

Annual Report 2007.

Investment Fund under Luxembourg Law

Audited annual report as of 31 December 2007

Living Planet Fund

Living Planet Fund – Equity

Audited annual report as of 31 December 2007

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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

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Living Planet Fund

Management Company

Living Planet Fund Management Company S.A.,
33A, avenue J.F. Kennedy,
P.O. Box 91, L-2010 Luxembourg*
R.C.S. Luxembourg N° B 93 908

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

Board of Directors

*André Hoffmann**, Chairman of the Board
Trustee, WWF – World Wide Fund for Nature, Gland
Director, Roche Holding AG, Basel

Eric G. Sarasin, Member (since 31 July 2007)
CEO of the Private & Institutional Clients
Switzerland Division,
Bank Sarasin & Cie AG, Basel

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

Chiew Y. Chong, Member
Director, WWF – World Wide Fund for Nature, Gland

Gerhard Fusenig, Member (until 6 August 2007)
Managing Director, UBS AG, Basel and Zurich

Andreas Giel, Member (since 1 May 2007)
Associate Director, UBS Fund Services
(Luxembourg) S.A., Luxembourg

Matteo Perrotta, Member (since 6 August 2007)
Executive Director, UBS AG, Basel and Zurich

Dirk Spiegel, Member
Executive Director, UBS AG, Basel and Zurich

* appointed Director and elected Chairman as representative of
WWF – World Wide Fund For Nature

Executive Board

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

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

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

Portfolio Management

UBS AG, UBS Global Asset Management,
Gessnerallee 3, CH-8098 Zurich (until 30 June 2007)

Bank Sarasin & Cie AG,
Elisabethenstrasse 62, CH-4002 Basel

Custodian Bank, main paying agent and sales agent

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

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

Administrative agent

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

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

Independent Auditors of the Fund and the Management Company

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

Representative in France

Representative in France

PhiTrust Finance S.A.,
41, Rue Boissy d'Anglas, F-75008 Paris
Tel. +33 1 5535 0755
Fax +33 1 5535 0750
E-mail: phitrust@phitrust.com
Internet: www.phitrust.com

Representative in Germany

Representative in Germany

(until 31 December 2007)
Panda Finanz Service GmbH,
Wiesenau 53, D-60313 Frankfurt am Main
Tel. +49 6960 91840
Fax +49 6960 918418
E-mail: info@pandafinanz.de
Internet: www.pandafinanz.de

Paying and information agent

UBS Deutschland AG, Stephanstrasse 14–16,
D-60313 Frankfurt am Main

Representative in Switzerland

Representative

First Independent Fund Services,
Klausstrasse 33, CH-8008 Zurich

Paying Agent

NPB New Private Bank Ltd.,
Limmatquai 122, CH-8025 Zurich

The sales prospectus and the simplified prospectuses, 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.

Features of the Fund

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Living Planet Fund

Living Planet Fund offers 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 and will be brought up to date on the inception of each new subfund.

Living Planet Fund is legally established as an open-ended 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 20 December 2002. The management regulations (“management regulations”) were deposited at the Commercial and Company Register of the District Court in Luxembourg on 9 July 2003 and are lodged with the registry of the district court and its publication in the Memorial (i.e. the Official Gazette) is made by means of a reference filing of this document with the registrar in accordance with the provisions of the law of 10 August 1915 concerning commercial companies, as amended. They were published in the Luxembourg “Mémorial” on 19 July 2003 and on 21 April 2004.

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 units of the Fund are sold. Such amendments become legally binding subsequent to their signature by the Custodian Bank and the Management Company. The consolidated version is deposited at the Commercial and Company Register of the District Court in Luxembourg for inspection.

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

The Management Company issues two classes of units for the Living Planet Fund – Equity subfund (“subfund”):

- units of class “A”, and
- 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.

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 units of the Fund implies acceptance of the management regulations by the unitholders.

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

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

The units of the Fund are 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 from the Living Planet Fund Management Company or from the Custodian Bank. These documents can also be downloaded from the web site www.livingplanetfund.com.

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.

Reports of the Portfolio Manager

Annual Report as of 31 December 2007
Living Planet Fund

Fund Performance

The portfolio of the Living Planet Fund underwent a substantial transformation in 2007. In the first half of the year, the Fund was split into two parts managed by two different managers. The current manager Bank Sarasin & Cie AG was managing its part of the Fund as a global sustainable equity portfolio. In the middle of the year, the investment philosophy changed from a general sustainability approach to a theme based investment philosophy. From then onwards, the portfolio has been allocated to the following themes: Clean energy & efficiency, Health care, Sustainable consumption, Water, Sustainable mobility, Smart housing and Services.

Rising world energy demand coupled with efforts to control carbon emissions are the key drivers of renewable energy demand – e.g. wind, solar and hydro power – as well as more efficient production and usage. Aging populations, growing prosperity in emerging markets, while only one third of diseases can be treated, will drive demand for health services. Clean Potable Water is scarce, while at the same time strongly growing populations particularly in urban areas and the impact of climate change put great pressure on water resources. Sustainable mobility is looking for clean technologies and sustainable logistics as well as sustainable individual transport. Higher energy prices and stricter building standards are behind the smart housing theme – e.g. more efficient heating and cooling and insulation systems.

The theme approach selected for the Living Planet Fund substantially outperformed a global equity portfolio. For the period from 2 July until 28 December returned a negative 2.36%, while the MSCI World lost 8.13% in Euro, hence the Fund outperformed a global equity portfolio by 5.77%. Among the themes clean energy & efficiency contributed most to the outperformance, with a strong performance by the wind and solar stocks, while smart housing, where we only have a small weight, suffered from a slow-down in residential construction in some European countries as well as the United States.

Outlook

We expect another volatile year for equities. Investors will however be able to achieve an attractive investment return in 2008 with the right allocations to investment themes, sectors and regions. While the global economy has entered a period of slowing economic growth, the relative weakness of the OECD countries' economic growth can at least partially be compensated by strong growth in developing countries. The longer the credit crisis in the financial sector will last, the higher the risk that it will spill over into the real economy. The tight money markets and the global value adjustment of credit risks have resulted in banks trimming their risk exposure and reducing their new loans growth.

In view of the heightened uncertainty, we temporarily increase our weight to rather defensive sectors. Despite the expected slow-down in economic growth, we continue to expect the long-term growth drivers like renewable energy, products and processes enhancing efficiency as well as new products in selected sectors will produce higher profits going forward. The sectors industrials, technology and energy should benefit the most. We are more selective as far as banks are concerned, additionally in areas like cyclical consumption, whereas goods and services, which promise a healthy life and give consumers a better sentiment are expected to remain an attractive investment.

Independent Auditor's Report

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Living Planet Fund

To the Unitholders of
Living Planet Fund

We have audited the accompanying financial statements of Living Planet Fund, which comprise the statement of net assets and the statement of investments in securities and other net assets as at 31 December 2007 and the statement of operations and the statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

Board of Directors of the Management Company's responsibility for the financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making

those risk assessments, the Auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the Management Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of Living Planet Fund as of 31 December 2007, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Other matters

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

Luxembourg, 25 April 2008

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

Marc Schernberg

Living Planet Fund – Equity

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Three-year comparison

Date	ISIN	31.12.2007	31.12.2006	31.12.2005
Net assets in EUR		31 909 772.77	25 578 904.14	16 214 799.56
Class A	LU0169371266			
Units outstanding		10 658.4060	6 128.1730	6 768.1870
Net asset value per unit in EUR		146.54	140.14	132.02
Class B	LU0169371779			
Units outstanding		20 287.4000	17 324.4000	11 455.4000
Net asset value per unit in EUR		1 495.90	1 426.89	1 337.47

Performance

	Currency	YTD	2006	2005	2004
Class A	EUR	4.6%	6.2%	19.9%	3.7%
Class B	EUR	4.9%	6.7%	20.5%	4.3%
Benchmark:					
MSCI World (r)	EUR	-1.7%	7.4%	26.8%	7.0%

Historical performance is no indicator of current or future performance.
The performance data does not take account of any commissions and costs charged when subscribing and redeeming units.

Structure of the Securities Portfolio

Geographical Breakdown as a % of net assets		Economic Breakdown as a % of net assets	
United States	16.66	Energy & water supply	17.73
Germany	12.51	Pharmaceuticals, cosmetics & medical products	10.52
Canada	8.43	Petroleum	6.49
Switzerland	8.19	Building industry & materials	5.51
Denmark	7.86	Electrical devices & components	5.44
France	4.99	Banks & credit institutions	4.26
Japan	4.67	Finance & holding companies	4.05
United Kingdom	4.64	Electronics & semiconductors	3.51
Spain	3.81	Computer hardware & network equipment providers	2.55
Sweden	3.57	Food & soft drinks	2.50
Austria	3.44	Insurance	2.27
Norway	2.97	Miscellaneous consumer goods	2.17
Finland	1.91	Mechanical engineering & industrial equipment	2.15
Australia	1.73	Biotechnology	1.97
Netherlands	1.62	Traffic & transportation	1.95
India	1.40	Retail trade, department stores	1.85
Brazil	0.95	Chemicals	1.66
Total	89.35	Miscellaneous services	1.50
		Internet, software & IT services	1.40
		Healthcare & social services	1.35
		Forestry, paper & pulp products	1.33
		Packaging industry	1.16
		Vehicles	1.04
		Miscellaneous unclassified companies	0.96
		Lodging, catering & leisure	0.88
		Various capital goods	0.87
		Rubber & tyres	0.85
		Textiles, garments & leather goods	0.80
		Environmental services & recycling	0.63
		Total	89.35

Statement of Net Assets

	EUR
Assets	31.12.2007
Investments in securities, cost	26 978 161.91
Investments in securities, unrealized appreciation (depreciation)	1 536 096.26
Total investments in securities (Note 1)	28 514 258.17
Cash at banks, deposits on demand and deposit accounts	3 422 614.08
Receivable on securities sales (Note 1)	14 308.68
Receivable on subscriptions	14 571.70
Interest receivable on liquid assets	10 257.62
Receivable on dividends	10 972.73
Other receivables	300.20
Total Assets	31 987 283.18
Liabilities	
Bank overdraft	-0.02
Payable on securities purchases (Note 1)	-14 308.68
Provisions for global service fee (Note 2)	-61 699.77
Provisions for tax d'abonnement (Note 3)	-1 501.94
Total provisions	-63 201.71
Total Liabilities	-77 510.41
Net assets at the end of the financial year	31 909 772.77

Statement of Operations

	EUR
Income	1.1.2007–31.12.2007
Interest on liquid assets	75 138.65
Dividends	376 816.69
Income on securities lending (Note 4)	16 573.95
Total income	468 529.29
Expenses	
Global service fee (Note 2)	-444 982.69
Taxe d'abonnement (Note 3)	-3 978.43
Interest on liquid assets and bank overdraft	-9 630.74
Total expenses	-458 591.86
Net income on investments	9 937.43
Realized gain (loss) (Note 1)	
Realized gain (loss) on market-priced securities without options	1 987 458.11
Realized gain (loss) on forward foreign exchange contracts	16 062.32
Total realized gain (loss) on investments	2 003 520.43
Realized gain (loss) on foreign exchange	-113 247.26
Total realized gain (loss)	1 890 273.17
Net realized gain (loss) of the financial year	1 900 210.60
Changes in unrealized appreciation (depreciation) (Note 1)	
Unrealized appreciation (depreciation) on market-priced securities without options	-680 852.07
Total changes in unrealized appreciation (depreciation)	-680 852.07
Net increase (decrease) in net assets as a result of operations	1 219 358.53

Statement of Changes in Net Assets

	EUR
	1.1.2007–31.12.2007
Net assets at the beginning of the financial year	25 578 904.14
Subscriptions	5 170 315.99
Redemptions	-58 805.89
Total net subscriptions (redemptions)	5 111 510.10
Net income on investments	9 937.43
Total realized gain (loss)	1 890 273.17
Total changes in unrealized appreciation (depreciation)	-680 852.07
Net increase (decrease) in net assets as a result of operations	1 219 358.53
Net assets at the end of the financial year	31 909 772.77

Development of the outstanding units

	1.1.2007–31.12.2007
Class	A
Number of units outstanding at the beginning of the financial year	6 128.1730
Number of units issued	4 934.2370
Number of units redeemed	-404.0040
Number of units outstanding at the end of the financial year	10 658.4060
Class	B
Number of units outstanding at the beginning of the financial year	17 324.4000
Number of units issued	2 963.0000
Number of units redeemed	0.0000
Number of units outstanding at the end of the financial year	20 287.4000

Statement of Investments in Securities and other Net Assets as of 31 December 2007

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts (Note 1)	as a % of net assets
Transferable securities and money market instruments listed on an official stock exchange			
Bearer shares			
Australia			
AUD WESTPAC BKG CORP NPV	33 000.00	553 332.75	1.73
Total Australia		553 332.75	1.73
Austria			
EUR BWT AG/BENCKISER W NPV	5 500.00	200 200.00	0.63
EUR MAYR-MELNHOF KARTO NPV	5 000.00	370 700.00	1.16
EUR OEST ELEKTRIZITATS CLASS'A'NPV	11 000.00	526 680.00	1.65
Total Austria		1 097 580.00	3.44
Canada			
CAD CANADIAN HYDRO DEVELOPERS INC COM	67 000.00	297 164.82	0.93
CAD CANADIAN PAC RY LTD COM	14 000.00	623 075.91	1.95
CAD ENCANNA CORP COM	12 000.00	561 342.13	1.76
CAD STANTEC INC COM NPV	17 300.00	466 258.40	1.46
USD SUNOPTA INC COM	66 000.00	602 646.97	1.89
CAD XANTREX TECHNOLOGY INC COM	22 000.00	140 418.70	0.44
Total Canada		2 690 906.93	8.43
Denmark			
DKK NOVO-NORDISK AS SERB	14 000.00	628 979.05	1.97
DKK NOVOZYMES AS SER'B'DKK10	6 800.00	530 756.40	1.66
DKK ROCKWOOL INTL SER'B'DKK10	1 500.00	238 985.22	0.75
DKK VESTAS WIND SYSTEM DKK1	15 000.00	1 110 436.37	3.48
Total Denmark		2 509 157.04	7.86
Finland			
EUR WARTSILA OYJ ABP SER'B'EUR3.50	11 700.00	609 453.00	1.91
Total Finland		609 453.00	1.91
France			
EUR ESSILOR INTL EURO.18	15 000.00	654 750.00	2.05
EUR VEOLIA ENVIRONNEME EUR5	15 000.00	936 750.00	2.94
Total France		1 591 500.00	4.99
Germany			
EUR FUCHS PETROLUB AG NPV	4 000.00	251 440.00	0.79
EUR MASTERFLEX AG NPV	14 000.00	270 200.00	0.85
EUR Q-CELLS AG NPV	11 700.00	1 141 920.00	3.58
EUR RHOEN-KLINIKUM AG ORD NPV	20 000.00	431 600.00	1.35
EUR SOLARWORLD AG NPV	22 400.00	935 200.00	2.93
Total Germany		3 030 360.00	9.50
Japan			
JPY CANON INC NPV	12 000.00	382 041.79	1.20
JPY SOMPO JAPAN INS NPV	40 000.00	247 592.47	0.78
JPY TOKYO GAS CO NPV	165 000.00	528 338.08	1.65
JPY TOYOTA MOTOR CORP NPV	9 000.00	332 817.18	1.04
Total Japan		1 490 789.52	4.67
Netherlands			
EUR SNS REAAL GROEP NV EUR1.63	33 750.00	518 400.00	1.62
Total Netherlands		518 400.00	1.62
Norway			
NOK RENEWABLE ENERGY NOK1	18 000.00	625 794.19	1.97
NOK STATOILHYDRO ASA NOK2.50	15 050.00	320 385.72	1.00
Total Norway		946 179.91	2.97
Spain			
EUR GAMESA CORP TECNO EUR0.17	30 000.00	959 400.00	3.01
Total Spain		959 400.00	3.01
Sweden			
SEK GETINGE AB SER'B'NPV	15 000.00	275 410.77	0.86
SEK SKANSKA AB SER'B'NPV	34 000.00	438 964.02	1.38
SEK SVENSKA CELLULOSA SER'B'NPV	35 000.00	424 095.54	1.33
Total Sweden		1 138 470.33	3.57
Switzerland			
CHF SYNTHES INC COM NEW ACC IV	4 500.00	382 236.04	1.20
Total Switzerland		382 236.04	1.20

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts (Note 1)	as a % of net assets
United Kingdom			
GBP AVIVA ORD GBPO.25	52 000.00	476 475.07	1.49
GBP BG GROUP ORD GBPO.10	41 000.00	641 953.35	2.01
GBP HSBC HLDGS ORD USD0.50(UK REG)	25 000.00	286 598.47	0.90
GBP TEG GROUP PLC ORD GBPO.05	75 000.00	76 585.10	0.24
Total United Kingdom		1 481 611.99	4.64
United States			
USD BAXTER INTL INC COM	11 000.00	436 749.77	1.37
USD GILEAD SCIENCES INC COM	20 000.00	629 390.24	1.97
USD INTERFACE INC CL A	25 000.00	279 060.22	0.87
USD INTERNATIONAL BUSINESS MACHS COM	11 000.00	813 310.08	2.56
USD ITRON INC COM	4 300.00	282 255.05	0.88
USD LIFE TIME FITNESS INC COM	9 000.00	305 817.17	0.96
USD MILLER HERMAN INC COM	8 700.00	192 738.28	0.60
USD NALCO HOLDING COMPANY COM	23 400.00	386 999.08	1.21
USD STARBUCKS CORP COM	20 000.00	280 017.78	0.88
USD STRAYER ED INC COM	2 900.00	338 348.21	1.06
USD TEXAS INSTRS INC COM	20 000.00	456 892.72	1.43
USD UNITED NAT FOODS INC COM	15 000.00	325 433.47	1.02
USD WHOLE FOODS MKT INC COM	21 100.00	588 817.07	1.85
Total United States		5 315 829.14	16.66
Total Bearer shares		24 315 206.65	76.20
Participation certificates			
Switzerland			
CHF LINDT & SPRUENGLI PTG CERT CHF10	200.00	473 641.63	1.48
Total Switzerland		473 641.63	1.48
Total Participation certificates		473 641.63	1.48
Preference shares			
Germany			
EUR DRAEGERWERK KGAA NON-VTG PRF NPV	5 400.00	268 920.00	0.84
EUR HENKEL KGAA NON-VTG PRF NPV	18 000.00	691 740.00	2.17
Total Germany		960 660.00	3.01
Total Preference shares		960 660.00	3.01
Registered shares			
Spain			
EUR INDITEX EURO.15	6 100.00	256 322.00	0.80
Total Spain		256 322.00	0.80
Switzerland			
CHF ABB LTD CHF2.50(REGD)	31 700.00	624 707.94	1.96
CHF GEBERIT CHF0.10(REGD) (POST SUBD)	4 500.00	422 743.28	1.32
CHF SONOVA HOLDING AG	2 719.00	210 093.95	0.66
CHF STRAUMANN HLDG CHF0.1(REGD)	2 650.00	499 898.83	1.57
Total Switzerland		1 757 444.00	5.51
Total Registered shares		2 013 766.00	6.31
Depository receipts			
Brazil			
USD BANCO ITAU HLDG FINANCIERA S A SP ADR 500 PFD	17 200.00	304 224.89	0.95
Total Brazil		304 224.89	0.95
India			
USD INFOSYS TECHNOLOGIES LTD SPONSORED ADR	14 400.00	446 759.00	1.40
Total India		446 759.00	1.40
Total Depository receipts		750 983.89	2.35
Total Transferable securities and money market instruments listed on an official stock exchange		28 514 258.17	89.35
Total investments in securities		28 514 258.17	89.35
Cash at banks, deposits on demand and deposit accounts and other liquid assets		3 422 614.08	10.73
Bank overdraft and other short-term liabilities		-0.02	0.00
Other assets and liabilities		-27 099.46	-0.08
Total net assets		31 909 772.77	100.00

Notes to the Financial Statements

Annual Report as of 31 December 2007
Living Planet Fund

Note 1 – Summary of 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 in circulation in this subfund or class.

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

- Based on the net acquisition price and by keeping the calculated investment return constant, the value of money market instruments, having a residual maturity which does not exceed 12 months, is successively adjusted to the redemption price thereof. In the event of material changes in market conditions, the valuation basis is adjusted on the new market yields.
- Debt securities are valued at the last known price (i.e. closing prices or if such do not reflect reasonable market value in the opinion of the Board of Directors the last available prices at the time of valuation), if they are listed on an official stock exchange. If the same security is listed on several stock exchanges, the last known price on the stock exchange that represents the major market for this security will apply.
- Debt securities and other securities are valued at the last known price on this market, if they are not listed on an official stock exchange, but traded on another regulated market, which is recognized, open to the public and operating regularly.
- Time deposits with an original maturity exceeding 30 days can be valued at their respective rate of return, provided the corresponding agreement between the credit institution holding the time deposits and the Fund stipulates that these time deposits may be called at any time and that, if called for repayment, their cash value corresponds to this rate of return.

- Any cash in hand or on deposit, notes payable on demand, bills and accounts receivable, prepaid expenses, cash dividends, interests declared or accrued as aforesaid and not yet received shall be valued at their full nominal value, unless in any case the same is unlikely to be paid or received in full, in which case the Board of Directors may value these assets with a discount he may consider appropriate to reflect the true value thereof. Liquid funds are valued at their nominal value plus any accrued interest.
- The value of swaps is calculated by the counterpart to the swap transactions, according to a method based on market value and recognised by the Board.
- Securities and other investments listed on a stock exchange are valued at the last known price. If the same security or investment is quoted on several stock exchanges, the last known price on the stock exchange that represents the major market for this security will apply. In the case of securities and other investments where the trade on the stock market is thin but which are traded between securities dealers on a secondary market using usual market price formation methods, the Fund can use the prices on this secondary market as the basis for their valuation of these securities and investments. Securities and other investments that are not listed on a stock exchange, but which are traded on another regulated market which is recognized, open to the public and operating regularly, are valued at the last known price on this market.
- Units of UCITS authorised according to Directive 85/611/EEC and/or other assimilated UCI will be valued at the last known net asset value for such shares or units as of the relevant Valuation Day.

The 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 gains and losses and the changes in unrealized gains and losses are recorded in the statement of operations. The realized gains and losses are calculated in accordance with the FIFO method, i.e. the first contracts acquired are regarded as the first to be sold.

f) 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.

h) Receivable on securities sales,

Payable on securities purchases

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

i) Income recognition

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

Note 2 – Global service fee

The Fund pays a monthly "global service fee" calculated on the average net asset value of the subfund as shown in the table below:

Living Planet Fund	Global service fee
– Equity A	2.04% p.a
– Equity B	1.56% p.a

This global service fee is used to pay the Management Company, the Administrative Agent, the Custodian Bank, the Portfolio Managers 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.

The Management Fee may be used in part to pay remunerations (trailer fees) for distribution activities concerning the Funds and asset managers.

In addition, reimbursements may be made to institutional investors, which, from a commercial perspective, hold units of the Funds for third parties.

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

Under the terms of the relevant provisions of the legislation of the Grand Duchy of Luxembourg and according to administrative practice, the assets of the Fund are not subject to any Luxembourg withholding, income, capital gains or wealth taxes. However, the Fund’s assets are subject to a so-called “taxe d’abonnement” (subscription tax) of 0.05% p.a. on its total net assets. The “taxe d’abonnement” is payable quarterly and is calculated on the basis of the Fund’s net assets at the end of the quarter concerned. If any subfund or any class of unit of a subfund is reserved to institutional investors, the “taxe d’abonnement” is reduced to 0.01% p.a. on total net assets of that specific subfund or class.

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

Note 4 – Securities Lending

The 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 possible immediately.

The market value of the securities lent on 31 December 2007 was:

Living Planet Fund	Securities Lending
– Equity	17 944 622.67 EUR

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 – Soft commission arrangements

During the period from 1 January 2007 until 31 December 2007, no “soft commission arrangements” were entered into on behalf of Living Planet Fund and “soft dollar commissions” amount to nil.

Note 7 – Total Expense Ratio (TER)

This ratio was calculated in accordance with the Swiss Funds Association's (SFA) “Guidelines on the calculation and disclosure of the TER and PTR” dated 25 January 2006 and expresses the sum of all costs and commissions charged on an ongoing basis to the net assets (operating expenses) taken retrospectively as a percentage of the net assets.

TER for the last 12 months:

Living Planet Fund	Total Expense Ratio (TER)
– Equity A	1.83%
– Equity B	1.59%

Transaction costs and any other costs incurred in connection with currency hedging are not included in the TER.

Note 8 – Portfolio Turnover Rate (PTR)

This ratio was calculated in accordance with the Swiss Funds Association's (SFA) "Guidelines on the calculation and disclosure of the TER and PTR" dated 25 January 2006. The PTR is considered an indicator of the relevance of the additional costs incurred when buying and selling investments. It shows how many security transactions occurred as a result of voluntary investment shifts in relation to the average net assets. Transactions that resulted from uncontrollable subscriptions and redemptions are not included in this rate.

PTR for the last 12 months:

Living Planet Fund	Portfolio Turnover Rate (PTR)
- Equity	270.27%

Note 9 – 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 units of the Fund were bought and sold.

The English version of these financial statements is the authoritative version and only this version was audited by the auditors. However, in the case of units sold to investors from the other countries in which units of the Fund 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.