mart Stores Inc		494,970	0.59
<b>Building Materials &amp; Fixtures</b>				
2,620	American Tower Corporation		97,286	0.12
2,000	Dr Horton Inc		15,023	0.02
1,110	Fortune Brands Inc		43,165	0.05
2,690	Masco Corp		20,631	0.02
670	Sherwin Williams Co		35,175	0.04
930	Vulcan Materials Co		24,429	0.03

PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
<b>Business Support Services</b>				
1,320	Iron Mountain Inc		20,694	0.02
1,480	R.R.Donneley & Sons Co		19,646	0.02
<b>Business Training &amp; Employment</b>				
19,590	Monster Worldwide		254,547	0.30
<b>Clothing &amp; Accessories</b>				
7,580	Coach Inc		272,681	0.33
470	Polo Ralf Lauren Corp		32,760	0.04
<b>Coal</b>				
8,030	Consol Energy Inc		212,377	0.25
750	Massey Energy Co		22,701	0.03
1,920	Peabody Energy Corp		73,076	0.09
<b>Commercial Vehicles &amp; Trucks</b>				
7,040	Caterpillar Inc		398,118	0.48
4,050	Cummins Inc		256,713	0.31
5,640	Deere & Co		311,643	0.37
2,660	Paccar Inc		98,102	0.12
<b>Chemicals</b>				
1,540	Air Products & Chemicals Inc		94,146	0.11
570	Airgas		29,089	0.03
5,120	CF Industries Holdings Inc		451,366	0.54
8,310	Dow Chemical Co		184,328	0.22
11,190	E.I. Dupont De Nemours & Co		380,648	0.46
3,450	Eastman Chemical Co		195,026	0.23
530	FMC Corp		27,875	0.03
6,410	Helmerich & Payne Inc		197,295	0.24
4,010	Monsanto		171,433	0.20
<b>Computer Hardware</b>				
3,900	Advanced Micro Devices Inc		20,568	0.02
2,530	Agilent Technologies Inc		63,346	0.08
18,120	Altera Corp		406,882	0.49
2,170	Analog Devices Inc		52,568	0.06
6,600	Apple Inc		1,428,694	1.71
10,870	Boston Scientific Corp		49,896	0.06
12,510	Dell Inc		129,429	0.15
12,860	EMC Corp		194,394	0.23
16,140	Hewlett Packard Co		488,415	0.58
3,810	Juniper Networks		88,788	0.11
1,240	KLA-Tencor		31,868	0.04
5,900	Lexmark International Inc-A		161,434	0.19
1,620	Linear Technology Corp		37,566	0.04

## PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
56,620	LSI Corp		213,461	0.26
1,430	MEMC Electronic Materials		13,190	0.02
6,730	Netapp Inc		257,840	0.31
9,380	Novellus Systems		197,129	0.24
1,500	Pitney Bowes Inc		23,678	0.03
13,900	Q Logic		175,713	0.21
23,780	Teradyne		192,307	0.23
8,990	Western Digital Corp		207,108	0.25
1,970	Xilinx Inc		38,000	0.05
<b>Computer Services</b>				
1,120	Computer Sciences Corp		39,525	0.05
9,430	International Business Machines Corp		974,277	1.16
<b>Consumer Electronic</b>				
7,740	Harman International Industries		186,831	0.22
<b>Consumer Finance</b>				
7,580	American Express Co		226,107	0.27
19,580	Discover Financial Services		248,642	0.30
<b>Containers &amp; Packaging</b>				
660	Ball Corp		30,562	0.04
<b>Defence</b>				
6,530	General Dynamics Corp		320,040	0.38
6,180	Northrop Grumman Corp		281,055	0.34
7,260	Raytheon Co		240,694	0.29
<b>Delivery Services</b>				
2,290	Fedex Corp		144,528	0.17
6,000	United Parcel Service-B		290,697	0.35
<b>Distillers &amp; Vintners</b>				
670	Brown-Forman Corp B		29,313	0.04
1,370	Constellation Brands Inc-A		19,448	0.02
<b>Diversified Industrials</b>				
4,400	3 M		266,615	0.32
3,920	Eaton Corp		250,531	0.30
67,100	General Electric Co		773,395	0.92
5,520	Honeywell International Inc		187,098	0.22
1,320	ITT Corp.		44,817	0.05
1,190	Owens Illinois Inc		23,999	0.03
840	Pall Corp		25,788	0.03
1,020	Rockwell Automation Inc		45,771	0.05
670	Roper Industries		33,469	0.04

PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
1,160	Sealed Air		19,321	0.02
3,310	Tyco International Ltd		91,163	0.11
<b>Drug Retailers</b>				
2,610	Cardinal Health Inc		65,142	0.08
8,770	CVS Caremark Corp		190,051	0.23
1,940	McKesson Corp		92,094	0.11
7,010	Walgreen Co		170,875	0.20
<b>Durable Household Products</b>				
960	Cintas Corp		18,973	0.02
11,700	Leggett & Platt Inc		171,556	0.21
2,020	Newell Rubbermaid Inc		25,651	0.03
5,750	Snap On Inc		210,986	0.25
1,160	Stanley Black & Decker Inc.		51,720	0.06
640	VF Corp		38,329	0.05
480	Whirlpool Corp		26,188	0.03
5,980	Qualcomm Inc		167,835	0.29
<b>Electrical Components &amp; Equipment</b>				
1,270	Amphenol Corporation-A		45,806	0.05
5,350	Emerson Electric Co		211,321	0.25
29,890	Flir Systems		598,703	0.72
1,360	Jabil Circuit Inc		15,010	0.02
990	Molex Inc		14,459	0.02
<b>Electricity</b>				
24,410	AES Corp		209,695	0.25
11,700	Allegheny Energy		195,295	0.23
9,360	Ameren Corporation		195,160	0.23
9,630	American Electric Power Inc		259,405	0.31
1,390	CMS Energy Corp		18,381	0.02
2,050	Consolidated Edison Inc		73,333	0.09
8,550	Constellation Energy Group Inc		186,022	0.22
4,330	Dominion Resources		135,392	0.16
6,010	DTE Energy Co		202,193	0.24
2,350	Edison International		62,389	0.07
4,230	Entergy Corp		226,823	0.27
9,300	Exelon Corp		273,132	0.33
2,190	Firstenergy Corp		57,228	0.07
550	Integrus Energy Group Inc		21,048	0.03
2,950	Nextera Energy Inc		116,820	0.14
1,260	Northeast Utilities		28,357	0.03
12,060	NRG Energy Inc		172,757	0.21

## PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
1,610	Pepco Holdings		22,310	0.03
2,700	PG&E Corp		92,894	0.11
780	Pinnacle West Capital Corp		23,099	0.03
3,370	PPL Corp		65,223	0.08
1,880	Progress Energy Inc		60,868	0.07
10,590	Public Service Enterprise Grou		246,483	0.29
5,970	Southern Co		162,662	0.19
1,550	Teco Energy Inc		19,616	0.02
3,310	XCEL Energy Inc		56,822	0.07
<b>Electronic Equipment</b>				
3,800	Danaher Corp		118,547	0.14
11,350	Perkinelmer Inc		191,494	0.23
<b>Electronic Office Equipment</b>				
10,260	Xerox Corporation		86,367	0.10
<b>Exploration &amp; production</b>				
2,830	Anadarko Petroleum Corp		125,364	0.15
2,420	Apache Corp		175,889	0.21
750	Cabot Oil & Gas		15,638	0.02
3,930	Chesapeake Energy Corp		61,358	0.07
2,890	Denbury Resources		35,389	0.04
3,190	Devon Energy Corporation		149,229	0.18
1,830	EOG Resources		126,029	0.15
1,250	Noble Energy		73,279	0.09
5,030	Occidental Petroleum Corp		284,559	0.34
710	Pioneer Natural Res		35,656	0.04
1,960	QEP Resources Inc		46,578	0.06
1,140	Range Resources Corporation		30,667	0.04
2,490	Southwestern Energy		60,642	0.07
720	Sunoco Inc		19,410	0.02
1,040	Tesoro		9,697	0.01
3,970	Valero Energy Corporation (New		51,271	0.06
1,110	Whole Foods Market		31,745	0.04
<b>Financial Administration</b>				
3,630	Automatic Data Processing Inc		116,012	0.14
2,380	Fidelity National Inform Svces		46,405	0.06
<b>Fixed Line Telecommunications</b>				
46,750	AT&T Inc		958,612	1.15
2,180	Centurytel Inc		64,903	0.08
7,504	Frontier Communications Corp		47,403	0.06
47,970	Qwest Communications Intl Inc		227,788	0.27

PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
16,980	Verizon Communications Inc		396,676	0.47
3,500	Windstream Corp		31,880	0.04
<b>Food &amp; Beverage</b>				
1,480	Mead Johnson Nutrition		62,633	0.07
<b>Food Products</b>				
4,650	Archer-Daniels Midland Co		111,474	0.13
1,350	Campbell Soup Co		35,209	0.04
13,550	Conagra Foods		219,253	0.26
1,310	Dean Foods		9,802	0.01
4,960	General Mills Inc		133,965	0.16
2,310	HJ Heinz Co		81,620	0.10
510	Hormel Foods		16,850	0.02
870	JM Smucker		40,236	0.05
1,880	Kellogg Co		67,982	0.08
10,490	Kraft Foods A		243,552	0.29
960	McCormick		30,543	0.04
4,770	Sara Lee Corp		49,179	0.06
1,030	The Hershey Co		36,675	0.04
2,220	Tyson Foods – A –		24,837	0.03
<b>Food Retailers &amp; Wholesale</b>				
4,690	Kroger Co		74,236	0.09
4,970	Ross Stores Inc		210,936	0.25
2,780	Safeway Inc		45,803	0.05
21,510	Supervalu Inc		166,985	0.20
4,330	Sysco Corp		91,778	0.11
<b>Footwear</b>				
2,790	Nike Inc – B –		163,478	0.20
<b>Forestry</b>				
3,689	Weyerhaeuser Co		43,050	0.05
<b>Full Line Insurance</b>				
3,870	Allstate Corp		84,896	0.10
*850	American International Group		25,691	0.03
1,710	Cigna Corp		43,294	0.05
9,650	Cincinnati Financial Corp		204,400	0.24
3,210	Hartford Financial Services Grp		55,382	0.07
3,940	Marsh & McLennan Companies		70,812	0.08
<b>Gas Distribution</b>				
1,030	EQT Corp		27,745	0.03
4,650	Spectra Energy		79,524	0.10

## PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
<b>General retailers</b>				
3,200	Costco Wholesale		144,517	0.17
<b>Gold Mining</b>				
3,170	Newmont Mining Corp		138,829	0.17
<b>Health Care Providers</b>				
3,110	Aetna Inc		66,814	0.08
1,060	Coventry Health		17,861	0.02
750	Davita Inc		38,717	0.05
8,580	Express Scripts		299,519	0.36
6,030	Humana		252,888	0.30
760	Laboratory Corp		44,466	0.05
3,230	Medco Health Solutions Inc		122,075	0.15
1,100	Quest Diagnostics Inc		38,891	0.05
3,150	Tenet Healthcare Corp		9,881	0.01
6,530	Unitedhealth Group		169,369	0.20
2,600	Wellpoint Inc		101,650	0.12
<b>Home Construction</b>				
1,170	Lennar A		12,214	0.01
2,290	Pulte Homes		12,934	0.02
<b>Home Improvement Retailers</b>				
10,470	Home Depot Inc		232,616	0.28
10,290	Lowe's Companies Inc		157,915	0.19
<b>Hotels</b>				
4,730	Host Hotels & Resorts Inc		54,076	0.06
1,850	Marriott International-A		49,315	0.06
5,500	Starwood Hotels & Resorts World		214,238	0.26
<b>Industrial Machinery</b>				
790	Bemis Co		18,052	0.02
5,510	Dover Corp		210,505	0.25
2,970	Flowsolve Corp		213,684	0.26
6,400	Fluor New		221,898	0.27
2,760	Illinois Tool Works Inc		90,749	0.11
910	Jacobs Engineering Group Inc.		25,279	0.03
11,080	Meadwestvaco		205,114	0.25
860	Pactiv Corp		20,530	0.02
1,160	Parker-Hannifin Corp		63,888	0.08
<b>Industrial Suppliers</b>				
440	WW Grainger Inc		39,264	0.05
<b>Insurance Brokers</b>				
1,990	Aon Corp		56,912	0.07



PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
<b>Integrated Oil &amp; Gas</b>				
12,460	Chevron Corp		740,572	0.89
9,050	ConocoPhillips		386,769	0.46
31,170	Exxon Mobil Corp		1,490,661	1.78
10,870	Marathon Oil Corp		278,183	0.33
1,160	Murphy Oil		54,382	0.07
<b>Internet</b>				
2,420	Google Inc-A		1,067,297	1.28
8,580	Yahoo Inc		101,918	0.12
<b>Investment Services</b>				
7,010	Charles Schwab Corp		77,670	0.09
480	CME Group Inc		100,030	0.12
1,410	E-Trade Financial		14,507	0.02
3,180	Goldman Sachs Group		368,243	0.44
10,120	Morgan Stanley		181,081	0.22
<b>Life Insurance</b>				
3,340	Aflac Inc		134,307	0.16
7,130	Assurant		202,835	0.24
3,540	Genworth Financial		28,882	0.03
2,190	Lincoln National Corp		38,572	0.05
5,950	Metlife Inc		172,648	0.21
10,700	Principal Financial		206,625	0.25
12,450	Unum Group		200,827	0.24
<b>Media Agencies</b>				
3,860	Amazon.Com		458,623	0.55
11,070	Directv		346,142	0.41
3,630	Dun And Bradstreet		194,337	0.23
24,970	Interpublic Group Of Cos Inc		185,941	0.22
28,230	New York Times Co Class A		155,784	0.19
2,230	Omnicom Group Inc		70,531	0.08
50	Washington Post – B –		14,467	0.02
<b>Medical Equipment</b>				
1,290	Care Fusion		22,405	0.03
980	Intuitive Surgical		185,403	0.22
7,890	Medtronic Inc		199,875	0.24
2,380	St Jude Medical Inc		65,583	0.08
2,030	Stryker Corp		72,282	0.09
2,970	Thermo Fisher Scie		109,877	0.13
890	Varian Medical Systems Inc		40,482	0.05
7,280	Waters Corp		388,277	0.46
1,470	Zimmer Holding Inc		50,174	0.06

## PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
<b>Medical Supplies</b>				
3,310	Bard (Cr) Inc		197,947	0.24
8,390	Baxter International Inc		307,253	0.37
1,670	Becton Dickinson & Co		90,739	0.11
1,060	Dentsply International		23,939	0.03
8,340	Patterson Companies		165,912	0.20
<b>Mobile Telecommunications</b>				
1,880	Metropcs Communications		14,081	0.02
21,340	Sprint Nextel Corp		63,257	0.08
<b>Mortgage Finance</b>				
3,500	Prologis SBI		34,373	0.04
<b>Multiutilities</b>				
3,010	Centerpoint Energy Inc		35,863	0.04
9,480	Duke Energy Corp		124,204	0.15
330	Nicor Inc		11,309	0.01
1,730	Nisource		21,546	0.03
770	Oneok Inc		27,600	0.03
820	Scana		24,094	0.03
1,800	Sempra Energy		69,260	0.08
530	Stericycle		27,356	0.03
850	Wisconsin Energy		36,412	0.04
<b>Non-durable Household Products</b>				
1,020	Clorox Co		48,839	0.06
17,450	Procter And Gamble Co		798,112	0.95
<b>Non-equity Investment Instruments</b>				
24,050	J.P.Morgan Chase & Co		651,127	0.78
<b>Non-ferrous Metals</b>				
12,110	Titanium Metals		171,295	0.20
<b>Oil Equipment &amp; Services</b>				
3,010	Baker Hughes Inc		100,333	0.12
8,330	Cameron International Corp		262,204	0.31
3,910	Diamond Offshore Drilling Inc		186,118	0.22
4,310	FMC Technologies		223,578	0.27
6,390	Halliburton Co		146,475	0.18
2,040	Nabors Industries		30,676	0.04
2,540	National Oilwell Varco		98,245	0.12
820	Rowan Companies Inc		19,410	0.02
8,506	Schlumberger Ltd		427,717	0.51
<b>Paper</b>				
13,290	International Paper		241,723	0.29

PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
<b>Personal Products</b>				
3,120	Avon Products Inc		68,353	0.08
8,740	Colgate Palmolive Co		484,948	0.58
850	Estee Lauder Companies Inc-A		43,524	0.05
2,980	Kimberly-Clark Corp		135,803	0.16
<b>Pharmaceuticals</b>				
9,120	Abbott Laboratories		336,743	0.40
2,190	Allergan Inc		114,093	0.14
1,760	Amerisourcebergen		41,559	0.05
1,950	Biogen Idec Inc		87,981	0.11
18,350	Bristol Myers Squibb Co		355,144	0.42
540	Cephalon		25,813	0.03
6,340	Eli Lilly & Co		160,564	0.19
2,190	Forest Laboratories		52,075	0.06
1,190	Hospira		50,925	0.06
21,270	Johnson & Johnson		974,359	1.17
30,280	King Pharmaceuticals		308,050	0.37
1,320	Life Tech		47,656	0.06
26,340	Merck And Co Inc		687,542	0.82
*2,230	Mylan		32,602	0.04
50,570	Pfizer Inc		633,080	0.76
780	Watson Pharmaceuticals Inc		26,180	0.03
<b>Pipelines</b>				
5,070	El Paso Corp		48,369	0.06
4,210	Williams Companies Inc		65,184	0.08
<b>Property &amp; Casualty Insurance</b>				
6,140	Ace Ltd		262,493	0.31
6,740	Chubb Corp		281,355	0.34
4,840	Progressive Corp		73,685	0.09
8,010	Travelers Companies Inc		318,118	0.38
2,480	XL Group Plc		37,738	0.05
<b>Publishing</b>				
18,490	Gannett Co Inc		157,642	0.19
2,350	Mc Graw Hill Companies Inc		63,657	0.08
7,070	Meredith Corp		172,693	0.21
5,570	Scripps Networks Inter		203,941	0.24
<b>Railroads</b>				
2,790	CSX Corp		123,351	0.15
2,660	Norfolk Southern Corp		117,680	0.14
3,090	Union Pacific Corp		194,929	0.23

## PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
<b>Real Estate Holding</b>				
730	Apartment Investment & Management		12,243	0.01
530	Avalonbay Communities		40,538	0.05
10,980	Berkshire Hataway		628,512	0.75
870	Boston Properties Inc		53,950	0.06
14,420	CB Richard Ellis Group A		190,378	0.23
1,990	HCP Inc		51,558	0.06
900	Health Care Reit		33,089	0.04
1,380	Leucadia National		25,239	0.03
3,070	Public Storage		219,156	0.26
1,120	Ventas Inc		43,159	0.05
<b>Real Estate Investment</b>				
1,760	Equity Residential		61,579	0.07
2,920	Kimco Realty Corp		36,198	0.04
1,180	Plum Creek Timber		31,276	0.04
2,120	Simon Property Group Inc		146,458	0.18
1,150	Vornado Realty Trust		72,306	0.09
<b>Recreational Products</b>				
1,960	Eastman Kodak Co		6,642	0.01
<b>Recreational Services</b>				
3,140	Carnival Corp		97,528	0.12
1,010	Darden Restaurants Inc		33,216	0.04
810	Hasbro Inc		26,953	0.03
2,170	Internatinal Game Technology		24,340	0.03
2,630	Mattel		44,146	0.05
2,340	Priceline.com Inc		634,388	0.76
9,320	Wyndham Worlwide		192,784	0.23
410	Wynn Resorts		31,614	0.04
<b>Restaurants &amp; Bars</b>				
10,270	Mc Donald's Corp		574,644	0.69
4,590	Starbucks		94,052	0.11
3,490	Yum Brands Inc		124,444	0.15
<b>Semiconductors</b>				
9,730	Applied Materials Inc		86,526	0.10
3,110	Broadcom Corporation A		91,159	0.11
2,060	First Solar Inc		204,058	0.24
37,890	Intel Corp		547,127	0.65
6,210	Micron Technology Inc		36,950	0.04
17,950	National Semiconductor Corp		176,930	0.21
3,900	Nvidia Corp		33,756	0.04
7,340	Texas Instruments		156,158	0.19

PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
<b>Soft Drinks</b>				
19,080	Coca-Cola Co		841,777	1.01
1,980	Coca-Cola Enterprises Inc		34,204	0.04
9,690	Pepsico Inc		455,254	0.54
<b>Software</b>				
3,820	Adobe Systems Inc		77,367	0.09
12,070	Akamai Technologies Inc		448,706	0.54
8,910	Autodesk Inc		231,933	0.28
13,430	Bmc Software Inc		439,260	0.53
480	Cerner Corp		30,332	0.04
5,130	Citrix Systems Inc		236,477	0.28
8,990	Cognizant Tech So-A		421,655	0.50
28,980	Compuware Corp		208,713	0.25
1,110	Fiserv Inc		43,541	0.05
6,870	Intuit		237,254	0.28
1,620	Mastercard		279,802	0.33
1,130	Mcafee Inc		38,455	0.05
57,600	Microsoft Corp		1,104,010	1.32
41,020	Novell Inc		175,012	0.21
24,120	Oracle Corp		510,201	0.61
7,080	Red Hat		215,268	0.26
2,910	Salesforce.Com		243,013	0.29
5,720	Symantec Corp		66,587	0.08
7,290	Teradata Corp Com		206,442	0.25
15,920	Verisign		398,029	0.48
4,850	Western Union Co		61,414	0.07
<b>Specialized Consumer Services</b>				
5,560	Apollo Group A		149,931	0.18
4,630	Devry Inc.		159,430	0.19
8,210	Ebay Inc		176,085	0.21
<b>Specialty Chemicals</b>				
800	Avery Dennison Corp		20,922	0.03
1,680	Ecolab Inc		59,614	0.07
480	International Flavors & Fragrances		17,323	0.02
1,200	PPG Industries Inc		66,221	0.08
<b>Specialty Finance</b>				
1,520	Ameriprise Financial		56,528	0.07
2,830	CA		47,258	0.06
1,750	Dr Pepper Snapple Group Inc		46,020	0.06
920	Equifax Inc		21,929	0.03

## PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
20,120	H&R Block Inc		170,670	0.20
2,460	Intercontinentalexchange Inc		203,310	0.24
3,440	Invesco Ltd		56,925	0.07
25,850	Janus Capital Group Inc.		196,400	0.23
10,940	Moody's Corp		212,991	0.25
13,360	Nasdaq Omx Grp Inc		202,048	0.24
1,880	Nyse Euronext Inc		41,444	0.05
3,360	Prudential Financial		127,109	0.15
3,540	SLM		30,309	0.04
3,620	State Street Corp		108,764	0.13
600	Torchmark Corp		24,727	0.03
3,270	Visa Inc-A		183,910	0.22
<b>Specialty Retailers</b>				
650	Autonation		10,859	0.01
180	Autozone Inc		30,774	0.04
1,910	Bed Bath & Beyond Inc		60,327	0.07
2,510	Best Buy Co Inc		77,617	0.09
1,590	Carmax		35,452	0.04
6,270	Expedit Intl Wash		222,669	0.27
810	Family Dollar Store		26,907	0.03
810	Fastenal Co		30,001	0.04
11,830	Gamestop A		167,334	0.20
1,000	O Reilly Automotive		42,089	0.05
1,970	Office Depot Inc		6,364	0.01
2,320	Paychex Inc		46,236	0.06
1,520	Quanta Services		21,500	0.03
12,000	Radioshack Corp		173,797	0.21
10,290	Robert Half Intl		200,706	0.24
2,100	Science Applications Intl		23,479	0.03
5,310	Staples Inc		78,204	0.09
920	Tiffany & Co		35,082	0.04
17,600	Total Syst Service		197,666	0.24
<b>Steel</b>				
18,320	AK Steel Holding Corp		165,946	0.20
710	Allegheny Technologies Inc		26,916	0.03
810	Cliffs Natural Resources		37,997	0.05
5,210	Freeport McMoran Copper&Gold Inc-B		354,905	0.42
2,260	Nucor Corp		62,146	0.07
1,020	US Steel		31,402	0.04

PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
<b>Telecommunications Equipment</b>				
36,500	Cisco Systems Inc		599,536	0.72
11,430	Corning Inc		150,328	0.18
950	Harris Corp		30,887	0.04
23,590	JDS Uniphase Corp		178,380	0.21
1,340	Microchip Technology Inc		31,025	0.04
17,140	Motorola Inc		100,504	0.12
9,820	Qualcomm Inc		318,855	0.38
1,310	Sandisk		35,420	0.04
36,860	Tellabs Inc		180,866	0.22
<b>Tobacco</b>				
12,570	Altria Group Inc		229,894	0.27
2,530	Loews Corp		71,864	0.09
1,110	Lorillard Inc		68,154	0.08
11,070	Philip Morris International Inc		465,929	0.56
1,210	Reynolds American Inc		56,500	0.07
<b>Toys</b>				
2,380	Electronic Arts Inc		27,141	0.03
<b>Travel &amp; Tourism</b>				
1,190	C.H. Robinson Worldwide		60,343	0.07
1,510	Expedia		31,452	0.04
380	Ryder System Inc		11,961	0.01
<b>Waste &amp; Disposal Services</b>				
2,320	Republic Services Inc		49,758	0.06
3,490	Waste Management Inc		89,692	0.11

\* Holdings with a preceding asterisk indicate securities which were lent out at the year end, as part of the securities lending agreement.

## PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2009

	VALUE	NET ASSETS
	in €	in %
<b>Total of Investments</b>	<b>77,244,482</b>	<b>92.36</b>
Current Assets	6,505,881	7.78
<b>Total Assets</b>	<b>83,750,363</b>	<b>100.14</b>
Current Liabilities	(117,499)	(0.14)
<b>Net Asset Value as at 31 October 2009</b>	<b>83,632,863</b>	<b>100.00</b>
Number of Units in Issue – A	14,942,647	
Net Asset Value per Unit – A	5.60	

(a) Transferable securities dealt in on another Regulated Market.

(b) Securities not listed on an official stock exchange or dealt in on another Regulated Market.

All other securities are transferable securities admitted to an official stock exchange listing.

## ANALYSIS OF TOTAL ASSETS

	% OF TOTAL ASSETS
Securities admitted to official stock exchange listing	92.23
Securities listed on another Regulated Market (a) above	0.00
Securities not listed on an official stock exchange or dealt in on another Regulated Market (b) above	0.00
Other assets (cash/debtors)	7.77
	100.00



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# Investment Adviser's Report for the year ended 31 October 2010

## PORTFOLIO REVIEW

The twelve months to 31 October 2010 saw markets continuing to recover from the trough of 2008 as liquidity remained plentiful. However month-on-month market performance was highly varied on account of underlying concerns such as European sovereign debt, growth and policy in China and the pace of US economic recovery. The Portfolio rose 22.16 % as compared with the benchmark, the MSCI AC Far East ex Japan index (price return) which rose 26.42 % during the period under review.

Performance relative to the Portfolio benchmark was supported by stock selection in China, Hong Kong and the utilities and financials sectors. The non-benchmark position in India and the underweight position in financials were also positive for relative performance over the year. Relative performance was restrained, however, by our defensive cash weighing and stock selection in Korea, Taiwan and the consumer discretionary, materials and industrials sectors.

Over the year we moved the portfolio to a more growth-oriented positioning while retaining an element of defensiveness. We increased the weightings in China and India where we are overweight; we moved from underweight to overweight positions in materials and industrials. We increased the weighting in the financial sector while still slightly underweight there. Typical new holdings included China Yurun, a leading pork producer and beneficiary of rising Chinese domestic consumption; Ping An Insurance which is selling into an under-penetrated and growing market in China; and Larsen and Toubro, India's leading engineering and construction company which is benefiting from both a strong order book and improving profit margins. We reduced our allocations to Malaysia, consumer staples, utilities and cash.

## MARKET REVIEW

Asian markets generally performed well in November 2009, despite the temporary resurrection of emerging market debt worries caused by Dubai World: improving economic data and stronger company earnings guidance supported equity performance. Markets ended the year of 2009 in buoyant mood. Regional macro data, although flattered by favourable base effects, continued to show that economic recovery across the region was gaining in breadth and momentum.

Asian markets strengthened over the first quarter, despite light volumes and increasing headwinds in the shape of policy risk (inflation worries), sovereign debt fears (Greece) and political posturing (US against China). Macro data continued to improve, reported earnings numbers were generally good, valuations were full but not demanding and liquidity was abundant. Rising input costs (coal, iron ore, labour etc), food prices (drought in Southern China) and margin pressures remained potential problems. February saw the announcement of the Indian budget. The Indian finance minister, Mr Pranab Mukherjee succeeded in maintaining a pro-growth stance via infrastructure spending and rural income support, whilst satisfying demands for fiscal rectitude with the announcement of higher than expected divestment targets. The market responded well. In China, at the annual meeting of the National People's Congress in March the Chinese government reiterated its commitment to both a pro-active fiscal policy and a moderately loose monetary policy. Politics in Thailand deteriorated over the quarter as supporters continued to demonstrate in favour of former Prime Minister Thaksin.

Overall, the quarter to 30 June 2010 was a difficult one for Asian equities. Concerns about European debt, China's economic growth and policy direction and the possibility of a double dip all restrained share prices. Falling oil and commodity prices and a strengthening US dollar also contributed to market weakness. After moderate market performance in April, May proved to be a very difficult month

as these concerns and also escalating tensions between North and South Korea all contributed to increased investor caution. The markets of South Korea and Taiwan and the IT and materials sectors suffered especially. June was a month of marked variation in Asian stock performance. Equities were initially weak and looking oversold but they then rallied during the middle of the month, partly supported by some better-than-expected macro news. China's May exports rose 48.5% (yoy) with surprising month-on-month increases of 20% and 16% in exports to the US and Europe respectively. Beijing's decision to abandon the RMB-USD peg and return to the pre-crisis crawling peg mechanism underlined the Chinese government's confidence in economic recovery. In the last part of June Asian equities fell as US housing data for May disappointed and the US FOMC issued a somewhat downbeat statement that 'Financial conditions have become less supportive of economic growth'.

Markets were somewhat volatile in the quarter to 30 September 2010, caught between concerns about a double-dip and sovereign debt on one hand and, on the other, optimism about an improving outlook in China, acceptance of a more modest earnings outlook and, latterly, the prospect of a second round of quantitative easing (known in the press as QE2). After a difficult August, Asian markets rallied over September. Hints by the US Federal Reserve of further quantitative easing, buoyant commodity prices, positive data from India and a recovery in the China market were all supportive for equities. In China, data releases confirmed a more upbeat economy. China manufacturing PMI continued its rally and reached 53.8, beating consensus. This injected much confidence in the market and helped to clear any remaining fears of a double dip. In India, it was announced that Q2 GDP had grown 8.8%, whilst the August manufacturing PMI showed continuing growth of over 50.

Asian markets generally had positive returns in MSCI USD terms in October supported by expectations of further quantitative easing (QE2) by the US Federal Open Market Committee (FOMC). Returns in Euro terms were more mixed because of currency moves. Recent economic data has also been encouraging. China's manufacturing PMI for October rebounded strongly, the US ISM Manufacturing Composite came in well above expectations and the headline Eurozone PMI surprised on the upside. This is all

tending to support the soft landing thesis as the threat of "double-dip" recedes. Over the month, currencies continued to be a focus of discussion, specifically the extent to which the RMB is undervalued versus the USD. At the G20 leaders gathering in Seoul in mid-October, it was concluded that there should be a move towards 'more market determined exchange rate systems that reflect underlying economic fundamentals'. In China, the PBoC raised interest rates and also the reserve ratio requirement to rein in inflationary pressures.

## OUTLOOK

Recently inflation worries and stepped up policy rhetoric have prompted some profit taking in Asian regional markets as of late November 2010. The re-appearance of European banking concerns – particularly in Ireland and Portugal – has also reinforced the slightly more risk-averse mood. The fundamental backdrop is nevertheless benign. Economic growth is reasonably strong, non-food inflation is modest, corporate earnings and cash flows are robust and liquidity remains supportive. We are thus positive on regional markets at least until Chinese New Year, but the inflation/policy dynamic will still need to be watched carefully.

LLOYD GEORGE MANAGEMENT (EUROPE) LIMITED  
25 GROSVENOR STREET  
LONDON W1X 4QN

## INCOME STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2010

	31 October 2010	31 October 2009
in €		
<b>Income</b>		
Dividend Income	1,630,013	2,205,041
Fixed Deposit Interest Income	0	51,744
Bank Interest Income	1,020	16,163
Stock Lending Income	3,971	0
<b>Net gain/(loss) on derivatives and investments:</b>		
Movement on unrealised (losses) on Investments	7,433,956	11,188,586
Realised (losses) on Investments	5,127,159	(4,048,561)
Realised (losses) on foreign exchange and FFCT's <sup>1</sup>	882,298	(422,475)
<b>TOTAL INVESTMENT INCOME</b>	<b>15,078,418</b>	<b>8,990,497</b>
<b>Expenses</b>		
Management Fee (Note 5)	(1,257,416)	(1,228,211)
Trustee Fee (Note 5)	(43,517)	(7,641)
Audit Fee	(9,899)	(12,164)
Legal Fee	(4,663)	(1,723)
Sub-custody Fee	(80,978)	(108,960)
Withholding Tax	(136,689)	(166,477)
Other Expenses	(5,377)	(25,232)
<b>TOTAL OPERATING EXPENSES</b>	<b>(1,538,539)</b>	<b>(1,550,407)</b>
Distribution to unitholders	(974,052)	(756,954)
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>12,565,827</b>	<b>6,683,136</b>

1 Forward Foreign Currency Contracts

BALANCE SHEET AS AT 31 OCTOBER 2010

	31 October 2010	31 October 2009
<i>in €</i>		
<b>Assets</b>		
Investments at fair value through profit and loss	73,199,931	57,238,807
Cash	2,824,335	4,002,666
Accrued interest	0	15,259
Securities sold receivable	188,217	0
<b>TOTAL ASSETS</b>	<b>76,212,483</b>	<b>61,256,732</b>
<b>Liabilities</b>		
Accrued expenses	(130,261)	(232,911)
Securities bought payable	(587,835)	0
Capital shares payable	(720,656)	
<b>TOTAL LIABILITIES</b>	<b>(1,438,752)</b>	<b>(232,911)</b>
<b>NET ASSETS</b>	<b>74,773,731</b>	<b>61,023,821</b>

STATEMENT OF MOVEMENT IN UNITHOLDER FUNDS FOR THE YEAR ENDED 31 OCTOBER 2010

	31 October 2010	31 October 2009
<i>in €</i>		
<b>Net Assets at the beginning of the year</b>	<b>61,023,821</b>	<b>82,696,024</b>
Amounts received on creation of units	1,907,499	113,746
Amounts paid on redemption of units	(723,415)	(28,469,084)
Net profit/(loss) for the year	12,565,827	6,683,136
<b>Net Assets at the end of the year</b>	<b>74,773,731</b>	<b>61,023,821</b>

## STATEMENT OF PORTFOLIO CHANGES FOR THE YEAR ENDED 31 OCTOBER 2010

SECURITY DESCRIPTION	NOMINAL	PURCHASE COST	SALE PROCEEDS
<i>in € thousands</i>			
<b>China</b>			
Air China Ltd	1,878,000		1,499
China Life Insurance Co Ltd	506,000		1,557
China Railway Group	1,910,000	1,122	
China Yurun Food	404,000	1,159	
Ind & Comm BOC	2,034,000	1,126	1,850
Ind & Comm BOC	3,562,000		
Mindray Medical International	39,300	1,069	
Mindray Medical International	36,100		997
Nine Dragons Paper	991,000	1,159	
Petro China Co Ltd	1,366,000		1,215
Ping An Insurance	199,500	1,397	
Skyworth Digital HD	2,029,678	1,085	
<b>Hong Kong</b>			
BOC Hong Kong Holdings	812,000	1,328	
Chaoda Modern Agriculture Holdings	2,956,000		1,742
China Everbright	766,000	1,345	
China Resources	670,000	1,071	
Citic Pacific	609,000	1,096	
CLP Holdings Ltd	350,000		1,577
Cnooc Limited	1,253,000	1,424	
HKG Exchanges Limited	89,400	1,282	
<b>India</b>			
Gail Ltd	167,600		1,271
<b>Indonesia</b>			
Bank Rakyat Indonesia	1,988,500	1,063	
<b>South Korea</b>			
Hyundai Heavy Industries	5,300	1,120	
KT&G Corp	31,570		1,230
LG Chem	7,520	1,194	
LG Display	40,760		1,069
OCI Company Ltd	8,840		1,173
Shinhan Financial Group	52,070	1,399	
Shinsegae Co Ltd	3,310		1,048
LG Electronics	15,520	1,090	
<b>Malaysia</b>			
Digi.Com	255,000		1,101
Tanjong Plc	324,700		1,598

STATEMENT OF PORTFOLIO CHANGES FOR THE YEAR ENDED 31 OCTOBER 2010

SECURITY DESCRIPTION	NOMINAL	PURCHASE COST	SALE PROCEEDS
<i>in € thousands</i>			
<b>Singapore</b>			
Sembcorp Industries Ltd	804,080		1,507
Singapore Telecommunications	806,000		1,140
Starhub Ltd	1,152,000		1,106
<b>Taiwan</b>			
Chunghwa Telecom Co Ltd	682,000	1,083	
Chunghwa Telecom Co Ltd	1,067,465		1,331
Compal Electronics Inc	1,063,700		1,071
Formosa Plastics	630,000	1,132	
Mediatek Incorporation	101,354		994
Taiwan Semiconductor Manufacturing	489,000		578

## PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
<b>CHINA – 18.76 %</b>				
<i>Banks</i>				
2,440,000	China Construction Bank Corp		1,673,474	2.24
*2,034,000	Ind & Com BOC		1,177,932	1.58
<i>Education</i>				
4,600	New Oriental Education & Technology Group		355,351	0.48
<i>Food Products</i>				
404,000	China Yurun Food		1,130,455	1.51
<i>Heavy Construction</i>				
1,910,000	China Railway Group Ltd		1,107,894	1.48
<i>Insurance</i>				
199,500	Ping An Insurance Group		1,545,091	2.07
<i>Internet</i>				
*85,800	Tencent Holdings Ltd		1,413,417	1.89
<i>Mining</i>				
349,500	China Shenhua Energy Co		1,119,054	1.50
972,500	Real Gold Mining		1,245,528	1.67
<i>Oil &amp; Gas</i>				
1,080,000	China Oilfield Services		1,260,925	1.69
<i>Paper</i>				
991,000	Nine Dragons Paper		1,149,657	1.54
<i>Pharmaceuticals</i>				
*39,900	Mindray Medical International		831,932	1.11
<b>HONG KONG – 28.77 %</b>				
<i>Apparel</i>				
1,097,000	Belle International Holdings Ltd		1,425,343	1.91
<i>Banks</i>				
812,000	BOC Hong Kong Holdings		1,831,247	2.45
<i>Commercial Vehicles</i>				
670,000	Sany Heavy Equipments		690,212	0.92
<i>Computer Hardware</i>				
2,376,000	Lenovo Group Ltd		1,106,968	1.48
<i>Consumer Electronics</i>				
*2,029,678	Skyworth Digital Holding		855,200	1.14
<i>Distribution</i>				
424,000	Li & Fung Ltd		1,611,404	2.16



PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
<b>Diversified Industrials</b>				
107,000	Hutchison Whampoa Ltd		758,686	1.01
916,454	Noble Group Ltd		947,608	1.27
<b>Exploration &amp; Production</b>				
1,131,000	Cnooc Ltd		1,685,749	2.25
726,000	Kunlun Energy		664,352	0.89
<b>Insurance</b>				
368,000	AIA Group		787,233	1.05
<b>Real Estate</b>				
141,000	Cheung Kong Holdings		1,544,137	2.07
546,000	China Resources Land Ltd		774,285	1.04
244,000	Wharf Holdings		1,152,636	1.54
<b>Speciality Finance</b>				
664,000	China Everbright		1,241,732	1.66
376,000	China Resources Enterprise		1,142,836	1.53
89,400	HKG Exchanges & Clearing Ltd		1,415,472	1.89
<b>Telecommunications</b>				
256,000	China Mobile Ltd		1,875,758	2.51
<b>INDIA – 7.15 %</b>				
<b>Automobiles</b>				
42,450	Tata Motors		797,111	1.07
<b>Banks</b>				
28,010	State Bank of India		1,429,208	1.91
<b>Building Materials &amp; Fixtures</b>				
372,710	Jaiprakash Associates Ltd		725,847	0.97
<b>Heavy Construction</b>				
30,980	Larsen & Toubro Ltd		1,014,424	1.36
<b>Metals</b>				
27,170	Hindustan Zinc Ltd		542,112	0.73
<b>Software</b>				
48,860	Tata Consultancy Services		832,292	1.11
<b>INDONESIA – 3.06 %</b>				
<b>Banks</b>				
1,364,500	Bank Rakyat Indonesia		1,252,215	1.67
<b>Oil &amp; Gas</b>				
3,178,500	Perusahaan Gas Negara		1,036,281	1.39

## PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
<b>MALAYSIA – 0.74 %</b>				
<i>Heavy Construction</i>				
625,900	Gamuda Bhd		549,962	0.74
<b>PHILIPPINES – 1.38 %</b>				
<i>Telecommunications</i>				
23,040	Philippine Long Distance Telecommunications		1,031,903	1.38
<b>SINGAPORE – 5.96 %</b>				
<i>Agriculture</i>				
2,143,000	Golden Agri-resources Ltd		774,356	1.04
<i>Banks</i>				
107,453	United Overseas Bank		1,113,447	1.49
<i>Electronic Semiconductors</i>				
147,000	Venture Corporation Ltd		740,373	0.99
<i>Real Estate</i>				
255,000	Capitaland		551,436	0.74
<i>Speciality Finance</i>				
229,000	Keppel Corp Ltd		1,270,489	1.70
<b>SOUTH KOREA – 20.60 %</b>				
<i>Automobiles</i>				
9,200	Hyundai Mobis		1,647,075	2.20
<i>Chemicals</i>				
6,740	LG Chem		1,495,398	2.00
<i>Commercial Vehicles</i>				
5,300	Hyundai Heavy Ind		1,241,988	1.66
<i>Construction</i>				
19,420	Daelim Industrial		1,137,397	1.52
16,482	Hyundai Engineering & Construction Co		793,546	1.06
<i>Electrical Components &amp; Equipment</i>				
15,520	LG Electronics		983,406	1.32
<i>Electronic Semiconductors</i>				
6,150	Samsung Electronics Co Ltd		2,929,536	3.92
<i>Insurance</i>				
9,890	Samsung Fire & Marine Insurance		1,220,453	1.63
<i>Internet</i>				
9,150	NHN Corporation	(a)	1,167,163	1.56
<i>Mining</i>				
3,040	Posco		898,014	1.20

PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
<b>Speciality Chemicals</b>				
3,766	Kolon Ind Rights 01/12- 02/12		—	—
15,827	Kolon Industries Inc		720,520	0.96
<b>Speciality Finance</b>				
42,230	Shinhan Financial Group		1,175,917	1.57
<b>TAIWAN – 9.64 %</b>				
<b>Chemicals</b>				
630,000	Formosa Plastics		1,299,645	1.74
235,000	Taiwan Fertilizer		576,997	0.77
<b>Computer Hardware</b>				
316,316	Acer Inc		660,713	0.88
274,000	Powertech Technology		650,222	0.87
<b>Diversified Financials</b>				
1	Polaris Securities		0	0.00
<b>Electronic Semiconductors</b>				
480,536	Hon Hai Precision Industry Co Ltd		1,309,705	1.75
1,065,424	Taiwan Semiconductor Manufacturing		1,572,070	2.10
<b>Telecommunications</b>				
682,000	Chungwha Telecom Co Ltd		1,147,327	1.53
<b>THAILAND – 1.86 %</b>				
<b>Banks</b>				
565,000	Siam Commercial Bank		1,389,816	1.86

\* Holdings with a preceding asterisk indicate securities which were lent out at the year end, as part of the securities lending agreement.

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**PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010**

	VALUE	NET ASSETS
	in €	in %
<b>Total of Investments</b>	<b>73,199,931</b>	<b>97.90</b>
Current Assets	2,291,896	3.07
<b>Total Assets</b>	<b>75,491,827</b>	<b>100.97</b>
Current Liabilities	(718,096)	(0.97)
<b>Net Asset Value as at 31 October 2010</b>	<b>74,773,731</b>	<b>100.00</b>
Number of Units in Issue	948,567	
Net Asset Value per Unit	78.83	

(a) Transferable securities dealt in on another Regulated Market

(b) Securities not listed on an official stock exchange or dealt in on another Regulated Market

All other securities are transferable securities admitted to an official stock exchange listing.

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**ANALYSIS OF TOTAL ASSETS**

	% OF TOTAL ASSETS
Securities admitted to official stock exchange listing	95.41
Securities listed on another Regulated Market (a) above	1.55
Securities not listed on an official stock exchange or dealt in on another Regulated Market (b) above	0.00
Other assets (cash/debtors)	3.04
	100.00

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# Investment Adviser's Report for the year ended 31 October 2010

## REVIEW OF THE YEAR

The combination of economic recovery, near-zero policy rates and financial de-leveraging is a good environment for asset prices and strengthened the turnaround in the Structured Credit Market in the fourth quarter of 2009. As a result, we had one of the strongest market rallies in decades.

The euro area found itself in the eye of the storm in the second quarter of 2010: there was extreme volatility in cross-market spreads, with all peripheral markets widening aggressively as contagion spread from Greece and bond market liquidity steadily dried up. The very existence of the euro area was questioned, which was almost unthinkable a few months before. The inability of policymakers to quickly restore confidence and financial market stability has undermined their credibility. Therefore spreads of some European Governments widened significantly, the buy-side dried out again and prices of credits (and for this reason CDOs as well) decreased. But after the flight to quality in second quarter of 2010, global bond markets took their first steps towards normalization in the third quarter of 2010. One reason for this recovery, was the perception that the political willingness exists to solve any problems that may arise.

The current method for quoting the value of CLOs is still the same as last year. The prices are quoted no longer in discount margin but in percentage terms. The only exceptions to that rule are AAA CLOs. US AAA CLOs trade around 230bp now versus 300bp in November 2009 (- 70bp), AAs at 80 % versus 80 % (+ 0 %), As at 72 % versus 70 % (+ 2 %), BBBs at 65 % versus 55 % (+ 10 %), BBs at 52 % versus 40 % (+ 12 %). Euro CLOs prices are still a little bit lower than their US equivalents. AAA CLOs trade around 260bp now versus 400bp in November 2009 (- 140bp), AAs at 71 % versus 70 % (+ 1 %), as at 63 % versus 55 % (+ 8 %), BBBs at 48 % versus 40 % (+ 8 %), BBs at 38 % versus 25 % (+ 13 %).

The "Recovery Rate" and "Default Rate" of Leveraged Loans improved significantly last year. Moody's stated the "Recovery Rate" at the end of October last year at 45.67 % vs. 71.98 % at the end of October this year. The "Default Rate" was down to 3.57 % at the end of October 2010 from 11.55 % at the end of October 2009. The overall reduction in losses had a positive impact on CDO prices.

Since November last year eleven positions with an aggregate notional of Euro 61.5 m and one position with an aggregate notion auf USD 5m were sold. One position was redeemed.

## PERFORMANCE

The fund performance for the period since November was very good and the fund price rose from 37.40 to 52.32 with a total return of + 53.99 %. This includes an interest payment of Euro 4.31 per share.

## OUTLOOK

Rising productivity and much stronger business climate indicators should be the sign that the worst is over. However, this positive outlook greatly depends on the US economy. Lack of progress with the high unemployment rate in the US could affect the markets quite negatively. Country spreads will probably stay volatile for some time, as gross issuance is likely to remain stable at a high level for the next two years, but it will have to be reallocated more towards domestic investors. However, overall, we would expect worries about euro area sovereign risk to moderate from here but with still volatile spreads.

We should be mindful of developments in the Chinese economy. Some overheating tendencies are apparent and the Chinese central bank has started to increase interest rates. Chinese imports might fall in the future and could slow down the whole Asian region.

Results of the Federal Reserve's Senior Loan Officer Opinion Survey have indicated a slowly improving lending market, a trend that we expect to continue in the coming quarters. Banks have begun to loosen standards on loans to small firms for the first time since the end of 2006. These results indicate that a gradual improvement in bank lending might be in store in the coming quarters. A further continuation of these trends would be supportive of the global recovery.

## PROPOSED INVESTMENT STRATEGY

As a result of improved credit performance, OC rebuilding, structural deleveraging, and other factors, CLO liability ratings have generally been on an upgrade trend this year. The likelihood of principal repayment for CLO mezzanine and subordinate tranches (BBBs, BBs) is increasing as leveraged loan prices recover and defaults and distresses lessen.

Leveraged loan defaults are difficult to predict because the European market is mostly private. Nevertheless, given the overall positive macro outlook we expect moderate to low leveraged loan default rates and recovery rates should improve further. This is in line with a gradual improvement in rating quality expected in 2011.

Interest rates are expected to stay low, giving many of the companies more time for deleveraging. Moreover, we assume that the new issue high-yield bond market will help term out amortisations.

W&W ADVISORY DUBLIN LIMITED  
34 MOLESWORTH STREET  
DUBLIN 2

## INCOME STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2010

	31 October 2010	31 October 2009
in €		
<b>Income</b>		
Interest Income	11,742,386	20,559,867
Fixed Deposit Interest Income	0	35,010
Bank Interest Income	508	30,078
<b>Net gain/(loss) on derivatives and investments:</b>		
Movement on unrealised (losses) on Investments	87,771,096	(78,073,757)
Movement on unrealised (losses) on FFCT's <sup>1</sup>	434,618	903,374
Realised (losses) on Investments	(41,716,903)	(297,096)
Realised (losses) on foreign exchange and FFCT's <sup>1</sup>	(3,645,327)	3,058,794
<b>TOTAL INVESTMENT INCOME</b>	<b>54,586,378</b>	<b>(53,783,730)</b>
<b>Expenses</b>		
Management Fee (Note 5)	(1,108,343)	(662,842)
Trustee Fee (Note 5)	(47,156)	(26,286)
Audit Fee	(9,929)	(10,970)
Legal Fee	(3,668)	(6,780)
Sub-custody Fee	(68,318)	(43,412)
Other Expenses	(13,470)	(15,054)
<b>TOTAL OPERATING EXPENSES</b>	<b>(1,250,884)</b>	<b>(765,346)</b>
Distribution to unitholders	(20,859,888)	(33,128,046)
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>	<b>32,475,606</b>	<b>(87,677,122)</b>
1 Forward Foreign Currency Contracts		



## BALANCE SHEET AS AT 31 OCTOBER 2010

	31 October 2010	31 October 2009
<i>in €</i>		
<b>Assets</b>		
Investments at fair value through profit and loss	209,640,819	210,429,313
Cash	33,331,803	10,374,977
Accrued interest	671,930	1,397,648
Unrealised gain on FFCT's <sup>1</sup>	350,716	0
<b>TOTAL ASSETS</b>	<b>243,995,268</b>	<b>222,201,938</b>
<b>Liabilities</b>		
Accrued expenses	(109,521)	(132,266)
Unrealised loss on FFCT's <sup>1</sup>	0	(83,901)
<b>TOTAL LIABILITIES</b>	<b>(109,521)</b>	<b>(216,167)</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>243,885,747</b>	<b>221,985,771</b>

1 Forward Foreign Currency Contracts

## STATEMENT OF MOVEMENT IN UNITHOLDER FUNDS FOR THE YEAR ENDED 31 OCTOBER 2010

	31 October 2010	31 October 2009
<i>in €</i>		
<b>Net Assets at the beginning of the year</b>	<b>221,985,771</b>	<b>305,297,771</b>
Amounts received on creation of units	0	5,507,812
Amounts paid on redemption of units	(10,575,629)	(1,142,689)
Net profit/(loss) for the year	32,475,606	(87,677,122)
<b>Net Assets at the end of the year</b>	<b>243,885,747</b>	<b>221,985,771</b>

## W&amp;W ASSET-BACKED SECURITIES FUND STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2010

	2010	2009
<i>in €</i>		
<b>Reconciliation of operating profit to net cash inflow from operating activities:</b>		
Net gain for the year	(34,870,220)	22,621,307
(Increase)/Decrease in interest, dividends, and other receivables	725,718	1,514,266
Increase/(Decrease) in accrued expenses payable	(22,745)	(169,018)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>(34,167,247)</b>	<b>23,966,555</b>
<b>Management of liquid resources:</b>		
Net investment in trading securities	88,559,590	9,903,075
<b>Financing:</b>		
Proceeds from issuance of shares	0	5,507,812
Payment on redemption of shares	(10,575,629)	(1,142,689)
Distribution to Unitholders	(20,859,888)	(33,128,046)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(31,435,517)</b>	<b>(28,762,923)</b>
Net decrease in cash and cash equivalents	22,956,826	5,106,707
Cash and cash equivalents at beginning of the financial year	10,374,977	5,268,270
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>33,331,803</b>	<b>10,374,977</b>
<b>Reconciliation of net gain for the year:</b>		
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>	<b>53,335,494</b>	<b>(54,549,076)</b>
Movement on unrealised gains (losses) on Investments	(87,771,096)	78,073,757
Movement on unrealised gains (losses) on FFCT's <sup>1</sup>	(434,618)	(903,374)
Net gain for the year	(34,870,220)	22,621,307

STATEMENT OF PORTFOLIO CHANGES FOR THE YEAR ENDED 31 OCTOBER 2010

COUPON	SECURITY DESCRIPTION	MATURITY	NOMINAL	PURCHASE COST	SALE PROCEEDS
%				in € thousands	in € thousands
<b>Euro Countries</b>					
0.650	Cadogan CLO	2022	1,000,000		440
1.750	Dalradian European CLO	2022	7,500,000		3,075
0.025	Dekania Europe	2037	6,000,000		86
0.000	French Treasury Bill	2010	10,000,000		9,996
0.000	German Treasury Bill	2010	5,000,000		5,000
0.000	German Treasury Bill	2010	5,000,000		4,999
0.025	GSC European CDO	2022	7,000,000		2,052
1.550	GSC European CDO	2022	2,000,000		350
0.025	Harvest CLO V Plc	2024	8,000,000		1,417
3.000	Italian Government Bond	2010	10,000,000		10,000
0.000	Italian Treasury Bill	2010	9,000,000	8,975	
7.083	Leveraged Fin Capital	2017	5,000,000		2,000
6.880	Melchior CDO I SA	2013	4,000,000		2,400
0.025	Penta CLO	2024	8,000,000		2,143
0.250	PULS CDO	2014	6,000,000		375
3.241	PULS CDO	2014	2,000,000		160
<b>United States</b>					
0.000		2015	5,000,000		2,508

## PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	COUPON	MATURITY	VALUE	NET ASSETS
			in %		in €	in %
<b>Euro Countries – 65.51 %</b>						
6,000,000	Adagio CLO BV		0.250	15/09/22	3,165,000	1.30
7,000,000	Aquillae CLO		0.000	17/01/23	3,477,600	1.43
8,000,000	Ares Euro CLO		0.250	15/05/24	4,068,800	1.67
7,000,000	Ares Euro CLO		2.500	14/03/25	4,376,400	1.79
4,000,000	Avoca CLO IV		0.000	18/02/22	1,229,175	0.50
7,000,000	Avoca CLO		0.250	16/01/23	2,949,800	1.21
6,000,000	Cadogan CDO		0.250	12/08/22	2,920,200	1.20
7,000,000	Cadogan Square CLO		0.000	17/01/23	3,599,400	1.48
1,000,000	Cadogan Square CLO		1.550	12/08/22	590,000	0.24
5,000,000	Cairn CLO BV		1.000	30/09/22	3,250,000	1.33
7,000,000	Clare Island BV FRN		2.100	19/03/15	3,150,000	1.29
7,000,000	Coltrane CDO		0.000	20/01/22	700	0.00
8,500,000	Contego CLO BV		1.750	15/04/26	3,825,000	1.57
7,000,000	Cordatus CLO		0.000	30/01/24	4,069,800	1.67
8,000,000	Dalradian European CLO		0.250	11/04/23	2,980,000	1.22
7,000,000	Dalradian European CLO		0.000	07/12/22	2,180,010	0.89
4,000,000	Dekania Europe		0.250	07/09/35	247,316	0.10
8,000,000	Dryden Leveraged CDO		1.400	15/04/23	4,000,000	1.64
4,000,000	Dryden Leveraged CDO		0.250	25/01/22	2,274,244	0.93
6,000,000	Dryden Leveraged CDO		0.250	08/08/22	3,470,400	1.42
1,000,000	Dryden X CLO		0.450	25/01/22	740,000	0.30
4,000,000	Duchess V CLO BV		0.250	25/05/21	2,030,000	0.83
3,000,000	Duchess IV CLO BV		1.500	19/12/20	1,290,000	0.53
2,000,000	Duchess IV CLO BV		0.600	19/12/20	1,220,000	0.50
7,000,000	Duchess VII CLO BV		0.000	28/02/23	3,710,000	1.52
4,000,000	Duchess Class W		0.250	19/12/20	1,920,000	0.79
7,000,000	Egret Funding CLO		0.000	20/12/22	3,871,000	1.59
2,000,000	Egret Funding CLO		0.650	20/12/22	1,240,000	0.51
7,000,000	Eurocredit VI CDO		1.400	16/01/22	3,850,000	1.58
5,000,000	Eurocredit VI CDO		0.580	16/01/22	3,250,000	1.33
7,000,000	Green Park CDO		0.000	18/03/23	3,649,800	1.50
8,000,000	GSC European CDO		0.000	25/04/23	1,752,644	0.72
4,000,000	GSC European CDO		0.250	15/07/20	1,160,000	0.48
6,000,000	GSC European CDO		0.250	15/05/22	1,560,000	0.64
6,000,000	Harbourmaster		0.000	15/10/22	2,809,800	1.15
7,000,000	Harbourmaster		0.250	22/09/22	3,749,951	1.54
7,000,000	Harbourmaster		2.650	06/02/24	4,951,800	2.03
2,000,000	Harbourmaster		1.500	06/02/24	1,484,000	0.61

PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	COUPON	MATURITY	VALUE	NET ASSETS
			in %		in €	in %
5,000,000	Harbourmaster		3.200	17/11/24	1,873,000	0.77
7,000,000	Highlander Euro Credit		0.250	26/12/22	2,957,500	1.21
5,000,000	Jubilee CDO BV		0.250	15/07/15	2,584,500	1.06
4,000,000	Jubilee CDO BV		0.250	21/08/21	2,078,400	0.85
6,000,000	Jubilee CDO BV		0.000	20/09/22	3,145,200	1.29
4,000,000	Leopard CLO III BV		0.000	21/04/20	2,152,000	0.88
6,000,000	Leopard CLO		0.250	23/02/22	2,333,244	0.96
7,000,000	Lightpoint FRN		2.000	05/02/26	4,760,000	1.95
7,000,000	Lombard Street CLO Plc		0.250	28/02/23	3,150,000	1.29
1,000,000	Lombard Street CLO Plc		1.600	28/02/23	430,000	0.18
7,000,000	Mercator CLO Plc		0.250	18/01/24	3,089,800	1.27
6,000,000	Northwest CLO		0.250	08/10/22	2,130,600	0.87
6,000,000	Oak Hill CP		0.250	20/08/22	3,999,600	1.64
9,000,000	PDM CLO		2.500	14/02/23	4,680,000	1.92
7,000,000	Queen Street CLO		0.000	15/04/23	3,689,700	1.51
6,000,000	Regents Park CDO		0.000	26/01/23	3,470,400	1.42
1,000,000	Resource Europe CLO		0.700	15/07/23	605,000	0.25
8,000,000	Resource Europe CLO		0.250	22/05/23	4,044,800	1.66
7,000,000	Skellig Rock		0.000	30/11/22	3,744,300	1.54
6,000,000	Wood Street CLO		0.250	02/02/22	2,687,901	1.10
4,000,000	Wood Street CLO		0.250	22/11/21	2,090,000	0.86
<b>United States – 20.45 %</b>						
5,000,000	Ares X 2005 1X COM		0.250	18/09/17	2,347,291	0.96
5,000,000	Babson CLO Ltd		0.250	20/07/19	2,472,876	1.01
5,000,000	Black Diamond CLO Ltd		0.250	07/01/18	2,241,888	0.92
5,000,000	Blackrock Senior Income Series		0.250	25/05/17	2,531,117	1.04
5,000,000	Carlyle High Yield		0.250	30/09/19	2,823,944	1.16
5,000,000	Centurion 9 CDO VI		0.250	17/07/19	2,342,471	0.96
5,000,000	Duane Street CLO		0.250	08/11/17	2,460,609	1.01
5,000,000	Galaxy CLO Ltd		0.250	20/10/17	2,525,362	1.04
5,000,000	Gleneagles CLO Ltd		0.250	01/11/17	1,699,403	0.70
5,000,000	Greyrock CDO Ltd		0.250	15/11/17	1,757,517	0.72
5,000,000	Jasper CLO		0.250	01/07/17	1,762,717	0.72
5,000,000	Kingsland Ltd Class COM 2		0.250	13/06/19	2,350,529	0.96
5,000,000	Lafayette Square CDO		0.250	15/11/19	2,503,849	1.03
5,000,000	Navigator CDO Ltd		0.250	21/10/17	2,269,768	0.93
21,000,000	Newton CDO Ltd		0.257	27/03/14	15,270,211	6.26
5,000,000	Oak Hill CP IV		0.250	17/05/21	2,522,484	1.03

## PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

	VALUE	NET ASSETS
	in €	in %
<b>Total of Investments</b>	<b>209,640,819</b>	<b>85.96</b>
Current Assets	34,354,449	14.09
<b>Total Assets</b>	<b>243,995,268</b>	<b>100.05</b>
Current Liabilities	(109,521)	(0.05)
<b>Net Asset Value as at 31 October 2010</b>	<b>243,885,747</b>	<b>100.00</b>
Number of Units in Issue – A	4,660,737	
Number of Units in Issue – B	377	
Net Asset Value per Unit – A	52.32	
Net Asset Value per Unit – B	52.89	

## ANALYSIS OF TOTAL ASSETS

	% OF TOTAL ASSETS
Securities admitted to official stock exchange listing	85.92
Other assets (cash/debtors)	14.08
	100.00

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# Investment Adviser's Report for the year ended 31 October 2010

## REVIEW OF THE YEAR

The Euro STOXX 50 Index continued the upward trend which started in March 2009 until early January 2010 and reached 3,018 points, which was its highest level since 2008. Overall, the European stock market index realized a gain of 21 % during the crisis year 2009.

While the investors drew their attention primarily on the increasingly brightening economic outlook and the high investment needs during the recent months, the focus changed in the course of January 2010. The financial reform proposed by U.S. President Obama caused considerable uncertainty among market participants, as the reform would considerably limit the business activities of many banks. Among other things, the reform restricts proprietary trading by commercial banks and the acquisition of hedge funds and private equity. Furthermore the high debt of Greece contributed to a growing uncertainty among market participants. The above factors and profit-taking caused a decrease of the Euro STOXX 50 Index to 2,777 from the opening level of 3,018 points, which represents a loss of 6 % in the first month of 2010. The largely positive results of the reporting season could not counter the decline in equity markets. After the slump to around 2,632 points in early February, the European stock market recovered in the short term. A restored confident mood among the market participants was responsible for the increase of the Euro STOXX 50 Index up to 3,008 points in early April. However, the positive mood did not last and the European stock market index dropped again to 2,817 points. This was due to the worsening crisis in Greece. At the same time more and more euro area countries appeared to have a higher indebtedness than the Maastricht Criteria allowed, which caused concerns about a sustainable economic recovery in the coming years. The positive company news during this period was ignored by investors. The Euro STOXX 50 Index moved from the end of May in a wide band between approximately 2,500 to 2,800 points with considerable volatility. Negative and positive factors seem to balance each other out. On the one hand the EMU debt crisis reduced the risk appetite of investors. Furthermore, the continuing weak U.S. economic data and a slowing economic growth in China caused

fears that the global economy could slip into recession again ("double dip"), and therefore worsen the commercial enterprise environment. On the other hand company reports on the current course of business turned out positive. Moreover a slight easing of the euro-debt crisis because of the adoption of necessary cost-cutting measures by the respective governments as well as encouraging economic data mostly from Germany helped the Euro STOXX 50 Index to increase up to 2,827 points in August for a gain of 10 % during one month. Later in August investors were again concerned about disappointing U.S. economic data and the fear that the U.S. could fall back into recession increased. In this environment, risk aversion increased. As a result, the Euro STOXX 50 Index lost its recent gains in late August and fell back to 2,620 points. In the following months confidence among market participants returned gradually. This trend was due to robust economic growth in the euro area and the willingness of the U.S. central bank to support the economy by a further expansion of monetary policy easing. Furthermore the company reporting season for the third quarter went well and supported an increasing risk appetite for international stocks. As a consequence the Euro STOXX 50 Index rose to 2,845 points.

## PERFORMANCE

During the reporting period from 30 October 2009 to 29 October 2010 the STOXX Value TMI Return Index rose 8.26 %, while the W&W European Equity Value Fund decreased by 15.56 % for an underperformance of 23.81 %.

Due to a hedging position (short futures on the Euro STOXX 50 Index), the Fund couldn't fully participate in the advancing equity markets. If the effect of the hedge is excluded, the return of the pure equity portfolio (i.e. Fund's performance net of futures and cash position) would have been 12.96 %, outperforming the benchmark only by 4.71 %.



The two best performing sectors within the Index were the Chemicals sector and the Automobiles and Parts sector, with gains of 37.28 % and 37.06 %. The two worst performing sectors were the Banks sector and the Construction and Materials sector, with a loss of 4.13 % and a gain of 4.82 % respectively.

The two best performing companies in the Fund's portfolio were Wartsila OYJ and Petroleum Geo-Services ASA. Wartsila OYJ provides solutions for power generation and marine propulsion. The company delivers customized power plant solutions including gas and oil fired power plants. Wartsila OYJ achieved a gain of 69.32 % during the last year. The second best company Petroleum Geo-Services ASA is an oilfield service company primarily involved in geophysical and floating production services. The company provides a range of seismic and reservoir services, including acquisition, processing, interpretation and field evaluation. Petroleum operates on a worldwide basis. Petroleum Geo-Services ASA achieved a gain of 65.93 % during the last year.

## MARKET OUTLOOK

Divergent economic developments in the euro area are expected to continue. It is assumed that Germany will keep its role as growth engine of the EMU, but at a lower pace because of a slowing foreign demand for German exports. The recovering consumer spending will probably not be able to compensate for this. Therefore we expect a robust but less dynamic economic growth for Germany. A different picture emerges for the rest of the European Union and especially for the heavily indebted EU member countries. The necessary austerity measures are expected to adversely affect economic growth over the coming years. Therefore we expect that the economic development of the EU will be more moderate compared to Germany.

The European Central Bank is expected to continue with its passive policy stance, due to the still moderate economic perspectives of many EU countries. Because of this modest economic outlook long-term interest rates are expected to increase only slowly.

The company reporting season has been very successful and gave renewed momentum to the stock markets during recent weeks. The confident mood is likely to continue for some time. In the longer run, however, the expectation of a slowing economic growth in the euro area may depress corporate profits next year leading to more moderate gains.

**W&W ADVISORY DUBLIN LIMITED**  
**34 MOLESWORTH STREET**  
**DUBLIN 2**

## INCOME STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2010

	31 October 2010	31 October 2009
in €		
<b>Income</b>		
Dividend Income	2,355,371	2,343,760
Fixed Deposit Interest Income	0	0
Bank Interest Income	(4,002)	5,969
Stock Lending Income	165,988	
<b>Net gain/(loss) on derivatives and investments:</b>		
Movement on unrealised (losses) on Investments	(3,143,903)	29,123,056
Movement on unrealised gains (losses) on FFCT's <sup>1</sup>	0	0
Realised gains on Investments	(7,768,939)	(41,377,792)
Realised gains (losses) gains on foreign exchange and FFCT's <sup>1</sup>	311,093	159,226
<b>TOTAL INVESTMENT INCOME/(Loss)</b>	<b>(8,084,391)</b>	<b>(9,745,781)</b>
<b>Expenses</b>		
Management Fee (Note 5)	(395,446)	(415,103)
Trustee Fee (Note 5)	(30,301)	(9,491)
Audit Fee	(9,929)	(11,457)
Legal Fee	(3,668)	(17,813)
Sub-custody Fee	(27,183)	(37,697)
Withholding Tax	(412,049)	(497,015)
Other Expenses	(2,543)	(37,109)
<b>TOTAL OPERATING EXPENSES</b>	<b>(881,119)</b>	<b>(1,025,686)</b>
Distribution to unitholders	(1,967,260)	(4,110,000)
<b>(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>(10,932,770)</b>	<b>(14,881,467)</b>

<sup>1</sup> Forward Foreign Currency Contracts

BALANCE SHEET AS AT 31 OCTOBER 2010

	31 October 2010	31 October 2009
<i>in €</i>		
<b>Assets</b>		
Investments at fair value through profit and loss	42,660,299	47,595,035
Cash	5,938,712	10,030,367
Accrued Income	51,493	39,724
Unrealised gain on FFCT's <sup>1</sup>	0	0
<b>TOTAL ASSETS</b>	<b>48,650,504</b>	<b>57,665,126</b>
<b>Liabilities</b>		
Accrued expenses	(43,092)	(90,821)
Unrealised loss on FFCT's <sup>1</sup>	0	0
<b>TOTAL LIABILITY</b>	<b>(43,092)</b>	<b>(90,821)</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>48,607,411</b>	<b>57,574,305</b>

1 Forward Foreign Currency Contracts

STATEMENT OF MOVEMENT IN UNITHOLDER FUNDS FOR THE YEAR ENDED 31 OCTOBER 2010

	31 October 2010	31 October 2009
<i>in €</i>		
<b>Net Assets at the beginning of the period</b>	<b>57,574,305</b>	<b>64,403,052</b>
Amounts received on creation of units	1,965,876	8,052,720
Amounts paid on redemption of units	0	0
(Decrease) in net assets attributable to unitholders from operations	(10,932,770)	(14,881,467)
<b>Net Assets at the end of the period</b>	<b>48,607,411</b>	<b>57,574,305</b>

## STATEMENT OF PORTFOLIO CHANGES FOR THE YEAR ENDED 31 OCTOBER 2010

SECURITY DESCRIPTION	NOMINAL	PURCHASE COST	SALE PROCEEDS
<i>in € thousands</i>			
<b>Euro Countries</b>			
Banco Bilbao Vizcaya	121,569		1,428
Banco Santander SA	114,810	1,249	
Banco Santander SA	115,490		1,300
BNP Paribas	28,480	1,542	
BNP Paribas	22,460		1,277
Bourbon SA	39,690	1,133	
Bourbon SA	39,690		1,248
Bouygues SA	32,230	1,163	
GDF Suez	69,840	1,862	
Koninklijke BAM	320,420	2,193	
Koninklijke BAM	320,420		1,728
Koninklijke DSM NV	51,890		1,697
Lagardere	38,720	1,124	
Nokia Oyj	160,250	1,338	
Repsol Ypf SA	72,210		1,332
Societe Generale	28,880	1,339	
Telecom Italia SpA	1,218,660	1,239	
Telecom Italia SpA	1,265,800		1,377
UPM Kymmene Oyj	148,910	1,247	
UPM Kymmene Oyj	148,910		1,544
Wartsila Oyj	35,000	1,158	
Wartsila Oyj	43,660		1,431
<b>Norway</b>			
Petroleum Geo-Services	121,210		1,206
StatoilHydro ASA	108,940	1,860	
StatoilHydro ASA	92,210		1,464
TGS-NOPEC Geophysical	77,400		1,145
<b>Sweden</b>			
Investor B	84,660	1,126	
Investor B	84,660		1,140
Nordea Bank AB	358,900	2,669	
Nordea Bank AB	401,720		2,741
SHB AB	61,680	1,361	
<b>Switzerland</b>			
CS Group AG	38,640	1,287	
Novartis AG	40,680	1,514	
Novartis AG	45,270		1,642
Roche Holding AG	11,550	1,203	
Sulzer AG	17,220		1,247
<b>United Kingdom</b>			
Lloyds Banking Group Plc	1,811,060		1,328
Royal Dutch Shell Plc	55,740	1,127	
Royal Dutch Shell Plc	69,810		1,459
Vodafone Group Plc	828,340		1,336

PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
<b>DENMARK – 0.19 %</b>				
<i>Brewers</i>				
3,670	Carlsberg		288,424	0.59
<i>Marine Transportation</i>				
10	A.P. Moeller-Maersk		62,362	0.13
<b>EURO COUNTRIES – 47.71 %</b>				
<i>Automobiles</i>				
*5,670	Bayerische Motorenwerke		292,062	0.60
4,070	Volkswagen AG		384,045	0.79
<i>Banks</i>				
94,340	Banco Santander DO 29/10/10		11,226	0.02
88,270	Banco Santander SA		814,820	1.68
*36,770	Bankinter		176,055	0.36
15,530	Bnp Paribas		816,102	1.68
70,120	Credit Agricole SA		825,663	1.70
*10,310	Deutsche Bank AG		427,040	0.88
11,290	Societe Generale		485,752	1.00
<i>Broadcasting</i>				
43,800	Vivendi		897,681	1.85
<i>Chemicals</i>				
3,400	BASF		177,752	0.37
*15,220	Koninklijke DSM NV		584,752	1.20
640	Solvay SA		48,698	0.10
<i>Construction</i>				
*24,870	Bouygues		787,509	1.62
*3,480	Cie de Saint-Gobain SA		116,789	0.24
*2,640	Fomento De Construcciones		51,163	0.11
*17,800	Vinci		683,164	1.41
<i>Delivery Services</i>				
3,450	Deutsche Post AG		46,230	0.10
<i>Diversified Industrials</i>				
2,390	Siemens AG		196,171	0.40
<i>Electrical Components &amp; Equipment</i>				
23,380	Royal Philips Electronics NV		508,047	1.05
*2,860	Schneider Electric SA		291,720	0.60
<i>Holding &amp; Finance</i>				
45,900	Criteria Caixacorp SA		186,216	0.38

## PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
<b>Insurance</b>				
235,820	Ageas NV		520,926	1.07
*6,600	Allianz		594,264	1.22
35,100	AXA		459,108	0.94
*7,670	Hannover Rueckvers		278,805	0.57
5,820	Muenchener Rueckvers		653,877	1.35
<b>Machinery</b>				
550	Vallourec		41,014	0.08
4,680	Wartsila OYJ		235,872	0.49
<b>Oil &amp; Gas</b>				
50,910	Eni SpA		824,233	1.70
36,780	Gas Natural SDG		386,926	0.80
*6,460	OMV AG		173,419	0.36
41,430	Repsol SA		825,493	1.70
21,310	Total SA		832,049	1.71
<b>Pharmaceuticals</b>				
*7,840	Orion Corp		119,717	0.25
17,520	Sanofi-Aventis		879,154	1.81
<b>Public Services</b>				
*29,750	E.on AG		669,375	1.38
57,220	EDP		157,298	0.32
203,040	Enel SpA		832,972	1.71
*31,620	GDF Suez		906,862	1.87
17,250	Iberdrola SA		104,535	0.22
<b>Telecommunications</b>				
*17,410	Belgacom		490,788	1.01
82,560	Deutsche Telekom		859,450	1.77
51,480	France Telecom SA		888,802	1.83
26,900	Koninklijke DSM NV		322,800	0.66
770,460	Telecom Italia SpA		849,047	1.75
46,570	Telefonica SA		903,458	1.86
<b>Telecommunications Equipment</b>				
70,930	Nokia OYJ		550,417	1.13
<b>NORWAY – 0.94 %</b>				
<b>Oil &amp; Gas</b>				
29,340	Statoil Hydro ASA		458,457	0.94
<b>SWEDEN – 3.92 %</b>				
<b>Automobiles</b>				
15,870	Scania AB		241,826	0.50

PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
<b>Banks</b>				
107,460	Nordea Bank AB		848,139	1.74
34,680	Svenska Handelsbanken		812,773	1.67
<b>SWITZERLAND – 5.57 %</b>				
<b>Banks</b>				
24,300	Credit Suisse Group AG		722,601	1.49
<b>Clothing</b>				
2,290	Cie Fin Richemont		82,219	0.17
<b>Food &amp; Beverages</b>				
2,890	Nestle SA		113,951	0.23
<b>Medical Equipment</b>				
630	Synthes Inc		54,105	0.11
<b>Pharmaceuticals</b>				
21,190	Novartis AG		884,338	1.82
8,060	Roche Holding AG		851,990	1.75
<b>UNITED KINGDOM – 28.95 %</b>				
<b>Banking &amp; Finance</b>				
24,930	Barclays Plc		78,746	0.16
110,580	HSBC Holdings Plc		823,405	1.69
51,350	Investec Plc		294,272	0.61
59,490	MAN Group Plc		178,467	0.37
696,640	Royal Bank of Scotland Group		357,475	0.74
<b>Construction</b>				
134,970	Taylor Winpey Plc		34,622	0.07
<b>Defence</b>				
64,500	BAE Systems Plc		255,745	0.53
<b>Diversified Industrials</b>				
9,370	Cookson Group		55,508	0.11
<b>Insurance</b>				
181,690	Aviva Plc		832,010	1.71
214,030	Legal & General Group		247,180	0.51
<b>Investment Services</b>				
52,490	ICAP Plc		275,446	0.57
<b>Mining</b>				
17,440	BHP Billiton Plc		444,049	0.91
18,610	Rio Tinto Plc		863,978	1.78
<b>Oil &amp; Gas</b>				
170,870	BP Plc		836,906	1.72

## PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

HOLDING	SECURITY	CLASSIFICATION	VALUE	NET ASSETS
			in €	in %
39,310	Royal Dutch Shell Plc – A		916,110	1.88
40,440	Royal Dutch Shell Plc – B		929,653	1.91
<b>Pharmaceuticals</b>				
22,460	Astrazeneca Plc		808,519	1.66
56,220	Glaxosmithkline Plc		789,609	1.62
<b>Public Services</b>				
133,490	Drax Group Plc		584,571	1.20
<b>Real Estate</b>				
91,620	British Land Co Plc		536,957	1.11
8,320	Land Securities Group Plc		64,791	0.13
<b>Recreational Services</b>				
7,850	Greene King		37,762	0.08
<b>Retail</b>				
109,070	Home Retail Group		274,761	0.57
136,970	Tesco Plc		672,521	1.38
<b>Telecommunications</b>				
18,950	BT Group Plc		33,503	0.07
940,290	Cable & Wireless Worldwide Plc		578,116	1.19
454,550	Vodafone Group Plc		888,081	1.83
<b>Tobacco</b>				
12,050	Imperial Tobacco Group Plc		277,080	0.57
<b>Travel &amp; Tourism</b>				
39,500	Firstgroup		185,334	0.38
35,540	Thomas Cook Group Plc		73,954	0.15

\* Holdings with a proceeding asterisk indicate securities which were lent out at the year end, as part of the securities lending agreement.



PORTFOLIO OF INVESTMENTS AS AT 31 OCTOBER 2010

	VALUE	NET ASSETS
	in €	in %
<b>Total of Investments</b>	<b>42,660,299</b>	<b>87.77</b>
Current Assets	5,990,205	12.32
<b>Total Assets</b>	<b>48,650,504</b>	<b>100.09</b>
Current Liabilities	(43,092)	(0.09)
<b>Net Asset Value as at 31 October 2010</b>	<b>48,607,411</b>	<b>100.00</b>
Number of Units in Issue	1,220,150	
Net Asset Value per Unit	39.84	

ANALYSIS OF TOTAL ASSETS

	% OF TOTAL ASSETS
Securities admitted to official stock exchange listing	87.69
Other assets (cash/debtors)	12.31
	100.00



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2010

### 1. Significant accounting policies

#### A) BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention as modified by the valuation of investments at fair value and in accordance with accounting standards generally accepted in Ireland and the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 and the Listing Rules of the Irish Stock Exchange. The financial statements are prepared in Euro. The accounting policies have been applied consistently by the Fund and are consistent with those used in previous year.

#### B) INCOME RECOGNITION

Dividends are recognised as income on the dates the securities are first quoted "ex-dividend" to the extent that information thereon is reasonably available to the Fund. Bank deposit interest income is accounted for on a receipts basis. Income from investments is shown gross of withholding tax, with withholding tax incurred shown separately. Franked investment income is shown net of the notional tax credit.

Interest and income from fixed interest securities are recognised as earned. In the case of fixed interest securities issued at a deep discount to the maturity value, the total income arising on such securities, taking into account the amortisation of such discount, is spread over the life of the security.

#### C) REALISED GAINS AND LOSSES ON INVESTMENTS

Realised gains and losses on sales of investments are calculated based on the average book cost of the investment in local currency. The foreign exchange gain or loss based on the translation of the original cost of the transferable securities is included in the net realised or unrealised gains and losses on investments. The foreign exchange gain or loss arising on the translation of other assets is included in other gains or losses. Gains and losses are recorded in the Income Statement.

#### D) UNREALISED GAINS AND LOSSES ON INVESTMENTS

Unrealised gains and losses on investments arising during the year are included in net gains or losses on investments in the Income Statement.

#### E) VALUATION OF SECURITIES

Investments in securities are classified as 'held for trading' in accordance with FRS 26. Investments held for trading are valued at fair value at the year end as follows;

- Equities – Investments in equities are valued at official closing prices on the last valuation date prior to the year end. Bid prices were not used.
- Bonds – Investments in bonds are valued at last quoted trade prices on the last valuation date prior to the year end. Bid prices were not used.
- Zero Coupon Bonds – Investments in zero coupon bonds are valued at the year end at the market value: this is the book cost plus the capital gain on the bond up to the year end. Bid prices were not used.
- Asset-backed securities – Investments in asset-backed securities are valued at the closing prices on the last valuation date prior to the year end as confirmed by the relevant brokers. Bid prices were not used.
- Forwards – These are re-valued to a forward rate at close of business at the year end. The resulting unrealised gain or loss between this rate and the contract rate is recorded in the Balance Sheet. The movement of unrealised gain or loss is recorded on the Statement of Total Return.

Under FRS 26 bid pricing is required however the Directors of the Manager do not consider the difference between the pricing method used and bid pricing to be of a material amount.

#### F) FOREIGN EXCHANGE

Foreign currency assets and liabilities, including investments, are translated into Euro at the exchange rate prevailing on the last valuation date prior to the year end.

Transactions in foreign currencies are translated into Euro at the rate of exchange prevailing on the date that the transaction took place.

Foreign exchange gains and losses arising between transaction and settlement dates on purchases or sales of investments are included in realised gains or losses in foreign exchange in the Income Statement.

## 2. W&W Asset-backed Securities Fund – Significant accounting policies

In addition to the accounting policies noted above, the following policies apply specifically to the W&W Asset-backed Securities Fund.

### A) FAIR VALUE

All financial assets carried at fair value are initially recognised at fair value and subsequently re-measured at fair value based on closing prices received from brokers. If broker prices are unavailable, the fair value of the financial asset is estimated using pricing models incorporating discounted cash flow techniques. These pricing models apply assumptions regarding asset specific factors and economic conditions generally, including delinquency rates, prepayment rates, default rates, maturity profiles, interest rates and other factors that may be relevant to each financial asset. Where such pricing models are used, inputs are based on market related measures at the balance sheet date.

### B) VALUATION OF INVESTMENTS

In accordance with the Company's accounting policies, fair value of financial assets is primarily based on closing prices received from brokers. Given the illiquidity and widening of spreads due to past and current market conditions, these indicative non-binding marks from brokers may not necessarily represent the realisation value of such assets as of the balance sheet date.

In accordance with the prospectus, the net asset value per unit at the financial year end is based on brokers' marks received throughout the preceding month. A review of the carrying values of the asset backed securities was completed to ascertain any price movements that were notified after the balance sheet date but are considered to relate to a period prior to the balance sheet date. The review highlighted such price movements however they are im-

material and hence the investments were not adjusted at the year end.

As described below under "Liquidity Risk", the market for subordinated asset-backed securities and the Company's ability to deal in investments may be limited.

As an additional indication of fair value, the Company performs discounted cash flow models for each of the assets. The cash flow data for these models is obtained from loan originators. Where actual performance data regarding defaults, delinquencies, recovery rates and prepayments received in respect of a given asset is markedly different from the default, delinquency and prepayment assumptions incorporated in the pricing model for the asset, the assumptions are revised to reflect this data and the pricing model is updated accordingly. The key assumptions within the model are voluntary and involuntary prepayment speeds, severity on liquidations, changes in pipeline of delinquencies, call option and changes in interest rates. In addition to the actual performance data observed in respect of a particular asset, market factors such as house price indices and refinancing opportunities are also taken into account within the model.

## 3. Fair Value Disclosure

FRS 29 Financial Instruments Disclosures has been amended to improve disclosures about financial instruments. The amendments expand the disclosures required in respect of fair value measurements recognised in the statement of financial position.

For the purpose of these expanded disclosures, a three-level hierarchy has been introduced

### LEVEL 1 FAIR VALUE DETERMINATION

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

### LEVEL 2 FAIR VALUE DETERMINATION

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

### LEVEL 3 FAIR VALUE DETERMINATION

Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## FAIR VALUE MEASUREMENT AT YEAR END

DESCRIPTION	THE W&W EURO CORPORATE BOND FUND LEVEL 1	THE W&W US EQUITY FUND LEVEL 1	THE W&W SOUTH EAST ASIAN EQUITY FUND LEVEL 1	THE W&W ASSET-BACKED SECURITIES FUND LEVEL 1	THE W&W ASSET-BACKED SECURITIES FUND LEVEL 2	THE W&W EUROPEAN EQUITY VALUE FUND LEVEL 1
Financial assets liabilities at fair value through profit or loss						
Trading Securities	182,865,736	77,244,482	73,199,931	—	209,640,819	42,660,299
Hedging Derivatives	44,800	340,744	—	350,716	—	(2,287,990)
<b>TOTAL</b>	<b>183,161,877</b>	<b>83,415,991</b>	<b>73,199,931</b>	<b>350,716</b>	<b>209,640,819</b>	<b>40,372,309</b>

## 4. Risk management disclosures

## W&amp;W EURO CORPORATE BOND FUND

## (a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-fund. The Sub-fund's exposure to credit risk is monitored by the Investment Adviser on an ongoing basis. The sub-fund is currently invested in bonds with a minimum BBB- rating.

At 31 October 2010, all of the Sub-fund's financial assets were exposed to credit risk. These include investments and cash and cash equivalents placed with banks and the Custodian.

Credit risk arising on balances with brokers relates to transaction awaiting settlement. Risk relating to unsettled transactions is considered low due to the short settlement period involved and the high credit quality of the brokers used. The Investment Adviser monitors the credit rating and financial positions of the brokers used to mitigate this risk.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date.

At both 31 October 2010 and 31 October 2009, there were no significant concentrations of credit risk to counterparties.

## (b) Liquidity risk

The Sub-fund's listed securities are considered to have insignificant exposure to liquidity risk as they are all readily realisable on the stock exchanges on which they are listed. All liabilities including obligations to unitholders are payable within three months of the year end.

## (c) Market risk

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk.

The Sub-fund's strategy on the management of market risk is driven by the Sub-fund's investment objective.

## (i) INTEREST RATE RISK

The Sub-fund mainly invests in fixed rate corporate bonds and it is exposed to interest rate risk on these securities and to the extent that it earns bank interest on cash and deposits.

## (ii) CURRENCY RISK

The Sub-fund may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Sub-fund is exposed to risks that the exchange rate of its functional currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Sub-fund's assets or liabilities denominated in currencies other than Euro.

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of that asset or liability.

There was no foreign currency exposure on the sub-fund at the end of 2010 or 2009.

#### **OTHER PRICE RISK**

Other price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

If the price of each of the securities to which the Sub-fund had exposure at 31 October 2010 had increased by 10 % with all other variables held constant, this would have increased net assets by approximately € 18,287 K (2009: € 15,972 K). Conversely, if the price of each of the equal securities to which the Sub-fund had exposure had decreased by 10 %, this would have the equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

### **W&W US EQUITY FUND**

#### **(a) Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-fund. The Sub-fund's exposure to credit risk is monitored by the Investment Adviser on an ongoing basis.

At 31 October 2010, all of the Sub-fund's financial assets were exposed to credit risk. These include investments and cash and cash equivalents placed with banks and the Custodian.

Credit risk arising on balances with brokers relates to transaction awaiting settlement. Risk relating to unsettled transactions is considered low due to the short settlement period involved and the high credit quality of the brokers used. The Investment Adviser monitors the credit rating and financial positions of the brokers used to mitigate this risk.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date.

At both 31 October 2010 and 31 October 2009, there were no significant concentrations of credit risk to counterparties.

#### **(b) Liquidity risk**

The Sub-fund's listed securities are considered to have insignificant exposure to liquidity risk as they are all readily realisable on the stock exchanges on which they are listed. All liabilities including obligations to unitholders are payable within three months of the year end.

#### **(c) Market risk**

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk.

The Sub-fund's strategy on the management of market risk is driven by the Sub-fund's investment objective.

#### **(i) INTEREST RATE RISK**

The Sub-fund mainly invests in equity securities and it is exposed to interest rate risk only to the extent that it earns bank interest on cash and deposits.

#### **(ii) CURRENCY RISK**

The Sub-fund may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Sub-fund is exposed to risks that the exchange rate of its functional currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Sub-fund's assets or liabilities denominated in currencies other than Euro.

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of that asset or liability.

The following table sets out the Sub-fund's total exposure to foreign currency risk:

EQUIVALENT		
	2010	2009
in € thousands		
United States Dollars	83,644	57,501
	83,644	57,501

At 31 October 2010, had Euro weakened by 5 % in relation to US Dollars with all other variables held constant, net assets attributable to shareholders and net income per the statement of changes in net assets attributable to shareholders would have increased by € 5,813 K (2009: € 2,875 K). The analysis is performed on the same basis for 2009.

A 5 % appreciation of Euro against the US Dollar would have resulted in an equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

#### OTHER PRICE RISK

Other price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

If the price of each of the equity securities to which the Sub-fund had exposure at 31 October 2010 had increased by 10 % with all other variables held constant, this would have increased net assets by approximately € 7,724 K (2009: € 5,703 K). Conversely, if the price of each of the equal securities to which the Sub-fund had exposure had decreased by 10 %, this would have the equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

### W&W SOUTH EAST ASIAN EQUITY FUND

#### (a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-fund. The

Sub-fund's exposure to credit risk is monitored by the Investment Adviser on an ongoing basis.

At 31 October 2010, all of the Sub-fund's financial assets were exposed to credit risk. These include investments and cash and cash equivalents placed with banks and the Custodian.

Credit risk arising on balances with brokers relates to transaction awaiting settlement. Risk relating to unsettled transactions is considered low due to the short settlement period involved and the high credit quality of the brokers used. The Investment Adviser monitors the credit rating and financial positions of the brokers used to mitigate this risk.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date.

At both 31 October 2010 and 31 October 2009, there were no significant concentrations of credit risk to counterparties.

#### (b) Liquidity risk

The Sub-fund's listed securities are considered to have insignificant exposure to liquidity risk as they are all readily realisable on the stock exchanges on which they are listed. All liabilities including obligations to unitholders are payable within three months of the year end.

#### (c) Market risk

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk.

The Sub-fund's strategy on the management of market risk is driven by the Sub-fund's investment objective.

#### (i) INTEREST RATE RISK

The Sub-fund mainly invests in equity securities and it is exposed to interest rate risk only to the extent that it earns bank interest on cash and deposits.

#### (ii) CURRENCY RISK

The Sub-fund may invest in financial instruments and enter into transactions denominated in currencies other



than its functional currency. Consequently, the Sub-fund is exposed to risks that the exchange rate of its functional currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Sub-fund's assets or liabilities denominated in currencies other than Euro.

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of that asset or liability.

The following table sets out the Sub-fund's total exposure to foreign currency risk:

#### EQUIVALENT

	2010	2009
<i>in € thousands</i>		
Hong Kong Dollar	33,404	24,154
Indian Rupee	5,341	503
Indonesian Rupiah	2,288	1,231
Malaysian Ringgit	550	2,608
Philippine Peso	1,032	1,604
Singapore Dollar	5,398	4,533
Korean Won	15,410	12,609
Taiwan Dollar	7,946	6,998
Thai Baht	1,390	1,936
United States Dollar	1,187	1,908
	73,946	58,084

At 31 October 2010, had Euro weakened by 5 % in relation to all currencies with all other variables held constant, net assets attributable to shareholders and net income per the statement of changes in net assets attributable to shareholders would have increased by € 3,892 K (2009: € 3,052 K). The analysis is performed on the same basis for 2009.

A 5 % appreciation of Euro against the above currencies would have resulted in an equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

#### OTHER PRICE RISK

Other price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices,

whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

Price risk that the Sub-fund is exposed to is mitigated to a certain extent by the Investment Adviser by constructing a diversified portfolio of instruments traded on various markets. The Sub-fund invested in 10 countries as at 31 October 2010 (2009: 10 countries) with 34.07 %, 12.17 % and 20.61 % (2009: 30.17 %, 12.03 % and 20.66 %) on China, Hong Kong and South Korea markets respectively.

If the price of each of the equity securities to which the Sub-fund had exposure at 31 October 2010 had increased by 10 % with all other variables held constant, this would have increased net assets by approximately € 7,320 K (2009: € 5,724 K). Conversely, if the price of each of the equity securities to which the Sub-fund had exposure had decreased by 10 %, this would have the equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

#### W&W ASSET-BACKED SECURITIES FUND

##### (a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-fund. The Sub-fund's exposure to credit risk is monitored by the Investment Adviser on an ongoing basis.

At 31 October 2010, all of the Sub-fund's financial assets were exposed to credit risk. These include investments and cash and cash equivalents placed with banks and the Custodian. The sub-fund is currently invested in bonds with a minimum B rating. The sub-fund is not permitted to buy CLOs with a rating below investment grade. However, where a holding is downgraded to junk status these holdings have to be sold after a holding period of six months.

Credit risk arising on balances with brokers relates to transaction awaiting settlement. Risk relating to unsettled transactions is considered low due to the short settlement period involved and the high credit quality of the brokers used. The Investment Adviser monitors the credit

rating and financial positions of the brokers used to mitigate this risk.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date.

At both 31 October 2010 and 31 October 2009, there were no significant concentrations of credit risk to counterparties.

### (b) Liquidity risk

The market for subordinated asset-backed securities, including real estate loans and residual income positions, is illiquid. Accordingly, the Company's investments are illiquid. In addition, investments that the Company purchases in privately negotiated (also called "over the counter" or "OTC") transactions may not be registered under relevant securities laws or otherwise may not be freely tradable, resulting in restrictions on their transfer, sale, pledge or other disposition except in a transaction that is exempt from the registration requirements of, or is otherwise in accordance with, those laws.

As a result of this illiquidity, the Company's ability to vary its portfolio in a timely fashion and to receive a fair price in response to changes in economic and other conditions may be limited.

Furthermore, where the Company acquires investments for which there is not a readily available market, the Company's ability to deal in any such investment or obtain reliable information about the value of such investment or risks to which such investment is exposed may be limited.

Liquidity on the sub-fund is maintained through holding of cash and short dated government securities which made up 13.67 % of the net asset value at the year end.

All liabilities including obligations to unitholders are payable within three months of the year end.

### (c) Market risk

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk.

The Sub-fund's strategy on the management of market risk is driven by the Sub-fund's investment objective.

#### (i) INTEREST RATE RISK

The Sub-fund mainly invests in asset backed CDOs and it is exposed to interest rate risk on these securities and to the extent that it earns bank interest on cash and deposits.

At 31 October 2010, had the interest rate weakened by 50bps with all other variables held constant, net assets attributable to shareholders and net income per the statement of changes in net assets attributable to shareholders would have decreased by € 2,008 K (2009: € 1,271 K). The analysis is performed on the same basis for 2009.

A 50bps appreciation would have resulted in an equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

A 50bps appreciation would have resulted in an equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

#### (ii) CURRENCY RISK

The Sub-fund's may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Sub-fund's are exposed to risks that the exchange rate of its functional currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Sub-fund's assets or liabilities denominated in currencies other than Euro.

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of that asset or liability.

The following table sets out the Sub-fund's total exposure to foreign currency risk:

EQUIVALENT		
	2010	2009
<i>in € thousands</i>		
United States Dollars	50,458	39,054
	50,458	39,054

At 31 October 2010, had Euro weakened by 5 % in relation to US Dollars with all other variables held constant, net assets attributable to shareholders and net income per the statement of changes in net assets attributable to shareholders would have increased by € 2,656 K (2009: € 2,055 K). The analysis is performed on the same basis for 2009.

A 5 % appreciation of Euro against the US Dollar would have resulted in an equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

#### OTHER PRICE RISK

Other price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

If the price of each of the securities to which the Sub-fund had exposure at 31 October 2010 had increased by 10 % with all other variables held constant, this would have increased net assets by approximately € 20,964 K (2009: € 21,043 K). Conversely, if the price of each of the securities to which the Sub-fund had exposure had decreased by 10 %, this would have the equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

### W&W EUROPEAN EQUITY VALUE FUND

#### (a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-fund. The Sub-fund's exposure to credit risk is monitored by the Investment Adviser on an ongoing basis.

At 31 October 2010, all of the Sub-fund's financial assets were exposed to credit risk. These include investments and cash and cash equivalents placed with banks and the Custodian.

Credit risk arising on balances with brokers relates to transaction awaiting settlement. Risk relating to unsettled transactions is considered low due to the short set-

tlement period involved and the high credit quality of the brokers used. The Investment Adviser monitors the credit rating and financial positions of the brokers used to mitigate this risk.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date.

As at 31 October 2010 there were no significant concentrations of credit risk to counterparties.

#### (b) Liquidity risk

The Sub-fund's listed securities are considered to have insignificant exposure to liquidity risk as they are all readily realisable on the stock exchanges on which they are listed. All liabilities including obligations to unitholders are payable within three months of the year end.

#### (c) Market risk

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk.

The Sub-fund's strategy on the management of market risk is driven by the Sub-fund's investment objective.

#### (i) INTEREST RATE RISK

The Sub-fund's mainly invests in equity securities and fixed rate corporate bonds and it is exposed to interest rate risk only to the extent that it earns bank interest on cash and deposits.

#### (ii) CURRENCY RISK

The Sub-fund may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Sub-fund is exposed to risks that the exchange rate of its functional currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Sub-fund's assets or liabilities denominated in currencies other than Euro.

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of that asset or liability.

The following table sets out the Sub-fund's total exposure to foreign currency risk:

#### EQUIVALENT

	2010	2009
in €		
Danish Kroner	378	115
Norwegian Kroner	491	1,173
Swedish Kroner	1,904	2,142
Swiss Franc	2,711	3,594
United Kingdom Sterling	14,148	11,351
United States Dollars	11	10
	19,643	18,385

At 31 October 2010, had Euro weakened by 5 % in relation to all currencies with all other variables held constant, net assets attributable to shareholders and net income per the statement of changes in net assets attributable to shareholders would have increased by € 1,034 K (2009: € 936 K).

A 5 % appreciation of Euro against the above currencies would have resulted in an equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

#### OTHER PRICE RISK

Other price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

If the price of each of the equity securities to which the Sub-fund had exposure at 31 October 2010 had increased by 10 % with all other variables held constant, this would have increased net assets by approximately € 4,266 K (2009: € 4,760 K). Conversely, if the price of each of the equal securities to which the Sub-fund had exposure had decreased by 10 %, this would have the equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

#### FINANCIAL DERIVATIVE INSTRUMENTS

The W&W Asset-backed Securities Fund, uses forward currency transactions (FCT'S) to reduce currency risk (see Note 13). These may also be used by the W&W Euro Cor-

porate Bond Fund, the W&W US Equity Fund and the W&W European Equity Value Fund.

The W&W Asset-backed Securities Fund may use financial derivative instruments (futures and options) for hedging purposes provided that the Sub-funds leverage may not exceed 100 % of Net Asset Value. This means that the Sub-funds total exposure from investment and derivative instruments will never exceed 200 % of Net Asset Value.

The other four Sub-funds may use financial derivative instruments (futures and options) for hedging or investment purposes provided that the Sub-funds leverage may not exceed 100 % of Net Asset Value. This means that the Sub-funds total exposure from investment and derivative instruments will never exceed 200 % of Net Asset Value.

#### PROCEDURE FOR MONITORING OPEN POSITIONS

The open positions are monitored daily using a Daily Risk Control Report. This is updated daily to take note of changes in the following areas, net asset value, exchange rates, positions held, cash balances, market values and forward exchange Rates. These items are updated and the specific control requirements relevant to each risk area are reviewed to ensure compliance. Any breaches, are investigated further.

## 5. Basis of presentation of financial statements

The information required by Financial Reporting Standard No. 3 "Reporting Financial Performance" to be included in a Statement of Total Recognised Gains and Losses and a Reconciliation of Movements in Shareholder's Funds, is in the opinion of the Manager, contained in the Income Statement and the Statement of Movements in Unitholders' Funds on page 15 (The W&W Euro Corporate Bond Fund), page 29 (The W&W US Equity Fund), page 51 (The W&W South East Asian Equity Fund), page 63 (The W&W Asset-backed Securities Fund), page 73 (The W&W European Equity Value Fund). In arriving at the results for the year, all amounts in the Income Statement on page 14 (The W&W Euro Corporate Bond Fund), page 28 (The W&W US Equity Fund), page 50 (The W&W South East Asian Equity Fund), page 62 (The W&W Asset-backed Securities Fund)), page 72 (The W&W European Equity Value Fund) relate to continuing activities.

## 6. Significant agreements

### MANAGER

W&W Asset Management Dublin Limited has been appointed Manager of the Fund pursuant to the Trust Deed. For this service, the Manager receives a fee of up to 2 % per annum of the Net Asset Value of the Fund accrued daily and payable monthly in arrears. The Manager pays the fees of the Investment Advisers and Administrator out of this fee.

### TRUSTEE

RBC Dexia Investor Services Bank S.A., Dublin Branch has been appointed Trustee pursuant to the Trust Deed. For this service, the Fund pays the Trustee a fee equivalent to 0.02 % of the Net Asset Value of each sub-fund up to € 500 million and 0.01 % of the Net Asset Value of each sub-fund in excess of Euro 500 million, accrued and calculated on each dealing day and payable monthly in arrears.

### SECURITIES LENDING

A securities lending agreement between W&W Asset Management Dublin Limited on behalf of the W&W Global Strategies Fund and RBC Dexia Investor Services Bank S.A., Dublin Branch was approved during the year.

## 7. Significant Unitholders

Citic Nominees (Citibank London) Limited is the sole unitholder in the Fund. They are the depository in Euro-clear. They hold the units on behalf of the underlying investors.

## 8. Cash balances

The cash balances at the 31 October 2010 were held with Société Générale S.A. (Dublin Branch) and Deutsche Bank, Frankfurt.

Cash flow statement-FRS 1 exempts open ended funds from preparing cash flow statements provided it meets certain conditions; one of the conditions is that substantially all of the entity's investments are highly liquid. Investments in the W&W Asset-backed Securities Fund are illiquid and therefore it does not meet this requirement,

therefore a cash flow statement is prepared for this sub-fund. All other sub-funds avail of the exemption under FRS1.

## 9. Related party transactions

W&W Asset Management Dublin Limited has been appointed the Manager. For their services they received a fee of € 4,683,602 (2009: € 3,778,379) for the year. At the year end there were Management fees outstanding of € 366,308 (2009: € 643,085).

## 10. Exchange rates

The following Euro exchange rates as at 31 October 2010 have been used in this report:

	2010	2009
Danish Kroner	7.45645	7.44233
Hong Kong Dollar	10.77495	11.43512
Indian Rupee	61.74630	69.29598
Indonesian Rupiah	12,422.23175	14,090.82227
Korean Won	1,563.98500	1,744.03073
Malaysian Ringgit	4.32470	5.03498
Norwegian Kroner	8.18525	8.40698
Philippine Peso	59.79350	70.25283
Singapore Dollar	1.79885	2.06349
Swedish Kroner	9.31885	10.40625
Swiss Franc	1.36700	1.51123
Taiwan Dollar	42.56085	47.98680
Thai Baht	41.66920	49.31647
United Kingdom Sterling	0.86935	0.89511
United States Dollar	1.38990	1.47545

## 11. Net Asset Value and Net Asset Value per Unit

The following is a table detailing the Net Asset Value and Net Asset Value per Unit for each of the sub-funds since 2008:

Year	UNIT CLASS	THE W&W EURO CORPORATE BOND FUND		THE W&W US EQUITY FUND		THE W&W SOUTH EAST ASIAN EQUITY FUND	
		NAV	NAV PER UNIT	NAV	NAV PER UNIT	NAV	NAV PER UNIT
in €							
2010	A	178,345,542	7.71	83,632,863	5.60	74,773,731	78.83
2010	B	11,207,406	8.90	n/a	n/a	n/a	n/a
2009	A	160,447,125	7.52	57,852,632	5.08	61,023,821	65.50
2009	B	17,141,962	8.68	n/a	n/a	n/a	n/a
2008	A	52,966,276	6.57	90,763,591	5.63	82,696,024	57.84
2008	B	487,099	7.58	n/a	n/a	n/a	n/a

Year	UNIT CLASS	THE W&W ASSET-BACKED SECURITIES FUND <sup>1</sup>		THE W&W EUROPEAN EQUITY FUND	
		NAV	NAV PER UNIT	NAV	NAV PER UNIT
in €					
2010	A	243,865,808	52.32	48,607,411	39.84
2010	B	19,939	52.89	n/a	n/a
2009	A	221,951,070	45.38	57,574,305	48.87
2009	B	34,701	45.84	n/a	n/a
2008	A	262,185,434	56.25	64,403,052	64.40
2008	B	12,153	56.79	n/a	n/a

1 The Net Asset Value and Net Asset Value per Unit for the year ended 31 October 2009, is the re-stated value due to the re-evaluation of the securities prices held at the year end. There was no re-evaluation required for the year ended 31 October 2010 as the estimated post year end movement was immaterial.

The published Net Asset Value and Net Asset Value per Unit as at 31 October 2009 is as follows:

Year	UNIT CLASS	THE W&W ASSET-BACKED SECURITIES FUND <sup>1</sup>	
		NAV	NAV PER UNIT
in €			
2009	A	182,949,778	37.40
2009	B	28,606	37.79
2008	A	305,283,620	65.50
2008	B	14,151	66.13

1 The Net Asset Value and Net Asset Value per Unit for the year ended 31 October 2009, is the re-stated value due to the re-evaluation of the securities prices held at the year end. There was no re-evaluation required for the year ended 31 October 2010 as the estimated post year end movement was immaterial.

## 12. Fund Distributions

The following is a table detailing the distributions per unit for each of the sub-funds since 2006:

### DISTRIBUTION PER UNIT

Year	UNIT CLASS	THE W&W EURO CORPORATE BOND FUND	THE W&W US EQUITY FUND	THE W&W SOUTH EAST ASIAN EQUITY FUND	THE W&W ASSET-BACKED SECURITIES FUND	THE W&W EUROPEAN EQUITY VALUE FUND
2010	A	0.38	0.01	0.51	1.66	1.71
2010	B	0.39	n/a	n/a	1.61	n/a
2009	A	0.32	—	1.03	4.31	1.67
2009	B	0.36	n/a	n/a	4.26	n/a
2008	A	0.33	—	0.53	7.11	4.11
2008	B	0.36	n/a	n/a	7.08	n/a
2007	A	0.60	0.01	44.85	5.82	n/a
2007	B	0.34	n/a	n/a	4.65	n/a
2006	A	0.31	—	5.00	4.60	n/a
2006	B	0.32	n/a	n/a	—	n/a

The income distribution for the year ended 31 October 2010, occurred on the 18 December 2010.

### 13. Financial Instruments

The financial instruments of each sub-fund are set out in the Portfolio of Investments on page 17 to 23 (The W&W Euro Corporate Bond Fund), page 31 to 46 (The W&W US Equity Fund), page 54 to 58 (The W&W South East Asian Equity Fund), page 66 to 68 (The W&W Asset-backed Securities Fund), page 75 to 79 (The W&W European Equity Value Fund. The W&W US Equity Fund, the W&W South East Asian Equity Fund and the W&W European Equity Value Fund hold equity shares, The W&W Euro Corporate

Bond Fund holds bonds and corporate debt and The W&W Asset-backed Securities Fund holds asset-backed securities. The sub-funds have no financial liabilities other than short-term creditors and short-term bank overdrafts arising from timing differences in the transactions of the sub-funds. Part of the investments of the sub-fund's are denominated in currencies other than Euro. The different currencies in the sub-funds are as follows:

#### THE W&W EURO CORPORATE BOND FUND

CURRENCY	FIXED RATE INVESTMENTS	OTHER NET ASSETS	DERIVATIVES	TOTAL
in €				
Euro	182,865,736	6,391,071	296,141	189,552,948
<b>TOTAL</b>	<b>182,865,736</b>	<b>6,391,071</b>	<b>296,141</b>	<b>189,552,948</b>

The average maturity of the fixed rate interest bearing investments is as follows:

€ 6.29 years (2009: € 6.24 years)

The average coupon of the fixed rate interest bearing investments is as follows:

€ 5.24% (2009: € 5.53%)

#### THE W&W US EQUITY FUND

CURRENCY	EQUITY INVESTMENTS	OTHER NETASSETS (LIABILITIES)	DERIVATIVES	TOTAL
in €				
Euro	0	(11,018)	0	(11,018)
USD	77,244,482	227,890	6,171,509	83,643,881
<b>TOTAL</b>	<b>77,244,482</b>	<b>216,872</b>	<b>6,171,509</b>	<b>83,632,863</b>



## THE W&amp;W SOUTH EAST ASIAN EQUITY FUND

CURRENCY	EQUITY INVESTMENTS	FIXED RATE INVESTMENTS	OTHER NET ASSETS (LIABILITIES)	TOTAL
<i>in €</i>				
Euro	0	0	827,140	827,140
HKD	33,386,678	0	17,460	33,404,138
IDR	2,288,496	0	0	2,288,496
INR	5,340,994	0	0	5,340,994
KRW	15,410,412	0	0	15,410,412
MYR	549,962	0	0	549,962
PHP	1,031,903	0	0	1,031,903
SGD	5,397,709	0	0	5,397,709
THB	1,389,816	0	0	1,389,816
TWD	7,216,679	0	729,200	7,945,879
USD	1,187,283	0	0	1,187,283
<b>TOTAL</b>	<b>73,199,931</b>	<b>0</b>	<b>1,573,800</b>	<b>74,773,732</b>

## THE W&amp;W ASSET-BACKED SECURITIES FUND

CURRENCY	ASSET-BACKED SECURITIES	FIXED RATE SECURITIES	OTHER NET ASSETS (LIABILITIES)	DERIVATIVES	TOTAL
<i>in €</i>					
Euro	159,758,785	0	33,318,079	350,716	193,427,580
USD	49,882,034	0	576,133	0	50,458,167
<b>TOTAL</b>	<b>209,640,819</b>	<b>0</b>	<b>33,894,212</b>	<b>350,716</b>	<b>243,885,747</b>

The average maturity of the fixed rate interest bearing investments is as follows:

€ 12.11 years (2009: € 12.09 years)

USD 6.84 years 2009: USD 9.11 years)

The average coupon of the fixed rate interest bearing investments is as follows:

€ 0.60 % (2009: € 1.17 %)

USD 0.25 % (2009: USD 0.55 %)

## THE W&amp;W EUROPEAN EQUITY VALUE FUND

CURRENCY	EQUITY INVESTMENTS	OTHER NET ASSETS/ (LIABILITIES)	DERIVATIVES	TOTAL
<i>in €</i>				
CHF	2,709,203	1,889	0	2,711,093
DKK	350,786	27,179	0	377,966
Euro	23,169,315	1,274,520	4,521,275	28,965,110
GBP	14,069,799	77,799	0	14,147,598
NOK	458,457	32,747	0	491,204
SEK	1,902,739	939	0	1,903,678
USD	0	10,763	0	10,763
<b>TOTAL</b>	<b>42,660,299</b>	<b>1,425,838</b>	<b>4,521,275</b>	<b>48,607,411</b>

## 14. Efficient Portfolio Management

The W&W Asset-backed Securities Fund entered into the following forward exchange contracts for settlement after the year end.

## THE W&amp;W ASSET-BACKED SECURITIES FUND

MATURITY DATE	PURCHASED	SOLD	UNREALISED PROFIT/ (LOSS)
	<i>in €</i>	<i>in USD</i>	<i>in €</i>
30/11/10	47,498,187	65,500,000	350,716
<b>TOTAL</b>			<b>350,716</b>

The counter-party on the forward foreign currency contracts on the sub-funds is State Street Bank and Trust Company (London).

The W&W Euro Corporate Bond Fund may hold long or short positions in Schatz Futures, Bobl Futures or Bund Futures in order to adjust the short-, medium- and long

dated maturities of the portfolio towards duration levels of the iBOXX Corporates Non-Financials All Index, which has an overall duration level of about 4.75. This is much more convenient than purchasing or selling small quantities of securities to achieve the same result. The W&W Euro Corporate Bond Fund held Bund and Bobl Futures during the year and Bobl Futures at the year end.

## THE W&amp;W EURO CORPORATE BOND FUND

FUTURE	POSITION	MARKET VALUE	UNREALISED GAIN (LOSS)
<i>in €</i>			
Euro Bobl Dec	35 Short	4,187,400	44,800
<b>TOTAL</b>		<b>4,187,400</b>	<b>44,800</b>

The W&W US Equity Fund may hold long or short positions in financial derivative instruments (futures and options) for hedging or investment purposes. The Sub-fund held S&P 500 futures during the year and at the year end for hedging purposes.

#### THE W&W US EQUITY VALUE FUND

FUTURE	POSITION	MARKET VALUE	UNREALISED GAIN (LOSS)
in €			
S&P 500 Dec	32 Long	6,790,129	340,744
<b>TOTAL</b>		<b>6,790,129</b>	<b>340,744</b>

The W&W European Equity Value Fund may hold long or short positions in financial derivative instruments (futures and options) for hedging or investment purposes. The Sub-fund held DJ EURO STOXX 50, FTSE Index and SMI Index Futures during the year and DJ EURO STOXX 50 futures at the year end for hedging purposes.

#### THE W&W EUROPEAN EQUITY VALUE FUND

FUTURE	POSITION	MARKET VALUE	UNREALISED GAIN (LOSS)
in €			
DJ STOXX 50	1428 Short	40,540,920	(2,287,990)
<b>TOTAL</b>		<b>40,540,920</b>	<b>(2,287,990)</b>

The W&W Asset-backed Securities Fund may hold long or short positions in financial derivative instruments (futures and options) for hedging purposes. No such positions were held at the year end.

The W&W South East Asian Equity Fund may hold long or short positions in financial derivative instruments (futures and options) for hedging or investment purposes. No such positions were held at the year end.

## 15. Taxation

Pursuant to the Irish Finance Act, 2000 the sub-funds will not be liable to tax in respect of income and gains other than on the occurrence of a chargeable event. A chargeable event will not occur in respect of unitholders who are neither resident nor ordinarily resident in Ireland and who have provided the Manager with a relevant declaration to that effect. In the absence of an appropriate declaration, the Fund will be liable to Irish tax on the occurrence of a

chargeable event. A chargeable event includes any distribution payments to unitholders or any encashment, redemption or transfer of shares. The income and/or gains of the sub-funds from its securities and assets may suffer withholding tax in the countries where such income and/or gains arise. Such taxes may not be recoverable by the sub-funds or its unitholders.

## 16. Soft commission arrangements

There were no soft commission arrangements during the year under review, which affect the Fund.

## 17. Significant Developments during the year

### CHANCE OF ADMINISTRATION

At midnight on the 30th November 2009 the Administrator of the Fund changed from RBC Dexia Investor Services Ireland Ltd to Euro – VL (Ireland) Limited.

### CHANCE OF TRUSTEE

At midnight on the 30th November 2009 the Trustee of the Fund changed from RBC Dexia Investor Services Bank S.A., Dublin Branch to Société Générale S.A (Dublin Branch).

### SECURITY LENDING

A securities lending agreement between W&W Asset Management Dublin Limited and Société Générale S.A., Dublin Branch has been put in place.

### INSPECTION OF SUBSCRIPTIONS

With the agreement of the Trustee, the Manager will inspect all subscriptions for units in the W&W Asset-backed Securities Fund and the W&W Euro Equity Value Fund until further notice.

## 18. Comparative figures and Financial Year End

The comparative figures used in the preparation of the report relate to the year ended 31 October 2009.

## 19. Events after the balance sheet date

No events of note occurred after the balance sheet date.

## 20. Approval of the Report

The report was approved and authorised for issue by the Directors of the Manager on the 24th February 2011.

## DIRECTORY

### Manager

W&W Asset Management Dublin Limited  
34 Molesworth Street  
Dublin 2  
Ireland

### Investment Advisers

#### THE W&W EURO CORPORATE BOND FUND:

W&W Advisory Dublin Limited  
34 Molesworth Street  
Dublin 2  
Ireland

#### THE W&W US EQUITY FUND:

W&W Advisory Dublin Limited  
34 Molesworth Street  
Dublin 2  
Ireland

#### THE W&W SOUTH EAST ASIAN EQUITY FUND:

Lloyd George Management (Europe) Limited  
25 Grosvenor Street  
London W1X 4QN  
England

#### THE W&W ASSET-BACKED SECURITIES FUND:

W&W Advisory Dublin Limited  
34 Molesworth Street  
Dublin 2  
Ireland

#### THE W&W EUROPEAN EQUITY VALUE FUND:

W&W Advisory Dublin Limited  
34 Molesworth Street  
Dublin 2  
Ireland

### Sub-Investment Adviser

**THE W&W EURO CORPORATE BOND FUND,  
THE W&W US EQUITY FUND, THE W&W ASSET-  
BACKED SECURITIES FUND UND THE W&W EURO-  
PEAN EQUITY VALUE FUND:**

W&W Asset Management GmbH  
Im Tambour 1  
71638 Ludwigsburg  
Deutschland

### Administrator

Euro-VL (Ireland) Limited  
3rd Floor  
IFSC House  
IFSC  
Dublin 1

### Trustee

Société Générale S.A. (Dublin Branch)  
3rd Floor  
IFSC House  
IFSC  
Dublin 1

### Auditors

Deloitte & Touche  
Chartered Accountants and Registered Auditors  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2  
Ireland

### Legal Advisers

A&L Goodbody  
International Financial Services Centre  
North Wall Quay  
Dublin 1  
Ireland

### Paying and Information Agent in Germany

Wüstenrot Bank AG Pfandbriefbank  
Hohenzollernstraße 46  
71638 Ludwigsburg  
Germany

### Sponsoring Broker

A&L Listing Limited  
International Financial Services Centre  
North Wall Quay  
Dublin 1  
Ireland

W&W Asset Management  
Dublin Limited

34 Molesworth Street  
Dublin, 2  
Ireland