

Annual report 2003

Investment Fund under Luxembourg Law

Audited annual report as of the period from July 31, 2003 (date of incorporation) to December 31, 2003

Living Planet Fund
Living Planet Fund - Equity

Audited annual report as of December 31, 2003

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Sales restrictions

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

Management and Administration

Annual report as of December 31, 2003

Management Company

Living Planet Fund Management Company S.A.
291, route d'Arlon, L-1150 Luxembourg
R.C. Luxembourg N° B 93 908

Board of Directors

André Hoffmann, Chairman of the Board
Honorary Treasurer, WWF International
Director, Roche Holding AG, Basel

Heinz Hämmerli, Vice-Chairman
Managing Director
UBS AG, Basel and Zurich

Manuel Hauser, Delegate Member of the Board
Managing Director
UBS Fund Services (Luxembourg) S.A., Luxembourg

Mario Cueni, Member
Managing Director
UBS AG, Basel and Zurich

Chiew Y. Chong, Member
Director, WWF International, Gland

Executive Board

Jean-Paul Gennari
Executive Director
UBS Fund Services (Luxembourg) S.A., Luxembourg

Aloyste Hemmen
Executive Director
UBS Fund Services (Luxembourg) S.A., Luxembourg

Gilbert Schintgen
Executive Director
UBS Fund Services (Luxembourg) S.A., Luxembourg

Isabelle Asseray
Director
UBS Fund Services (Luxembourg) S.A., Luxembourg

Portfolio Manager

UBS AG
UBS Global Asset Management Zurich
Gessnerallee 3
8098 Zurich
Switzerland

Custodian Bank, main paying agent and sales agent

UBS (Luxembourg) S.A.
36-38, Grand-Rue
L-1660 Luxembourg

Administrative agent

UBS Fund Services (Luxembourg) S.A.
291, route d'Arlon
L-1150 Luxembourg

Auditors of the Fund and of the Management Company

PricewaterhouseCoopers S.à r.l.
B.P. 1443
L-1014 Luxembourg

Sale in the Federal Republic of Germany

Paying and information agent
UBS Wealth Management AG
Stephanstrasse 14-16
D-60313 Frankfurt/Main

Sales agencies
Panda Finanz Service GmbH
Wiesenu, 53
D-60313 Frankfurt/Main

The sales prospectus, management regulations, annual and semi-annual reports as well as the portfolio movements of the investment fund mentioned in this publication are available free of charge at the sales agencies and at the registered office of the Management Company.

Auditor's report

Annual report as of December 31, 2003

To the Unitholders of
Living Planet Fund
(Investment Fund under Luxembourg Law)
Luxembourg

We have audited the financial statements which consist of the statement of net assets, the statement of operations, the statement of changes in net assets, the statement of investments in securities and other net assets and the notes to the financial statements of Living Planet Fund for the period from July 31, 2003 (date of incorporation) to December 31, 2003. These financial statements are the responsibility of the Board of Directors of the Management Company. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the attached financial statements give, in conformity with the Luxembourg legal and regulatory requirements, a true and fair view of the financial position of Living Planet Fund at December 31, 2003 and of the results of its operations and changes in its net assets for the period then ended.

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

Luxembourg, January 30, 2003

PricewaterhouseCoopers S.à r.l.
Réviseur d'entreprises
Represented by

Jean-Robert Lentz

Features of the Fund

Annual report as of December 31, 2003

Living Planet Fund will offer investors a range of different subfunds (umbrella construction) which invest in accordance with the investment policy described in the prospectus. The prospectus contains specific details on each subfund.

Living Planet Fund was established as a legally opened investment fund under Luxembourg law under the legal form of a collective investment fund in accordance with Part I of the Luxembourg law relating to undertakings for collective investment enacted on March 30, 1988. The management regulations ("management regulations") were deposited at the Commercial and Company Register of the District Court in Luxembourg on July 9, 2003. They were published in the Luxembourg "Mémorial" on July 19, 2003.

The management regulations may be changed in observance of the provisions of the relevant law. Each amendment shall be published in the "Mémorial" and, if necessary, in the official publications specified for the respective countries in which fund units are sold. Such amendments become legally binding subsequent to their publication in the "Mémorial". The consolidated version is deposited at the Commercial and Company Register of the District Court in Luxembourg for inspection.

The fund has no legal personality as an investment fund. The entire assets of each subfund are the undivided property of all investors who have equal rights in proportion to the number of units which they hold. These assets are separate from the assets of the Management Company. The securities and other assets of the fund are managed by Living Planet Fund Management Company S.A. as in-house funds in the interest and for the account of the unitholders.

The management regulations give the Management Company the authority to establish different subfunds for the fund as well as different classes of units with specific characteristics within these subfunds. The prospectus will be updated each time a new subfund or an additional class of units is issued. The fund is not subject to restrictions with regard to the size of its net assets, the number of units, number of subfunds and duration.

With respect to the unitholders, each subfund is regarded as being separate from the others. The assets of a subfund can only be used to offset the liabilities which the subfund concerned has assumed.

The acquisition of fund units implies acceptance of the management regulations by the unitholders.

There is no provision in the management regulations for a meeting of the unitholders.

The financial year of the fund ends on the last day of December.

The Management Company can issue two classes of units for the above subfund ("subfund"):

- units of class "A",
- units of class "B", which are reserved for institutional investors as defined from time to time by the supervisory authority in Luxembourg.

All units issued among each class will be exclusively issued in bearer form. The Management Company will not issue physical certificates. Fractions of units up to three decimal places will be issued, and fractions of units have rights to the net assets, to any dividend payments and will be booked to the securities custody account of the unitholder's choice.

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

The units of the fund will be listed on the Luxembourg Stock Exchange.

The issue and redemption of units of the Living Planet Fund are subject to the regulations prevailing in the country concerned.

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

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

Living Planet Fund - Equity

Annual report as of December 31, 2003
 Living Planet Fund - Equity
 Class A: ISIN: LU0169371266
 Class B: ISIN: LU0169371779

Most important figures

Date	31.12.2003	31.12.2002	31.12.2001
Fund's net assets in EUR	11 626 260.16	N/A	N/A
Class	A	A	A
Units outstanding	2 795.0000	N/A	N/A
Net asset value per unit in EUR	106.20	N/A	N/A
Class	B	B	B
Units outstanding	10 643.4000	N/A	N/A
Net asset value per unit in EUR	1 064.46	N/A	N/A

Report of the Portfolio Manager

After weak years of economic growth a recovery was on the way in 2003. The Iraq war and SARS penalized the first half of the year. In the second half the clouds started to disappear with the US and Asia showing signs of economic recovery. The catalysts were the interest rate cuts around the globe and the US fiscal policy.

Equity markets performed well in 2003, driven by the starting economic recovery and low interest rate environment. The Living Planet Fund was launched in the second half of the year and enjoyed the recovery of the equity markets after the Iraq war. The fund slightly outperformed the MSCI World with an increase of 6.21%. A positive impact came from the devaluation of the USD with respect to the EUR, where the fund was underweight the USD. Our US and Japan equity market underweight contributed negatively. The Energy underweight and the overweight of the Healthcare and IT sectors contributed positively to the fund performance. Intel, Motorola, Texas Instruments and Nokia added to the positive sector allocation by delivering two digit performances.

For the coming year we expect investor's to prefer the underperforming companies of 2003. They will focus on high Dividend Yields, solid Balance Sheets and stable Cash Flows. There will be some changes in the fund's sector allocation during the year to realize profits and increase exposure to undervalued companies and sectors.

Structure of the Securities Portfolio

Geographical Breakdown as a % of net assets	
United States of America	53.69
United Kingdom	14.23
Japan	5.76
Switzerland	5.68
Germany	4.18
France	3.43
Finland	2.97
Sweden	2.38
Netherlands	2.17
Australia	1.22
Canada	1.16
Denmark	1.03
Italy	0.46
Norway	0.38
Total	98.74

Economic Breakdown as a % of net assets	
Pharmaceuticals, cosmetics & medical products	19.68
Banks and other credit institutions	15.75
Telecommunication	11.28
Computer hardware & networking	7.15
Financial, investment & other diversified companies	5.63
Insurance	3.79
Healthcare, education & social services	3.62
Traffic and transport	3.48
Electrical appliances & components	3.47
Internet & software services	3.37
Building materials and trade	3.26
Energy and public utilities	2.97
Miscellaneous trading companies	2.75
Retail trade, department stores	2.30
Vehicles	2.01
Food & soft drinks	1.46
Forestry, paper & forest products	1.34
Publishing & printing media	1.14
Mechanical engineering & industrial equipment	0.89
Media	0.81
Chemicals	0.76
Biotechnology	0.68
Precious metals and gems	0.60
Electronics & semiconductors	0.55
Total	98.74

Statement of Net Assets

	EUR
Assets	31.12.2003
Investments in securities, cost	11 117 917.91
Investments in securities, unrealized appreciation (depreciation)	361 607.67
Total investments in securities (Note 1)	11 479 525.58
Cash at banks, deposits on demand and deposit accounts	148 733.04
Interest receivable on liquid assets	196.00
Receivable on dividends	13 040.35
Total Assets	11 641 494.97
Liabilities	
Provisions for Global service fee (Note 2)	14 914.47
Provisions for taxe d'abonnement (Note 3)	320.34
Total provisions	15 234.81
Total Liabilities	15 234.81
Net assets at the end of the period	11 626 260.16

Statement of Operations

	EUR
Income	31.07.2003 - 31.12.2003
Interest on liquid assets	3 543.90
Dividends	60 302.16
Total income	63 846.06
Expenses	
Global service fee (Note 2)	68 631.99
Taxe d'abonnement (Note 3)	540.98
Total expenses	69 172.97
Net income on investments	-5 326.91
Realized gain (loss) (Note 1)	
Realized gain (loss) on market-priced securities without options	235 684.60
Total realized gain (loss)	235 684.60
Realized gain (loss) on foreign exchange	18 689.39
Total realized gain (loss)	254 373.99
Net realized gain (loss) of the period	249 047.08
Changes in unrealized appreciation (depreciation)	
Unrealized appreciation (depreciation) on market-priced securities without options	361 607.67
Total changes in unrealized appreciation (depreciation)	361 607.67
Net increase (decrease) in net assets	610 654.75

Statement of Changes in Net Assets

	EUR
	31.07.2003 - 31.12.2003
Net assets at the beginning of the period	0.00
Subscriptions	16 081 181.13
Redemptions	-5 065 575.72
Total net subscriptions (redemptions)	<u>11 015 605.41</u>
Net income on investments	-5 326.91
Realized gain (loss)	254 373.99
Changes in unrealized appreciation (depreciation)	361 607.67
Net increase (decrease) in net assets	610 654.75
Net assets at the end of the period	11 626 260.16

Changes in the Number of Units outstanding

	31.07.2003 - 31.12.2003
Class	A
Number of units outstanding at the beginning of the period	0.0000
Number of units issued	2 795.0000
Number of units redeemed	0.0000
Number of units outstanding at the end of the period	2 795.0000
Class	B
Number of units outstanding at the beginning of the period	0.0000
Number of units issued	15 683.8240
Number of units redeemed	-5 040.4240
Number of units outstanding at the end of the period	10 643.4000

Statement of Investments in Securities and other Net Assets as of December 31, 2003

Description	Interest/ Strike Price	Maturity	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts (Note 1)	as a % of net assets
Transferable securities listed on an official stock exchange					
Bearer shares					
Germany					
EUR	KARSTADT QUELLE AG		4 800.00	94 080.00	0.81
EUR	LINDE AG		2 430.00	103 761.00	0.89
EUR	METRO AG		1 230.00	42 988.50	0.37
EUR	SAP AG		1 220.00	162 443.00	1.40
				403 272.50	3.47
Australia					
AUD	WESTPAC BANKING CORP		14 800.00	141 360.72	1.22
				141 360.72	1.22
Canada					
CAD	CANADIAN PACIFIC RAILWAY LTD		6 000.00	134 652.01	1.16
				134 652.01	1.16
Denmark					
DKK	NOVO NORDISK A/S-B		3 700.00	119 508.20	1.03
				119 508.20	1.03
United States of America					
USD	3M CO		4 750.00	320 206.45	2.75
USD	AIR PRODUCTS & CHEMICALS INC		2 110.00	88 374.58	0.76
USD	ANTHEM INC		3 200.00	190 272.28	1.64
USD	AVON PRODUCTS INC		2 800.00	149 817.22	1.29
USD	BANK OF AMERICA CORP		3 850.00	245 495.24	2.11
USD	BAXTER INTERNATIONAL INC		6 050.00	146 387.56	1.26
USD	BIOGEN IDEC		2 700.00	78 558.67	0.68
USD	BRISTOL MYERS SQUIBB CO		12 450.00	282 292.71	2.43
USD	BURLINGTON NORTHERN SANTA FE CORP		10 500.00	269 294.74	2.32
USD	CISCO SYSTEMS INC		4 500.00	86 443.08	0.74
USD	CITIGROUP INC		5 000.00	192 412.84	1.66
USD	COMCAST CORP-A		4 000.00	103 983.80	0.89
USD	DOW JONES & CO INC		2 400.00	94 850.73	0.82
USD	ECOLAB INC		11 200.00	243 028.44	2.09
USD	FANNIE MAE		4 900.00	291 587.51	2.51
USD	FLEETBOSTON FINANCIAL CORP		5 900.00	204 174.05	1.76
USD	GILLETTE COMPANY		3 800.00	110 654.43	0.95
USD	HEWLETT-PACKARD CO		15 850.00	288 638.69	2.48
USD	HOME DEPOT INC		8 150.00	229 312.58	1.97
USD	INTEL CORP		5 000.00	127 046.39	1.09
USD	INTERMAGNETICS GENERAL CORP		2 300.00	40 407.49	0.35
USD	INTERNATIONAL BUSINESS MACHINES		3 500.00	257 168.84	2.21
USD	JOHNSON & JOHNSON		6 500.00	266 214.70	2.29
USD	JOHNSON CONTROLS INC		1 100.00	101 266.08	0.87
USD	KIMBERLY-CLARK CORP		1 900.00	89 008.58	0.77
USD	MCGRAW-HILL COMPANIES INC		1 700.00	94 235.52	0.81
USD	MELLON FINANCIAL CO		6 450.00	164 196.65	1.41
USD	MOTOROLA INC		19 100.00	213 055.01	1.83
USD	NISOURCE INC		9 900.00	172 201.17	1.48
USD	ORACLE CORP		13 600.00	142 647.13	1.23
USD	PFIZER INC		7 100.00	198 868.62	1.71
USD	PROCTER & GAMBLE CO		950.00	75 225.73	0.65
USD	SBC COMMUNICATIONS INC		7 900.00	163 279.78	1.40
USD	SUN MICROSYSTEMS INC		20 500.00	72 648.33	0.63
USD	TEXAS INSTRUMENTS INC		1 000.00	23 292.50	0.20
USD	UNITEDHEALTH GROUP INC		5 000.00	230 625.86	1.98
USD	VERIZON COMMUNICATIONS INC		1 400.00	38 936.05	0.33
USD	ZIMMER HOLDINGS INC		2 800.00	156 276.97	1.34
				6 242 387.00	53.69
Finland					
EUR	NOKIA CORP		18 600.00	255 006.00	2.19
EUR	UPM-KYMMENE OYJ		6 000.00	90 720.00	0.78
				345 726.00	2.97

Description	Interest/ Strike Price	Maturity	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts (Note 1)	as a % of net assets
France					
EUR	AVENTIS SA		3 120.00	163 488.00	1.40
EUR	BNP PARIBAS		2 120.00	105 830.40	0.91
EUR	GROUPE DANONE		510.00	65 994.00	0.57
EUR	LAFARGE SA		900.00	63 540.00	0.55
				398 852.40	3.43
United Kingdom					
GBP	ASTRAZENECA PLC		1 350.00	51 347.85	0.44
GBP	AVIVA PLC		17 700.00	123 152.88	1.06
GBP	BARCLAYS PLC		23 350.00	165 115.53	1.42
GBP	BT GROUP PLC		21 100.00	56 373.00	0.48
GBP	CENTRICA PLC		26 200.00	78 458.04	0.68
GBP	GLAXOSMITHKLINE PLC		6 300.00	114 446.95	0.98
GBP	JOHNSON MATTHEY PLC		5 000.00	69 613.38	0.60
GBP	KINGFISHER PLC		9 900.00	39 130.38	0.34
GBP	LLOYDS TSB GROUP PLC		25 900.00	164 676.44	1.42
GBP	MISYS PLC		28 600.00	85 949.46	0.74
GBP	REED ELSEVIER PLC		5 600.00	37 135.65	0.32
GBP	ROYAL BANK OF SCOTLAND GROUP PLC		9 500.00	221 925.46	1.91
GBP	SCOTTISH & SOUTHERN ENERGY PLC		9 800.00	93 604.09	0.81
GBP	TESCO PLC		24 900.00	91 086.02	0.78
GBP	VODAFONE GROUP PLC		133 300.00	262 019.51	2.25
				1 654 034.64	14.23
Italy					
EUR	UNICREDITO ITALIANO SPA		12 500.00	53 500.00	0.46
				53 500.00	0.46
Japan					
JPY	CANON INC		2 000.00	73 827.59	0.63
JPY	HONDA MOTOR CO LTD		3 600.00	126 764.49	1.09
JPY	KAO CORP		2 000.00	32 253.34	0.28
JPY	NIPPON TELEGRAPH & TELEPHONE CORP		25.00	95 613.39	0.82
JPY	ROHM CO LTD		700.00	65 039.30	0.56
JPY	SOMPO JAPAN INSURANCE INC		26 000.00	169 448.38	1.46
JPY	TOYOTA MOTOR CORP		4 000.00	107 116.59	0.92
				670 063.08	5.76
Norway					
NOK	TELENOR ASA		8 600.00	44 580.72	0.38
				44 580.72	0.38
Netherlands					
EUR	ABN AMRO HOLDING NV		3 000.00	55 650.00	0.48
EUR	ING GROEP NV-CVA		5 028.00	92 967.72	0.80
EUR	UNILEVER NV-CVA		2 000.00	103 700.00	0.89
				252 317.72	2.17
Sweden					
SEK	ELECTROLUX AB-B		9 400.00	163 644.05	1.41
SEK	NORDEA BANK AB		8 000.00	47 599.13	0.41
SEK	SVENSKA CELLULOSA AB-B		2 030.00	65 759.52	0.56
				277 002.70	2.38
Total Bearer shares				10 737 257.69	92.35
Registered shares					
Switzerland					
CHF	CREDIT SUISSE GROUP		5 750.00	166 789.53	1.44
CHF	GERBERIT AG		125.00	48 718.73	0.42
CHF	HOLCIM LTD		1 000.00	36 923.67	0.32
CHF	NOVARTIS AG		2 500.00	89 985.42	0.77
CHF	SWISS REINSURANCE COMPANY		2 750.00	147 197.87	1.27
CHF	UBS AG		3 130.00	169 945.67	1.46
				659 560.89	5.68

Description	Interest/ Strike Price	Maturity	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts (Note 1)	as a % of net assets
Germany					
EUR DEUTSCHE TELEKOM AG			5 700.00	82 707.00	0.71
				82 707.00	0.71
Total Registered shares				742 267.89	6.39
Total Transferable securities listed on an official stock exchange				11 479 525.58	98.74
Total investments in securities				11 479 525.58	98.74
Cash at banks, deposits on demand and deposit accounts				148 733.04	1.28
Other receivables and payables				13 236.35	0.11
Other assets and liabilities				-15 234.81	-0.13
Total net assets				11 626 260.16	100.00

Notes to the Financial Statements

Annual report as of December 31, 2003

Note 1 - Summary of most significant accounting policies

a) Calculation of the net asset value

The net asset value and the issue and redemption price per unit of any subfund or of any class of units are expressed in the reference currency of the subfund or class concerned and are calculated every working day by dividing the overall net assets of the subfund or class of units by the number of units issued in this subfund or class. In this connection, working days ("Working Days") are regular bank working days (i.e., each day on which banks are open during the regular working hours) in Luxembourg with the exception of individual non-statutory public holidays in Luxembourg and/or customary holidays in countries with stock exchanges and markets upon which the valuation of more than half of the subfund's net assets is based.

Where subfunds have various classes or series of units, the net asset value of a unit must be calculated per class or series. To this end, the net assets of the subfund attributable to that class or series are divided by the total units of that subfund in circulation or managed separately.

b) Valuation principles

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

In the case of securities and other investments where trading on the stock market is thin but which are traded between securities dealers on a secondary market using usual market price formation methods, the Management Company can use the prices on this secondary market as the basis for the valuation of these securities and investments. Securities and other investments that are not listed on a stock exchange, but which are traded on another regulated market which is recognized, open to the public and operating in a due and orderly fashion, are valued at the last available price on this market.

- Securities and other investments that are not listed on a stock exchange are valued at the last available market price; if this is not available, the Management Company values these securities according to other principles of its choosing on the basis of the likely sales prices.

- In the case of money market paper, the valuation price is gradually brought into line with the redemption price starting from the net purchase price, while at the same time maintaining the return based on this price. If market conditions change substantially, the valuation principles for the individual investments are adjusted to the new market returns.

- Time and fiduciary deposits are valued at their nominal value plus accrued interest.

The Management Company is authorized to apply other generally recognized and auditable valuation criteria in order to achieve an appropriate valuation of the net assets if, due to extraordinary circumstances, a valuation in accordance with the above-mentioned regulations proves to be unfeasible or inaccurate.

In the case of extraordinary circumstances, additional valuations, which will affect the prices of the units to be subsequently issued or redeemed, may be carried out within one day.

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

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

d) Valuation of forward foreign exchange contracts

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

e) Valuation of financial futures contracts

Financial futures contracts are valued based on the latest available published price applicable on the valuation date. Realized and unrealized gains and losses are recorded in the statement of operations.

f) Conversion of foreign currencies

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

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

g) Accounting of securities' portfolio transactions

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

Note 2 - Global service fee

The fund pays a monthly "global service fee" for each of the subfunds, calculated on the average net asset value of the subfunds as shown in the table below:

Living Planet Fund -	Global service fee
Equity Unit class A	2.04% p.a
Equity Unit class B	1.56% p.a

This global service fee is used to pay the Management Company, the administrative agent, the Custodian Bank, the Portfolio Manager and the Distributors.

It also covers all the costs incurred by the fund and the subfunds relating to the establishment expenses, the auditor, notary, printing, translation and publication fees with the exception of the following:

- All taxes which are levied on the assets and the income of the fund, particularly the "taxe d'abonnement",

- customary brokerage fees and commissions which are charged by other banks and brokers for securities transactions and similar transactions, and
- costs for extraordinary measures carried out in the interests of unitholders, particularly arranging expert opinions and dealing with legal proceedings, etc.

All costs which can be allocated accurately to individual subfunds will be charged to these subfunds. If costs pertain to several or all subfunds, however, these costs will be charged to the subfunds concerned in proportion to their relative net asset values.

Note 3 - Taxe d'abonnement

In accordance with the law and the regulations currently in force, the fund is subject to a subscription tax at the annual rate of 0.05% for units of class "A" and 0.01% for units of class "B", payable quarterly and calculated on the basis of the net assets of each subfund at the end of each quarter.

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

Note 4 - Securities Lending

The fund may also lend portions of its securities portfolio to third parties. In general, lendings may only be effected via recognized clearing houses such as Clearstream International or Euroclear, or through the intermediary of prime financial institutions that specialize in such activities and in the modus specified by them. Such transactions may not be entered into for longer than 30 days, however. If the loan exceeds 50% of the securities portfolio of the corresponding subfund, it may only be effected on condition that termination of the loan contract is immediately possible.

There were no securities lent out in Living Planet Fund as of December 31, 2003.

Note 5 - Income distribution

In accordance with the management regulations, once the annual accounts are closed the Management Company will decide whether and to what extent distributions are to be paid out by each subfund and particularly by each class of units. The payment of distributions must not result in the net assets of the fund falling below the minimum amount of assets prescribed by law. If a distribution is made, payment will be effected no later than four months after the end of the financial year.

The Management Company is authorized to pay interim dividends and to suspend the payment of distributions.

Distributions are made upon submission of the relevant coupons. The method of payment is determined by the Management Company.

Note 6 - Applicable law, place of performance and authoritative language

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

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