

# Annual Report 2005/2006.

**Investment Fund under Luxembourg Law**

**Audited annual report as of 31 August 2006**

UBS (Lux) Emerging Economies Fund – Global Bonds



# UBS (Lux) Emerging Economies Fund

## – Global Bonds

Annual Report as of 31 August 2006

### Three-year comparison

Date	ISIN	31.8.2006	31.8.2005	31.8.2004
Net assets in USD		537 294 934.91	518 244 280.53	266 016 361.44
<b>Class B</b>	<b>LU0084219863</b>			
Units outstanding		463 116.2068	488 063.3378	294 507.3968
Net asset value per unit in USD		1 160.17	1 061.84	903.26

### Report of the Portfolio Manager

Emerging markets continued to perform well during the reporting period, 1 September 2005 to 31 August 2006. The level of interest rates in the US, while rising, has remained low relative to that existing in many emerging markets. Coupled with ongoing interest from many investors for higher-yielding emerging market debt (EMD) assets, this provided support for the asset class. If this landscape continues, it should remain a source of support in the near future.

The subfund outperformed its JP Morgan EMBI Global benchmark. Relative performance profited from a sizable position in performing US dollar-denominated debt in Argentina, as well as a position to the country's Argentine peso-denominated (ARS), inflation-indexed bonds. An overweight in Ecuador external debt was also beneficial, as were investments in Latin America, Eastern Europe and Asia. Relative performance suffered due to underweights in external bonds (USD denominated) in Venezuela and Brazil.

### Structure of the Securities Portfolio

Geographical Breakdown as a % of net assets	
Argentina	15.22
United States	7.63
Luxembourg	7.14
Turkey	6.36
Russian Federation (CIS)	5.66
Brazil	5.22
Dominican Republic	4.84
Malaysia	4.60
Netherlands	3.14
Colombia	2.93
Philippines	2.76
Uruguay	2.49
Serbia and Montenegro	2.32
Egypt	2.30
Venezuela	1.67
El Salvador	1.63
Ecuador	1.61
Poland	1.47
Pakistan	1.40
Vietnam	1.21
Indonesia	1.09
Bahamas	0.98
Hungary	0.94
Supranationals	0.80
United Kingdom	0.79
Qatar	0.68
Tunisia	0.64
Lebanon	0.61
Panama	0.55
Mexico	0.33
South Africa	0.17
<b>Total</b>	<b>89.18</b>

Economic Breakdown as a % of net assets	
Countries & central governments	50.66
Finance & holding companies	9.78
Banks & credit institutions	7.19
Investment funds & pension foundations	7.14
Miscellaneous unclassified companies	7.00
Energy & water supply	2.85
Petroleum	1.93
Cantons, federal states	1.83
Supranational organisations	0.80
<b>Total</b>	<b>89.18</b>

## Statement of Net Assets

	<b>USD</b>
	<b>31.8.2006</b>
<b>Assets</b>	
Investments in securities, cost	463 562 529.63
Investments in securities, unrealized appreciation (depreciation)	15 578 526.42
<b>Total investments in securities (Note 1)</b>	<b>479 141 056.05</b>
Cash at banks, deposits on demand and deposit accounts	3 786 914.83
Time deposits and fiduciary deposits	55 400 670.09
Other liquid assets (Margins)	358 000.00
Receivable on securities sales (Note 1)	758 312.40
Receivable on subscriptions	738 789.37
Interest receivable on securities	5 520 640.93
Interest receivable on liquid assets	13 529.19
Other receivables	525 348.00
Unrealized gain (loss) on financial futures (Note 1)	210 529.25
Unrealized gain (loss) on forward foreign exchange contracts (Note 1)	-2 876 268.44
Unrealized gain (loss) on Swaps (Note 1)	-45 530.52
<b>Total Assets</b>	<b>543 531 991.15</b>
<b>Liabilities</b>	
Bank overdraft	-231 958.76
Other short-term liabilities (Margins)	-85 843.25
Interest payable on bank overdraft	-15 748.77
Payable on securities purchases (Note 1)	-5 008 850.00
Payable on redemptions	-437 374.09
Provisions for all-in fee (Note 2)	-415 250.39
Provisions for taxe d'abonnement (Note 3)	-42 030.98
<b>Total provisions</b>	<b>-457 281.37</b>
<b>Total Liabilities</b>	<b>-6 237 056.24</b>
<b>Net assets at the end of the financial year</b>	<b>537 294 934.91</b>

## Statement of Operations

	<b>USD</b>
	<b>1.9.2005–31.8.2006</b>
<b>Income</b>	
Net interest on liquid assets and bank overdraft	1 642 482.63
Interest on securities	28 349 357.01
Income on securities lending (Note 4)	94 211.84
<b>Total income</b>	<b>30 086 051.48</b>
<b>Expenses</b>	
All-in fee (Note 2)	-9 338 258.67
Taxe d'abonnement (Note 3)	-254 089.57
<b>Total expenses</b>	<b>-9 592 348.24</b>
<b>Net income on investments</b>	<b>20 493 703.24</b>
<b>Realized gain (loss) (Note 1)</b>	
Realized gain (loss) on market-priced securities without options	35 155 983.82
Realized gain (loss) on options	-490 519.20
Realized gain (loss) on yield-evaluated securities and money market instruments	2 608 262.13
Realized gain (loss) on financial futures	6 009 571.92
Realized gain (loss) on forward foreign exchange contracts	-4 388 505.48
Realized gain (loss) on Swaps	-109 208.20
<b>Total realized gain (loss) on investments</b>	<b>38 785 584.99</b>
Realized gain (loss) on foreign exchange	-1 438 593.62
<b>Total realized gain (loss)</b>	<b>37 346 991.37</b>
<b>Net realized gain (loss) of the financial year</b>	<b>57 840 694.61</b>
<b>Changes in unrealized appreciation (depreciation) (Note 1)</b>	
Unrealized appreciation (depreciation) on market-priced securities without options	-17 249 802.30
Unrealized appreciation (depreciation) on yield-evaluated securities and money market instruments	1 478 395.05
Unrealized appreciation (depreciation) on financial futures	1 026 701.13
Unrealized appreciation (depreciation) on forward foreign exchange contracts	-2 355 974.93
Unrealized appreciation (depreciation) on Swaps	551 763.81
<b>Total changes in unrealized appreciation (depreciation)</b>	<b>-16 548 917.24</b>
<b>Net increase (decrease) in net assets as a result of operations</b>	<b>41 291 777.37</b>

## Statement of Changes in Net Assets

	<b>USD</b>
	<b>1.9.2005–31.8.2006</b>
Net assets at the beginning of the financial year	518 244 280.53
Subscriptions	422 057 872.12
Redemptions	-444 298 995.11
Total net subscriptions (redemptions)	-22 241 122.99
Net income on investments	20 493 703.24
Total realized gain (loss)	37 346 991.37
Total changes in unrealized appreciation (depreciation)	-16 548 917.24
Net increase (decrease) in net assets as a result of operations	41 291 777.37
<b>Net assets at the end of the financial year</b>	<b>537 294 934.91</b>

## Development of the outstanding units

	<b>1.9.2005–31.8.2006</b>
<b>Class</b>	<b>B</b>
Number of units outstanding at the beginning of the financial year	488 063.3378
Number of units issued	375 934.6570
Number of units redeemed	-400 881.7880
<b>Number of units outstanding at the end of the financial year</b>	<b>463 116.2068</b>

## Statement of Investments in Securities and other Net Assets as of 31 August 2006

Description	Quantity/ Nominal	Valuation in USD Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts (Note 1)	as a % of net assets
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### Transferable securities and money market instruments listed on an official stock exchange

#### Credit Linked Notes, fixed rate

TRY				
TRY	CS INTL/TURKEY CLN-REG-S 15.00000% 28.06.06-10.02.10	4 500 000.00	2 855 680.65	0.53
<b>Total TRY</b>			<b>2 855 680.65</b>	<b>0.53</b>
<b>Total Credit Linked Notes, fixed rate</b>			<b>2 855 680.65</b>	<b>0.53</b>

#### Credit Linked Notes, floating rate

BRL				
BRL	BARCLAYS BANK PLC/BRAZIL-REG-S CLN FLR 16.03.06-17.05.45	7 300 000.00	4 249 478.12	0.79
<b>Total BRL</b>			<b>4 249 478.12</b>	<b>0.79</b>
<b>Total Credit Linked Notes, floating rate</b>			<b>4 249 478.12</b>	<b>0.79</b>

#### Asset Backed Securities, fixed rate

USD				
USD	BANCO DE GALICIA Y BUENOS AIRES SA-REG-S STEP-UP 04-01.01.14	13 441 000.00	11 996 092.50	2.23
USD	BANCO DE GALICIA Y BUENOS AIRES-REG-S STEP-UP 04-01.01.19	1 302 842.07	1 410 326.54	0.26
USD	BUENOS AIRES, PROVINCE OF-REG-S STEP-UP 06-15.05.35	5 640 000.00	2 538 000.00	0.47
USD	DOMINICAN REPUBLIC-REG-S 4.75000% 05-27.09.11	10 670 162.35	11 430 411.42	2.13
USD	DOMINICAN REPUBLIC-REG-S 9.04000% 05-23.01.18	6 514 142.50	7 132 986.03	1.33
USD	MONTERREY POWER SA DE CV-REG-S 9.62500% 98-15.11.09	611 000.00	602 313.92	0.11
USD	RUSSIA, FEDERATION OF-REG-S STEP-UP 00-31.03.30	22 024 622.00	24 486 974.74	4.56
USD	SERBIA, REPUBLIC OF-REG-S STEP-UP 05-01.11.24	14 000 000.00	12 460 000.00	2.32
<b>Total USD</b>			<b>72 057 105.15</b>	<b>13.41</b>
<b>Total Asset Backed Securities, fixed rate</b>			<b>72 057 105.15</b>	<b>13.41</b>

#### Asset Backed Securities, floating rate

ARS				
ARS	ARGENTINA, REPUBLIC OF PIK VAR/INDEX LINKED 05-31.12.33	34 482 399.00	14 067 972.59	2.62
<b>Total ARS</b>			<b>14 067 972.59</b>	<b>2.62</b>
USD				
USD	ARGENTINA, REPUBLIC OF 6M LIBOR 02-30.04.13	3 490 000.00	2 284 205.00	0.43
USD	ARGENTINA, REPUBLIC OF 6M LIBOR 02-03.08.12	33 984 000.00	23 656 104.54	4.40
USD	SLOVENIA, REPUBLIC OF-REG-S 6M LIBOR+40BP 96-27.12.06	150 000.00	5 507.52	0.00
<b>Total USD</b>			<b>25 945 817.06</b>	<b>4.83</b>
<b>Total Asset Backed Securities, floating rate</b>			<b>40 013 789.65</b>	<b>7.45</b>

#### Notes, fixed rate

USD				
USD	BRAZIL, FEDERATIVE REPUBLIC OF 7.87500% 05-07.03.15	1 770 000.00	1 945 230.00	0.36
USD	COLOMBIA, REPUBLIC OF 10.50000% 02-09.07.10	2 400 000.00	2 754 000.00	0.51
USD	EL SALVADOR, REPUBLIC OF-REG-S 7.75000% 02-24.01.23	2 850 000.00	3 149 250.00	0.59
USD	EL SALVADOR, REPUBLIC OF-REG-S 8.25000% 02-10.04.32	5 020 000.00	5 622 400.00	1.05
USD	KAZKOMMERTS INTL BV-REG-S 8.00000% 05-03.11.15	1 000 000.00	1 018 750.00	0.19
USD	LEBANESE REPUBLIC-REG-S 11.62500% 01-11.05.16	1 200 000.00	1 422 000.00	0.26
USD	PAKISTAN, ISLAMIC REPUBLIC OF-REG-S 7.12500% 06-31.03.16	2 060 000.00	1 977 600.00	0.37
USD	QATAR, STATE OF-REG-S 9.75000% 00-15.06.30	2 500 000.00	3 631 250.00	0.68
USD	TURANALEM FINANCE BV-REG-S 8.50000% 05-10.02.15	3 350 000.00	3 450 500.00	0.64
USD	TURKEY, REPUBLIC OF 6.87500% 06-17.03.36	665 000.00	615 956.25	0.11
USD	TURKEY, REPUBLIC OF 8.00000% 04-14.02.34	6 860 000.00	7 177 275.00	1.33
USD	TURKEY, REPUBLIC OF 9.50000% 03-15.01.14	2 710 000.00	3 102 950.00	0.58
<b>Total USD</b>			<b>35 867 161.25</b>	<b>6.67</b>
<b>Total Notes, fixed rate</b>			<b>35 867 161.25</b>	<b>6.67</b>

#### Notes, floating rate

ARS				
ARS	ARGENTINA, REPUBLIC OF 0.000%/GDP LINKED 05-15.12.35	36 980 858.00	1 014 973.50	0.19
<b>Total ARS</b>			<b>1 014 973.50</b>	<b>0.19</b>
<b>Total Notes, floating rate</b>			<b>1 014 973.50</b>	<b>0.19</b>

Description	Quantity/ Nominal	Valuation in USD Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts (Note 1)	as a % of net assets
<b>Medium term notes, fixed rate</b>			
<b>MXN</b>			
MXN INTER-AMERICAN DEVELOPMENT BANK STEP-UP/DOWN 06-26.01.16	48 320 000.00	4 323 543.45	0.80
<b>Total MXN</b>		<b>4 323 543.45</b>	<b>0.80</b>
<b>USD</b>			
USD BRASKEM SA-REG-S 11.75000% 04-22.01.14	4 130 000.00	4 997 300.00	0.94
USD LEBANESE REPUBLIC 7.75000% 04-07.09.12	500 000.00	491 250.00	0.09
USD LEBANESE REPUBLIC-REG-S 7.87500% 04-20.05.11	500 000.00	488 750.00	0.09
USD MEXICO, UNITED STATES OF 8.30000% 01-15.08.31	939 000.00	1 179 853.49	0.22
USD SOUTH AFRICA, REPUBLIC OF 7.37500% 02-25.04.12	860 000.00	925 575.00	0.17
USD TURKEY, REPUBLIC OF 11.50000% 02-23.01.12	1 750 000.00	2 119 687.50	0.39
<b>Total USD</b>		<b>10 202 415.99</b>	<b>1.90</b>
<b>Total Medium term notes, fixed rate</b>		<b>14 525 959.44</b>	<b>2.70</b>
<b>Bonds, fixed rate</b>			
<b>EUR</b>			
EUR BUENOS AIRES, PROVINCE OF-REG-S STEP-UP 05-15.05.35	11 140 000.00	6 630 787.00	1.23
EUR BUENOS AIRES, PROVINCE OF-REG-S STEP-UP 05-01.05.20	1 172 000.00	675 098.37	0.13
EUR TURKEY, REPUBLIC OF 9.50000% 03-18.01.11	2 360 000.00	3 521 514.32	0.66
EUR URUGUAY, EASTERN REPUBLIC OF 6.87500% 05-19.01.16	10 010 000.00	13 362 670.62	2.49
<b>Total EUR</b>		<b>24 190 070.31</b>	<b>4.51</b>
<b>HUF</b>			
HUF HUNGARY, REPUBLIC OF 7.50000% 04-12.11.20	1 100 000 000.00	5 076 262.26	0.94
<b>Total HUF</b>		<b>5 076 262.26</b>	<b>0.94</b>
<b>PLN</b>			
PLN POLAND, REPUBLIC OF 6.00000% 99-24.05.09	23 763 000.00	7 885 174.05	1.47
<b>Total PLN</b>		<b>7 885 174.05</b>	<b>1.47</b>
<b>TRY</b>			
TRY TURKEY, REPUBLIC OF 15.00000% 05-10.02.10	12 200 000.00	7 700 443.53	1.43
<b>Total TRY</b>		<b>7 700 443.53</b>	<b>1.43</b>
<b>USD</b>			
USD BRAZIL, FEDERATIVE REPUBLIC OF 11.00000% 02-11.01.12	12 660 000.00	15 445 200.00	2.87
USD CENTRAL BANK OF TUNISIA 7.37500% 02-25.04.12	3 180 000.00	3 414 525.00	0.64
USD COLOMBIA, REPUBLIC OF 11.75000% 00-25.02.20	7 910 000.00	11 089 820.00	2.06
USD ECUADOR, REPUBLIC OF-REG-S STEP-UP 00-15.08.30	8 690 000.00	8 646 550.00	1.61
USD INDONESIA, REPUBLIC OF-REG-S 8.50000% 05-12.10.35	4 070 000.00	4 641 928.61	0.86
USD LEBANON, REPUBLIC OF-REG-S 8.50000% 05-19.01.16	900 000.00	895 500.00	0.17
USD NATIONAL POWER CORP 9.87500% 00-16.03.10	6 230 000.00	6 751 762.50	1.26
USD PAKISTAN, ISLAMIC REPUBLIC OF 6.75000% 04-19.02.09	5 570 000.00	5 570 000.00	1.04
USD PANAMA, REPUBLIC OF 9.37500% 02-23.07.12	2 560 000.00	2 963 200.00	0.55
USD PEMEX PROJECT FUNDING MASTER TRUST 8.62500% 03-01.02.22	5 880 000.00	7 085 400.00	1.32
USD TURANALEM FINANCE BV-REG-S 7.50000% 06-25.04.13	1 980 000.00	1 986 899.15	0.37
USD TURANALEM FINANCE BV-REG-S 7.87500% 03-02.06.10	1 980 000.00	2 031 967.08	0.38
USD VENEZUELA, REPUBLIC OF 9.37500% 04-13.01.34	3 480 000.00	4 370 880.00	0.81
USD VENEZUELA, REPUBLIC OF-REG-S 5.37500% 03-07.08.10	4 730 000.00	4 604 655.00	0.86
<b>Total USD</b>		<b>79 498 287.34</b>	<b>14.80</b>
<b>Total Bonds, fixed rate</b>		<b>124 350 237.49</b>	<b>23.15</b>
<b>Bonds, floating rate</b>			
<b>ARS</b>			
ARS ARGENTINA, REPUBLIC OF 2.00000%/INDEX LINKED 04-15.03.14	14 000 000.00	5 062 964.15	0.94
ARS BANCO CENTRAL ARGENTINA 2.00000%/INDEX LINKED 02-04.02.18	22 250 000.00	9 216 905.45	1.72
<b>Total ARS</b>		<b>14 279 869.60</b>	<b>2.66</b>
<b>Total Bonds, floating rate</b>		<b>14 279 869.60</b>	<b>2.66</b>
<b>Other bonds, fixed rate</b>			
<b>USD</b>			
USD INDONESIA, REPUBLIC OF-REG-S 7.50000% 05-15.01.16	1 175 000.00	1 241 093.75	0.23
<b>Total USD</b>		<b>1 241 093.75</b>	<b>0.23</b>
<b>Total Other bonds, fixed rate</b>		<b>1 241 093.75</b>	<b>0.23</b>
<b>Total Transferable securities and money market instruments listed on an official stock exchange</b>		<b>310 455 348.60</b>	<b>57.78</b>

Description	Quantity/ Nominal	Valuation in USD Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts (Note 1)	as a % of net assets
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### Transferable securities and money market instruments traded on another regulated market

#### Credit Linked Notes, fixed rate

RUB				
RUB	ING BANK/GAZPROM 7.580% 07 CLN 7.58000% 12.04.05-09.10.07	110 200 000.00	4 177 720.89	0.78
RUB	ING BK/GAZPROM 8.11% 07-REG-S CLN 8.11000% 27.09.05-18.01.07	57 600 000.00	2 173 950.41	0.40
<b>Total RUB</b>			<b>6 351 671.30</b>	<b>1.18</b>
<b>Total Credit Linked Notes, fixed rate</b>			<b>6 351 671.30</b>	<b>1.18</b>

#### Asset Backed Securities, fixed rate

USD				
USD	BRAZIL, FEDERATIVE REPUBLIC OF 6.00000% 89-15.09.13	10 500 000.00	5 247 375.00	0.98
USD	RUSSIA, FEDERATION OF-144A 8.25000% 00-31.03.10	4 050 000.00	3 764 207.05	0.70
<b>Total USD</b>			<b>9 011 582.05</b>	<b>1.68</b>
<b>Total Asset Backed Securities, fixed rate</b>			<b>9 011 582.05</b>	<b>1.68</b>

#### Notes, fixed rate

BRL				
BRL	ELETROPAULO METR DE SAO PAULO SA-REG-S 19.12500% 05-28.06.10	850 000.00	435 642.40	0.08
<b>Total BRL</b>			<b>435 642.40</b>	<b>0.08</b>
USD				
USD	COLOMBIA, REPUBLIC OF 7.37500% 06-27.01.17	1 800 000.00	1 878 300.00	0.35
USD	TURKEY, REPUBLIC OF 9.00000% 04-30.06.11	9 030 000.00	9 910 425.00	1.85
<b>Total USD</b>			<b>11 788 725.00</b>	<b>2.20</b>
<b>Total Notes, fixed rate</b>			<b>12 224 367.40</b>	<b>2.28</b>

#### Medium term notes, fixed rate

USD				
USD	YPF SA YACIMIENTOS PETROLIFEROS 10.00000% 98-02.11.2028	2 700 000.00	3 186 000.00	0.59
<b>Total USD</b>			<b>3 186 000.00</b>	<b>0.59</b>
<b>Total Medium term notes, fixed rate</b>			<b>3 186 000.00</b>	<b>0.59</b>

#### Bonds, fixed rate

MYR				
MYR	JOHOR CORPORATION IBDS 31.07.02-31.07.12	63 450 000.00	18 443 765.26	3.43
<b>Total MYR</b>			<b>18 443 765.26</b>	<b>3.43</b>
USD				
USD	NATIONAL POWER CORP 9.62500% 03-15.05.28	5 380 000.00	5 931 450.00	1.10
USD	VIETNAM, SOCIALIST REPUBLIC-REG-S 6.87500% 05-15.01.16	6 250 000.00	6 495 969.19	1.21
<b>Total USD</b>			<b>12 427 419.19</b>	<b>2.31</b>
<b>Total Bonds, fixed rate</b>			<b>30 871 184.45</b>	<b>5.74</b>

#### Other bonds, fixed rate

RUB				
RUB	GAZPROM OAO (TRS) 7.58000% 04-09.10.07	57 600 000.00	2 183 636.32	0.41
<b>Total RUB</b>			<b>2 183 636.32</b>	<b>0.41</b>
<b>Total Other bonds, fixed rate</b>			<b>2 183 636.32</b>	<b>0.41</b>

#### Total Transferable securities and money market instruments traded on another regulated market

**63 828 441.52**      **11.88**

### Transferable securities and money market instruments not listed on an official stock exchange and not traded on another regulated market

#### Synthetic instruments

BRL				
BRL	CITIGROUP/BRL INFLATION TRS 6.00000% 06-15.05.45	7 240 000.00	4 214 550.90	0.78
<b>Total BRL</b>			<b>4 214 550.90</b>	<b>0.78</b>
DOP				
DOP	DOMINICAN REPUBLIC TRS 0.00000% 06-29.01.07	206 700 000.00	5 984 888.70	1.11
<b>Total DOP</b>			<b>5 984 888.70</b>	<b>1.11</b>

Description	Quantity/ Nominal	Valuation in USD Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts (Note 1)	as a % of net assets
<b>EGP</b>			
EGP CITIGROUP/ARAB REP OF EGYPT TRS 0.00000% 06-13.03.07	52 542 000.00	8 730 914.34	1.65
EGP HSBC/ARAB REPUBLIC OF EGYPT TRS 0.00000% 05-31.10.06	21 250 000.00	3 649 943.38	0.68
<b>Total EGP</b>		<b>12 380 857.72</b>	<b>2.33</b>
<b>TRY</b>			
TRY CSFB/TURKEY REP OF TRS 15.00000% 06-17.10.07	3 554 100.00	2 582 815.76	0.48
<b>Total TRY</b>		<b>2 582 815.76</b>	<b>0.48</b>
<b>USD</b>			
USD CITIGROUP/TITULOS DE TESORIA TRS 13.50000% 06-12.09.14	5 000 000.00	5 008 850.00	0.94
USD CSFB/PERU REP OF TRS 7.36125% 06-20.09.16	4 000 000.00	4 000 000.00	0.74
<b>Total USD</b>		<b>9 008 850.00</b>	<b>1.68</b>
<b>Total Synthetic instruments</b>		<b>34 171 963.08</b>	<b>6.38</b>
<b>Credit Linked Notes, fixed rate</b>			
<b>DOP</b>			
DOP ICAP SEC /DOMINICAN REP LPN 9.00000% 04-31.03.10	43 000 000.00	903 196.34	0.17
DOP ICAP SEC /DOMINICAN REP LPN 9.00000% 04-30.09.10	26 730 000.00	526 869.86	0.10
<b>Total DOP</b>		<b>1 430 066.20</b>	<b>0.27</b>
<b>IDR</b>			
IDR CITIGROUP/INDONES-REG 11% 14 CLN 11.00000% 23.09.05-15.10.14	30 000 000 000.00	3 207 102.72	0.60
<b>Total IDR</b>		<b>3 207 102.72</b>	<b>0.60</b>
<b>RUB</b>			
RUB ING BANK/RSHB SA-REG-S 11 CLN 01.03.06-16.02.11	53 800 000.00	2 010 425.81	0.37
<b>Total RUB</b>		<b>2 010 425.81</b>	<b>0.37</b>
<b>USD</b>			
USD CITIGROUP FUNDING INC/TURKEY-REG-S CLN 15.00000% 05-10.02.10	3 000 000.00	2 337 150.00	0.43
<b>Total USD</b>		<b>2 337 150.00</b>	<b>0.43</b>
<b>Total Credit Linked Notes, fixed rate</b>		<b>8 984 744.73</b>	<b>1.67</b>
<b>Credit Linked Notes, zero coupon</b>			
<b>BRL</b>			
BRL CITIGROUP/BRAZIL 18.87% 10 CLN 0.00000% 22.09.05-05.01.10	14 890 000.00	4 417 161.53	0.82
<b>Total BRL</b>		<b>4 417 161.53</b>	<b>0.82</b>
<b>EGP</b>			
EGP CREDIT SUISE FB/EGYPT TB CLN 0.00000% 19.04.06-27.03.07	14 425 000.00	2 389 717.79	0.44
<b>Total EGP</b>		<b>2 389 717.79</b>	<b>0.44</b>
<b>USD</b>			
USD CITIGROUP GLOBAL MKT HLDG/BRAZIL REAL 0.00000% 05-05.01.10	11 676 576.00	8 127 368.63	1.51
<b>Total USD</b>		<b>8 127 368.63</b>	<b>1.51</b>
<b>Total Credit Linked Notes, zero coupon</b>		<b>14 934 247.95</b>	<b>2.77</b>
<b>Notes, zero coupon</b>			
<b>USD</b>			
USD NATIONAL POWER CORP 0.00000% 02-12.07.10	2 900 000.00	2 167 750.00	0.40
<b>Total USD</b>		<b>2 167 750.00</b>	<b>0.40</b>
<b>Total Notes, zero coupon</b>		<b>2 167 750.00</b>	<b>0.40</b>
<b>Bonds, fixed rate</b>			
<b>MYR</b>			
MYR JOHOR CORPORATION IBDS 02-31.07.09	20 919 000.00	6 251 263.23	1.16
<b>Total MYR</b>		<b>6 251 263.23</b>	<b>1.16</b>
<b>Total Bonds, fixed rate</b>		<b>6 251 263.23</b>	<b>1.16</b>
<b>Total Transferable securities and money market instruments not listed on an official stock exchange and not traded on another regulated market</b>		<b>66 509 968.99</b>	<b>12.38</b>



Description	Quantity/ Nominal	Valuation in USD Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts (Note 1)	as a % of net assets
<b>UCITS in accordance with Article 41 (1) e</b>			
<b>Investment certificates, open end</b>			
<b>Luxembourg</b>			
USD UBS (LUX) IF-EMERGING MARKETS BONDS XA	321 166.64	38 347 296.94	7.14
<b>Total Luxembourg</b>		<b>38 347 296.94</b>	<b>7.14</b>
<b>Total Investment certificates, open end</b>		<b>38 347 296.94</b>	<b>7.14</b>
<b>Total UCITS in accordance with Article 41 (1) e</b>		<b>38 347 296.94</b>	<b>7.14</b>
<b>Total investments in securities</b>		<b>479 141 056.05</b>	<b>89.18</b>

## Derivative instruments

### Derivative instruments listed on an official stock exchange

#### Financial Futures on bonds

USD US LONG BOND FUTURE 19.12.06	340.00	213 656.25	0.04
USD US 10YR TREASURY NOTE FUTURE 19.12.06	300.00	103 125.00	0.02
USD US 5YR TREASURY NOTE FUTURE 29.12.06	-400.00	-106 252.00	-0.02
<b>Total Financial Futures on bonds</b>		<b>210 529.25</b>	<b>0.04</b>
<b>Total Derivative instruments listed on an official stock exchange</b>		<b>210 529.25</b>	<b>0.04</b>

### Derivative instruments not listed on an official stock exchange and not traded on another regulated market

#### Swaps and forward swaps on interest rates

EUR UBS LDN/INTEREST RATE SWAP PAYER 1Y LIBOR+29BP 05-27.07.07			
EUR UBS LDN/INTEREST RATE SWAP REC 11.00000% 05-27.07.07	6 130 000.00	-752 720.63	-0.14
USD UBS LDN/INTEREST RATE SWAP PAYER 11.75000% 05-27.07.07			
USD UBS LDN/INTEREST RATE SWAP REC 6M LIBOR 05-27.07.07	-6 690 000.00	463 352.32	0.09
<b>Total Swaps and forward swaps on interest rates</b>		<b>-289 368.31</b>	<b>-0.05</b>

#### Credit default swaps

USD DEUTSCHE BANK/ARGENTINA CDS PAYER 1.43000% 06-31.05.08			
USD DEUTSCHE BANK/ARGENTINA CDS REC DEFAULT 06-31.05.08	-9 890 000.00	134 388.09	0.03
USD DEUTSCHE BANK/TURKEY CDS PAYER DEFAULT 06-20.06.16			
USD DEUTSCHE BANK/TURKEY CDS REC 3.06000% 06-20.06.16	-5 200 000.00	141 540.62	0.02
USD CREDIT SUISSE/PERU 10 YEARS CDS REC 1.900000% 06-20.09.16			
USD CREDIT SUISSE/PERU 10 YEARS CDS PAYER DEFAULT 06-20.09.16	-4 000 000.00	-32 090.92	-0.01
<b>Total Credit default swaps</b>		<b>243 837.79</b>	<b>0.04</b>

#### Total Derivative instruments not listed on an official stock exchange and not traded on another regulated market

		<b>-45 530.52</b>	<b>-0.01</b>
<b>Total Derivative instruments</b>		<b>164 998.73</b>	<b>0.03</b>

### Forward Foreign Exchange contracts

#### Forward Foreign Exchange contracts (Purchase/Sale)

USD 276 000.12 TRY 461 417.00 27.4.2007		-14 477.87	0.00
USD 3 676 470.34 TRY 6 146 323.12 27.4.2007		-192 853.03	-0.04
TRY 6 146 323.12 USD 4 002 815.45 27.4.2007		-122 361.10	-0.02
TRY 461 417.00 USD 300 499.51 27.4.2007		-9 185.89	0.00
USD 2 283 185.84 UAH 12 900 000.00 18.5.2009		-49 879.51	-0.01
USD 56 119 802.03 EUR 43 995 000.00 19.10.2006		-353 564.99	-0.07
USD 3 605 521.29 MXN 39 500 000.00 13.10.2006		-7 765.14	0.00
USD 15 470 852.02 BRL 34 500 000.00 13.10.2006		-535 460.28	-0.10
USD 8 022 842.17 TRY 13 013 050.00 13.10.2006		-726 067.01	-0.13
USD 5 371 794.08 TRY 8 713 050.00 13.10.2006		-486 147.23	-0.09
USD 7 503 151.50 EUR 5 850 000.00 19.10.2006		-6 373.55	0.00
EUR 4 725 000.00 USD 6 102 710.78 19.10.2006		-37 033.63	-0.01
USD 6 539 333.12 TRY 10 100 000.00 13.10.2006		-252 950.61	-0.05
EUR 5 410 000.00 USD 6 998 051.40 19.10.2006		-52 938.70	-0.01
USD 2 866 219.80 EUR 2 220 000.00 19.10.2006		16 321.79	0.00
MXN 39 500 000.00 USD 3 666 914.22 13.10.2006		-53 260.20	-0.01
BRL 6 000 000.00 USD 2 776 492.36 13.10.2006		7 728.51	0.00
<b>Total Forward Foreign Exchange contracts (Purchase/Sale)</b>		<b>-2 876 268.44</b>	<b>-0.54</b>

Description	Quantity/ Nominal	Valuation in USD Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts (Note 1)	as a % of net assets
Time deposits and fiduciary deposits		55 400 670.09	10.31
Cash at banks, deposits on demand and deposit accounts and other liquid assets		4 144 914.83	0.77
Bank overdraft and other short-term liabilities		-317 802.01	-0.06
Other assets and liabilities		1 637 365.66	0.31
<b>Total net assets</b>		<b>537 294 934.91</b>	<b>100.00</b>