

# Annual Report 2004.

**Investment Fund under Luxembourg Law**

**Audited annual report as of 31 December 2004**

Living Planet Fund

Living Planet Fund – Equity



# Audited annual report as of 31 December 2004

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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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## 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 – World Wide Fund  
for Nature, Gland  
Director, Roche Holding AG, Basel  
*Heinz Hämmerli*, Vice-Chairman  
(until 29 february 2004)  
Managing Director, UBS AG, Basel and Zurich  
*Manuel Hauser*, Delegate Member of the Board  
(until 11 May 2004)  
Managing Director, UBS Fund Services  
(Luxembourg) S.A., Luxembourg  
*Gerhard Fussenig*, Member (since 22 March 2004)  
Managing Director, UBS AG, Basel and Zurich  
*Mario Cueni*, Member  
Managing Director, UBS AG, Basel and Zurich  
*Isabelle Asseray*, Member (since 1<sup>st</sup> July 2004)  
Director, UBS Fund Services  
(Luxembourg) S.A., Luxembourg  
*Chiew Y. Chong*, Member  
Director, WWF – World Wide Fund for Nature, Gland

## Executive Board

*Jean-Paul Gennari*  
Executive 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  
*Isabelle Asseray*, (until 1<sup>st</sup> July 2004)  
Director, UBS Fund Services  
(Luxembourg) S.A., Luxembourg

## Portfolio Managers

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

## Independent Auditors of the Fund and the Management Company

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

## Sale in Switzerland

*Representative*  
First Independent Fund Services,  
Stockerstrasse 38, CH-8002 Zurich  
*Paying Agent*  
NPB New Private Bank,  
Limmatquai 122, CH-8025 Zurich

The sales prospectus, management regulations, the annual and semi-annual reports as well as the portfolio movements of the investment fund mentioned in this document may be obtained free of charge from the above representative and at the registered office of the Management Company.

### **Sale in the Federal Republic of Germany**

*Distributor in the Federal Republic of Germany*

Panda Finanz Service GmbH,  
Wiesenau 53, D-60313 Frankfurt am Main, Germany

Tel. +49 6960 91840

Fax +49 6960 918418

E-mail: [info@pandafinanz.de](mailto:info@pandafinanz.de)

Internet: [www.pandafinanz.de](http://www.pandafinanz.de)

*Paying and information agent*

UBS Wealth Management AG,  
Stephanstrasse 14–16, D-60313 Frankfurt am 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.

### **Sale in France**

*Distributor in France*

PhiTrust, 41, Rue Boissy d'Anglas,  
75008 Paris, France

Tel. +33 1 5535 0755

Fax +33 1 5535 0750

E-mail: [phitrust@phitrust.com](mailto:phitrust@phitrust.com)

Internet: [www.phitrust.com](http://www.phitrust.com)

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.

# Features of the Fund

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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 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 to the lodgement 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 fund units 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 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", 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.

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 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 Company of the fund and of the Custodian Bank.

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

# Independent Auditor's report

Annual Report as of 31 December 2004

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 year ended 31 December 2004. 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 31 December 2004 and of the results of its operations and changes in its net assets for the year 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, 15 March 2005

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

Jean-Robert Lentz

# Living Planet Fund – Equity

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## Most important figures

| Date                            | ISIN                | 31.12.2004    | 31.12.2003    |
|---------------------------------|---------------------|---------------|---------------|
| Fund's net assets in EUR        |                     | 11 784 183.79 | 11 626 260.16 |
| <b>Class A<sup>1</sup></b>      | <b>LU0169371266</b> |               |               |
| Units outstanding               |                     | 4 402.2610    | 2 795.0000    |
| Net asset value per unit in EUR |                     | 110.11        | 106.20        |
| <b>Class B<sup>1</sup></b>      | <b>LU0169371779</b> |               |               |
| Units outstanding               |                     | 10 182.4000   | 10 643.4000   |
| Net asset value per unit in EUR |                     | 1 109.70      | 1 064.46      |

<sup>1</sup> Initial subscription: 31.7.2003

## Report of the Portfolio Manager

Global equity markets had a respectable performance during 2004, with the MSCI World up more than 6% in EUR terms. However, the rise in the indexes masked a lack of investor confidence that was more accurately reflected in remarkably low levels of volatility. Investors had much to be unsure about across the year. The outcome of the U.S. presidential election was unclear until the very end. Commodity prices increased and oil prices reached historical highs. The US twin deficits and their impact on the inflation and exchange rates have re-emerged as current sources of market anxiety.

The fund underperformed the Benchmark MSCI World. Energy was the best performing sector during the year and penalized portfolio performance due to the underweight in the sector (no position in oil companies). The strong stock selection in the Healthcare sector (United Health Group and Biogen Idec.) contributed very positively and allowed to partially accommodate the negative effect of the Energy underweight. The overweight in Telecommunication and Information Technology contributed negatively. The strongest performance contributors on stock level were Burlington Northern Santa Fe (Industrials), United Health Group (Healthcare), Biogen Idec (Biotech).

We will continue to concentrate on companies that appear cheap on price/intrinsic value analysis. Stock selection will remain the key performance driver of the portfolio. As a result, the portfolio will still be driven by stock-specific risk.

## Structure of the Securities Portfolio

| Geographical Breakdown as a % of net assets |              |
|---|--------------|
| United States                               | 49.04        |
| United Kingdom                              | 11.53        |
| Japan                                       | 9.00         |
| Switzerland                                 | 7.38         |
| Germany                                     | 5.02         |
| Sweden                                      | 2.77         |
| France                                      | 2.58         |
| Finland                                     | 2.57         |
| Netherlands                                 | 2.55         |
| Spain                                       | 1.59         |
| Denmark                                     | 1.27         |
| Canada                                      | 1.03         |
| Australia                                   | 0.92         |
| Belgium                                     | 0.76         |
| Italy                                       | 0.75         |
| <b>Total</b>                                | <b>98.76</b> |

| Economic Breakdown as a % of net assets         |              |
|---|--------------|
| Banks & credit institutions                     | 20.20        |
| Telecommunications                              | 10.48        |
| Pharmaceuticals, cosmetics & medical products   | 10.41        |
| Finance and holding companies                   | 5.50         |
| Insurance companies                             | 5.30         |
| Traffic & transportation                        | 4.64         |
| Electronics & semiconductors                    | 4.55         |
| Computer hardware & network equipment providers | 4.18         |
| Retail trade, department stores                 | 4.14         |
| Miscellaneous consumer goods                    | 3.89         |
| Internet, software & IT services                | 3.65         |
| Vehicles  | 3.30         |
| Chemicals                                       | 3.09         |
| Energy & water supply                           | 3.07         |
| Forestry, paper & pulp products                 | 2.46         |
| Healthcare & social services                    | 2.41         |
| Graphic design, publishing & media              | 1.94         |
| Biotechnology                                   | 1.54         |
| Building industry & materials                   | 1.35         |
| Petroleum                                       | 0.75         |
| Electrical devices & components                 | 0.73         |
| Precious metals & stones                        | 0.59         |
| Food & soft drinks                              | 0.59         |
| <b>Total</b>                                    | <b>98.76</b> |

## Statement of Net Assets

|   | EUR                  |
|---|----------------------|
| <b>Assets</b>   | <b>31.12.2004</b>    |
| Investments in securities, cost                                   | 11 135 663.05        |
| Investments in securities, unrealized appreciation (depreciation) | 502 793.44           |
| Total investments in securities (Note 1)                          | 11 638 456.49        |
| Cash at banks, deposits on demand and deposit accounts            | 160 060.18           |
| Interest receivable on liquid assets                              | 106.81               |
| Receivable on dividends   | 11 881.07            |
| <b>Total Assets</b>   | <b>11 810 504.55</b> |
| <b>Liabilities</b>  |                      |
| Payable on liquid assets  | -24.91               |
| Provisions for global service fee (Note 2)                        | -15 952.77           |
| Provisions for taxe d'abonnement (Note 3)                         | -343.08              |
| Provisions for other commissions and fees (Note 2)                | -10 000.00           |
| Total provisions  | -26 295.85           |
| <b>Total Liabilities</b>  | <b>-26 320.76</b>    |
| <b>Net assets at the end of the financial year</b>                | <b>11 784 183.79</b> |

## Statement of Operations

|  | EUR                        |
|--|----------------------------|
| <b>Income</b>  | <b>1.1.2004–31.12.2004</b> |
| Interest received on liquid assets   | 2 835.56                   |
| Dividends  | 196 248.44                 |
| Income on securities lending (Note 4)  | 6 481.15                   |
| <b>Total income</b>  | <b>205 565.15</b>          |
| <b>Expenses</b>  |                            |
| Global service fee (Note 2)  | -183 367.39                |
| Taxe d'abonnement (Note 3)   | -1 337.87                  |
| Other commissions and fees (Note 2)  | -10 000.00                 |
| Interest paid on liquid assets   | -341.44                    |
| <b>Total expenses</b>  | <b>-195 046.70</b>         |
| <b>Net income on investments</b>   | <b>10 518.45</b>           |
| <b>Realized gain (loss) (Note 1)</b>   |                            |
| Realized gain (loss) on market-priced securities without options                   | 297 908.09                 |
| Total realized gain (loss) on investments  | 297 908.09                 |
| Realized gain (loss) on foreign exchange   | 98.13                      |
| <b>Total realized gain (loss)</b>  | <b>298 006.22</b>          |
| <b>Net realized gain (loss) of the financial year</b>                              | <b>308 524.67</b>          |
| <b>Changes in unrealized appreciation (depreciation)</b>                           |                            |
| Unrealized appreciation (depreciation) on market-priced securities without options | 141 185.77                 |
| <b>Total changes in unrealized appreciation (depreciation)</b>                     | <b>141 185.77</b>          |
| <b>Net increase (decrease) in net assets</b>                                       | <b>449 710.44</b>          |

## Statement of Changes in Net Assets

|  | <b>EUR</b>                 |
|--|----------------------------|
|  | <b>1.1.2004–31.12.2004</b> |
| Net assets at the beginning of the financial year  | 11 626 260.16              |
| Subscriptions                                      | 1 519 443.59               |
| Redemptions  | -1 811 230.40              |
| Total net subscriptions (redemptions)              | -291 786.81                |
| Net income on investments                          | 10 518.45                  |
| Realized gain (loss)                               | 298 006.22                 |
| Changes in unrealized appreciation (depreciation)  | 141 185.77                 |
| Net increase (decrease) in net assets              | 449 710.44                 |
| <b>Net assets at the end of the financial year</b> | <b>11 784 183.79</b>       |

## Development of the outstanding units

|   | <b>1.1.2004–31.12.2004</b> |
|---|----------------------------|
| <b>Class</b>  | <b>A</b>                   |
| Number of units outstanding at the beginning of the financial year  | 2 795.0000                 |
| Number of units issued  | 1 607.2610                 |
| Number of units redeemed  | 0.0000                     |
| <b>Number of units outstanding at the end of the financial year</b> | <b>4 402.2610</b>          |
| <b>Class</b>  | <b>B</b>                   |
| Number of units outstanding at the beginning of the financial year  | 10 643.4000                |
| Number of units issued  | 1 199.0000                 |
| Number of units redeemed  | -1 660.0000                |
| <b>Number of units outstanding at the end of the financial year</b> | <b>10 182.4000</b>         |

## Statement of Investments in Securities and other Net Assets as of 31 December 2004

| Description  | Quantity/<br>Nominal | Valuation in EUR<br>Unrealized gain<br>(loss) on Futures/<br>Options/Forward<br>Exchange Contracts<br>(Note 1) | as a %<br>of net<br>assets |
|--|----------------------|--|----------------------------|
| <b>Transferable securities and money market instruments listed on an official stock exchange</b> |                      |  |                            |
| <b>Bearer shares</b>   |                      |  |                            |
| <b>Australia</b>   |                      |  |                            |
| AUD NATIONAL AUSTRALIA BANK LTD  | 6 500.00             | 108 036.04   | 0.92                       |
| <b>Total Australia</b>   |                      | <b>108 036.04</b>  | <b>0.92</b>                |
| <b>Belgium</b>   |                      |  |                            |
| EUR FORTIS SA/NV   | 4 400.00             | 89 628.00  | 0.76                       |
| <b>Total Belgium</b>   |                      | <b>89 628.00</b>   | <b>0.76</b>                |
| <b>Canada</b>  |                      |  |                            |
| CAD CANADIAN PACIFIC RAILWAY LTD   | 4 800.00             | 121 135.80   | 1.03                       |
| <b>Total Canada</b>  |                      | <b>121 135.80</b>  | <b>1.03</b>                |
| <b>Denmark</b>   |                      |  |                            |
| DKK NOVO NORDISK A/S   | 1 600.00             | 63 990.85  | 0.54                       |
| DKK VESTAS WIND SYSTEMS A/S  | 9 400.00             | 85 930.57  | 0.73                       |
| <b>Total Denmark</b>   |                      | <b>149 921.42</b>  | <b>1.27</b>                |
| <b>Finland</b>   |                      |  |                            |
| EUR NOKIA CORP   | 17 600.00            | 204 512.00   | 1.74                       |
| EUR UPM-KYMMENE CORP   | 6 000.00             | 97 800.00  | 0.83                       |
| <b>Total Finland</b>   |                      | <b>302 312.00</b>  | <b>2.57</b>                |
| <b>France</b>  |                      |  |                            |
| EUR BNP PARIBAS  | 2 200.00             | 117 260.00   | 1.00                       |
| EUR GROUPE DANONE  | 1 020.00             | 69 309.00  | 0.59                       |
| EUR SANOFI AVENTIS SA  | 1 995.00             | 117 306.00   | 0.99                       |
| <b>Total France</b>  |                      | <b>303 875.00</b>  | <b>2.58</b>                |
| <b>Germany</b>   |                      |  |                            |
| EUR LINDE AG   | 1 930.00             | 88 895.80  | 0.75                       |
| EUR METRO AG   | 1 230.00             | 49 802.70  | 0.42                       |
| EUR SAP AG SYSTEME ANWENDUNGEN PRODUKTE IN DER DATENVERARBEITUNG                                 | 1 300.00             | 170 820.00   | 1.46                       |
| <b>Total Germany</b>   |                      | <b>309 518.50</b>  | <b>2.63</b>                |
| <b>Italy</b>   |                      |  |                            |
| EUR UNICREDITO ITALIANO SPA  | 20 900.00            | 88 407.00  | 0.75                       |
| <b>Total Italy</b>   |                      | <b>88 407.00</b>   | <b>0.75</b>                |
| <b>Japan</b>   |                      |  |                            |
| JPY CANON INC  | 4 300.00             | 170 725.15   | 1.45                       |
| JPY HONDA MOTOR CO LTD   | 2 900.00             | 110 559.60   | 0.94                       |
| JPY KAO CORP   | 7 000.00             | 131 674.98   | 1.12                       |
| JPY NTT DOCOMO INC   | 110.00               | 149 265.15   | 1.27                       |
| JPY ROHM CO LTD  | 1 000.00             | 76 104.40  | 0.65                       |
| JPY SOMPO JAPAN INSURANCE INC  | 23 000.00            | 172 398.01   | 1.45                       |
| JPY TOYOTA INDUSTRIES CORP   | 5 300.00             | 97 413.64  | 0.83                       |
| JPY TOYOTA MOTOR CORP  | 2 600.00             | 77 841.88  | 0.66                       |
| JPY WEST JAPAN RAILWAY COMPANY   | 25.00                | 74 309.49  | 0.63                       |
| <b>Total Japan</b>   |                      | <b>1 060 292.30</b>  | <b>9.00</b>                |
| <b>Netherlands</b>   |                      |  |                            |
| EUR ABN AMRO HOLDING NV  | 6 400.00             | 124 736.00   | 1.06                       |
| EUR ROYAL PHILIPS ELECTRONICS NV   | 3 000.00             | 58 530.00  | 0.50                       |
| <b>Total Netherlands</b>   |                      | <b>183 266.00</b>  | <b>1.56</b>                |
| <b>Spain</b>   |                      |  |                            |
| EUR ENAGAS SA  | 10 000.00            | 122 000.00   | 1.03                       |
| EUR GAMESA CORPORACION TECNOLOGICA SA  | 6 400.00             | 65 920.00  | 0.56                       |
| <b>Total Spain</b>   |                      | <b>187 920.00</b>  | <b>1.59</b>                |
| <b>Sweden</b>  |                      |  |                            |
| SEK ELECTROLUX AB-B  | 10 000.00            | 168 276.36   | 1.44                       |
| SEK NORDEA BANK AB   | 8 000.00             | 59 339.56  | 0.50                       |
| SEK SVENSKA CELLULOSA SCA AB-B   | 3 130.00             | 98 237.42  | 0.83                       |
| <b>Total Sweden</b>  |                      | <b>325 853.34</b>  | <b>2.77</b>                |
| <b>United Kingdom</b>  |                      |  |                            |
| GBP ASTRAZENECA PLC  | 1 350.00             | 36 020.11  | 0.31                       |
| GBP BARCLAYS PLC   | 20 900.00            | 172 990.86   | 1.47                       |
| GBP BT GROUP PLC   | 31 600.00            | 90 607.13  | 0.77                       |
| GBP JOHNSON MATTHEY PLC  | 5 000.00             | 69 776.02  | 0.59                       |

| Description                                   | Quantity/<br>Nominal | Valuation in EUR<br>Unrealized gain<br>(loss) on Futures/<br>Options/Forward<br>Exchange Contracts<br>(Note 1) | as a %<br>of net<br>assets |
|---|----------------------|--|----------------------------|
| GBP KINGFISHER PLC                            | 17 800.00            | 77 877.25  | 0.66                       |
| GBP LLOYDS TSB GROUP PLC                      | 9 500.00             | 63 469.34  | 0.54                       |
| GBP MYSYS PLC                                 | 28 600.00            | 84 529.98  | 0.72                       |
| GBP PRUDENTIAL PLC                            | 20 500.00            | 131 169.04   | 1.11                       |
| GBP REED ELSEVIER PLC                         | 5 600.00             | 38 006.75  | 0.32                       |
| GBP ROYAL BANK OF SCOTLAND GROUP PLC          | 9 050.00             | 223 955.61   | 1.90                       |
| GBP TESCO PLC                                 | 24 900.00            | 113 161.10   | 0.96                       |
| GBP VODAFONE GROUP PLC                        | 129 000.00           | 257 369.71   | 2.18                       |
| <b>Total United Kingdom</b>                   |                      | <b>1 358 932.90</b>  | <b>11.53</b>               |
| <b>United States</b>                          |                      |  |                            |
| USD 3M CO                                     | 4 100.00             | 247 553.43   | 2.10                       |
| USD AIR PRODUCTS & CHEMICALS INC              | 2 110.00             | 89 988.38  | 0.76                       |
| USD AVON PRODUCTS INC                         | 5 800.00             | 165 135.18   | 1.40                       |
| USD BANK OF AMERICA CORP                      | 7 840.00             | 271 033.00   | 2.30                       |
| USD BAXTER INTERNATIONAL INC                  | 3 450.00             | 87 668.20  | 0.74                       |
| USD BIOGEN IDEC INC                           | 1 500.00             | 73 507.45  | 0.62                       |
| USD BRISTOL MYERS SQUIBB CO                   | 11 850.00            | 223 356.26   | 1.90                       |
| USD BURLINGTON NORTHERN SANTA FE CORP         | 10 100.00            | 351 540.19   | 2.98                       |
| USD CISCO SYSTEMS INC                         | 2 500.00             | 35 534.30  | 0.30                       |
| USD CITIGROUP INC                             | 10 350.00            | 366 866.29   | 3.14                       |
| USD COMCAST CORP-A                            | 3 200.00             | 78 349.09  | 0.66                       |
| USD DOW JONES & CO INC                        | 2 400.00             | 76 030.16  | 0.65                       |
| USD ECOLAB INC                                | 10 600.00            | 273 958.43   | 2.32                       |
| USD FANNIE MAE                                | 4 700.00             | 246 229.17   | 2.09                       |
| USD FREESCALE SEMICONDUCTOR INC-B WHEN ISSUED | 1 247.00             | 16 843.79  | 0.14                       |
| USD GILEAD SCIENCES INC                       | 2 000.00             | 51 484.27  | 0.44                       |
| USD GILLETTE CO                               | 3 800.00             | 125 189.63   | 1.06                       |
| USD HEWLETT-PACKARD CO                        | 12 400.00            | 191 302.56   | 1.62                       |
| USD HOME DEPOT INC                            | 7 850.00             | 246 833.92   | 2.09                       |
| USD INTERNATIONAL BUSINESS MACHINES CORP      | 3 000.00             | 217 575.87   | 1.85                       |
| USD INTEL CORP                                | 7 000.00             | 120 456.13   | 1.02                       |
| USD INTERMAGNETICS GENERAL CORP               | 3 450.00             | 64 494.76  | 0.55                       |
| USD JOHNSON & JOHNSON                         | 5 100.00             | 237 956.23   | 2.02                       |
| USD JOHNSON CONTROLS INC                      | 2 200.00             | 102 680.15   | 0.87                       |
| USD KIMBERLY-CLARK CORP                       | 1 900.00             | 91 991.17  | 0.78                       |
| USD MCGRAW-HILL COMPANIES INC                 | 1 700.00             | 114 488.14   | 0.97                       |
| USD MELLON FINANCIAL CORP                     | 10 050.00            | 230 020.60   | 1.95                       |
| USD MOTOROLA INC                              | 11 300.00            | 142 990.62   | 1.21                       |
| USD MYLAN LABORATORIES INC                    | 6 850.00             | 89 099.14  | 0.76                       |
| USD NEEHAH PAPER INC                          | 57.00                | 1 367.08   | 0.01                       |
| USD NISOURCE INC                              | 10 400.00            | 174 296.12   | 1.48                       |
| USD ORACLE CORP                               | 17 300.00            | 174 622.77   | 1.48                       |
| USD PFIZER INC                                | 3 700.00             | 73 196.98  | 0.62                       |
| USD SBC COMMUNICATIONS INC                    | 9 400.00             | 178 214.46   | 1.51                       |
| USD SUN MICROSYSTEMS INC                      | 12 000.00            | 47 585.07  | 0.40                       |
| USD TEXAS INSTRUMENTS INC                     | 2 500.00             | 45 282.32  | 0.38                       |
| USD UNITEDHEALTH GROUP INC                    | 1 700.00             | 110 098.22   | 0.93                       |
| USD WELLPOINT INC                             | 2 050.00             | 173 441.24   | 1.47                       |
| USD ZIMMER HOLDINGS INC                       | 2 900.00             | 170 938.39   | 1.45                       |
| <b>Total United States</b>                    |                      | <b>5 779 199.16</b>  | <b>49.02</b>               |
| <b>Total Bearer shares</b>                    |                      | <b>10 368 297.46</b>   | <b>87.98</b>               |
| <b>Other shares</b>                           |                      |  |                            |
| <b>Netherlands</b>                            |                      |  |                            |
| EUR ING GROEP NV-CVA                          | 5 288.00             | 117 710.88   | 1.00                       |
| <b>Total Netherlands</b>                      |                      | <b>117 710.88</b>  | <b>1.00</b>                |
| <b>Total Other shares</b>                     |                      | <b>117 710.88</b>  | <b>1.00</b>                |
| <b>Registered shares</b>                      |                      |  |                            |
| <b>Germany</b>                                |                      |  |                            |
| EUR ALLIANZ AG                                | 1 700.00             | 165 920.00   | 1.41                       |
| EUR DEUTSCHE TELEKOM AG                       | 7 000.00             | 116 550.00   | 0.99                       |
| <b>Total Germany</b>                          |                      | <b>282 470.00</b>  | <b>2.40</b>                |
| <b>Switzerland</b>                            |                      |  |                            |
| CHF ACTELION LTD                              | 750.00               | 56 676.90  | 0.48                       |
| CHF CREDIT SUISSE GROUP                       | 4 850.00             | 149 993.22   | 1.27                       |
| CHF GEBERIT AG                                | 65.00                | 34 989.58  | 0.30                       |
| CHF HOLCIM LTD                                | 2 800.00             | 124 093.95   | 1.05                       |
| CHF NOVARTIS INC                              | 4 500.00             | 166 828.07   | 1.42                       |

| Description  | Quantity/<br>Nominal | Valuation in EUR<br>Unrealized gain<br>(loss) on Futures/<br>Options/Forward<br>Exchange Contracts<br>(Note 1) | as a %<br>of net<br>assets |
|--|----------------------|--|----------------------------|
| CHF SWISS REINSURANCE COMPANY  | 2 950.00             | 154 790.70   | 1.31                       |
| CHF UBS INC  | 2 960.00             | 182 605.73   | 1.55                       |
| <b>Total Switzerland</b>   |                      | <b>869 978.15</b>  | <b>7.38</b>                |
| <b>Total Registered shares</b>   |                      | <b>1 152 448.15</b>  | <b>9.78</b>                |
| <b>Total Transferable securities and money market instruments listed on an official stock exchange</b> |                      | <b>11 638 456.49</b>   | <b>98.76</b>               |
| <b>Total investments in securities</b>   |                      | <b>11 638 456.49</b>   | <b>98.76</b>               |
| <b>Cash at banks, deposits on demand and deposit accounts</b>  |                      | <b>160 060.18</b>  | <b>1.36</b>                |
| <b>Other receivables and payables</b>  |                      | <b>11 962.97</b>   | <b>0.10</b>                |
| <b>Other assets and liabilities</b>  |                      | <b>-26 295.85</b>  | <b>-0.22</b>               |
| <b>Total net assets</b>  |                      | <b>11 784 183.79</b>   | <b>100.00</b>              |

# Notes to the Financial Statements

Annual Report as of 31 December 2004

## 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

- 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 and verified by the Company's auditor.
- Securities and other investments that are denominated in a currency other than the reference currency of the relevant subfund and which are not hedged by means of currency transactions are valued at mid closing spot rate.
- Securities and other investments listed on a stock exchange are valued at the last known price. If the same security or investment is quoted on several stock exchanges, the last known price on the stock exchange that represents the major market for this security will apply. In the case of securities and other investments where the trade on the stock market is thin but which are traded between securities dealers on a secondary market using usual market price formation methods, the company can use the prices on this secondary market as the basis for their valuation of these securities and investments. Securities and other investments that are not listed on a stock exchange, but which are traded on another regulated market which is recognized, open to the public and operating regularly, are valued at the last known price on this market.
- 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 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 |
|--------------------|--------------------|
| – Class A          | 2.04% p.a          |
| – 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 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.

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 class "A" units and 0,01% for class "B" units, 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 possible immediately.

The market value of the securities lent on 31 December 2004, was for the following subfunds:

| Living Planet Fund | Securities Lending |
|--------------------|--------------------|
| – Equity           | 2 541 318.28 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 – Total Expense Ratio (TER)**

This ratio expresses the sum of all costs and commissions charged on an ongoing basis to the fund's assets (operating expenses) taken retrospectively as a percentage of the fund's assets.

TER for the last 12 months:

| Living Planet Fund | Total Expense Ratio (TER) |
|--------------------|---------------------------|
| – Equity A         | 2.19%                     |
| – Equity B         | 1.66%                     |

**Note 7 – 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.