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# MULTIPLE MANAGERS SICAV

(Société d'Investissement à Capital Variable)

Audited Annual Report  
For the year ended December 31, 2004





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# MULTIPLE MANAGERS SICAV



## Management and Administration

### **CHAIRMAN**

Mr Peter George SIERADZKI  
Director, Insinger de Beaufort Group  
Bank Insinger de Beaufort N.V.  
Amsterdam  
The Netherlands

### **DIRECTORS**

Mr Jacobus Johannes HUMAN  
Director  
Insinger de Beaufort Asset Management N.V.  
Amsterdam  
The Netherlands

Mr Steve GEORGALA  
Partner  
Maitland & Co.  
Paris

Mr Thomas MELCHIOR  
Assistant Vice President  
Dexia Banque Internationale à Luxembourg S.A.  
Luxembourg

### **REGISTERED OFFICE**

69 route d'Esch, L-1470 Luxembourg  
R.C.S. Luxembourg B-53 934

### **INVESTMENT MANAGER**

Insinger de Beaufort Asset Management N.V.  
Herengracht 537  
NL-1017 BV Amsterdam  
The Netherlands

### **CUSTODIAN AND CENTRAL ADMINISTRATION**

Dexia Banque Internationale à Luxembourg S.A.  
69, route d'Esch  
L-1470 Luxembourg  
(until April 5, 2005: the Central Administration function was under the legal responsibility of Insinger Fund Administration (Luxembourg) S.A.,  
66, Avenue Victor Hugo, L-1750 Luxembourg)

### **REGISTRAR AND TRANSFER AGENT**

First European Transfer Agent S.A.  
5, rue Thomas Edison  
L-1445 Strassen  
Luxembourg

### **AUDITORS**

Ernst & Young S.A.  
6, rue Jean Monnet  
L-2180 Luxembourg



## General Information

The annual general meeting of Shareholders of MULTIPLE MANAGERS SICAV (the “SICAV”, the “Company”) will be held at the registered office of the Company or at such other place in Luxembourg as indicated in the convening notice on the last Wednesday of the month of April of each year at 11.30 a.m. If this is not a bank business day in Luxembourg, it will be held on the next bank business day.

Notifications of all general meetings will be published in the “Mémorial, Recueil des Sociétés et Associations” of Luxembourg (the “Mémorial”) and in at least one Luxembourg newspaper as far as this is required by Luxembourg law and “Het Financieële Dagblad”. The notification will be sent to the holders of registered Shares by mail, in accordance with Luxembourg Law, at least eight days prior to the meeting at their addresses in the register of Shareholders. The Board of Directors may decide at its sole discretion to publish the notification in any other newspaper.

Such notices will include the agenda and specify the time and place of the meeting and the conditions of admission and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities required for the meeting.

The requirements as to attendance, quorum and majorities at all general meetings will be those of the Articles 67 and 67-1 of the law of 10<sup>th</sup> August 1915 (as amended) of the Grand Duchy of Luxembourg and the Articles of Incorporation.

Each entire share is entitled to one vote. Fractions of shares however participate in the distribution of dividends (if any) or in the distribution of the liquidation proceeds.

The audited Annual Report will be published within four months after the financial year-end and the unaudited semi-annual reports shall be published within two months after the end of the relevant period. The reports include separate information on each of the Sub-Funds as well as combined information on all of the Sub-Funds. The reports are available at the registered office of the Company during normal business hours. The financial year-end of the Fund is December 31 of each year.

A detailed schedule of portfolio movements for each Sub-Fund is available free of charge upon request at the registered office of the Company.

The Net Asset Values and the issue, conversion and redemption prices of the shares in any Sub-Fund shall be made public and available at the registered office of the Company. Shares of all the Sub-Funds, as and when issued, shall be listed on the Luxembourg Stock Exchange.

Under current legislation and practice, shareholders are not subject to any capital gains, income, withholding, inheritance or other taxes in Luxembourg (except for shareholders domiciled, resident or having a permanent establishment in Luxembourg and for certain former residents of Luxembourg owning more than 10% of the share capital of the Company).

Potential investors should consult their professional advisers on the possible tax or other consequences of buying, holding, converting, transferring or selling any of the shares under the laws of their countries of citizenship, residence or domicile.



## Directors' Report

### Directors' Report

The global economy grew by an estimated 5% in 2004 (IMF estimate), a twenty-year high, sustaining the global recovery that began in 2002 and accelerated in 2003. This was despite a rapidly rising oil price that reached multi-year highs during the year. The US itself grew at approximately 4.4%, a healthy pace, yet one that is beginning to be impacted by the Fed's monetary tightening. Consumer spending remained robust. As measured by the Personal Consumption Expenditure, it grew more than 6% in the year to November 2004, a higher growth rate than that of wages, which increased by 4.6% over the same period. This contributed to record high consumer debt levels growing even higher, and monthly debt burdens that have been rising as interest rates have been hiked. This also corresponded to a record low personal savings rate of 0.1% in October 2004. As interest rates continue to rise, it seems likely that consumers will at some point need to consume less to pay their rising debt burdens, since they cannot reduce their savings rate any further. This makes consumers progressively more vulnerable to a fall in house prices or drop in equity valuations.

The flip side is that companies have been able to take full advantage of the consumer profligacy, and with healthy, lean balance sheets and near record profit margins, corporate profits reached new highs both on absolute levels and as a percentage of GDP. Corporate investment moved along at a healthy pace, with gross non-residential investment rising at a rate of 11% in the year ending September 2004. Yet inventories remain low and companies have been careful about increasing payrolls, highlighting corporate America's still cautious outlook.

The Euro-zone lagged the US in 2004. This reflects both the less stimulative action of the ECB in recent years when compared to the Fed as well as the structural issues that continue to constrain many Euro-zone economies, such as limits on deficit spending and less flexible labour markets. The UK continued to perform better than the Continent, despite the Bank of England's rate hikes that began towards the end of 2003 and saw rates move from 3.5% to 4.75%. The rate hikes appear to have achieved their desired effect of cooling the bubbling UK housing market. Yet the economy has remained robust. With an unemployment rate of 2.7%, the lowest in almost thirty years, the UK appears in a healthier state than the Euro-zone, where unemployment remains around 8.9%, just below its highest level in five years.

Confidence in the Japanese recovery was high in early 2004, with some indications that changes in the highly cautious consumer outlook would lead to increased consumer spending. Yet domestic spending growth remained relatively subdued during the year. Corporate profits however increased markedly. They rose almost 30% over the year, largely on the back of strong exports to China and the US. This does leave Japan vulnerable to slowdown in the global economic cycle, yet the domestic fundamentals are stronger than in previous years. There are also signs that deflation pressures are easing, with consumer prices in Tokyo rising in October for the third consecutive month. A continuation of this trend would support future improvements in consumer spending.

2004 was also the year that China took centre stage as a growing force in the global economy. Commodity markets rose as China absorbed increasingly large quantities of oil and base metals and speculation of future demand sent markets soaring. The month of May saw fears of a hard landing in China's booming economy lead to rapid sell-offs in global commodity markets as well as equity markets throughout Asia. Yet Chinese growth barely slowed. There are a number of genuine concerns, yet the measures put into place in early 2004 appear to be working. Rather than using broad based restrictive measures, the government has targeted specific industries and bank lending related to these industries, with some level of success. With a slight cooling in these sectors, low food prices and a declining oil price in the last quarter, inflation appears to have been kept under control in 2004. As such, the governments focus on job creation and related economic growth is unlikely to change.

### Currencies

Currency markets in 2004 were dominated by the movements of the US dollar. The year began with the dollar weakening to new historical lows against the euro above 1.28. The dollar subsequently strengthened for three months before trading sideways in a relatively narrow range between 1.20 and 1.24. Towards the end of the year the dollar began weakening again, and ended the year at a new all time low against the euro of 1.36. This dollar weakness saw the yen strengthen to an almost five year low of 103.6 and the pound strengthen to 1.95, a twelve year high.

The structural imbalances that have contributed to the dollar weakness experienced over the past three years worsened in 2004. The widening trade deficit accelerated its pace of decline, reaching more than \$60bn in November, its widest ever level. Furthermore, there have been indications that Asian central banks, who had been the major foreign buyers of dollars, have reduced their rates of dollar purchases. The stronger cyclical performance of the US economy compared to Japan and Europe, as well as rising US interest rates that have moved differentials in favour of the dollar, both contributed to the dollar strength in March to May. Yet structural factors clearly drove the market in the last quarter, and have tended to dominate during most of the past three years.

### Fixed Income

The second quarter saw markets pricing in an acceleration in inflation and higher yields driven by strong global growth. Yet yields remained relatively subdued over the year as a whole, and the US 10-year Treasury yields remained almost unchanged, both starting and ending the year at 4.2. Strong foreign buying of US Treasuries helped keep US yields from rising, although some of this buying appeared to subside in the fourth quarter, which saw both US yields rise and the dollar weaken to record lows. US inflation appeared to remain in check, helped by the fourth quarter decline in oil prices. Yet the structural issue that also affects the dollar, namely the enormous foreign holdings of Treasuries, remains a larger concern. Asian central banks remain in a Catch-22 situation, in that they need to support the dollar to encourage US buying of their goods,



## Directors' Report (continued)

yet this puts off a likely larger real loss on their foreign reserves. However 2004 did see China reduce the ratio of new foreign reserves built up from trade surpluses that it holds in dollars from approximately the half seen in 2001-3 to less than 25%. Such evidence appears to have been a factor in the widening spread between US Treasury yields and European bond yields that occurred in the fourth quarter. The buying of European bonds helped push yields down to 3.7 from 4.3 at the beginning of the year.

2004 also saw high yield and emerging market bonds perform well as investors' search for yield continued to support demand. High yield and emerging market spreads had already narrowed significantly by the end of 2003. Yet spreads did not widen in 2004, and in fact US and European high yield spreads as well as emerging market spreads narrowed in a fourth quarter rally, ending the year at multi-year lows of 2-3%. At these spread levels a fair deal of caution must be maintained when investing. Although the narrow spreads may reflect healthier balance sheets and cash flows for high yield corporates and lower sovereign risk for emerging market bonds, the risk premiums are very low and many bonds may no longer provide sufficient incremental return to justify the additional risk.

**Equities**

Stock markets performed strongly in 2004, with most of the returns coming in the last quarter following months of narrow trading ranges. The S&P returned 9% for the year (up 1.1% in euros), MSCI Europe returned 10.6% and the Topix returned 10.1% (up 5.2% in euros). These strong returns, especially in Europe and Japan, were surpassed by small cap and emerging market returns. MSCI World Small Cap, which includes small cap stocks in developed markets, returned 22.6% (up 13.6% in euros), ending 2004 at an all time high. MSCI Emerging Markets Free rose 22.4% (13.5% in euros) ending the year within 10% of its 1994 highs.

A number of factors contributed to the strong fourth quarter stock performance. In terms of sentiment, Bush's quick victory in the US election removed a significant overhang of uncertainty that had suppressed equity movements in the previous months. The sharp decline in oil prices, following a rise of over \$20 from the beginning of the year, was also met with relief by markets. From a relative valuation perspective, the continued decline of bond yields in Europe led to equities looking progressively more attractive. Although yields did not decline in the US, they remained relatively low, maintaining the attractive relative valuation of equities. The performance of small caps and emerging markets continued trends begun in 2003, with the rallies supported in part by favourable liquidity conditions that made for profitable carry trades. Additionally, a number of emerging market countries appear to have significantly improved the management of their economies, and part of the rally appears to have been a recognition of a reduced risk premium for these countries. With most equity markets appearing at least fairly valued, it would appear that continued top line growth would be required to further improve earnings and hence stock prices.

**Expense Ratio**

The expense Ratio of the fund is calculated by dividing the total costs with the average Net Asset Value of the Fund. The average Net Asset Value is calculated by averaging the Net Assets of the Fund as at 31 December of last year, 31 March, 30 June, 30 September and 31 December of this year and where the Net Asset Value as at 31 December is weighted at 50%.

Multiple Managers - European Bond

The average Net Asset Value is EUR 60,113,439. The expense ratio for the year 2004 is 1.35%.

Multiple Managers – Euro High Yield LX

The average Net Asset Value is EUR 20,554,025. The expense ratio for the year 2004 is 1.83%.

**Other**

We draw the attention of the reader that the Central Administration function previously performed by Insinger Fund Administration (Luxembourg) S.A. has been transferred to DEXIA Banque Internationale à Luxembourg S.A. as per the Investment Fund Service Agreement signed on March 25, 2004 and applicable as of April 6, 2004. As explained in Note 2 to the financial statements, the cost of the securities portfolio has been taken over at market value instead of acquisition prices which has led to a reclassification between realized and unrealized result as of December 31, 2004. This was due to technical specifications of the transfer of portfolios to the new Central Administration and has not had any impact on the Net Asset Value of the Fund.



## Review of the sub-funds

### European Bond

#### Investment Policy

Multiple Managers European Bond fund invests in high quality European fixed interest securities. The fund objective is to provide long term capital growth in the currency of the respective share class, consistent with the opportunities available in the European capital markets.

In 2004 the markets for bonds and equities were strongly influenced by among other things the structural issues affecting the dollar, the expectations of the scope and scale of the economic recovery and the US presidential election. Driven by strong global growth the second quarter saw markets pricing in an acceleration in inflation and higher yields. Yet yields remained relatively subdued over the year as a whole, and the US 10-year Treasury yields remained almost unchanged, both starting and ending the year at 4.2. Strong foreign buying of US Treasuries helped keep US yields from rising, although some of this buying appeared to subside in the fourth quarter, which saw both US yields rise and the dollar weaken to record lows. US inflation appeared to remain in check, helped by the fourth quarter decline in oil prices. Yet the structural issue that also affects the dollar, namely the enormous foreign holdings of Treasuries, remains a larger concern. Asian central banks remain in a Catch-22 situation, in that they need to support the dollar to encourage US buying of their goods, yet this puts off a likely larger real loss on their foreign reserves. However 2004 did see China reduce the ratio of new foreign reserves built up from trade surpluses that it holds in dollars from approximately the half seen in 2001-3 to less than 25%. Such evidence appears to have been a factor in the widening spread between US Treasury yields and European bond yields that occurred in the fourth quarter. The buying of European bonds helped push yields down to 3.7 from 4.3 at the beginning of the year. Corporate spreads had already significantly narrowed in 2003, but did not widen in 2004 due to investors' search for yield. In fact, US and European high yield spreads, as well as emerging market spreads, narrowed in a fourth quarter rally, ending the year at multi-year lows of 2-3%.

On 20 January 2004 the Class D was launched with the offer price of EUR 100. The aim of this class, which is denominated in EUR, is to achieve not only long- term capital growth but also to distribute income twice every year.

#### Result

The Net Asset Value of the Multiple Managers European Bond class A increased from EUR 126.95 to EUR 133.10, class B from USD 171.38 to USD 177.54, class C from GBP 77.95 to GBP 82.97, and Class D from EUR 100 (launch price) to EUR 102.28, a performance of 4.84% (Class A), 3.59% (Class B), 6.44% (Class C) and 3.88% (Class D, adjusted with the dividend distribution of EUR 1.60 in 2004) measured in their respective currencies as opposed to 7.42% measured in euros for the JP Morgan European Government Bond Index. Given the already low yields in 2003, the fund was generally underweight in duration during the course of the year. While the overall European bond market was strong in 2004, on a relative basis the aforementioned positioning in duration affected us negatively (particularly) in the second half of the year when European yields dropped from 4.3 to 3.7.

#### Outlook

We believe that 2005 will continue to see a strong euro and a lagging European economy. We expect the tightening bias in the US to continue, with some risk of too aggressive tightening affecting the economic recovery. On the contrary we expect discussions about monetary tightening to still be significantly less prominent in the (lagging) EU. Consequently, we see better opportunities in European bonds as opposed to US bonds.



## Review of the sub-funds (continued)

### **Euro High Yield LX**

#### **Investment Policy**

The Multiple Managers Euro High Yield Fund invests predominantly in non-investment grade bonds issued by European corporations. Taking a long term perspective and in line with the relative risk profiles, these high yield bonds typically have substantially higher return expectations than government bonds and investment grade bonds.

In 2004 the markets for bonds and equities were strongly influenced by among other things the structural issues affecting the dollar, the expectations of the scope and scale of the economic recovery and the US presidential election. Driven by strong global growth the second quarter saw markets pricing in an acceleration in inflation and higher yields. Yet yields remained relatively subdued over the year as a whole, and the US 10-year Treasury yields remained almost unchanged, both starting and ending the year at 4.2. Strong foreign buying of US Treasuries helped keep US yields from rising, although some of this buying appeared to subside in the fourth quarter, which saw both US yields rise and the dollar weaken to record lows. US inflation appeared to remain in check, helped by the fourth quarter decline in oil prices. Yet the structural issue that also affects the dollar, namely the enormous foreign holdings of Treasuries, remains a larger concern. The fourth quarter consequently saw a widening of the spread between US Treasury yields and European bond yields. The buying of European bonds helped push yields down to 3.7 from 4.3 at the beginning of the year. High yield and emerging market bonds continued to perform well in 2004 with demand being supported by investors' search for yield. High yield and emerging market spreads had already narrowed significantly by the end of 2003. Yet spreads did not widen in 2004, and in fact US and European high yield spreads as well as emerging market spreads narrowed in a fourth quarter rally, ending the year at multi-year lows of 2-3%.

On 20 January 2004 the Class D was launched with the offer price of EUR 100.. The aim of this class, which is denominated in EUR, is to maximise the returns by investing mainly in debt securities issued by corporate offering a yield higher than that of a comparable government bond issued and also to distribute income twice every year.

#### **Result**

The Net Asset Value of the Multiple Mangers Euro High Yield LX for Class A increased from EUR 93.22 to EUR 100.91, returning 8.24% as opposed to 15.56% for the benchmark.

The Net Asset Value of Class D increased from EUR 100 to EUR 100.50. The performance is 6.2% (adjusted with the dividend distribution of EUR 5.70 in 2004)

The fund is generally more geared to better quality high yielding bonds, typically resulting in a relatively lower result in an environment where spreads of riskier issues continue to tighten.

#### **Outlook**

Due to spread levels a fair deal of caution must be maintained when investing. Although the narrow spreads may reflect healthier balance sheets and cash flows for high yield corporate (and lower sovereign risk for emerging market bonds), the risk premiums are very low and many bonds may no longer provide sufficient incremental return to justify the additional risk. We further expect the tightening bias in the US to continue, whereas such discussions are likely to be less prominent in the (lagging) EU.

Luxembourg, April 26, 2005

***The Board of Directors***



## Auditor's Report

To the Shareholders of  
Multiple Managers SICAV:

We have audited the financial statements, which consist of the statement of net assets, the statement of changes in net assets, the schedule of investments and the notes to the financial statements of Multiple Managers SICAV (the "Fund") and of each of its sub-funds for the year ended December 31, 2004. These financial statements are the responsibility of the Board of Directors of the Fund. 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 Fund in preparing the financial statements, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the attached financial statements described above give, in conformity with Luxembourg legal and regulatory requirements, a true and fair view of the financial position of Multiple Managers SICAV and of each of its sub-funds as of December 31, 2004 and the results of their operations and changes in their 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.

Ernst & Young  
Société Anonyme  
Réviseur d'entreprises

Alain KINSCH

Luxembourg, April 26, 2005



Statement of Net Assets  
as at December 31, 2004

|  | Multiple Managers<br>European Bond | Multiple Managers<br>Euro High Yield LX | Total             |
|--|------------------------------------|---|-------------------|
| Note   | EUR                                | EUR                                     | EUR               |
| <b>ASSETS</b>  |                                    |   |                   |
| Investment portfolio at market value                           | 59,375,371                         | 12,367,551                              | 71,742,922        |
| Cash at bank   | 1,944,444                          | 254,178                                 | 2,198,622         |
| Amounts receivable on subscriptions                            | 406,559                            | 455                                     | 407,014           |
| Interest and dividends receivable, net                         | 1,315,033                          | 326,938                                 | 1,641,971         |
| Net unrealised profit on forward foreign<br>exchange contracts | 0                                  | 32,581                                  | 32,581            |
| <b>TOTAL ASSETS</b>  | <b>63,041,407</b>                  | <b>12,981,703</b>                       | <b>76,023,110</b> |
| <b>LIABILITIES</b>   |                                    |   |                   |
| Amounts payable on redemptions                                 | 183,660                            | 94,128                                  | 277,788           |
| Net unrealised loss on forward foreign<br>exchange contracts   | 257,633                            | 0                                       | 257,633           |
| Management fee payable   | 52,312                             | 13,238                                  | 65,550            |
| Taxes and expenses payable                                     | 40,355                             | 18,684                                  | 59,039            |
| <b>TOTAL LIABILITIES</b>                                       | <b>533,960</b>                     | <b>126,050</b>                          | <b>660,010</b>    |
| <b>TOTAL NET ASSETS</b>  | <b>62,507,447</b>                  | <b>12,855,653</b>                       | <b>75,363,100</b> |
| <b>Net asset value per share</b>                               |                                    |   |                   |
| "A" shares (EUR)   | 133.10                             | 100.91                                  |                   |
| "B" shares (USD)   | 177.54                             | -                                       |                   |
| "C" shares (GBP)   | 82.97                              | -                                       |                   |
| "D" shares (EUR)   | 102.28                             | 100.50                                  |                   |
| <b>Number of shares outstanding</b>                            |                                    |   |                   |
| "A" shares (EUR)   | 427,591.161                        | 116,837.049                             |                   |
| "B" shares (USD)   | 18,180.265                         | -                                       |                   |
| "C" shares (GBP)   | 553.150                            | -                                       |                   |
| "D" shares (EUR)   | 30,916.355                         | 10,605.695                              |                   |



## Statement of Changes in Net Assets for the Year ended December 31, 2004

|  | Multiple Managers<br>European Bond | Multiple Managers<br>Euro High Yield LX | Total             |
|--|------------------------------------|---|-------------------|
| Note   | EUR                                | EUR                                     | EUR               |
| <b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>   | <b>52,270,561</b>                  | <b>31,046,807</b>                       | <b>83,317,368</b> |
| <b>INCOME</b>  |                                    |   |                   |
| Dividends, net   | 122,141                            | 0                                       | 122,141           |
| Interest on bonds, net   | 2,380,968                          | 1,655,491                               | 4,036,459         |
| <b>TOTAL INCOME</b>  | <b>2,503,109</b>                   | <b>1,655,491</b>                        | <b>4,158,600</b>  |
| <b>EXPENSES</b>  |                                    |   |                   |
| Management fees  | 591,841                            | 271,023                                 | 862,864           |
| Depository bank commission   | 58,703                             | 19,287                                  | 77,990            |
| Domiciliation, administration and transfer agent fees  | 62,534                             | 40,275                                  | 102,809           |
| Audit, printing and publication expenses   | 42,908                             | 23,778                                  | 66,686            |
| Subscription tax   | 30,218                             | 9,807                                   | 40,025            |
| Italian tax  | 32                                 | 0                                       | 32                |
| Bank charges   | 2,926                              | 1,700                                   | 4,626             |
| Interest paid  | 3,044                              | 198                                     | 3,242             |
| Other charges  | 21,406                             | 9,228                                   | 30,634            |
| <b>TOTAL EXPENSES</b>  | <b>813,612</b>                     | <b>375,296</b>                          | <b>1,188,908</b>  |
| <b>NET INCOME / (LOSS) FROM INVESTMENTS</b>  | <b>1,689,497</b>                   | <b>1,280,195</b>                        | <b>2,969,692</b>  |
| Net realised gain / (loss) on sales of investments   | 1,514,246                          | 1,065,058                               | 2,579,304         |
| Net realised gain / (loss) on forward foreign exchange contracts                             | (146,582)                          | (26,718)                                | (173,300)         |
| Net realised gain / (loss) on foreign exchange   | (3,034)                            | 27,474                                  | 24,440            |
| <b>NET REALISED PROFIT / (LOSS)</b>  | <b>3,054,127</b>                   | <b>2,346,009</b>                        | <b>5,400,136</b>  |
| Change in net unrealised appreciation / (depreciation) on investments                        | (322,596)                          | (933,185)                               | (1,255,781)       |
| Change in net unrealised appreciation / (depreciation) on forward foreign exchange contracts | (122,047)                          | (64,970)                                | (187,017)         |
| <b>NET INCREASE / (DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>                     | <b>2,609,484</b>                   | <b>1,347,854</b>                        | <b>3,957,338</b>  |
| <b>EVOLUTION OF THE CAPITAL</b>  |                                    |   |                   |
| Subscriptions of shares  | 24,891,355                         | 18,839,083                              | 43,730,438        |
| Redemptions of shares  | (17,211,554)                       | (37,774,465)                            | (54,986,019)      |
| Dividends distributed  | (52,399)                           | (603,626)                               | (656,025)         |
| <b>NET ASSETS AT THE END OF THE YEAR</b>   | <b>62,507,447</b>                  | <b>12,855,653</b>                       | <b>75,363,100</b> |



Changes in the Number of Shares for the Year ended December 31, 2004

|   | Multiple Managers<br>European Bond | Multiple Managers<br>Euro High Yield LX |
|---|------------------------------------|---|
| <b>EUR</b>  |                                    |   |
| "A" shares  |                                    |   |
| Number of shares outstanding at the beginning of the year | 381,037.055                        | 333,032.110                             |
| Number of shares issued                                   | 119,016.992                        | 4,786.152                               |
| Number of shares redeemed                                 | (72,462.886)                       | (220,981.213)                           |
| Number of shares outstanding at the end of the year       | 427,591.161                        | 116,837.049                             |
| <b>USD</b>  |                                    |   |
| "B" shares  |                                    |   |
| Number of shares outstanding at the beginning of the year | 0.000                              |   |
| Number of shares issued                                   | 340.730                            |   |
| Number of shares redeemed                                 | (6,110.366)                        |   |
| Number of shares outstanding at the end of the year       | 18,180.265                         |   |
| <b>GBP</b>  |                                    |   |
| "C" shares  |                                    |   |
| Number of shares outstanding at the beginning of the year | 0.000                              |   |
| Number of shares issued                                   | 0.000                              |   |
| Number of shares redeemed                                 | (493.401)                          |   |
| Number of shares outstanding at the end of the year       | 553.150                            |   |
| <b>EUR</b>  |                                    |   |
| "D" shares  |                                    |   |
| Number of shares outstanding at the beginning of the year | 0.000                              | 0.000                                   |
| Number of shares issued                                   | 36,402.089                         | 168,668.080                             |
| Number of shares redeemed                                 | (5,485.734)                        | (158,062.385)                           |
| Number of shares outstanding at the end of the year       | 30,916.355                         | 10,605.695                              |

Statistics

|   | Multiple Managers<br>European Bond | Multiple Managers<br>Euro High Yield LX |
|---|------------------------------------|---|
|   | EUR                                | EUR                                     |
| <b>Total Net Asset Value</b>                |                                    |   |
| December 31, 2004                           | 62,507,447                         | 12,855,653                              |
| December 31, 2003                           | 52,270,561                         | 31,046,807                              |
| December 31, 2002                           | 39,227,030                         | 11,515,320                              |
| <b>NAV per share at the end of the year</b> |                                    |   |
| December 31, 2004                           |                                    |   |
| "A" shares (EUR)                            | 133.10                             | 100.91                                  |
| "B" shares (USD)                            | 177.54                             | -                                       |
| "C" shares (GBP)                            | 82.97                              | -                                       |
| "D" shares (EUR)                            | 102.28                             | 100.50                                  |
| December 31, 2003                           |                                    |   |
| "A" shares (EUR)                            | 126.95                             | 93.22                                   |
| "B" shares (USD)                            | 171.38                             | -                                       |
| "C" shares (GBP)                            | 77.95                              | -                                       |
| "D" shares (EUR)                            | -                                  | -                                       |
| December 31, 2002                           |                                    |   |
| "A" shares (EUR)                            | 124.41                             | 82.15                                   |
| "B" shares (USD)                            | 154.05                             | -                                       |
| "C" shares (GBP)                            | 73.12                              | -                                       |
| "D" shares (EUR)                            | -                                  | -                                       |



Multiple Managers European Bond

Schedule of Investments  
as at December 31, 2004

(expressed in EUR)

| Description   | Quantity / Face value | Currency | Cost              | Valuation         | % net assets |
|---|-----------------------|----------|-------------------|-------------------|--------------|
| <b>Transferable securities admitted to an official stock exchange listing</b> |                       |          |                   |                   |              |
| <b>Austria</b>  |                       |          |                   |                   |              |
| Austria 5.5% 99-15.1.10 S99   | 1,000,000             | EUR      | 1,116,446         | 1,110,835         | 1.78         |
| Austria 5.875% 96-06 A7   | 1,500,000             | EUR      | 1,589,085         | 1,577,214         | 2.52         |
|   |                       |          | <b>2,705,531</b>  | <b>2,688,049</b>  | <b>4.30</b>  |
| <b>Belgium</b>  |                       |          |                   |                   |              |
| Belgium 8% 95-15  | 870,000               | EUR      | 1,178,216         | 1,187,576         | 1.90         |
|   |                       |          | <b>1,178,216</b>  | <b>1,187,576</b>  | <b>1.90</b>  |
| <b>Finland</b>  |                       |          |                   |                   |              |
| Finland 2.75% 03-4.7.06   | 3,400,000             | EUR      | 3,437,839         | 3,418,485         | 5.46         |
| Finland 5.75% 00-11   | 2,300,000             | EUR      | 2,616,209         | 2,615,979         | 4.19         |
| Finlande 5.375% 02-4.7.2013   | 125,000               | EUR      | 139,690           | 141,647           | 0.23         |
|   |                       |          | <b>6,193,738</b>  | <b>6,176,111</b>  | <b>9.88</b>  |
| <b>France</b>   |                       |          |                   |                   |              |
| France 3% 02-12.7.08  | 1,400,000             | EUR      | 1,405,845         | 1,409,748         | 2.26         |
| France 4.75% 02-12.7.07   | 1,300,000             | EUR      | 1,387,920         | 1,367,472         | 2.19         |
| France 7.25% 95-06  | 1,500,000             | EUR      | 1,616,100         | 1,593,752         | 2.54         |
|   |                       |          | <b>4,409,865</b>  | <b>4,370,972</b>  | <b>6.99</b>  |
| <b>Germany</b>  |                       |          |                   |                   |              |
| Germany 3.75% 03-04.07.13   | 3,000,000             | EUR      | 2,983,524         | 3,043,322         | 4.87         |
| Germany 4.125% 98-08  | 1,460,000             | EUR      | 1,532,807         | 1,523,048         | 2.44         |
| Germany 4.75% 03-4.7.34   | 4,000,000             | EUR      | 4,091,400         | 4,309,621         | 6.89         |
| Germany 5% 00-17.02.06 S137   | 2,500,000             | EUR      | 2,624,001         | 2,573,285         | 4.12         |
|   |                       |          | <b>11,231,732</b> | <b>11,449,276</b> | <b>18.32</b> |
| <b>Great Britain</b>  |                       |          |                   |                   |              |
| Great Britain 5% 01-7.3.12 Tsy  | 245,000               | GBP      | 375,917           | 355,579           | 0.57         |
| Great Britain 5.75% 98-09 Tsy   | 500,000               | GBP      | 792,347           | 744,225           | 1.19         |
| Great Britain 7.5% 95-06 Tsy  | 1,300,000             | GBP      | 2,081,024         | 1,939,081         | 3.10         |
| Great Britain 8% 95-15 Tsy  | 1,025,000             | GBP      | 1,994,550         | 1,872,119         | 3.00         |
| Great Britain 8% 96-21 Tsy  | 360,000               | GBP      | 750,648           | 707,952           | 1.13         |
|   |                       |          | <b>5,994,486</b>  | <b>5,618,956</b>  | <b>8.99</b>  |
| <b>Greece</b>   |                       |          |                   |                   |              |
| Greece 4.6% 03-20.5.13  | 2,000,000             | EUR      | 2,093,374         | 2,128,670         | 3.41         |
|   |                       |          | <b>2,093,374</b>  | <b>2,128,670</b>  | <b>3.41</b>  |
| <b>Italy</b>  |                       |          |                   |                   |              |
| Italy 4.25% 99-1.11.09  | 112,000               | EUR      | 117,633           | 117,864           | 0.19         |
| Italy 4.75% 01-15.3.06  | 1,000,000             | EUR      | 1,034,500         | 1,028,337         | 1.65         |
| Italy 5.25 % 01-1.8.11  | 2,100,000             | EUR      | 2,318,683         | 2,334,234         | 3.73         |
|   |                       |          | <b>3,470,816</b>  | <b>3,480,435</b>  | <b>5.57</b>  |
| <b>Netherlands</b>  |                       |          |                   |                   |              |
| Netherlands 3.75% 99-09   | 2,840,000             | EUR      | 2,924,641         | 2,929,268         | 4.69         |
| Netherlands 4.25% 03-15.7.13  | 5,100,000             | EUR      | 5,249,961         | 5,353,440         | 8.56         |
| Netherlands 5% 01-15.07.11  | 3,170,000             | EUR      | 3,459,497         | 3,480,246         | 5.57         |



Multiple Managers European Bond

Schedule of Investments (continued)  
as at December 31, 2004

(expressed in EUR)

| Description   | Quantity / Face value | Currency | Cost              | Valuation         | % net assets |
|---|-----------------------|----------|-------------------|-------------------|--------------|
| Netherlands 5.5% 00-15.7.10   | 50,000                | EUR      | 56,000            | 55,847            | 0.09         |
|   |                       |          | <b>11,690,099</b> | <b>11,818,801</b> | <b>18.91</b> |
| <b>Portugal</b>   |                       |          |                   |                   |              |
| Portugal 3% 03-17.7.06  | 1,000,000             | EUR      | 1,005,250         | 1,009,355         | 1.61         |
|   |                       |          | <b>1,005,250</b>  | <b>1,009,355</b>  | <b>1.61</b>  |
| <b>Spain</b>  |                       |          |                   |                   |              |
| Spain 4.95% 00-30.7.05  | 1,950,000             | EUR      | 2,026,040         | 1,979,771         | 3.17         |
| Spain 5.15% 99-2009   | 1,860,000             | EUR      | 2,041,188         | 2,028,514         | 3.24         |
|   |                       |          | <b>4,067,228</b>  | <b>4,008,285</b>  | <b>6.41</b>  |
| <b>Sweden</b>   |                       |          |                   |                   |              |
| Sweden 6% 93-9.2.05   | 10,250,000            | SEK      | 1,147,965         | 1,140,486         | 1.82         |
| Sweden 6.75% 97-2014  | 13,975,000            | SEK      | 1,826,890         | 1,890,006         | 3.03         |
|   |                       |          | <b>2,974,855</b>  | <b>3,030,492</b>  | <b>4.85</b>  |
| <b>United States</b>  |                       |          |                   |                   |              |
| Rabobank Cap. N-cum Tr.pfd 7%   | 93,060                | EUR      | 2,416,768         | 2,408,393         | 3.85         |
|   |                       |          | <b>2,416,768</b>  | <b>2,408,393</b>  | <b>3.85</b>  |
| <b>Total - Transferable securities admitted to an official stock exchange listing</b> |                       |          | <b>59,431,958</b> | <b>59,375,371</b> | <b>94.99</b> |
| <b>TOTAL INVESTMENT PORTFOLIO</b>   |                       |          | <b>59,431,958</b> | <b>59,375,371</b> | <b>94.99</b> |

The accompanying notes form an integral part of these financial statements.



Multiple Managers Euro High Yield LX

Schedule of Investments  
as at December 31, 2004

(expressed in EUR)

| Description   | Face value | Currency | Cost             | Valuation        | % net assets |
|---|------------|----------|------------------|------------------|--------------|
| <b>Transferable securities admitted to an official stock exchange listing</b> |            |          |                  |                  |              |
| <b>France</b>   |            |          |                  |                  |              |
| Crown Euro Hldg 10.25% 03-1.3.11  | 400,000    | EUR      | 450,000          | 465,000          | 3.62         |
|   |            |          | <b>450,000</b>   | <b>465,000</b>   | <b>3.62</b>  |
| <b>Germany</b>  |            |          |                  |                  |              |
| Flender Hldg 11% 03-1.8.10 Reg S  | 450,000    | EUR      | 523,125          | 544,500          | 4.24         |
| Gerling Konz. Tv 04-12.8.24 S   | 250,000    | EUR      | 251,750          | 276,000          | 2.15         |
| Kronos Intl 8.875% 02-30.6.09   | 400,000    | EUR      | 435,000          | 431,000          | 3.35         |
| Prosieben Sat1 6.25% 04-15.5.09   | 200,000    | EUR      | 209,500          | 219,000          | 1.70         |
|   |            |          | <b>1,419,375</b> | <b>1,470,500</b> | <b>11.44</b> |
| <b>Great Britain</b>  |            |          |                  |                  |              |
| Carlton Comm.5.625% 99-2.3.09   | 350,000    | GBP      | 524,220          | 498,362          | 3.88         |
| Indep. News & Med. Fin. 5.75% 99-09   | 600,000    | EUR      | 575,999          | 611,999          | 4.75         |
| Ineos Vinyls 9.125% 03-11   | 500,000    | EUR      | 502,500          | 555,000          | 4.32         |
| Royal Bank Scotld 5.5% 04-perp.   | 400,000    | EUR      | 400,000          | 410,096          | 3.19         |
| Tm Group Hldg 11% 98-08   | 500,000    | USD      | 426,770          | 382,260          | 2.97         |
| Utd Biscuits 10.625% 01-11  | 550,000    | EUR      | 625,625          | 588,500          | 4.58         |
|   |            |          | <b>3,055,114</b> | <b>3,046,217</b> | <b>23.69</b> |
| <b>Ireland</b>  |            |          |                  |                  |              |
| Mdp Aquisit.10.125% 03-12 Reg   | 350,000    | EUR      | 392,875          | 399,875          | 3.11         |
| Valentia Telec. 7.25% 03-13   | 600,000    | EUR      | 653,250          | 657,000          | 5.11         |
| Waterford 9.875% 03-10 Reg S  | 260,000    | EUR      | 263,250          | 210,600          | 1.64         |
|   |            |          | <b>1,309,375</b> | <b>1,267,475</b> | <b>9.86</b>  |
| <b>Italy</b>  |            |          |                  |                  |              |
| Heidelberg Finance 7.375% 03-10   | 1,000,000  | EUR      | 1,097,500        | 1,130,000        | 8.79         |
|   |            |          | <b>1,097,500</b> | <b>1,130,000</b> | <b>8.79</b>  |
| <b>Luxembourg</b>   |            |          |                  |                  |              |
| Antargaz Finance 10% 02-15.7.11 Reg S   | 450,000    | EUR      | 515,250          | 510,750          | 3.97         |
|   |            |          | <b>515,250</b>   | <b>510,750</b>   | <b>3.97</b>  |
| <b>Netherlands</b>  |            |          |                  |                  |              |
| Fresenius Fin. 7.75% 03-09 Reg S  | 1,000,000  | EUR      | 1,102,500        | 1,096,250        | 8.52         |
| Kappa Beheer 10.625% 99-15.6.09 Reg   | 850,000    | EUR      | 907,375          | 896,750          | 6.98         |
| Yell Finance 10.75% 01-1.8.11   | 325,000    | GBP      | 558,575          | 517,678          | 4.03         |
|   |            |          | <b>2,568,450</b> | <b>2,510,678</b> | <b>19.53</b> |
| <b>Spain</b>  |            |          |                  |                  |              |
| Santander Fin. 5.75% 04-perp.   | 275,000    | EUR      | 275,000          | 285,120          | 2.22         |
|   |            |          | <b>275,000</b>   | <b>285,120</b>   | <b>2.22</b>  |
| <b>United States</b>  |            |          |                  |                  |              |
| Chesapeake 10.375% 01-15.11.11  | 228,000    | GBP      | 372,226          | 351,092          | 2.73         |
| Huntsman Ici 10.125% 99-1.7.09  | 300,000    | EUR      | 288,000          | 317,625          | 2.47         |



Multiple Managers Euro High Yield LX

Schedule of Investments (continued)

as at December 31, 2004

(expressed in EUR)

| Description   | Face value | Currency | Cost              | Valuation         | % net assets |
|---|------------|----------|-------------------|-------------------|--------------|
| Xerox 9.75% 03-15.01.09   | 850,000    | EUR      | 997,687           | 1,013,094         | 7.88         |
|   |            |          | <b>1,657,913</b>  | <b>1,681,811</b>  | <b>13.08</b> |
| <b>Total - Transferable securities admitted to an official stock exchange listing</b> |            |          | <b>12,347,977</b> | <b>12,367,551</b> | <b>96.20</b> |
| <b>TOTAL INVESTMENT PORTFOLIO</b>   |            |          | <b>12,347,977</b> | <b>12,367,551</b> | <b>96.20</b> |



## Notes to the Financial Statements as at December 31, 2004

### 1 - Organisation

Multiple Managers SICAV ( the “Fund”) (formerly Insinger de Beaufort Asset Selection SICAV) is an investment company organised as a “Société Anonyme” under the laws of the Grand Duchy of Luxembourg and qualifies as a “Société d’Investissement à Capital Variable (SICAV). The Fund was incorporated in Luxembourg on February 23, 1996 for an unlimited period. Its Articles of Incorporation were published in the “Mémorial, Recueil des Sociétés et Associations”, of Luxembourg, on April 1, 1996. On 4th November 2003, the Fund changed its name to Multiple Managers SICAV, from Insinger de Beaufort Asset Selection SICAV.

The Fund is registered with the “Registre de Commerce”, Luxembourg under number B-53 934.

The objective of the Fund is to provide investors with a choice of sub-funds investing in a wide range of transferable securities on a worldwide basis and featuring a diverse array of investment objectives, including capital growth and income, whilst retaining the administrative advantages of one single corporate entity.

The Board of Directors may at any one time create additional sub-funds whose investment objectives may differ from the then existing sub-funds as well as issue, within each sub-fund, two or more classes of shares.

Any shareholder may request the conversion of all or part of his/her shares of any sub-fund and/or share class into shares of any other existing sub-fund and/or share class.

The Central Administration function previously performed by Insinger Fund Administration (Luxembourg) S.A. has been transferred to DEXIA Banque Internationale à Luxembourg S.A. as per the Investment Fund Service Agreement signed on March 25, 2004 and applicable as of April 6, 2004.

At December 31, 2004, the Fund comprised two active Sub-Funds:

#### **Multiple Managers SICAV –European Bond (expressed in EUR)**

This sub-fund seeks stable long-term capital growth consistent with the opportunities available in the European capital markets. It is not the sub-fund’s objective to produce a high level of income.

Four classes of shares have been created in this Sub-Fund so as to enable investors with different currency profiles access to the same underlying portfolio. The “A” shares (non USD-hedged shares), the “B” shares (USD-hedged shares), the “C” shares (GBP-hedged shares) aim to achieve the investment objective of long-term capital growth and the “D” shares (non USD-hedged shares) aim to achieve the investment objective of long-term capital, but also to distribute income twice every year.

All four Share Classes are invested in the same underlying portfolio of securities (The “common portfolio”), the only difference being the application of hedging techniques on “B” and “C” Class Shares in order to minimise the impact of fluctuations in the USD and GBP rates of exchange.

#### **Multiple Managers SICAV –Euro High Yield LX (expressed in EUR)**

This sub-fund’s objective is to maximise returns by investing mainly in debt securities issued by corporate offering a yield higher than that of comparable government bond issues.

Sub-Fund invests in major OECD currencies and exposure will be hedged back into EURO with the objective to preserve the EURO value of the portfolio. Such hedging will be subject to the limitations as set out in the prospectus.

Two classes of shares have been created in the sub-fund as to enable investors with different profiles to access to the same underlying portfolio. The “A” shares and “D” shares aim to achieve the investment objective of maximising returns. “A” shares are reinvested in the Sub-Fund and shall be visible as an increase of the value per of the shares. “D” shares are fully or partially be distributed as income twice every year. The Board of Directors shall decide on the amount and the time of each income distribution.



## Notes to the Financial Statements (continued) as at December 31, 2004

### 2 – Significant accounting policies

The financial statements have been prepared in conformity with legal and regulatory requirements in Luxembourg, including the following significant accounting policies:

#### a) Valuation of investments

Transferable securities which are admitted to an official exchange listing or dealt in on another regulated market are valued on the basis of the last available price prevailing on the valuation date, and where appropriate at the middle market price. If securities are listed on several stock exchanges or markets, the price on the principal market will be applied.

Transferable securities not admitted to an official exchange listing or dealt in on another regulated market and transferable securities admitted to an official exchange listing or dealt in on another regulated market for which the available price is not representative are valued on the basis of their reasonably foreseeable sales price determined with prudence and good faith by the Board of Directors.

The investments were valued for the purposes of the 2004 Financial Statements on December 31, 2004 on the basis of exchange rates in effect on December 31, 2004 and the last available prices on December 31, 2004.

#### b) Net realised profit (loss) on sale of investments

The net realised profit or loss on sale of investments is determined on the basis of the average cost of investments sold.

#### c) Foreign currencies

Assets and liabilities expressed in currencies other than the Sub-Fund's currency are translated into the Sub-Fund's currency at the exchange rates prevailing as of December 31, 2004. Income and expenses in currencies other than the Sub-Fund's currency are translated into the Sub-Fund's currency at the exchange rates prevailing at the transaction date.

Principal exchange rate used as at December 31, 2004 : 1 EUR = 1.363600 USD

The various items of the total statement of net assets and the total statement of changes in net assets of the Fund as at December 31, 2004 are equal to the total sum of the corresponding items of the financial statements of each Sub-Fund translated into EUR at the exchange rate ruling as at December 31, 2004.

#### d) Cost of investment securities

Cost of investment securities expressed in currencies other than the Sub-Fund's currency is translated into the Sub-Fund's currency at the exchange rate applicable at the purchase date.

In the context of the change of Central Administration as explained in Note 1, all assets and liabilities as per the accounting records of the former Central Administration have been booked in the accounting records of the Fund held by DEXIA Banque Internationale à Luxembourg S.A. as of March 23, 2004.

The cost price of all securities transferred into the new accounting system as of March 23, 2004 has been set at the market value of such securities as of the date of the transfer. Consequently, the cost in the Schedule of Investments reflects the market value instead of the historical cost price for securities transferred as of March 23, 2004. This led to a reclassification between the caption Net realized gain / (loss) on sales of investments and the caption Change in net unrealized appreciation / (depreciation) on investments in the Statement of Changes in Net Assets. This accounting treatment has been specifically approved by the Board of Directors of the Fund as of June 7, 2005.

#### e) Forward foreign exchange contracts

Outstanding forward foreign exchange contracts are valued on the basis of forward exchange rates prevailing at the relevant valuation date and the resulting unrealised profits or losses are included in the statement of changes in net assets. Realised profits and losses on matured forward foreign exchange contracts are also included in the statement of changes in net assets.

#### f) Formation expenses

Formation expenses are amortized in equal parts in respect of each Sub-Fund over the first five financial years.



## Notes to the Financial Statements (continued) as at December 31, 2004

### 3 - Taxes and expenses payable

|   | Multiple<br>Managers<br>European<br>Bond<br>EUR | Multiple<br>Managers<br>Euro High<br>Yield LX<br>EUR |
|---|---|--|
| Taxe d'abonnement (note 6)  | 7,836   | 1,619  |
| Depository bank commission, domiciliation, administration and transfer agent fees | 23,323  | 8,636  |
| Audit fees, printing and publication expenses                                     | 9,196   | 8,429  |
| Other taxes and expenses  | 0   | 0  |
|   | <b>40,355</b>                                   | <b>18,684</b>  |

### 4 - Commission on subscription and redemption of the Fund's shares

The shares of Multiple Managers SICAV are issued at a subscription price equal to the net asset value per share of the relevant sub-fund plus a maximum loading of 5% in favour of the Investment Manager who is responsible for rewarding the intermediaries involved in the distribution of the Shares

The redemption price of the Fund's shares corresponds to the net asset value per share of the relevant sub-fund. No redemption fee is levied.

### 5 – Management fee

As remuneration for its services, the Investment Manager receives from the SICAV an annual fee at the maximum annual rate of 1% for Multiple Managers SICAV - European Bond and of 1.25% for Multiple Managers SICAV - Euro High Yield LX respectively, applicable on the average net assets of the relevant Sub-Fund.

### 6 - Taxation

Under current law and practice, the SICAV is not liable to any Luxembourg income tax, nor are dividends paid by the SICAV liable to any Luxembourg withholding tax. However, the SICAV is liable in Luxembourg to a "taxe d'abonnement" of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the basis of the net assets of all Sub-Funds at the end of the relevant quarter.

No such tax is paid on the assets held by the SICAV in other UCITS already subject to that tax in Luxembourg.

### 7 – Forward foreign exchange contracts

As at December 31, 2004, the Multiple Managers European Bond had entered into the following outstanding forward foreign exchange contracts:

|     | Purchase  |     | Sale       | Maturity Date | Unrealized<br>profit/(loss)<br>(in EUR) |
|-----|-----------|-----|------------|---------------|---|
| GBP | 43,000    | EUR | 62,184     | 14/01/2005    | (1,498)                                 |
| EUR | 128,156   | USD | 170,000    | 14/01/2005    | 3,494                                   |
| USD | 3,390,000 | EUR | 2,752,964  | 14/01/2005    | (267,071)                               |
| EUR | 2,557,403 | SEK | 23,000,000 | 14/03/2005    | 7,441                                   |
|     |           |     |            | <b>TOTAL</b>  | <b>(257,633)</b>                        |

The unrealised loss on these forward foreign exchange contracts as at December 31, 2004 amounted to EUR and is included in the statement of net assets.



Notes to the Financial Statements (continued)  
as at December 31, 2004

**7 – Forward foreign exchange contracts (continued)**

As at December 31, 2004, the Multiple Managers Euro High Yield LX had entered into the following outstanding forward foreign exchange contracts:

|     | Purchases |     | Sales   | Maturity Date | Unrealized profit/(loss) (in EUR) |
|-----|-----------|-----|---------|---------------|-----------------------------------|
| EUR | 1,287,369 | GBP | 900,000 | 14/03/2005    | 22,906                            |
| EUR | 398,077   | USD | 530,000 | 14/03/2005    | 9,675                             |
|     |           |     |         | TOTAL         | 32,581                            |

The unrealised loss on these forward foreign exchange contracts as at December 31, 2004 amounted to EUR and is included in the statement of net assets.