



Insinger  
Global Asset Selection SICAV  
Luxembourg  
Annual report 2000

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## Directors, Administration and Management

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## General Information

The annual general meeting of shareholders of the Fund will be held at the registered office of the Fund or at such other place in Luxembourg on the last Wednesday of the month of April of each year at 11 a.m., or if any such day is not a bank business day in Luxembourg, the next following bank business day in Luxembourg.

Notifications of all general meetings will be published in the “Mémorial, Recueil des Sociétés et Associations”, of Luxembourg (the “Mémorial”) in as far as this is required by Luxembourg law, in the “Luxemburger Wort” and “Het Financieele Dagblad” and shall be sent to the holders of registered shares by post at least eight days prior to the meeting at their addresses in the Register of Shareholders. These notices shall 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 that of Articles 67 and 67-1 of the law of August 10, 1915 (as amended) of the Grand Duchy of Luxembourg and the Articles of Incorporation.

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 shall include separate information on each of the sub-funds as well as combined information on all of the sub-funds. The reports shall be sent to each registered shareholder at their registered address and shall be available at the registered office of the Fund 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 Fund.

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 Fund. 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 25% of the share capital of the Fund).

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.



## Market Synopsis – the year 2000

The year 2000 was characterised by sharp swings in investor perception and underlying economic fundamentals. Global growth decelerated rapidly towards the latter half of the year. Consequently, the earnings outlook of a wide range of companies deteriorated and resulted in one of the worst years of equity market performance in over the past decade. This was balanced by a strong showing by government bonds which proved the primary beneficiaries of the equity weakness and reduced inflation expectations.

Despite expectations to the contrary, the US economy accelerated further during the first quarter of 2000. Excluding the inventory effect, data suggests that the economy grew at an annual rate in excess of 8%. Wage pressures associated with record low levels of unemployment, a sharp reversal in the oil price and ever increasing demands on scarce technological resources caused a number of measures of the rate of inflation to break out of their downtrends. This US expansion was paralleled by developments elsewhere as European growth continued to recover, Japan seemed to give hope of finally experiencing an economic recovery, and the rest of Asia enjoyed solid gains on the back of strong export growth.

However, a triple dose of rising interest rates, oil price increases, and falling equity markets proved successful in breaking this growth momentum by the end of the year. Global real GDP growth peaked in the first half of this year and is now slowing in response to higher interest rates and the higher oil price. The slowdown has been most pronounced in the cyclical industrial sector where production is contracting. However, indications from the recent round of corporate earnings announcements are that this slowdown is also spreading to the previously more resilient service and technology sectors. The US economy is slowing and with few other clear contenders to absorb the global excess production, global export growth has already started to slow.

### EQUITIES

The first quarter was also marked by frenzied investors driving up the prices of high tech, media and telecommunication (TMT) equities to extremely speculative levels, in the belief that the Internet revolution would dramatically change the economic landscape. In the last months of the quarter, the bubble finally burst. Within three weeks the NASDAQ index lost almost 35%, before staging a mild recovery in mid April.



Strong oil prices, a weak Euro and a focus on the earnings pre-announcements created a difficult environment for the major equity indices during the second half of the year. After posting strong returns in August, US market indices gave back all their gains as earnings warnings proliferated in September. Investors' attention focussed on the consequences of slowing global growth for corporate earnings given the high expectations discounted in many stocks. Especially hard hit was the technology sector as earnings pre-announcement from the like of Intel and Apple contributed to the – 14% decline in the tech sector during Q3.

#### FIXED INCOME

The ongoing economic strength in the US translated into yields creeping higher over the first weeks of the year. However, during February the trend reversed and fixed income markets, enthused by news of large budget surpluses to be utilised to buy back government debt, rallied sharply. This rally was furthermore supported by the reversal of fortunes in the equity market.

The tug-of-war between perceptions of an overheating economy and moderating growth began to firmly swing in favour of the latter towards the end of Q2. The macro-economic backdrop by the end of the year has proved extremely bullish for bonds as the global growth slowdown gained momentum. This slowdown has been met with reduced investor inflation expectations and long term yields declined significantly. From a high of 6.5% in May, US long-term bond yields look set to finish the year around 5.13%. Eurozone bonds also performed well due to the weaker economic outlook. Combined with a strengthening currency and a decline in energy prices towards year-end, a hawkish Central Bank, the backdrop was created for a strong performance in Q4. Japanese bonds were the odd one out among the major economic blocs as bond yields actually rose from under 1.8% to break through the 2% level on concern over the available solutions to the rising public debt levels. However, with mounting signs of the economy sliding back into recession and deflationary forces gaining steam, Japanese bonds rallied to finish the year at 1.6%.

#### CURRENCIES

The first two thirds of the year saw an acceleration in the downward trend of the Euro relative to all other currencies. The currency weakness was related to the relatively muted economic growth in the Euro zone compared to the vibrant activity in the US. September's concerted intervention on behalf of the Euro caught market participants by surprise and led to a sharp reversal in the Euro. The momentum in the USD/EUR



cross rate remains firmly in the Euro camp. The declining attraction of US financial assets is threatening to halt the capital inflows necessary to support the US trade current account deficit. Given the extensive current account deficit, the US has relied on its ability to attract FDI and portfolio flows based on the premise of higher productivity and higher capital returns. This premise is currently being tested with earnings expectation in the fast growing tech sector being reduced. In addition, it has become clear that the Fed will blink first and lower interest rates while the ECB continues to utter relatively hawkish rhetoric. This will obviously reduce the interest rate differential between the two currencies in favour of the Euro.

The mid-December TANKAN survey and the recent industrial production figures have acted as the catalysts in the recent Yen breakdown. Both data sources point to a significantly weakening economy and increasing price deflation. The monetary and fiscal sources of economic stimuli have been virtually exhausted in Japan. One of the only measures left is to permit the price structure to depreciate through a decline in the currency.

#### OUTLOOK

Looking forward to 2001, we would expect equity markets to provide better results after a poor 2000. However, this improved performance will not materialise until after the monetary authorities actually start to cut interest rates. Until rates decline substantially, the potential for disappointing profits and reduced expectations caused by the slowing economy will continue to limit the upside for stocks. The macro environment remains positive for bonds although they would seem to be currently more fairly valued compared to the undervalued condition at the beginning of 2000.



## Insinger European Bond

During the year under review the net asset value per share of Class A of the fund rose from USD 103.13 to USD 104.65, Class B rose from USD 129.81 to USD 139.46 and Class C rose from USD 88.09 to USD 96.1, a rise of 1.47%, 7.43% and 9.09% respectively. The JP Morgan European Government index rose 0.55%. The fund achieved an out performance compared to this index due to the longer duration of the bonds in portfolio relative to the index, and also the overweight in European bonds. From the currency perspective the overweight Euro position versus UK Sterling started to pay off in the last quarter of the turbulent 2000.

### DIRECTORS' REPORT

Eurozone bonds have performed well due to the weaker economic outlook. European economic growth appears to have levelled off and future inflation should remain in check given the hawkish action of the ECB. Although European growth accelerated in 2000 the market is now discounting a slowdown in 2001 to 2.25%-2.75%, but still above the projected US growth. Inflation ticked up and the European Central Bank tightened monetary policy to get the inflation in check. Financial markets anticipated on this change outlook in 2000 and yields dropped from 5.6 in January to 4.8 at the end of December.

The bias on economic growth in the US changed dramatically: the restrictive anti-inflation policy was abandoned to make place for the monetary easing bias to compensated lower future economic growth. This change was positive for the Euro against the US Dollar and the Euro stabilised in the third quarter and rallied in the fourth quarter. This has a dampening effect on inflation for the continent.

The UK Gilt market has performed better than we expected in 2000. Helped by a benign global environment and an excellent domestic inflation performance, 10 year gilt yields have fallen by around 75 basis points during the course of the year. Insinger de Beaufort expects this trend to be extended in 2001. Until recently there was little near term prospect of a looser monetary policy in the UK, but with the deteriorating outlook for the global economy the balance has shifted. We expect the MPC to respond with a reduction in the repo rate during the first half of 2001. Also the outlook for UK sterling relative to the Euro is not as favourable as in 2000, therefore the UK position will



remain underweight in the first quarter of 2001. The EMU membership is still a wildcard. If the Government may decide to hold a referendum on EMU and the outcome is a "yes" vote, the inverted yield curve of the UK will collapse into line with the Euro curve. Long Gilts would weaken considerably, whereas short rates will fall substantially. The fund has an index weight on duration until the picture becomes clear.

The global macro economic backdrop remains bullish for bonds as global growth slows and inflation expectations continue to decline. For Europe we expect the disinflationary trend to continue. Although the surge in demand has caused capacity utilisation to increase above historical averages in smaller countries and France, the greater transparency of prices prevent companies from passing higher costs into consumer prices. The monetary tightening of the ECB is curbing liquidity growth and is dampening economic growth. The lower energy prices on the back of slower global growth will lead to the unwinding of the previous oil related inflation increases. At last the long awaited and recently more likely recovery of the Euro will dampen import price growth and raise competitive pressure on domestic producers.

In relation to the bonds this indicates that the real yield (nominal yield minus inflation) is still high. As inflation will drop further in 2001 the real yield will also be lower as the economy cools further. Therefore nominal yields can decline in 2001. The manager will keep the fund's duration in line with or higher than the relevant index for both the UK and Europe.

Most of the European Government runs budget surpluses and are used to pay down debt and impose tax-cutting measures. With the tax cuts the Government hopes to stimulate the consumers to spend and achieve an economic impulse. Whether this will extend the economic recovery and prevent the economy to slow also, remains to be seen.

#### OUTLOOK & STRATEGY

Government bonds will continue to be the beneficiary of a continuation in the global disinflationary trend. The broad corporate profit squeeze currently being administered through slowing growth and stable/rising costs favours the attraction of high quality bonds.



However, the decline in yield levels across the yield curve spectrum has been swift. Bond yields have clearly started to discount significant cuts in the short rate during the next 12 months. While expecting continued economic weakness into the first half of 2001, we are as yet not calling for an economic recession scenario. Given that and the sharp decline in yields at present, we are preparing to reduce our overweight duration and allocation in European bonds to a more neutral stance later in 2001. The lower growth prospects combined with a strengthening currency versus US Dollar, a decline in energy prices, and a hawkish Central Bank, European bonds should continue to perform well.



## Insinger Asia Growth

### DIRECTORS' REPORT

The net asset value of the Fund decreased 35.5% during the period under review, compared with a drop of 38.9% in the MSCI AC Far East Free ex-Japan Index. During the period under review, the stockmarkets in the region were adversely affected by the decline in the Euro and rising oil prices that broke a 10-year record high of US\$37/barrel. In addition, a string of profit warnings from the US technology companies further hurt investor sentiment in this sector. At the end of the period under review, the Fund had overweight positions in Hong Kong, China, Korea, Singapore and Thailand.

### OUTLOOK & STRATEGY

As the fund is expected to experience significant redemptions during the first quarter of 2001 the assets of the fund will be expected to reduce below USD 5 million. As a result the directors expect to recommend to have the fund dissolved within the first half of 2001.

Until such time as the fund is officially dissolved, stock selection will remain focused on reasonably-priced companies in Asia that are well-managed, have adjusted to the new environment, are willing to restructure their operations and are benefiting from the economic recovery in the region. In terms of asset allocation, the Fund is expected to maintain overweight positions in China, Hong Kong, Korea and Singapore.



## Insinger Global Select LX

### DIRECTORS' REPORT

The intrinsic value of the Insinger Global Select LX dropped by 16.38% in the year 2000 from USD 129.88 to USD 108.61. In the first three months of the year the fund clearly outperformed its benchmark index, but this outperformance was lost in the remainder of the year (in particular in the second quarter). Over the full year the fund performed in line with its benchmark index.

In the first quarter of 2000 investors continued to focus on TMT (Technology/Media/Telecom) stocks, a trend that had started in October 1999. Speculation in Internet stocks became rampant. The fund benefited from its overweight position in TMT stocks but at the same time continued to reduce its exposure to these sectors through the sale of, among others, JDS Uniphase, Kingston Communications, Reuters, British Telecom, Colt Telecom, Iona Technologies and Compaq. Investments in food retailing (Carrefour, Wal-Mart), pharmaceuticals (Merck, Smithkline Beecham) and financials (Deutsche Bank, Lloyds TSB, Wells Fargo, Fannie Mae, American International Group) were expanded.

The speculation in TMT stocks came to an end in March and in particular Internet-related and telecom stocks were under heavy pressure in the remainder of the year. Notwithstanding the fact that it had reduced its exposure to the TMT sector and had no exposure to Internet stocks, the fund suffered from the change in market conditions. The fund changed to an almost neutral sector allocation with minor overweights in pharmaceuticals and life insurance companies.

In the second half of the year the fund rebuilt its position in technology stocks through the purchase of EMC, SanDisk, Enron, Qualcomm, Novabase, Silicon Storage, Nortel, Furukawa and Taiwan Semiconductor. The investments in telecom and media were not expanded. In the face of continued pressure on the TMT sector the fund's performance remained in line with its benchmark, notwithstanding the fund's renewed overweight position in TMT stocks.

### OUTLOOK & STRATEGY

In the last months of the year most equity markets came under heavy pressure due to mounting fears for a recession in the US and elsewhere. The US FED (central banks)



responded with a surprisingly early 0.5% rate cut on January 3, 2001. The liquidity squeeze that had been on for quite some time appears to have ended with this move, which is favourable for equity markets. We expect equity markets to recover in the course of the year 2001 as recession fears subside and liquidity improves, although corporate earnings should continue to disappoint. The fund will generally remain fully invested.



## Insinger Global Balanced Fund

### DIRECTORS' REPORT

During the year under review the net asset value of Fund fell from 90.96 to 86.16 which represented a fall of 5.28%.

### EQUITIES

The most important investment decision in 2000 was not style based, it was sector based. Eight of the top-10 performing S&P industry group indices of 2000 provided negative returns in 1999. The Utilities sector, which ranked last in 1999, was the top-performing sector in 2000 with a return of 54%. Health care was also a strong performer in 2000 as growth managers diversified out of tech and value managers searched for growth at a reasonable price.

The first quarter of 2000 started where 1999 left off, i.e. with a continued focus on the TMT (Technology, Media, Telecom) stocks. The hype in technology stocks reached a peak in March with the tech-laden NASDAQ reaching a high of 5048. During this period the Fund benefited from its overweight position in this sector through its holdings in EMC Corp, Cisco Systems, Nokia, SanDisk, and Microsoft.

Towards the end of March the speculation which had driven the market to new highs finally capitulated and the result was a broad-based sell off in Technology shares, particularly in the internet and telecom arena. Although the Fund had reduced its overweight position in technology shares through profit taking in Cisco, Microsoft, and SanDisk it did suffer from the adverse market conditions.

In the second half of the year as the climate for equities began to deteriorate the Fund reduced its overall equity weighting and increased the bond and cash positions. This contributed to the Fund's outperformance over the period relative to its benchmark, even though it did maintain a slight overweight in Technology during this period.

### BONDS

During the year under review, the bond component of the Fund outperformed its benchmark index – the J.P. Morgan Global Government Index. This was largely due to



the geographical allocation decision to overweight US and European bonds at the expense of Japanese bonds. In addition the Fund was positioned with a longer duration relative to the benchmark which contributed to further outperformance.

Yields on US treasuries rose in the first part of the year as stock market speculation pushed the major indices to new highs fuelling the fear of an overheating economy. By the end of the second quarter however, the tug-of-war between an overheating economy and slowing growth had swung in favour of the latter. Stock markets were correcting, oil prices were rising, and the fear that the economy was heading for a hard landing became a reality. By year-end the macro economic backdrop proved extremely bullish for bonds. From a high of 6.5% in May, US long-term bond yields finished the year around 5.13%.

European bonds performed well during 2000 due to the weak economic outlook. A strengthening currency, combined with declining oil prices, and a hawkish Central Bank provided the perfect platform for European bonds to outperform in the 4th Quarter. After lagging the US for much of 2000 the Fund manager expects European Government bonds to outperform Treasuries in 2001.

#### OUTLOOK & STRATEGY

##### Equities

We expect equity markets to recover during 2001 as recession fears subside. As the FED provides liquidity through interest rate cuts we believe the sectors most battered by the credit crunch, like technology and telecom as well as financials, should be the greatest beneficiaries as spreads tighten, liquidity premiums decline, and P/E multiples expand. Further more, with limited profit gains forecast for most industries in 2001, we believe that investors will be forced into strong identifiable growth stocks with stable earnings, like the healthcare sector.

After the strong run in the bond market during 2000, the Fund has reduced its bond weighting and moved into cash. As the climate for equities improves the Fund will look to add to its equity weightings.

##### Bonds

Government bonds should continue to be the beneficiaries of the ongoing trend in global disinflation as industries face continued downward pressure on prices as a



result of technological developments, and central banks still enjoy political support in combating the threat of inflation. Furthermore, with the exception of Japan, government budgets are tending increasingly in the direction of a surplus. This means the shortage of government paper, which is keeping prices up, is becoming a global phenomenon.

Nevertheless the decline in yield levels across the yield spectrum this past year was swift, and when assessed against current rates of inflation i.e. in real terms, sovereign debt is now yielding substantially less than it has over the past five years. Given this fact, we will be reducing our over weight duration and allocation in US bonds to a more neutral stance.

The overweight position in European bonds will be maintained, as a strengthening currency, declining energy prices, and a hawkish Central Bank should provide a platform for the bonds to perform well.



## Insinger High Yield Bond Fund

During the year under review the net asset value per share of the fund dropped from 102.4 to 98.45, a fall of 3.86%. The JP Global Emerging Market Bond Index rose 14.41%. The fund achieved an under performance compared to the index due to the policy to have relatively safe investments. This policy has been adapted to reflect the upcoming merger into Insinger Euro High Yield LX.

### DIRECTORS' REPORT

The market experienced a good year for high yield in the wake of the Russian Crisis of 1998. The yields on emerging markets high yield bonds relative to the US Government benchmarks tightened for almost every region of the market. Except for October and November when yield differentials had a setback due to the global reprising of risk, as monetary conditions worsened due to the high short interest rates in the United States of America to cool off the fast growing economy. In these months the market signalled that growth of the US economy was in a downturn. Relative to corporate high yield bonds, global emerging markets bonds outperformed: the index had a tighter spread than the US and European corporate high yield indices relative to 'risk-free' government bonds.

The International Monetary Fund orchestrated financial rescue packages in both Argentina and Turkey in December, relieving investors concerns of potential repayment difficulties. As a result the emerging markets bonds recovered to September levels and even had one of the best relative returns of all fixed income markets.

Positive news in Latin America was the aid package of the International Monetary Fund for Argentina. Budget restructuring and the IMF package guaranteed a one-year financing to help Argentina out of recession. Brazil is on a positive upgrade outlook of Standard and Poor's as the economy is growing at a high pace and debt is being paid down. Venezuela, which is heavily depending on oil revenues, had a very solid year in 2000 as oil prices reached new highs. This is also the concern of investors as the oil prices have proved to be very volatile and may edge down on the global economic downturn in 2001. Mexico is on the brink of being upgraded to investment grade class bonds and will no longer be part of the spectrum.



Eastern Europe had a difficult year as Turkey experienced a liquidity crisis and was bailed out by the IMF. Poland showed improvements in both current account and inflation. Rate cuts are being expected and discounted by the market in 2001, as Poland seeks convergence to Western Europe economies. Russia had an excellent performance on the outstanding government Debt as in the wake of the default on Paris Club Debt spreads tightened. The Paris Club Debt is negotiated to be reduced. The growth of the Russian economy is back on track and inflation has improved as well.

The Asian countries experienced a relatively good year but were disturbed by the scandal in the Philippines. The Philippines fixed income securities experienced distressed performance. Pakistan has been talking to the Paris Club to reduce the debt burden and the financial markets welcomed this. Despite the situation in Japan, all other Asian countries had a solid performance year on the back of the fast growing American economy. One point of concern is the steady devaluation of the national currencies versus the US Dollar, especially since the global growth of the economy seems to slow down in 2001.

#### OUTLOOK & STRATEGY

After a well performing year and a turbulent fourth quarter with high volatility and successful intervention by the International Monetary Fund, Insinger de Beaufort expects international fixed income markets to outperform in 2001 as this asset class returns to its upward slope during 2001. Global economic slowdown is discounted for 2001, but inflation remains low and can even decline further. This will indicate lower yields and further spread tightening, but can be disrupted with an international crisis. This is not the widespread expectation; therefore this asset class can have a solid performance in 2001.

However, as the fund has not reached, and is not expected to reach, an economical size, it is expected that the fund will be merged into the Insinger Euro High Yield Fund within the first quarter of 2001.



## Insinger European Opportunity Fund

### DIRECTORS' REPORT

The intrinsic value of the Insinger European Opportunity LX fund dropped by 7.2% in the year 2000 from USD 119.29 USD to 110.65. In the first three months of the year the fund clearly outperformed its benchmark index, but this outperformance was partly lost in the remainder of the year (in particular in the second quarter). Over the full year the fund outperformed its benchmark index by 3%.

In the first quarter of 2000 investors continued to focus on TMT (Technology/Media/Telecom) stocks, a trend that had started in October 1999. Speculation in Internet stocks became rampant. The fund benefited from its overweight position in TMT stocks but at the same time continued to reduce its exposure to these sectors through the sale of, among others Kingston Communications, Reuters, British Telecom, Colt Telecom, Atos and Equant. Investments in consumer staples (Carrefour, Reckitt Benckiser), pharmaceuticals (Novo Nordisk and Aventis) and financials (Alleanza, Zurich Financial Services) were expanded.

The speculation in TMT stocks came to an end in March and in particular Internet-related and telecom stocks were under heavy pressure in the remainder of the year. Notwithstanding the fact that it had reduced its exposure to the TMT sector and had no exposure to Internet stocks, the fund suffered from the change in market conditions. The fund changed to a more neutral sector allocation with an increased number of stocks with little overweights in hardware, software and services, pharmaceuticals and life insurance companies and small cap stocks.

In the second half of the year the fund rebuilt its position in technology stocks through the purchase of Impresa and NovaBase in Portugal, Alcatel in France, PinkRocade in the Netherlands and Sigma in Sweden. More value-based investments were made in the UK with Boots, Rentokil and P&O. In the face of continued pressure on the TMT sector the fund's performance remained almost in line with its benchmark, notwithstanding the fund's renewed overweight position in TMT stocks.



## OUTLOOK &amp; STRATEGY

In the last months of the year most equity markets came under heavy pressure due to mounting fears for a recession in the US and elsewhere. During the last weeks of the year the European currencies started to climb against the dollar resulting in outperforming equity markets all over Europe. The US FED (central bank) responded with a surprisingly early 0.5% rate cut on January 3, 2001 but the reaction of the ECB should be awaited before we see a real monetary improvement in Europe. However the real liquidity squeeze that had been on for quite some time appears to have ended with this move, which is favourable for equity markets. We expect equity markets to recover in the course of the year 2001 as recession fears subside and liquidity improves, although corporate earnings should continue to disappoint. We foresee a favourable environment for growth companies and more interest in smaller sized companies. The fund will generally remain fully invested.



## Insinger Global Bond LX

During the year under review the net asset value per share of the fund rose from 88.76 to 90.27, a rise of 1.7%. The JP Morgan global government index rose 2.34%. The fund achieved an out performance compared to this index due to the longer duration strategy of the portfolio, and the country allocation decision to overweight US and European bonds at the expense of Japanese bonds. From the currency perspective, the overweight Euro position versus Japanese Yen paid off handsomely in the final months of 2000.

### DIRECTORS' REPORT

U.S. Treasury notes and bonds recorded their best annual performance since 1995. The overweight strategy at the beginning of the year was reduced in April as the bond yields rose to 6.5%. The tug-of-war between perceptions of an overheating economy and moderating growth began to firmly swing in favour of the latter towards the end of Q2. The macro-economic backdrop by the end of the year proved extremely bullish for bonds as the global growth slowdown gained momentum. This slowdown has been met with reduced investor inflation expectations and long term yields declined significantly. From a high of 6.5% in May, US long-term bond yields look set to finish the year around 5.13%.

Eurozone bonds also performed well due to the weaker economic outlook. Combined with a strengthening currency and a decline in energy prices towards year-end, a hawkish Central Bank, the backdrop was created for a strong performance in Q4. After lagging the downward trend in US yields for much of the year, the manager now expects the European Government bonds to give Treasuries stiff competition in 2001.

Japanese bonds were the odd one out among the major economic blocs as bond yields actually rose from under 1.8% to break through the 2% level on concern over the available solutions to the rising public debt levels. However, with mounting signs of the economy sliding back into recession and deflationary forces gaining steam, Japanese bonds rallied to finish the year at 1.6%. The fund did have an underweight position of Japanese assets compared to the index and this strategy paid off well, especially during the last two months of the reporting period, as the Yen finally broke through the 110 level against US Dollar and also weakened significantly against Euro. Our view remains that Japanese yields will eventually begin to rise to more normal levels.



The overweight portfolio position in Euro against US proved to be a drag on performance for the first half of 2000. However, during the third quarter the Euro stabilised against the major global currencies on the back of direct Central Bank intervention. The manager used this opportunity to increase the Euro overweight. This decision proved timely as the Euro rallied strongly against both the US Dollar and Yen in the fourth quarter. For 2001 the odds for a stronger Euro are rising as the US interest rates are declining to engineer a soft landing for the economy.

#### OUTLOOK & STRATEGY

Government bonds will continue to be the beneficiary of a continuation in the global disinflationary trend. The broad corporate profit squeeze currently being administered through slowing growth and stable/rising costs favours the attraction of high quality bonds. In addition, the supply/demand outlook for US government bonds remains positive.

However, the decline in yield levels across the yield curve spectrum has been swift. Bond yields have clearly started to discount significant cuts in the short rate during the next 12 months. While expecting continued economic weakness into the first half of 2001, we are as yet not calling for an economic recession scenario. Given that and the sharp decline in yields at present, we are preparing to reduce our overweight duration in US yields to a more neutral allocation and keep the overweight in Europe.



## Insinger Euro High Yield LX

In 2000 the Net Asset Value of Insinger Euro High Yield Fund declined from 99.95 to 87.4 and had a negative performance of 12.56%. The Merrill Lynch European Currency High Yield Index scored a negative performance of –20.32%. The relative out performance was a result of the underweight in Telecom related bonds and the quality of the bonds in portfolio.

### DIRECTORS' REPORT

The year 2000 was a disastrous year for the European telecom sector. Sector out performance in the first quarter was followed by significant under performance in the second and fourth quarters. Under performance reflected a decline in credit quality from an average rating of B to B- and CCC and a large amount of bond supply issued in 1999 and 2000 are the reason for that. In 2000 it became very clear that the European high yield market has a high correlation with the US High Yield market. Clearly the environment on the NASDAQ and other sentiment around equity markets had a negative influence on the high yield sector as an asset class. Not only telecom bonds had wider spread throughout the year, but also all other sectors traded on wider spreads, except for media and publishing. These sectors held up rather well due to sector specific issues and mergers and acquisitions activities. Rumours around Regional Independent Media, HMV Media and IPC Magazines affected prices of the bonds positively.

The increased default rate rose from 4.5% to 8.3% while the market discounted an implied default rate of 14%. Spreads widened across the board extremely and were even above the Russian crisis levels and very close to the levels of the previous recession of 1991. One could even argue that the high yield market was pricing in a recession for both Europe and the US. Although the economy of the US showed some serious downturn in economic growth, the bias turned at the end of the fourth quarter from a tightening to an easing monetary bias, causing the high yield market to rally as liquidity for this asset class would rise.

The market strongly made a distinction between companies having funded their business plans to the end of 2002 and those that did not. The firmer (so-called tier 1) companies have held up significantly well compared companies that suffered yield increases of 500 basis points or more. Insinger's strategy was to keep only the tier 1



companies in portfolio, a strategy that led to outperforming the index with double digits.

#### OUTLOOK & STRATEGY

Whereas the outlook of this asset class improved substantially due to the move in bias of the Federal Reserve and the European Central Bank, there are still some concerns. Clearly, any Central Bank action will have a strongly positive impact on the market for Euro high yield bonds. While the short term outlook remains uncertain, Insinger de Beaufort believes that there is value in this asset class, given that the implied constant annual default rate is at 14%. This is significantly above the rolling of the 8.3% 12-month forecast by Moody's and the 10.3% recorded in 1991 (a recession year) and signals a level of prospective deterioration in the market which is unprecedented. While there is no reason that future default rates need to be capped at the 1991 historical high, we believe that the discount rate being applied is very severe indeed. If we assume that the telecom sector (which now represents 40% of the market weight currently) would have to experience more than 22% constant annual default rate to provide a risk adjusted market return of 250 basis points over the 'risk free' German Bunds. Our examination of the European high yield makes us believe that such a high default rate is unlikely, unless there were very severe market conditions over the next 12-24 months. The downside of the market seems to be capped for the coming year.

During the last weeks of the year a sharp rally in the market indicates the change in monetary policy of the leading Central Banks. The strong possibility of an easing of interest rates in the New Year fuelled demand for this hammered asset class. The market is discounting slower growth and lower inflation and eventually lower interest rates. The market is also discounting aggressive easing for the coming 6 to 12 months and Insinger de Beaufort believes that this will forestall a recession in the US. At current levels risk reward in the high yield market offers attractive buying opportunities certainly if at some stage fears of a recession dissipate. The coming year can prove to be a good year for euro high yield as much of the bad economic news is still discounted.



## Insinger China Vision

### DIRECTORS' REPORT

The net asset value of the Fund decreased 35.4% over the past twelve months, compared with a drop of 33.6% and 38.9% in the MSCI China Indices and MSCI AC Far East Free ex-Japan Index, respectively. During the period under review, the stockmarkets in the region were adversely affected by the decline in the Euro and rising oil prices that broke a 10-year record high of US\$37/barrel. In addition, a string of profit warnings from the US technology companies further hurt investor sentiment in this sector. At the end of the period under review, the Fund had a relative high cash level of 17.0%.

It should be noted that the percentage fall in performance allocated to the period under the Insinger Global Asset Selection Umbrella was -25.9%. The NAV launch price on the 13th September 2000 of 11.6 USD falling to 8.6 USD on 31 December 2000.

### OUTLOOK & STRATEGY

As the assets of the fund are below USD 5 million and the fund is not expected to grow significantly in the near future, the directors expect to recommend to have the fund dissolved within the first half of 2001.

Until such time as the fund is officially dissolved, stock selection will remain focused on reasonably priced companies that are well managed, have adjusted to the new environment, are willing to restructure their operations and are benefiting from the economic recovery in the region.

Luxembourg, April 24, 2001

The Board of Directors



to the shareholders of insinger global asset selection sicav:

We have audited the financial statements, which consist of the combined statement of net assets, the combined statement of changes in net assets, the schedule of investments and the notes to the financial statements of Insinger Global Asset Selection SICAV (the "Fund") and each of its sub-funds for the year December 31, 2000. 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 statements 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 Insinger Global Asset Selection SICAV and each of its sub-funds as of December 31, 2000 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 observations to make concerning such information in the context of the financial statements taken as a whole.

Ernst & Young  
Société Anonyme  
Réviseur d'entreprises

A. Lockwood

Luxembourg, April 24, 2001



## Combined statement of net assets as at December 31, 2000

	Insinger European Bond  (in USD)	Insinger Asia Growth  (in USD)	Insinger Global Select LX  (in USD)	Insinger Global Balanced Fund  (in USD)	Insinger High Yield Bond Fund  (in EUR)
<b>Assets</b>					
Investments in securities, at cost	27,542,001	6,767,248	20,166,236	6,502,553	928,028
Unrealised appreciation (depreciation)	(2,291,095)	(1,639,603)	(1,333,320)	(459,123)	(60,962)
Investments in securities, at market value	25,250,906	5,127,645	18,832,916	6,043,430	867,066
Cash at bank	9,577	221,889	27,138	114,897	19,214
Amounts receivable on sale of investments	0	0	3,038	0	0
Amounts receivable on subscriptions	76,668	0	0	0	0
Unrealised gains on forward foreign exchange contracts (note 7)	0	0	0	0	0
Interest and dividends receivable, net	829,733	664	18,264	80,930	30,554
Formation expenses	2,051	1,886	0	3,946	4,059
	26,168,935	5,352,084	18,881,356	6,243,203	920,893
<b>Liabilities</b>					
Amounts payable on purchase of investments	0	0	0	0	0
Amounts payable on redemptions	158	14,485	0	0	14,580
Unrealised loss on forward foreign exchange contracts (note 7)	335,676	0	0	0	0
Advisory commission payable (note 5)	62,552	32,802	80,945	21,480	2,719
Taxes and expenses payable (note 3)	27,046	24,412	28,323	24,833	21,926
	425,432	71,699	109,268	46,313	39,225
<b>Total net assets</b>	<b>25,743,503</b>	<b>5,280,385</b>	<b>18,772,088</b>	<b>6,196,890</b>	<b>881,668</b>
<b>Number of shares outstanding :</b>					
- "A" shares	129,867.628				
- "B" shares	77,082.898				
- "C" shares	14,587.973				
<b>Net asset value per share :</b>		69.46	108.61	86.16	98.45
- "A" shares	104.65				
- "B" shares	139.46				
- "C" shares	96.10				

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



## Combined statement of net assets as at December 31, 2000 (continued)

	Insinger European Opportunity (in USD)	Insinger Global Bond LX (in USD)	Insinger Euro High Yield LX (in EUR)	Insinger China Vision (in USD)	Total (in EUR)
<b>Assets</b>					
Investments in securities, at cost	9,610,315	4,746,430	12,477,788	4,325,312	97,964,059
Unrealised appreciation (depreciation)	(538,382)	(117,213)	(643,453)	(1,120,578)	(8,663,243)
Investments in securities, at market value	9,071,933	4,629,217	11,834,335	3,204,734	89,300,816
Cash at bank	(23,907)	1,262,068	1,195,808	690,273	3,658,035
Amounts receivable on sale of investments	68,899	0	0	0	76,309
Amounts receivable on subscriptions	0	0	0	0	81,328
Unrealised gains on forward foreign exchange contracts (note 7)	0	133,496	400,150	0	541,760
Interest and dividends receivable, net	7,446	130,835	292,974	2,749	1,461,078
Formation expenses	4,234	0	6,697	0	23,856
	9,128,605	6,155,616	13,729,964	3,897,756	95,143,182
<b>Liabilities</b>					
Amounts payable on purchase of investments	172,299	0	0	0	182,771
Amounts payable on redemptions	0	17,497	0	0	49,560
Unrealised loss on forward foreign exchange contracts (note 7)	0	0	0	0	356,078
Advisory commission payable (note 5)	34,390	15,921	34,620	16,979	318,684
Taxes and expenses payable (note 3)	33,514	24,603	25,479	26,999	249,998
	240,203	58,021	60,099	43,978	1,157,091
<b>Total net assets</b>	<b>8,888,402</b>	<b>6,097,595</b>	<b>13,669,865</b>	<b>3,853,778</b>	<b>93,986,091</b>
<b>Number of shares outstanding :</b>	<b>80,327.340</b>	<b>67,551.834</b>	<b>156,397.065</b>	<b>448,287.00</b>	<b>0</b>
- "A" shares					
- "B" shares					
- "C" shares					
<b>Net asset value per share :</b>	<b>110.65</b>	<b>90.27</b>	<b>87.40</b>	<b>8.60</b>	
- "A" shares					
- "B" shares					
- "C" shares					

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



Combined statement of changes in net assets for the year ended December 31, 2000

	Insinger European Bond  (in USD)	Insinger Asia Growth  (in USD)	Insinger Global Select LX  (in USD)	Insinger Global Balanced Fund  (in USD)	Insinger High Yield Bond Fund  (in USD)
Net assets at the beginning of the year	31,924,964	13,106,046	25,085,850	8,810,691	1,645,359
<b>Income</b>					
Dividends, net of taxes	0	107,809	122,903	23,620	0
Interest on bonds, net	1,483,141	0	0	173,501	152,311
Bank interest, net	287,209	38,839	53,211	17,230	0
Other income	0	0	0	0	6,140
	1,770,350	146,648	176,114	214,351	158,451
<b>Expenses</b>					
Advisory commission (note 5)	251,899	176,405	354,288	94,929	15,915
Depository bank commission	29,023	14,053	26,372	9,256	1,306
Domiciliation, administrative and transfer agent fees	34,436	32,988	39,683	30,251	28,279
Audit fees, printing and publication expenses	37,924	26,995	26,157	17,894	15,781
Subscription tax (note 6)	15,573	5,711	14,058	4,679	1,159
Bank charges and correspondent fees	952	11,429	29,923	5,307	2,143
Amortisation of formation expenses	2,358	2,473	0	1,957	1,920
Other charges (legal, directors,...)	354,281	29,099	38,015	12,906	11,122
	726,446	299,153	528,496	177,179	77,625
<b>Net income (loss) from investments</b>	<b>1,043,904</b>	<b>(152,505)</b>	<b>(352,382)</b>	<b>37,172</b>	<b>80,826</b>
Net realised profit (loss) on sale of investments	(3,270,357)	693,585	3,337,750	(221,791)	(131,750)
Net realised profit (loss) on forward foreign exchange contracts	1,273,043	0	0	(1,181)	0
Net realised profit (loss) on foreign exchange	633,983	50,563	58,354	11,126	89
<b>Net realised profit (loss)</b>	<b>(319,427)</b>	<b>591,643</b>	<b>3,043,722</b>	<b>(174,674)</b>	<b>(50,835)</b>
Change in net unrealised appreciation (depreciation) on :					
-investments	1,595,248	(4,625,310)	(6,758,287)	(216,510)	(45,045)
-forward foreign exchange contracts	(119,174)	0	0	1,257	0
<b>Net increase(decrease) in net assets as a result of operations</b>	<b>1,156,647</b>	<b>(4,033,667)</b>	<b>(3,714,565)</b>	<b>(389,927)</b>	<b>(95,880)</b>

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



## Combined statement of changes in net assets for the year ended December 31, 2000 (continued)

	Insinger European Bond  (in USD)	Insinger Asia Growth  (in USD)	Insinger Global Select LX  (in USD)	Insinger Global Balanced Fund  (in USD)	Insinger High Yield Bond Fund  (in USD)
Movements in capital					
Issue of shares	6,092,323	1,074,688	1,919,929	286,917	167,171
Redemption of shares	(13,430,431)	(4,866,682)	(4,519,126)	(2,510,791)	(834,982)
	(7,338,108)	(3,791,994)	(2,599,197)	(2,223,874)	(667,811)
Currency translation					
Net assets at the end of the year	25,743,503	5,280,385	18,772,088	6,196,890	881,668

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



Combined statement of changes in net assets For the year ended December 31, 2000 (continued)

	Insinger European Opportunity (in USD)	Insinger Global Bond LX (in USD)	Insinger Euro Yield LX (in EUR)	Insinger China Vision (in USD)	Total (in EUR)
Net assets at the beginning of the year	7,665,309	7,897,987	3,937,446	0	99,505,006
Income					
Dividends, net of taxes	85,282	0	0	7,933	368,671
Interest on bonds, net	0	370,881	1,053,069	0	3,365,393
Bank interest, net	15,559	12,592	61,003	7,279	519,174
Other income	0	0	0	0	6,513
	100,841	383,473	1,114,072	15,212	4,259,751
Expenses					
Advisory commission	132,636	68,137	102,895	19,748	1,284,558
Depository bank commission	10,705	8,184	13,185	1,580	119,771
Domiciliation, administrative and transfer agent fees	34,928	33,763	28,974	7,112	285,089
Audit fees, printing and publication expenses	15,866	22,138	18,425	3,961	195,274
Subscription tax	5,622	4,218	6,705	2,795	63,791
Bank charges and correspondent fees	3,139	510	1,180	2,044	59,997
Amortisation of formation expenses	2,255	81	1,253	0	12,968
Other charges (legal, directors,...)	35,496	70,605	84,921	8,836	679,340
	240,647	207,636	257,538	46,076	2,700,788
Net income (loss) from investments	(139,806)	175,837	856,534	(30,864)	1,558,963
Net realised profit (loss) on sale of investments	1,779,581	(668,586)	(1,897,703)	(343,624)	(651,490)
Net realised profit (loss) on forward foreign exchange contracts	0	(217,383)	(336,430)	0	782,141
Net realised profit (loss) on foreign exchange	11,448	(182,356)	(28,340)	150,195	749,638
Net realised profit (loss)	1,651,223	(892,488)	(1,405,939)	(224,293)	2,439,252
Change in net unrealised appreciation (depreciation) on :					
-investments	(2,379,668)	740,896	(643,453)	(1,120,578)	(14,231,253)
-forward foreign exchange contracts	0	200,141	400,150	0	487,371
-capital gain tax on investments	0	0	0	0	0
Net increase(decrease) in net assets as a result of operations	(728,445)	48,549	(1,649,242)	(1,344,871)	(11,304,630)

The accompanying notes form an integral part of these financial statements



## Combined statement of changes in net assets for the year ended December 31, 2000 (continued)

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	Insinger European Opportunity (in USD)	Insinger Global Bond LX (in USD)	Insinger Euro High Yield LX (in EUR)	Insinger China Vision ? (in USD)	Total (in EUR)
Movements in capital					
Issue of shares	3,097,975	741,840	12,097,513	5,198,649	31,804,596
Redemption of shares	(1,146,437)	(2,590,781)	(715,852)	0	(32,432,357)
	1,951,538	(1,848,941)	11,381,661	5,198,649	(627,761)
Currency translation					6,413,476
Net assets at the end of the year	8,888,402	6,097,595	13,669,865	3,853,778	93,986,091

The accompanying notes form an integral part of these financial statements

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? Insinger China Vision was launched 13th September 2000



## Changes in the number of shares during the year ended December 31, 2000

	"A" shares	"B" shares	"C" shares	Insinger Asia Growth	Insinger Global Select LX	Insinger Global Balanced Fund
Number of shares in issue at the beginning of the year	124,087.60€	134,895.15€	18,347.652	122,210.685	193,142.078	96,868.186
Number of shares issued	50,727.898	8,638.278	107.099	10,182.262	15,071.055	3,195.743
Number of shares redeemed	(44,947.878)	(66,450.536)	(3,866.778)	(56,368.687)	(35,366.279)	(28,137.327)
Number of shares in issue at the end of the year	129,867.628	77,082.898	14,587.973	76,024.260	172,846.854	71,926.602

	Insinger High Yield Bond Fund	Insinger European Opportunity	Insinger Global Bond LX	Insinger Euro High Yield LX	Insinger China Vision
Number of shares in issue at the beginning of the year	16,067.194	64,258.303	88,984.655	39,394.025	0
Number of shares issued	1,666.790	25,569.850	8,633.315	124,439.475	448,287.000
Number of shares redeemed	(8,778.214)	(9,500.813)	(30,066.136)	(7,436.435)	0
Number of shares in issue at the end of the year	8,955.770	80,327.340	67,551.834	156,397.065	448,287.000

The accompanying notes form an integral part of these financial statements



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	Insinger European Bond (in USD)	Insinger Asia Growth (in USD)	Insinger Global Select LX (in USD)	Insinger Global Balanced (in USD)
Total net assets as at December 31, 2000	25,743,503	5,280,385	18,772,088	6,196,890
Net asset value per share as at December 31, 2000		69.46	108.61	86.16
- "A" shares	104.65			
- "B" shares	139.46			
- "C" shares	96.10			
Total net assets as at December 31, 1999	31,924,964	13,106,046	25,085,850	8,810,691
Net asset value per share as at December 31, 1999		107.24	129.88	90.96
- "A" shares	103.13			
- "B" shares	129.81			
- "C" shares	88.09			
Total net assets as at December 31, 1998	29,053,884	7,766,079	27,888,249	11,238,770
Net asset value per share as at December 31, 1998		65.91	107.61	97.60
- "A" shares	121.01			
- "B" shares	140.94			
- "C" shares				

The accompanying notes form an integral part of these financial statements



## Statistics (cont.)

	Insinger High Yield Bond (in USD)	Insinger European Opportunity Fund (in USD)	Insinger Global Bond LX (in USD)	Insinger Euro High Yield LX (in EUR)	Insinger China Vision (in USD)
Total net assets as at December 31, 2000	881,668	8,888,402	6,097,595	13,669,865	3,853,778
Net asset value per share as at December 31, 2000	98.45	110.65	90.27	87.40	8.60
- "A" shares					
- "B" shares					
- "C" shares					
Total net assets as at December 31, 1999	1,645,359	7,665,309	7,897,987	3,937,446	-
Net asset value per share as at December 31, 1999	102.40	119.29	88.76	99.95	-
- "A" shares					
- "B" shares					
- "C" shares					
Total net assets as at December 31, 1998	2,324,442	7,559,320	3,733,688	-	-
Net asset value per share as at December 31, 1998	88.19	98.36	101.81	-	-
- "A" shares					
- "B" shares					
- "C" shares					

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



## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2000 (IN USD)

Description	Quantity/ Face Value	Currency	Acquisition cost	Market Value (note 2)	% net assets
Transferable securities admitted to an official stock exchange listing					
<b>Bonds</b>					
<b>Germany</b>					
Germany 6% 2007	1,615,074	EUR	1,954,286	1,628,193	6.54
Germany 5.625% 2028	6,308,498	EUR	7,913,923	6,142,677	24.63
			<u>9,868,209</u>	<u>7,770,870</u>	<u>31.17</u>
<b>Denmark</b>					
Denmark 7% 2024	1,758,000	DKK	249,089	263,469	1.06
Denmark 7% 2007	9,145,000	DKK	1,605,470	1,282,142	5.15
Denmark 8% 2006	2,800,000	DKK	537,443	401,080	1.61
Denmark 6% 2009	2,400,000	DKK	290,193	320,884	1.29
			<u>2,682,195</u>	<u>2,267,575</u>	<u>9.11</u>
<b>Finland</b>					
Finland 5.75% 2011	1,500,000	EUR	1,345,903	1,489,701	5.98
<b>Great Britain</b>					
Great Britain 5.75% 2009	610,000	GBP	952,855	967,742	3.88
Great Britain 8.5% 2005	400,000	GBP	732,982	682,958	2.74
Great Britain 7.5% 2006	2,669,000	GBP	4,701,305	4,455,822	17.88
			<u>6,387,142</u>	<u>6,106,522</u>	<u>24.50</u>
<b>Italy</b>					
BTPS 4.25% 2009	2,000,000	EUR	1,697,542	1,760,775	7.07
<b>Netherlands</b>					
Netherlands 5.5% 2010	4,750,000	EUR	4,515,321	4,645,743	18.65
<b>United States</b>					
FHLMC 5.75% 2010	1,250,000	EUR	1,045,689	1,209,720	4.86
<b>Total Investments</b>			<u>27,542,001</u>	<u>25,250,906</u>	<u>101.34</u>



## GEOGRAPHIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2000

(Expressed as a percentage of net assets)	%
Denmark	9.11%
Finland	5.98%
Germany	31.17%
Great Britain	24.50%
Italy	7.07%
Netherlands	18.65%
United States	4.86%
	<hr/>
	101.34
	<hr/>

## ECONOMIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2000

(Expressed as a percentage of net assets)	%
States, provinces and municipalities	101.34
	<hr/>



## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2000 (IN USD)

Description	Quantity/ Face Value	Acquisition cost	Market Value (note 2)	% net assets
<b>A. Transferable securities admitted to an official stock exchange listing</b>				
<b>SHARES</b>				
<b>Hong Kong</b>				
Cheung Kong Holdings	16,000	114,774	204,626	3.88
Pacific Century Cyberworks Ltd	260,000	272,887	168,342	3.19
Hutchison Whampoa	16,000	93,363	199,497	3.78
Bank of East Asia Ltd	50,000	119,940	129,173	2.45
HK Exchange and Clearing	70,000	143,869	160,649	3.04
China Unicom Ltd	120,000	263,146	183,856	3.48
China Mobile (Hong Kong) Ltd	30,000	84,392	163,855	3.10
China National Aviation Co. Ltd	540,000	71,647	90,005	1.70
APT Satellite Holdings Ltd	440,000	289,820	170,650	3.23
China Motion Telecom Intl. Ltd	1,300,000	513,766	156,675	2.97
		1,967,604	1,627,328	30.82
<b>China</b>				
China Petroleum & Chemical Corp	1,100,000	227,153	174,881	3.31
Beijing Datang Power	500,000	110,167	129,814	2.46
		337,320	304,695	5.77
<b>Korea</b>				
SK Corporation	14,000	386,204	153,834	2.91
Samsung Electronics Co. Ltd	1,200	165,925	149,881	2.84
Shinhan Bank Co Ltd	16,000	107,575	131,542	2.49
Korea Electric Power Corp	8,000	220,182	149,249	2.83
Housing and Commercial Bank	8,000	170,255	181,502	3.44
Korea Telecom	3,000	306,502	158,893	3.01
		1,356,643	924,901	17.52
<b>Singapore</b>				
MMI Holdings Limited	576,000	127,170	99,631	1.89
Pacific Century Region Development	99,000	135,227	50,516	0.96
DBS group Holdings Limited	21,000	244,348	237,316	4.49
Neptune Orient Lines	243,000	227,644	190,544	3.61
Singapore Press Holdings SPH	16,339	191,943	241,166	4.57
Oversea- Chinese Banking	38,500	128,292	286,353	5.39
		1,054,624	1,105,526	20.91
<b>Thailand</b>				
PTT Exploration & Production (Foreign Reg)	77,800	227,198	181,118	3.43



Description	Quantity/ Face Value	Acquisition cost	Market Value (note 2)	% net assets
Taiwan				
Far Eastern Textile Ltd	112,000	233,530	79,221	1.50
United Microelectronics Corp	100,000	236,824	145,396	2.75
Taiwan Semiconductor Manufact.	65,600	196,446	157,645	2.99
D-Link Corporation	110,000	161,313	100,085	1.90
Asustek Computer Inc	38,080	296,407	114,532	2.17
Stark Technology Inc	26,860	259,142	102,302	1.94
		1,383,662	699,181	13.25
Great Britain				
HSBC Holdings PLC	16,000	123,197	236,935	4.49
Total Shares		6,450,248	5,079,684	96.19
B. Other transferable securities				
SHARES				
British Virgin Islands				
Asiaworld Online (BVI)	121,600	317,000	47,961	0.91
Total other transferable securities		317,000	47,961	0.91
Total Investments		6,767,248	5,127,645	97.10



## GEOGRAPHIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2000

(Expressed as a percentage of net assets)	%
Hong Kong	30.82%
China	5.77%
Korea	17.52%
Singapore	20.91%
Thailand	3.43%
Great Britain	4.49%
British Virgin Islands	0.91%
	97.10

## ECONOMIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2000

(Expressed as a percentage of net assets)	%
Telecommunications and multimedia	26.59%
Banks and Financial Institutions	22.75%
Miscellaneous	7.39%
Real Estate	8.04%
Investment Funds	0.91%
Electrical supply and appliances	10.30%
Oil exploration and refining	9.65%
Computers and Semiconductor	11.47%
	97.10



## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2000 (IN USD)

Description	Quantity/ Face Value	Acquisition cost	Market Value (note 2)	% net assets
<b>A. Transferable securities admitted to an official stock exchange listing</b>				
<b>A. SHARES</b>				
<b>Belgium</b>				
Melexis NV	26,370	319,638	370,399	1.97
<b>Switzerland</b>				
Roche Holdings	29	309,073	297,201	1.58
ABB Ltd	2,150	232,929	230,548	1.23
		542,002	527,749	2.81
<b>Germany</b>				
Deutsche Bank	4,410	315,717	372,287	1.98
Mediascape Communications AG	6,300	264,876	25,597	0.14
		580,593	397,884	2.12
<b>Spain</b>				
Telefonica S.A.	20,202	412,177	335,182	1.79
<b>Finland</b>				
Nokia OYJ	8,370	339,755	374,794	2.00
<b>France</b>				
Axa	2,430	367,466	352,777	1.88
Essilor International	900	234,233	294,829	1.57
Carrefour Supermarche S.A.	7,780	580,167	490,658	2.61
		1,181,866	1,138,264	6.06
<b>Hong Kong</b>				
China Mobile (Hong Kong) Ltd	39,030	294,961	213,175	1.14
<b>Netherlands</b>				
Royal Dutch Petroleum	6,120	347,484	376,506	2.01
STMicroelectronics N.V.	11,475	471,362	503,013	2.68
ING Groep N.V.	4,500	304,805	360,922	1.92
BE Semiconductors	20,610	354,008	204,005	1.09
		1,477,659	1,444,446	7.70



Description	Quantity/ Face Value	Acquisition cost	Market Value (note 2)	% net assets
<b>Great Britain</b>				
Vodafone Group PLC	78,679	231,141	288,383	1.54
Llyods TSB PLC	32,569	381,855	344,269	1.83
Glaxosmithkline PLC	15,675	417,847	442,312	2.36
Rentokil Initial PLC	70,000	207,810	241,418	1.29
BP Amoco PLC	19,388	166,187	156,310	0.83
Invensys PLC	100,112	459,345	233,916	1.25
CMG PLC	27,000	399,472	358,886	1.91
		2,263,657	2,065,494	11.01
<b>Ireland</b>				
CRH PLC	20,120	374,554	376,497	2.01
<b>Italy</b>				
Alleanza Assicurazioni SPA	21,600	279,198	341,782	1.82
Class Editori SPA	19,000	219,241	213,699	1.14
		498,439	555,481	2.96
<b>Japan</b>				
NTT Docomo Inc	12	130,628	206,625	1.10
Canon Inc	5,000	223,739	174,810	0.93
Shin-Etsu Chemical Company	6,000	217,120	230,749	1.23
Sony Corporation	3,500	197,584	238,616	1.27
Daiwa Securities Group Inc	13,000	199,042	135,556	0.72
Hitachi Ltd	15,000	223,831	133,467	0.71
Fanuc Ltd	1,400	150,949	95,079	0.51
Furukawa Electric Co Ltd	15,000	393,394	261,559	1.39
Nintendo Co.Ltd	1,700	236,096	267,311	1.42
		1,972,383	1,743,772	9.28
<b>Portugal</b>				
Novabase SGPS SA	24,300	251,495	293,217	1.56
Portugal Telecom SGPS SA	33,000	306,163	303,003	1.61
		557,658	596,220	3.17
<b>Sweden</b>				
Ericsson LM-B	34,350	601,088	392,173	2.09
<b>Turkey</b>				
Yazicilar SA	2,025,000	194,619	62,098	0.33



Description	Quantity/ Face Value	Acquisition cost	Market Value (note 2)	% net assets
<b>Canada</b>				
Nortel Networks Co	10,100	591,585	323,831	1.73
<b>United States</b>				
Carnival Corp	12,600	311,793	388,238	2.07
American International Group	5,312	280,385	523,564	2.79
Cisco Systems Inc	7,830	395,327	299,498	1.60
Walt Disney Co	7,000	207,588	202,563	1.08
EMC Corp	4,950	290,311	329,175	1.75
Enron Corp	4,950	353,120	411,469	2.19
Fannie Mae	6,160	361,791	534,380	2.85
General Electric Co	4,320	196,802	207,090	1.10
Health Management Associates	9,540	158,166	197,955	1.05
Home Depot Inc	4,365	99,705	199,426	1.06
International Business Machines Corp	1,440	134,062	122,400	0.65
Merck & Co Inc	6,570	443,936	615,116	3.28
Microsoft Corp	6,750	557,407	292,781	1.56
Oracle Corp	8,640	284,137	251,100	1.34
Pfizer Inc	8,050	262,161	370,300	1.97
Qualcomm Inc	5,400	334,411	443,813	2.36
Safeway Inc	7,830	342,177	489,375	2.61
Sandisk Corp	12,240	697,268	339,660	1.81
Silicon Storage Technology Inc	16,200	521,338	191,363	1.02
Transmeta Corp	2,850	115,331	66,975	0.36
Wal-Mart Stores Inc	8,100	390,316	430,313	2.29
Wells Fargo & Co	8,910	383,556	496,176	2.64
Worldom Inc	6,615	383,496	93,023	0.50
		7,504,584	7,495,753	39.93
<b>South Africa</b>				
Investec Holdings Limited	8334	278,518	247,204	1.32
<b>Taiwan</b>				
Taiwan Semiconductor Manufact. -ADR	10000	180,500	172,500	0.92
Total Investments		20,166,236	18,832,916	100.34



## GEOGRAPHIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2000

	%
Belgium	1.97
Switzerland	2.81
Germany	2.12
Spain	1.79
Finland	2.00
France	6.06
Hong Kong	1.14
Netherlands	7.70
Great Britain	11.01
Ireland	2.01
Italy	2.96
Japan	9.28
Portugal	3.17
Sweden	2.09
Turkey	0.33
Canada	1.73
United States	39.93
South Africa	1.32
Taiwan	0.92
	<hr/>
	100.34
	<hr/>

## ECONOMIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2000

	%
Telecommunications, multimedia	19.72
Banks and financial institutions	8.70
Pharmaceuticals and cosmetics	11.81
Food, retail and distilleries	7.51
Miscellaneous	8.69
Engineering, construction and building materials	4.30
Office equipment, electronics and electrical equipment	9.82
Insurance	8.41
Computer and semiconductors	15.21
Oil exploration and refining	5.03
Publishing and newspaper	1.14
	<hr/>
	100.34
	<hr/>



## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2000 (IN USD)

Description	Quantity/ Face Value	Acquisition cost	Market Value (note 2)	% net assets
A. Transferable securities admitted to an official stock exchange listing				
SHARES				
Germany				
Deutsche Bank	1,250	90,342	105,523	1.72
Siemens AG	1,000	82,382	131,328	2.15
		172,724	236,851	3.87
Spain				
Telefonica S.A.	3,700	108,720	61,389	1.00
Finland				
Nokia OYJ	3,200	129,765	143,290	2.34
France				
Lagardere SCA	900	91,210	52,433	0.86
Netherlands				
Royal Dutch Petroleum	1,400	82,146	86,129	1.41
STMicroelectronics N.V.	2,250	129,363	98,630	1.61
Ing Groep N.V.	2,377	140,235	190,647	3.12
Koninklijke Ahold N.V.	4,562	156,730	147,769	2.42
		508,474	523,175	8.56
Great Britain				
Vodafone Group PLC	41,147	169,988	150,817	2.47
Llyods TSB PLC	14,704	205,902	155,428	2.54
Glaxosmithkline PLC	4,602	114,217	129,858	2.12
		490,107	436,103	7.13
Japan				
Nintendo Co.Ltd	700	59,370	110,069	1.80
Sweden				
Ericsson LM-B	4,800	86,517	54,802	0.90
Canada				
Nortel Networks Co		100,095	75,347	1.23



Description	Quantity/ Face Value	Acquisition cost	Market Value (note 2)	% net assets
United States				
Carnival Corp		119,072	154,063	2.52
Cisco Systems Inc		71,929	76,500	1.25
Citigroup Inc		120,699	149,766	2.45
EMC Corp		154,695	169,575	2.77
General Electric Co		93,579	100,669	1.65
Home Depot Inc		65,986	82,238	1.34
Intel Corp		94,473	45,094	0.74
Merck & Co Inc		77,084	93,625	1.53
Microsoft Corp		164,041	78,075	1.28
Sandisk Corp		233,294	77,700	1.27
		1,194,852	1,027,305	16.80
Total Shares		2,941,834	2,720,764	44.49
BONDS				
Germany				
Germany 5.25%2008	EUR	858,793	726,595	11.88
Great Britain				
Great Britain 7.25% 2007	GBP	521,571	479,604	7.84
United States				
US Tsy 6.875% 2025	USD	613,681	595,744	9.74
US Tsy 6.125% 2007	USD	1,186,432	1,184,766	19.34
			1,780,510	29.08
Total Bonds		3,180,477	2,986,709	48.80
		6,122,311	5,707,473	93.29
SHARES				
Guernsey				
Clariden Japan Equity Fund		165,264	106,327	1.74
British Virgin Islands				
Insinger Opportunity Fund		214,978	229,630	3.75
Total other transferable securities		380,242	335,957	5.49
Total Investments		6,502,553	6,043,430	98.78



## GEOGRAPHIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2000

(Expressed as a percentage of net assets)	%
Germany	15.75
Great Britain	14.97
United States	45.88
Spain	1.00
Finland	2.34
France	0.86
Netherlands	8.56
Japan	1.80
Sweden	0.90
Canada	1.23
British Virgin Islands	3.75
Guernsey	1.74
	98.78

## ECONOMIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2000

(Expressed as a percentage of net assets)	%
States, provinces and municipalities	48.80
Telecommunications, computers	21.67
Banks and financial institutions	9.83
Pharmaceuticals and cosmetics	3.65
Food and distilleries	2.42
Miscellaneous	3.93
Construction and building materials	1.34
Investment funds	5.49
Electrical supply and appliances	1.65
	98.78



## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2000 (IN USD)

Description	Quantity/ Face Value	Currency	Acquisition cost	Market Value (note 2)	% net assets
A. Transferable securities admitted to an official stock exchange listing					
BONDS					
Brazil					
Brazil 10.125% 2027	100,000	USD	90,530	80,438	9.45
Colombia					
Colombia 9.75% 2009	100,000	USD	83,150	84,139	9.89
South Korea					
Korea 8.875% 2008	75,000	USD	78,656	80,981	9.52
Mexico					
United Mexican States 11.375% 2016	165,000	USD	189,998	192,753	22.64
Philippines					
Philippines 9.875% 2019	130,000	USD	126,100	104,320	12.26
Turkey					
Turkey 12.375% 2009	86,000	USD	85,914	80,550	9.47
Turkey 11.875% 2030	100,000	USD	109,000	88,827	10.44
			194,914	169,377	19.91
Venezuela					
Venezuela 9.25% 2027	120,000	USD	83,280	77,576	9.12
Russia					
Russia 11% 2018	110,000	USD	81,400	77,482	9.11
Total Investments			928,028	867,066	101.90



## GEOGRAPHIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2000

(Expressed as a percentage of net assets)	%
Brazil	9.45
South Korea	9.52
Philippines	12.26
Venezuela	9.12
Mexico	22.64
Turkey	19.91
Colombia	9.89
Russia	9.11
	<hr/>
	101.90
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## ECONOMIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2000

(Expressed as a percentage of net assets)	
States, provinces and municipalities	<hr/>
	101.90
	<hr/>



## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2000 (IN USD)

Description	Quantity/ Face Value	Acquisition cost	Market Value (note 2)	% net assets
A. Transferable securities admitted to an official stock exchange listing				
SHARES				
Denmark				
Novozymes a/s-B shares	1000	0	20,067	0.23
Novo Nordisk A/S B	1000	200,673	179,843	2.02
		<u>200,673</u>	<u>199,910</u>	<u>2.25</u>
Switzerland				
Zurich Financial Services	535	266,223	317,905	3.58
		<u>266,223</u>	<u>317,905</u>	<u>3.58</u>
Belgium				
Melexis NV	32,700	599,302	460,853	5.14
		<u>599,302</u>	<u>460,853</u>	<u>5.14</u>
Germany				
Cinemaxx AG	8,720	198,203	33,621	0.38
Deutsche Bank	3,000	220,802	253,256	2.85
Mediascape Communications AG	5,000	172,556	20,315	0.23
		<u>591,561</u>	<u>307,192</u>	<u>3.46</u>
Spain				
Banco Bilbao Vizcaya	22,000	307,257	328,720	3.70
Telefonica S.A.	8,200	146,251	136,050	1.53
		<u>453,508</u>	<u>464,770</u>	<u>5.23</u>
Finland				
Nokia OYJ	8,000	364,099	358,226	4.03
		<u>364,099</u>	<u>358,226</u>	<u>4.03</u>
France				
Total Fina Elf S.A.	1,000	154,651	149,324	1.68
Essilor International	1,000	271,099	327,588	3.69
Alcatel	4,000	247,822	228,133	2.57
Lagardere SCA	2,500	225,377	145,647	1.64
Aventis	2,000	152,194	176,285	1.98
Carrefour Supermarche S.A.	3,000	169,129	189,200	2.13
		<u>1,220,272</u>	<u>1,216,177</u>	<u>13.69</u>



Description	Quantity/ Face Value	Acquisition cost	Market Value (note 2)	% net assets
<b>Netherlands</b>				
STMicroelectronics N.V	7,000	270,882	306,849	3.45
Airspray NV	12,093	251,384	176,701	1.99
BE Semiconductors	15,000	257,648	148,475	1.67
Pinkroccade NV	5,000	267,405	273,383	3.08
Vendex KBB NV	23,613	507,822	310,749	3.50
		1,555,141	1,216,157	13.69
<b>Great Britain</b>				
Boots Co PLC	20,000	158,068	181,847	2.05
Vodafone Group PLC	100,000	348,660	366,531	4.12
Lloyds TSB PLC	32,113	360,936	339,449	3.82
Glaxosmithkline PLC	11,115	287,914	313,640	3.53
Rentokil Initial PLC	70,000	162,864	241,418	2.72
Invensys PLC	51,340	204,223	119,958	1.35
Granada Media PLC	21,000	146,880	133,250	1.50
P&O Princess Cruises PLC	35,000	55,563	147,882	1.66
CMG PLC	24,000	352,695	319,010	3.59
		2,077,803	2,162,985	24.34
<b>Ireland</b>				
CRH PLC		398,292	357,673	4.02
Iona Technologies PLC	19,114	184,408	395,300	4.45
	5,900			
		582,700	752,973	8.47
<b>Italy</b>				
Alleanza Assicurazioni SPA.	20,000	268,058	316,464	3.56
Class Editori SPA	28,000	269,702	314,926	3.54
		537,760	631,390	7.10



Description	Quantity/ Face Value	Acquisition cost	Market Value (note 2)	% net assets
Portugal				
Imprensa SGPS	20,000	217,552	121,420	1.37
Novabase SGPS SA	20,000	161,517	241,331	2.72
Portugal Telecom SGPS S.A	17,250			
		197,829	158,388	1.78
		576,898	521,139	5.87
Sweden				
Ericsson LM-B	26,000	444,649	296,842	3.34
Sigma AB-B shares	7,000	139,726	165,414	1.86
		584,375	462,256	5.20
Total Investments		9,610,315	9,071,933	102.05



## GEOGRAPHIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2000

(Expressed as a percentage of net assets)	%
Denmark	2.25
Switzerland	3.58
Belgium	5.14
Germany	3.46
Spain	5.23
Finland	4.03
France	13.69
Netherlands	13.69
Great Britain	24.34
Ireland	8.47
Italy	7.10
Portugal	5.87
Sweden	5.20
	<hr/>
	102.50
	<hr/>

## ECONOMIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2000

(Expressed as a percentage of net assets)	%
Telecommunications and multimedia	26.03
Banks and financial institutions	10.37
Pharmaceuticals, cosmetics and optical	15.49
Food, retail and distilleries	5.63
Miscellaneous	5.73
Engineering, construction and building materials	4.02
Insurance	7.14
Electronics and electrical equipment	8.59
Office equipment, computers, semiconductors	17.37
Oil exploration and refining	1.68
	<hr/>
	102.05
	<hr/>



## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2000

Description	Currency	Acquisition cost	Market Value (note 2)	% net assets
Bonds				
Germany				
Germany 6% 2001	EUR	393,207	310,582	5.19
Germany 5.375%	EUR	295,154	293,811	4.91
		<hr/>	<hr/>	<hr/>
		688,361	604,393	10.10
Denmark				
Denmark 7% 200	DKK	409,595	316,855	5.30
Denmark 6% 200	DKK	102,777	113,647	1.90
		<hr/>	<hr/>	<hr/>
		512,372	430,502	7.20
Great Britain				
Great Britain 7.5% 2006 GBP		428,214	370,623	6.19
BTPS				
BTPS 4.25% 2009	EUR	114,260	118,852	1.99
Netherlands				
Netherlands 5.5% 2010	EUR	486,221	547,709	9.15
United States				
US Tsy 6.875% 2025	USD	881,317	899,456	15.03
US Tsy 6.125% 2007	USD	1,112,091	1,158,438	19.38
		<hr/>	<hr/>	<hr/>
		1,993,408	2,057,894	34.41
Senior Notes				
United States				
FHLMC 5.75% 2010	EUR	209,138	241,944	4.04



Description	Face Value	Currency	Acquisition cost	Market Value (note 2)	% net assets
<b>Bonds</b>					
Australia Australia 10%2007	325,000	AUD	276,373	228,134	3.81
New Zealand New Zealand 8% 2006	60,000	NZD	38,083	29,166	0.49
Total Investments			4,746,430	4,629,217	77.38



## GEOGRAPHIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2000

(Expressed as a percentage of netassets)	%
Denmark	7.20
Germany	10.10
Great Britain	6.19
Italy	1.99
Netherlands	9.15
United States	38.45
Australia	3.81
New Zealand	0.49
	<hr/>
	77.38
	<hr/>

## ECONOMIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2000

(Expressed as a percentage of net assets)	%
States, provinces and municipalities	77.38



## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2000 (IN USD)

Description	Quantity/ Face Value	Currency	Acquisition cost	Market Value (note 2)	% net assets
Transferable securities admitted to an official stock exchange listing					
<b>Netherlands</b>					
Netia Holdings 0% Stepup 2007	750,000	DEM	285,684	253,089	1.89
KPNQWEST 7.125% 2009	1,040,000	EUR	982,800	915,200	6.84
Kappa Beheer 10.625% 2009	1,000,000	EUR	1,024,500	1,025,000	7.66
Netia Holdings 13.75% 2010	400,000	EUR	346,000	344,000	2.57
			<u>2,638,984</u>	<u>2,537,289</u>	<u>18.96</u>
<b>Great Britain</b>					
Colt Telecom 7.625% 2009	600,000	EUR	536,100	549,000	4.10
Ineos PLC 10.25% 2010	500,000	EUR	465,000	487,500	3.65
HMV Media 10.875% 2008	213,000	GBP	303,547	138,309	1.03
Hurst Group PLC 11.125% 2008	200,000	GBP	327,895	317,542	2.37
Regional Ind 12.875% Stepdown 2008	700,000	GBP	882,085	875,813	6.55
Energis PLC 9.125% 2010	400,000	GBP	610,540	582,819	4.36
Intertek 10.25% 2006	50,000	USD	449,516	318,235	2.38
TM Group Holding 11 % 2008	340,000	USD	310,326	315,583	2.36
			<u>3,885,009</u>	<u>3,584,801</u>	<u>26.80</u>
<b>France</b>					
Go Outdoor Systems 10.5% 2009	225,000	EUR	238,500	256,500	1.92
<b>United States</b>					
American Standard Inc 7.125% 2006	250,000	EUR	248,438	243,750	1.82
Metromedia Fiber Network 10% 2009	200,000	EUR	205,500	172,000	1.29
NTL Communications 9.875% 2009	380,000	EUR	378,580	315,400	2.36
NTL 0% Stepup 2009	750,000	EUR	423,750	386,250	2.89
Huntsman ICI 10.125% 2009	400,000	EUR	394,500	406,000	3.04
Milacron Capital 7.625% 2005	500,000	EUR	498,570	492,500	3.68
Exodus Comm Inc 11.375% 2008	500,000	EUR	500,000	455,000	3.40
Azurix Corp 10.375% 2007	600,000	GBP	892,107	916,991	6.86
HCA-The Healthcare Co 8.75% 2010	500,000	GBP	865,571	807,712	6.04
Buhrmann 12.25% 2009	850,000	USD	958,938	906,174	6.78
			<u>5,365,954</u>	<u>5,101,777</u>	<u>38.16</u>
<b>Channel Islands</b>					
Credit Linked & Struct. 3%. 2019	300,000	GBP	349,341	353,968	2.65
Total Investments			<u>12,477,788</u>	<u>11,834,335</u>	<u>88.49</u>



## GEOGRAPHIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2000

(Expressed as a percentage of net assets)	%
Netherlands	18.96
Great Britain	26.80
France	1.92
United States	38.16
Channel Islands	2.65
	<hr/>
	88.49
	<hr/>

## ECONOMIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2000

(Expressed as a percentage of net assets)	%
States, provinces and municipalities	<hr/>
	88.49
	<hr/>



## SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2000 (IN USD)

Description	Quantity/ Face Value	Acquisition cost	Market Value (note 2)	% net assets
<b>A. Transferable securities admitted to an official stock exchange listing</b>				
<b>A) SHARES</b>				
<b>Hong Kong</b>				
Cheung Kong Holdings	15,000	138,978	191,837	4.98
Pacific Century Cyberworks Ltd	150,000	146,185	97,120	2.52
Hutchison Whampoa	15,400	128,736	192,016	4.98
Bank of East Asia Ltd	50,000	119,971	129,173	3.35
Citic Pacific Limited	35,000	156,218	124,077	3.22
HK Exchange and Clearing	72,000	147,980	165,239	4.29
China Unicom Ltd	100,000	220,884	153,213	3.98
China Mobile (Hong Kong) Ltd	24,000	67,575	131,084	3.40
China National Aviation Co Ltd	300,000	40,687	50,003	1.30
APT Satellite Holdings Ltd	300,000	199,109	116,352	3.02
China Motion Telecom Intl Ltd	670,000	328,166	80,748	2.10
		<b>1,694,489</b>	<b>1,430,862</b>	<b>37.14</b>
<b>China</b>				
China Petroleum & Chemical Corp	750,000	155,006	119,237	3.09
Beijing Datang Power	500,000	110,125	129,814	3.37
		<b>265,131</b>	<b>249,051</b>	<b>6.46</b>
<b>Korea</b>				
SK Corporation	7,000	198,180	76,917	2.00
Samsung Electronics Co. Ltd	1,000	137,348	124,901	3.24
Shinhan Bank Co. Ltd	13,000	146,302	106,877	2.77
Korea Electric Power Corp	3,800	104,569	70,893	1.84
Housing and Commercial Bank	6,000	127,692	136,127	3.53
Korea Telecom Corporation	2,000	202,947	105,929	2.75
		<b>917,038</b>	<b>621,644</b>	<b>16.13</b>
<b>Singapore</b>				
MMI Holdings Limited	273,000	60,276	47,221	1.23
Pacific Century Region Development Ltd	61,000	83,250	31,126	0.81
DBS Group Holdings Ltd	9,000	104,622	101,707	2.64
		<b>248,148</b>	<b>180,054</b>	<b>4.68</b>



Description	Quantity/ Face Value	Acquisition cost	Market Value (note 2)	% net assets
Thailand				
PTT Exploration & Production (Foreign Reg)	35,800	104,546	83,342	2.16
Taiwan				
Far Eastern Textile Ltd	78,400	163,373	55,455	1.44
United Microelectronics Corp	48,000	113,662	69,790	1.81
Acer	500	749	228	0.01
Taiwan Semiconductor Manufact.	41,899	88,072	100,688	2.61
D-Link Corporation	75,000	109,933	68,240	1.77
Asustek Computer Inc	20,400	158,838	61,357	1.59
Stark Technology Inc	14,220	137,776	54,160	1.41
		772,403	409,918	10.64
Great Britain				
HSBC Holdings PLC	14,000	175,257	207,318	5.38
Total Shares		4,177,012	3,182,189	82.59
B) Other transferable securities				
SHARES				
British Virgin Islands				
Asiaworld Online (BVI) Inc	57,160	148,300	22,545	0.59
Total other transferable securities		148,300	22,545	0.59
Total Investments		4,325,312	3,204,734	83.18



## GEOGRAPHIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2000

(Expressed as a percentage of net assets)	%
Hong Kong	37.14
China	6.46
Korea	16.13
Singapore	4.68
Thailand	2.16
Taiwan	10.64
Great Britain	5.38
British Virgin Islands	0.59
	<hr/>
	83.18
	<hr/>

## ECONOMIC DIVISION OF INVESTMENTS AS AT DECEMBER 31, 2000

(Expressed as a percentage of net assets)	%
Telecommunications, multimedia	19.54
Banks and financial institutions	17.67
Computer and semiconductor devices	7.07
Miscellaneous	9.64
Real Estate	7.09
Investment funds	0.59
Electrical supply and appliances	14.33
Oil refining and exploration	7.25
	<hr/>
	83.18
	<hr/>



## 1. Organisation

Insinger Global Asset Selection SICAV ( the "Fund") 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.

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 shareholders may request the conversion of all or part of its shares of any sub-fund and/or share class into shares of any other existing sub-fund and/or share class.

At December 31, 2000, the Fund included nine active sub-funds :

INSINGER GLOBAL ASSET SELECTION SICAV -INSINGER EUROPEAN BOND  
(EXPRESSED IN USD )

(The net asset value per share is expressed in USD but the subscription price may be paid in EUR, USD or GBP).

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.



Three classes of shares have been created in this sub-fund 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) and the “C” shares (GBP-hedged shares) aim to achieve the investment objective of long-term capital growth. All three share classes are invested in the same underlying portfolio of securities, 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.

INSINGER GLOBAL ASSET SELECTION SICAV-INSINGER ASIA GROWTH  
(EXPRESSED IN USD)

This sub-fund seeks long-term capital appreciation of its portfolio by investing primarily in transferable equities in Asian companies which the Investment Adviser believes offer exceptional growth opportunities at attractive relative prices. It is the intent of the sub-fund to primarily invest in equities listed in the Asian region inclusive of the Indian sub-continent, China, Hong Kong, Thailand, Malaysia, Singapore, Indonesia, Korea, Taiwan and the Philippines.

INSINGER GLOBAL ASSET SELECTION SICAV - INSINGER GLOBAL SELECT LX  
(EXPRESSED IN USD)

This sub-fund seeks to achieve long-term capital growth by investing in international equities which the Investment Adviser believes to offer exceptional growth opportunities at attractive relative prices. Under certain circumstances, at the discretion of the Investment Adviser, the sub-fund may hedge (part of) its positions.

INSINGER GLOBAL ASSET SELECTION SICAV- INSINGER GLOBAL BALANCED FUND  
(EXPRESSED IN USD)

This sub-fund seeks stable long-term capital growth and a degree of capital preservation by investing in a diversified portfolio of international equity and fixed income securities.



INSINGER GLOBAL ASSET SELECTION SICAV-INSINGER HIGH YIELD BOND FUND  
(EXPRESSED IN USD)

This sub-fund's objective is to maximise total return by investing mainly in debt securities issued by issuers in emerging markets and other high-yielding countries.

INSINGER GLOBAL ASSET SELECTION SICAV-INSINGER EUROPEAN OPPORTUNITY FUND  
(EXPRESSED IN USD)

This sub-fund seeks to maximize capital gains by investing in European large cap stocks. The Investment Advisor of the sub-fund aims to reach this goal by identifying companies that can achieve superior profit-growth in the long term. Dividend yield is of secondary importance.

INSINGER GLOBAL ASSET SELECTION SICAV-INSINGER GLOBAL BOND LX  
(EXPRESSED IN USD)

This sub-fund seeks to achieve long term capital growth by investing in international fixed income securities. The investment advisor will conduct thorough analyses of economic trends, inflation, credit and the resulting direction of interest rates and exchange rates in the major economies worldwide.

Under certain circumstances the sub-fund may hedge (part of) its non-US Dollar market exposure through currency futures, currency options or currency forward contracts with the objective to preserve the US Dollar value and within the limits set out in the prospectus.

INSINGER GLOBAL ASSET SELECTION SICAV-INSINGER EURO HIGH YIELD LX  
(EXPRESSED IN EUR)

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



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

INSINGER GLOBAL ASSET SELECTION SICAV-INSINGER CHINA VISION  
(EXPRESSED IN USD)

This sub-fund was launched on 13<sup>th</sup> September 2000 at a launch price of 11.6 USD and at this date, the net assets of The China Vision SICAV Fund were transferred to the sub-fund Insinger China Vision in exchange for 448,287 shares.

This sub-fund's objective is to seek long-term capital appreciation of its portfolio by investing primarily in transferable securities of companies with a business focus in China.

## 2. Principal accounting principles

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 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 official exchange listing or dealt in on another regulated market and transferable securities admitted to 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 2000 Financial Statements on December 29, 2000 on the basis of exchange rates in effect on December 29, 2000 and the last available prices on December 29, 2000.

### 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, 2000. 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 29, 2000 : 1 USD = 1.06078297 EUR

The various items of the combined statement of net assets and the combined statement of changes in net assets of the Fund as at December 31, 2000 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, 2000.

**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.

**e) Forward foreign exchange contracts**

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



### 3. Taxes and expenses payable

	Insinger European Bond <u>(in USD)</u>	Insinger Asia Growth <u>(in USD)</u>	Insinger Global Select LX <u>(in USD)</u>	Insinger Global Balanced Fund <u>(in USD)</u>
Subscription tax	7,345	2,429	7,004	1,929
Depository bank commission, domiciliation and administration fees	13,724	11,801	17,930	8,241
Audit fees, printing and publication expenses	3,401	5,588	2,968	3,547
Other charges	2,576	4,594	421	11,116
	<u>27,046</u>	<u>24,412</u>	<u>28,323</u>	<u>24,833</u>

	High Yield Bond Fund <u>(in USD)</u>	Euro Select LX <u>(in USD)</u>	Global Bond LX <u>(in USD)</u>	Euro High Yield LX <u>(in EUR)</u>	China Vision <u>(in USD)</u>
Subscription tax	463	2,763	2,173	7,636	1,488
Depository bank commission, domiciliation and administration fees	6,006	16,147	16,599	11,159	11,535
Audit fees, printing and publication expenses	3,474	5,133	5,248	3,956	11,169
Other charges	11,983	9,471	583	2,728	2,807
	<u>21,926</u>	<u>33,514</u>	<u>24,603</u>	<u>25,479</u>	<u>26,999</u>

### 4. Commission on subscription and redemption of the fund's shares

The shares of Insinger Global Asset Selection 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 Adviser.

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. Advisory commission

Under the terms of an agreement dated February 23, 1996 which has been amended on June 26, 1997, January 14, 1998, May 25, 1998, October 20, 1998 and November 21, 1998, Insinger Asset Management N.V., Amsterdam has been appointed as the Investment Adviser to advise the Directors of the Fund on the management of its securities portfolios. The agreement shall remain in force for an unlimited period and it may be terminated by either party at any time upon one month notice.



As remuneration for its services, the Investment Adviser receives from the Fund an annual commission at the maximum annual rate of 1%, 1.60%, 1.50%, 1.25%, 1.25%, 1.50%, 1%, 1% and 1.5% for Insinger European Bond, Insinger Asia Growth, Insinger Global Select LX, Insinger Global Balanced Fund, Insinger High Yield Bond Fund, Insinger European Opportunity Fund, Insinger Global Bond LX, Insinger Euro High Yield LX and Insinger China Vision respectively applicable on the average net assets of the relevant sub-fund.

In order to provide an incentive to the Investment Adviser, the Fund will pay an additional performance commission of 20% of the amount by which the increase of the net asset value of the Asia Growth sub-fund exceeds 7% calculated by reference to the net asset value on the preceding December 31. This calculation is based on the net asset figures before deduction of the accrued performance commission and is adjusted for any proceeds from sales, or amounts paid out for redemptions of the sub-fund's shares. This performance commission will be paid annually in arrears. Any negative performance for a financial year will carry over to the succeeding year to offset any positive performance in that subsequent year.

In addition to the above mentioned fee, the Sub-Investment Adviser of Insinger China Vision shall receive a performance fee, payable on the publication of the audited annual

accounts, of 10% of any increase in net asset value per share of the sub-fund during the annual period (before the calculation of the performance fee) in excess of 10% per annum. No performance fee will be payable unless the net asset value per share at the relevant period is higher than the net asset value per share applicable at the time a performance fee was last paid.

## 6. Subscription tax

Under current law and practice, the Fund is not liable to any Luxembourg income tax, nor are dividends paid by the Fund liable to any Luxembourg withholding tax. However, the Fund is liable in Luxembourg to a subscription tax of 0.06% 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 subscription tax is paid on the assets held by the Fund in other UCITS already subject to that tax in Luxembourg.



## 7. Forward foreign exchange contracts

As at December 31, 2000, the Insinger European Bond had entered into the following outstanding forward foreign exchange contracts :

	Sales		Purchases	Maturity	Unrealised Appreciation/ (depreciation)
GBP	2,750,000	EUR	4,708,904	23/01/2001	335,350
EUR	6,288,307	USD	5,335,000	23/04/2001	(615,978)
EUR	778,556	GBP	456,000	23/04/2001	(55,048)
					<u>USD (335,676)</u>

The unrealised loss on these forward foreign exchange contracts as at December 31, 2000 amounted to USD 335,676 and is included in the combined statement of net assets.

As at December 31, 2000, the Insinger Global Bond Fund had entered into the following outstanding forward foreign exchange contracts :

	Sales		Purchases	Maturity	Unrealised Appreciation/ (depreciation)
JPY	42,889,500	USD	405,000	13/02/2001	27,519
USD	1,600,000	EUR	1,885,458	24/01/2001	179,119
EUR	289,855	GBP	170,000	24/01/2001	(19,572)
EUR	586,717	USD	500,000	24/01/2001	(53,570)
					<u>USD 133,496</u>

The unrealised gain on these forward foreign exchange contracts as at December 31, 2000 amounted to USD 133,496 and is included in the combined statement of net assets.



As at December 31, 2000, the Insinger Euro High Yield LX Fund had entered into the following outstanding forward foreign exchange contracts :

	Sales		Purchases	Maturity	Unrealised Appreciation/ (depreciation)
GBP	210,000	EUR	337,079	28/02/2001	4,965
GBP	571,230	USD	820,000	28/02/2001	(35,657)
GBP	500,000	EUR	816,593	28/02/2001	25,880
GBP	1,300,000	EUR	2,156,245	28/02/2001	100,437
USD	2,500,000	EUR	2,949,504	28/02/2001	304,525

EUR 400,150

The unrealised gain on these forward foreign exchange contracts as at December 31, 2000 amounted to EUR 400,150 and is included in the combined statement of net assets.