



09

Annualreport



EFA

Reliable & Independent



European Fund Administration (EFA) is a specialised independent fund administrator and is a market reference in niche segments that require tailor-made services and expert management techniques.

As a highly qualified, neutral and independent specialist, we meet the highest criteria on governance and to limit conflicts of interest. This is a guarantee of continuity and added value for our clients.

Buoyed by this unique positioning, EFA has established itself as a major market player. We currently work for 226 fund companies and 80 depository banks.

This report highlights our past achievements as well as current and future initiatives in a bid to extend our offer to new products and new markets for the benefit of our clients.

Annual Report 09

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Reliable & Independent

Thanks to its unique position as an independent fund administrator, EFA has rapidly become a reference in its field.

We constantly strive to meet our clients' expectations and thus achieve a high level of client satisfaction. To do so we have developed a unique model which enables EFA to offer flexible and innovative solutions well-adapted to the challenges faced by the industry.

Our clients can rely on EFA to support their projects and bring them the expertise they need to reach their business goals.



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KEY FIGURES

EFA as at 31/12/2009

2,450

sub-funds under administration.

83.2

billion Euro of assets under administration.

226

clients distributing

to investors in 82 countries.

4.0

billion Euro of hedge funds

under administration on behalf of 29 fund initiators.

6.1

billion Euro of funds of hedge funds

under administration on behalf of 46 fund initiators.

80

depository banks linked to EFA.

10

*insurance companies using EFA's services,
with more than 2.2 billion Euro in "Unit-linked"
products under administration.*

56

*Private Equity & Real Estate
sub-funds under administration.*

3.5

*billion Euro of Private Equity & Real Estate
assets under administration.*

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FINANCIAL HIGHLIGHTS

63.0

million Euro turnover

2.5% increase compared to 2008.

5.1

million Euro profit after tax

(4.0 million Euro after tax in 2008).

38.2%

return on subscribed capital after tax.

22.4

million Euro of shareholders' equity.



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MESSAGE FROM THE CHAIRMAN AND CEO

Dear Sir, dear Madam,

This year's Annual Report and Accounts refer to the EFA Group, made-up of EFA S.A., its subsidiary EFA France S.A.S. and its 10% stake of AMS S.p.A.

In the difficult environment which has come in the wake of the global financial crisis, EFA has managed to set itself apart by successfully pursuing its commercial development throughout 2009. As at 31 December, EFA administered total net assets of €83.2 billion, held in 2,450 funds on behalf of 226 clients. This high business volume makes EFA the leading company in Luxembourg in terms of the number of funds administered as at 31 December 2009 (source: Luxembourg Fund Encyclopaedia 2010 - Lipper).

In line with its strategy, EFA has set up several new partnerships with depositary banks and management companies, thus enabling them to combine their services, including prime brokerage, with EFA's highly specialised and tailor-made administrative services. These new relationships illustrate the added value which EFA's unique position as an independent actor can supply. They are also proof of the significant rise in the relationships we have with an ever growing number of partner depositary banks. At the end of 2009, EFA was working with 80 "Partner Custodians".

As a well-known fund administration specialist, EFA seeks to operate in high added value market segments that

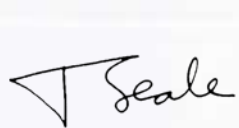
require tailor-made services as well as expertise in fund management techniques. EFA intends to establish itself as the service provider of choice in view of the current reshaping of the Alternative Investment sector which results from initiatives such as the project for a European Directive on Alternative Investment Fund Managers (AIFM). We can also draw on the strong development of the "EFA Private Equity" business line, which specialises in the administration of private equity and real estate funds. Launched in 2008, "EFA Private Equity" currently provides its specialist services to 56 funds representing €3.5 billion of assets under administration on behalf of 38 clients.

On the international scene EFA signed a partnership agreement with Asset Management Service S.p.A. (AMS), an Italian fund administration service provider. The move allowed EFA to enter AMS' capital against the transfer of its stake in Servizi SGR S.p.A. and enabled EFA to consolidate its position and its development on the Italian fund administration market backed by a well-established local partner. Other ongoing international projects should allow us to expand our international base further in 2010.

In light of the above, we would especially like to thank all our clients for their trust, our 572 staff members for their commitment and our shareholders for their support.

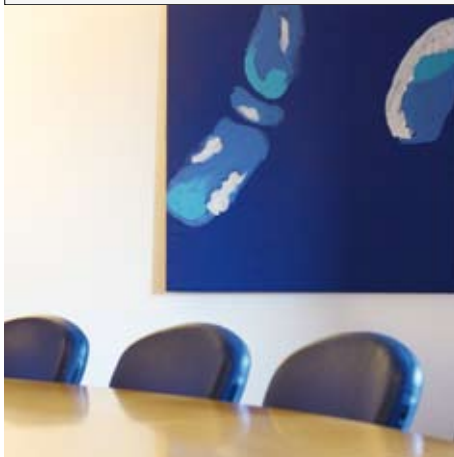
Thomas Seale
Chairman of the
Executive Committee

Rafik Fischer
Chairman of the
Board of Directors



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**OUR MISSION
OUR SERVICES**



Our Mission

EFA is an independent and highly specialised company offering a complete range of innovative services, delivered with a personal touch, to the most exacting clients in the global fund industry.

Our Services

- Net Asset Value calculation
- Bookkeeping and portfolio valuation
- Middle-office and order management services
- Transfer agent and registrar services
- Fiscal services
- Compliance & Risk Management
- Performance Measurement & Attribution
- Domiciliation
- Reporting solutions

On Behalf Of

- Investment Funds (SICAV & FCP)
- Alternative investment funds
- SICAR
- Pension funds
- Unit-linked life insurance products
- Private equity and Real Estate funds
- Islamic funds
- Microfinance funds
- Specialised funds
- Depository banks
- Management companies
- Holding companies

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CORPORATE ORGANISATION

Board of Directors

Mr. Rafik Fischer, Chairman

Director KBL European Private Bankers S.A.

Mr. Pierre Ahlborn, Vice-Chairman

CEO and Chairman of the Management Committee
Banque de Luxembourg S.A.

Mr. Antoine Calvisi

Vice-Chairman of the Management Committee
Banque de Luxembourg S.A.

Mr. Serge D'Orazio

Head of Investment Funds and Global Custody Services
KBL European Private Bankers S.A.

Mr. Jean-Claude Finck

CEO and Chairman of the Management Committee
Banque et Caisse d'Epargne de l'Etat

Mr. Thomas Seale

CEO and Chairman of the Executive Committee
European Fund Administration S.A.

Mr. Paolo Vinciarelli

Head of Investment Funds
Banque et Caisse d'Epargne de l'Etat

Shareholders

Banque de Luxembourg S.A. 19.80%

Banque et Caisse d'Epargne de l'Etat 15.20%

KBL European Private Bankers S.A. 39.00%

EFA Partners S.A. 26.00%

Executive Committee

Mr. Thomas Seale

CEO and Chairman of the Executive Committee

M^{rs} Françoise Dumont

Director - Finance and Risk Management

Mr. John Glesener

Director - Registrar and Transfer Agent

Mr. Claude Hoffmann

Commercial Director

Mr. Emile Lutgen

Director - Human Resources,
Legal Affairs and General Services

Mr. Jean-Paul Thomas

Director of Production

Mr. Jean-Marc Verdure

Director - Information Technology and Organisation

General Inspectorate

Mr. Claus Bering

Inspector General

Mr. Renaud Colin

Head of Internal Audit

Mr. Christophe Bécue

Compliance Officer

EFA France S.A.S.

Mr. Raphaël Tridemy

Deputy General Manager



Extending the EFA Brand

EFA maintains its strategy and plans to accelerate its national and international expansion. This strategy will focus on providing specialist services for “Partner Custodians” and strengthening services and products which are of high added value.

EFA's growth strategy is based on two main axes: first, to search for new market opportunities; and second, to develop further internationally.



*Extending
the EFA Brand*

**NEW MARKET
OPPORTUNITIES**

As a recognised fund administration specialist, EFA's ambition is to operate in high added value niche market segments.

As such, EFA was one of the first administrators to develop expertise in microfinance and Islamic finance.

EFA has also rapidly become a recognised leader in private equity and real estate fund administration thanks to its dedicated "EFA Private Equity" business line. In 2009, just two years after it was founded, "EFA Private Equity" experienced strong growth thereby confirming its role as a major player in this field in Luxembourg. As at 31 December, it managed 56 funds with €3.5 billion of assets on behalf of 38 clients.

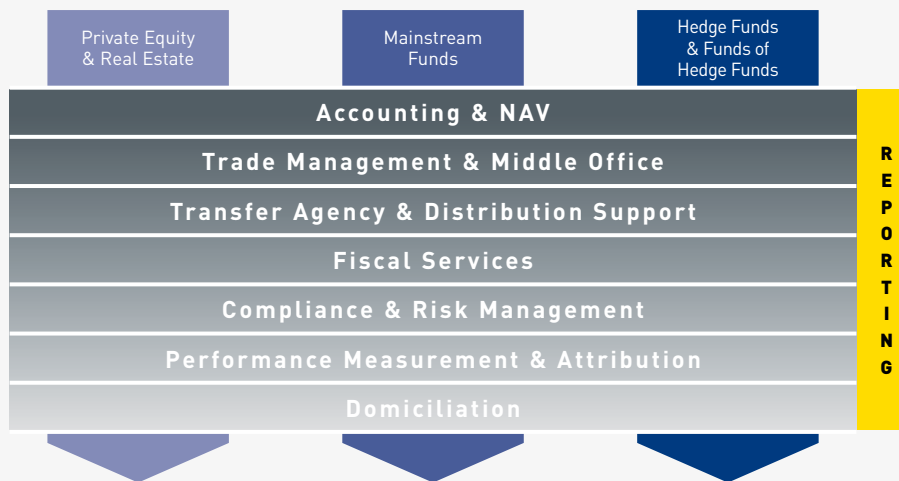
"EFA Private Equity" offers a full range of services including domiciliation, set-up, processing of transactions, accounting and tax reporting, corporate secretarial and client support services. To meet our clients' needs and offer them tailor-made solutions, "EFA Private Equity" relies on a team of experienced, specialised and multilingual professionals as well as a dedicated operating platform.

Because of its strong presence in the alternative investment market, EFA introduced a tailor-made training programme to consolidate its employees' skills in this field, while also strengthening its expertise in the valuation of complex derivative instruments.

Our objective for the 2010 financial year is to provide our clients with well-adapted, innovative and customised solutions while consolidating the recruitment, training and reliability of our highly qualified staff.

*Extending
the EFA Brand*

**INTERNATIONAL
DEVELOPMENT**



A complete and specialised range of services for all types of assets.

Confirming its growth strategy in European markets, EFA's French subsidiary, EFA France, pursued its development in the French market and strengthened relationships with existing clients. As at 31 December 2009, EFA France offered administrative management and transactional middle-office services to 72 funds representing €3 billion of assets. In order to establish itself as a key player in the market, EFA France extended its services to the alternative investment and private equity segments, so now covers the entire range of products and services on the French market.

In Italy, EFA signed a partnership agreement with Asset Management Service S.p.A. (AMS), an Italian company specialised in fund administration services.

As part of this agreement, EFA obtained part of AMS' capital while AMS acquired 100% of Servizi SGR S.p.A., a company in which EFA previously held a minority stake. By acquiring Servizi, AMS was able to expand its customer base and its assets under administration from €12.7 billion as at 31 December 2008 to €19.0 billion, thus becoming the largest independent provider of fund administration services in Italy.

Finally, in the context of EFA's ambition to create a European fund administration label, EFA is seeking opportunities in other markets.



European Fund Administration S.A. 2009 Board of Directors' Consolidated Report to the Shareholders

The results achieved in 2009, despite the financial crisis, confirm the success of the strategy chosen at the time of EFA's creation as an independent and highly specialised player. In addition to the substantial business generated by shareholder banks, direct business development and sales of EFA's services continues to progress, demonstrating the growing strength of the EFA brand. Good relationships maintained with EFA's clients regularly result in a multiplier effect, as they recommend EFA's services to their own partners and clients.



*European Fund
Administration S.A. 2009
Board of Directors'
Consolidated Report
to the Shareholders*

European Fund Administration S.A. (EFA) is the only large independent fund administration specialist in the Luxembourg financial centre.

Buoyed by this unique position, EFA has quickly established itself since its creation in 1996 as a leader in the investment fund industry in the Grand Duchy, offering a complete and innovative range of services from middle to back-office, delivered with a personal touch, to meet client expectations.

As at 31 December 2009, EFA administered 2,450 funds from its Luxembourg base and its French subsidiary, accounting for €83.23 billion of assets under administration, thus confirming its leading position in the investment fund industry. The consolidated accounts of EFA S.A. were prepared as at 31 December 2009. The consolidated operating profit before tax for the 2009 financial year was €5.07 million. Over the same period, the turnover for Luxembourg and France was €62.98 million, an increase of 2.52% compared to 2008. The 2009 financial year was marked by the continued commercial development of the company and by cost control.

Continued commercial development

In addition to the commercial activity generated by the three shareholders of the company, the sale of EFA's services through its own business development effort continues

to grow, demonstrating the increased visibility of the EFA brand. In 2009, income from clients sourced independently from the shareholder banks' efforts increased by 15%. The number of these direct clients increased by 22%. By the end of 2009, they accounted for 29% of the turnover (less than 5% in 2002), and 41% of the total number of clients.

The explanation for this lies in our cooperation with a growing number of "Partner Custodians". At the end of 2009, EFA was cooperating with 80 such banks against 73 at the end of 2008.

As a recognised specialist in fund administration, EFA's ambition is to operate in those niche market segments that require expertise in fund management techniques and tailor-made services.

Beyond its role as a pioneer in microfinance and Islamic finance in Luxembourg, EFA recorded strong growth in its EFA Private Equity unit, specialised in private equity and real estate fund administration. Launched in 2008, "EFA Private Equity" currently offers its specialist services to 56 sub-funds representing €3.45 billion on behalf of 38 clients.

The results achieved in 2009, despite the difficult financial environment, confirm the strategy that was put in place when EFA was founded as an independent and highly specialised company.



An organisation focused on quality and client service

Following its initiative to apply “lean” management techniques, EFA had already been improving the efficiency of certain procedures in 2008 so as to be more reactive to clients’ requests. The procedures targeted in 2009 were the register and TA business line as well as hedge fund accounting and pricing.

In another move towards increased efficiency, EFA also reviewed its procedures for year-end accounting tasks and IT release management.

Throughout 2009, EFA strengthened automation to open securities static data and invested significantly to improve the processing of derivative investments. The company pursued the deployment of its electronic document handling platform, Enterprise Content Management and the implementation of a new control tool for investment restrictions. EFA also initiated the development of a new Internet communication portal aimed at improving its client reporting services.

Increased regulatory and tax services

The tightening of legal, regulatory and tax requirements over recent years means these must be monitored closely and operating systems must be reviewed so that they can be adapted to current constraints. EFA continues to invest in

new applications while simultaneously improving its control procedures to ensure that funds under administration comply with applicable regulations, and to help its clients produce the relevant tax data in an international framework.

Staff and internal organisation

EFA has developed initiatives to promote staff mobility within the company in order to improve the flexibility of its professionals and to provide an intelligent response to workload volatility. Thanks to these efforts, EFA has been able to manage the effects of the economic crisis while preserving a healthy social environment.

At the end of 2009 EFA employed 572 staff members.

As in previous years, EFA expanded its training programme and provides its staff with customised and appropriate training solutions.

*European Fund
Administration S.A. 2009
Board of Directors'
Consolidated Report
to the Shareholders*

EFA in France

For its third year in France EFA provided services ranging from transactional middle-office to back-office services for a total of 72 funds representing over €3 billion of assets as at 31 December 2009.

EFA France continued to diversify its business activity to the alternative investment funds segment by increasing its capacity to manage hedge and private equity funds and acquired 4 new clients.

EFA in Italy

With a view to reinforcing its position on the Italian market, EFA signed a partnership agreement with Asset Management Service S.p.A. (AMS), a company specialised in fund administration services.

As part of the agreement, AMS acquired 100% of Servizi SGRpA, in which EFA previously held a minority stake, while EFA obtained a share of AMS' capital with the option of raising its stake in the company.

By acquiring Servizi, AMS expanded its customer base and its assets under administration from €12.7 billion as at 31 December 2008 to €19 billion, thus becoming the largest independent provider of fund administration services in Italy. This transaction with a well-established fund service provider allows EFA to consolidate its development on the Italian market; it also confirms EFA's international growth strategy and its willingness to seize commercial opportunities in other European markets.



Future Developments: Growth Strategy

Despite the difficult economic climate, EFA is maintaining its strategy and plans to speed up its national and international expansion. The strategy will focus on a service offering to “Partner Custodians” and operating in high value added niche segments.

The Board of Directors would like to thank the Management as well as the employees of EFA for their commitment and professionalism.

No significant event has disrupted the Company’s normal course of business since the end of the 2009 financial year and activities continue to progress in a favourable manner.

Thomas Seale
Chairman of the
Executive Committee

Rafik Fischer
Chairman of the
Board of Directors

Our Clients

EFA is proud to work with over 220 of the top investment managers, insurance companies and banks in the world, including:



alphamundi



LUXEMBOURG • BRUSSELS • GENEVA



Our Clients



ISKANDER
Independent portfolio surveyors

JEFFERIES

KBC
Asset Management

KBL EUROPEAN PRIVATE BANKERS



LB(Swiss) Privatbank AG

MCT ASSET MANAGEMENT

LOMBARD

LRI Invest Luxembourg
Member of the LBBW Group

MainFirst
Asset Management

MIRABAUD

MOVENTUM

NEVASTAR FINANCE

Nord Europe Private Bank
Group CMAI

Optimal
FUND MANAGEMENT

PETERCAM
Institutional Asset Management

PIONEER
Investments

PRIVAGEST SA PRIVATINVEST BANK AG

Pro Performance

Puilaetco Dewaay
PRIVATE BANKERS

Raiffeisen
CENTROBANK
Member of RZB Group

RAMIUS
A Cowen Group Company

REYL



sasfin
SECURITIES
UNLIMITED FINANCIAL HORIZONS

SEB

SPARKASSE
Schwaz

STRALEM
Investment Fund



SwissLife

Tocqueville
Tocqueville Finance S.A.
Gestion privée - Gestion collective

TSKB

UBP
UNION BANCAIRE PRIVÉE

valartisgroup

VALLETTA
FUND SERVICES

ValueInvest
Asset Management S.A.
HOUSE OF VALUE

VITISLIFE

Weghsteen & Driège

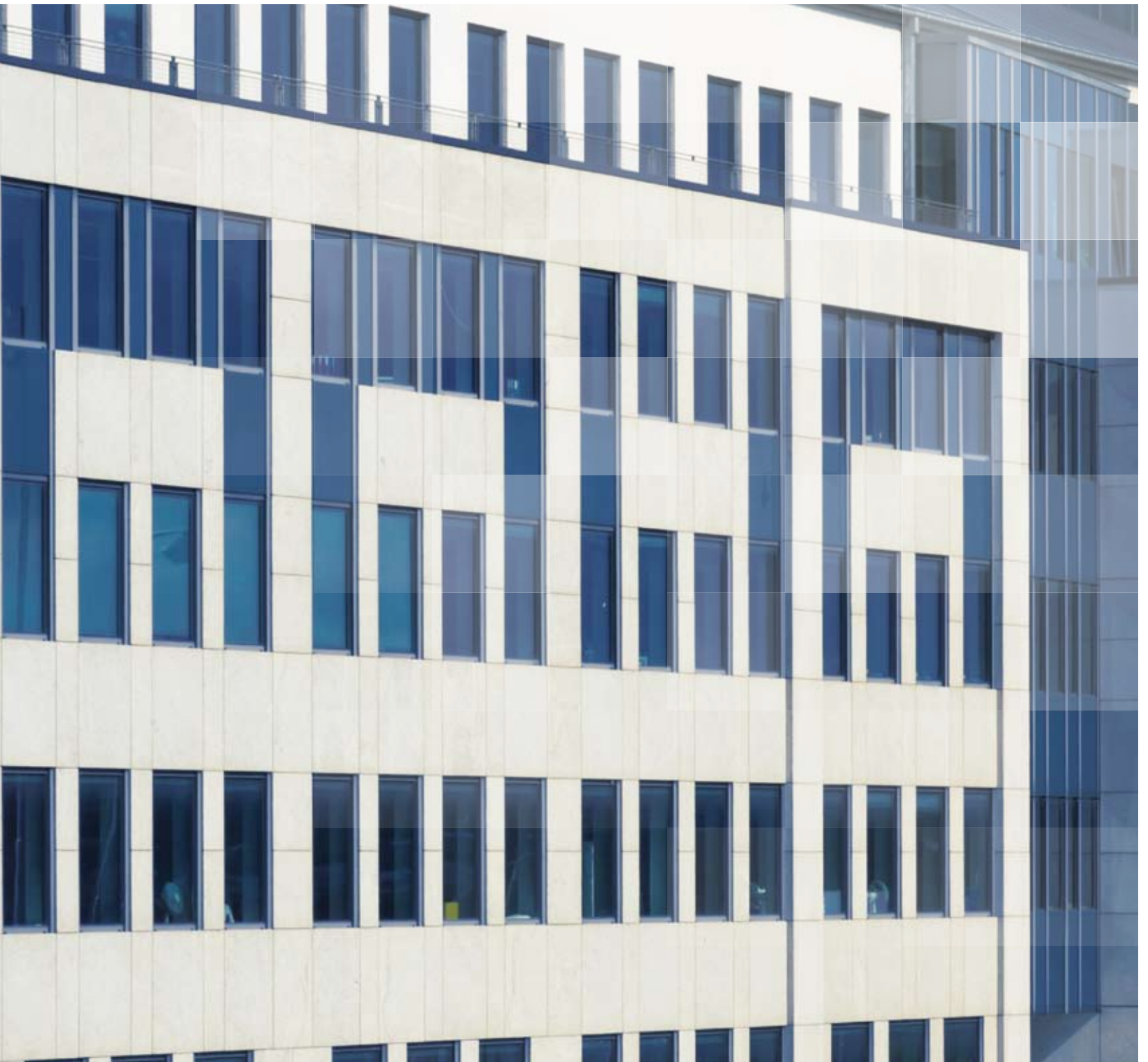
**E
F
A**



Annuals Accounts

The consolidated accounts give a true and fair view of the financial position of EFA as of December 31, 2009, and of the results of its operations for the year then ended in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the consolidated accounts.

The consolidated accounts include the accounts of subsidiaries and affiliated companies, the activity of which is contributing to the company's activities and where the company exercises control.



*Annual
Accounts*

**REPORT OF
THE RÉVISEUR
D'ENTREPRISES**

Report of the Réviseur d'Entreprises

To the Board of Directors of
EUROPEAN FUND ADMINISTRATION S.A.
2, rue d'Alsace
L-1017 Luxembourg

Report on the consolidated accounts

Following our appointment by the board of directors of February 10, 2009, we have audited the accompanying consolidated accounts of EUROPEAN FUND ADMINISTRATION S.A., which comprise the balance sheet as at December 31, 2009 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of directors' responsibility for the consolidated accounts

The board of directors is responsible for the preparation and fair presentation of these consolidated accounts in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the consolidated accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated accounts that are free from material misstatement, whether

due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the Réviseur d'entreprises

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated accounts. The procedures selected depend on the judgment of the *Réviseur d'entreprises*, including the assessment of the risks of material misstatement of the consolidated accounts, whether due to fraud or error. In making those risk assessments, the *Réviseur d'entreprises* considers internal control relevant to the entity's preparation and fair presentation of the consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated accounts give a true and fair view of the financial position of EUROPEAN FUND ADMINISTRATION S.A. as of December 31, 2009, and of the results of its operations for the year then ended in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the consolidated accounts.

Report on other legal and regulatory requirements

The consolidated management report, which is the responsibility of the board of directors, is consistent with the consolidated accounts.

Deloitte S.A.

Réviseur d'entreprises

Barbara Michaelis

Partner

February 10, 2010

Balance sheet as at December 31, 2009

ASSETS	2009	2008
FIXED ASSETS	EUR	EUR
Intangible assets (Note 4)		
Concessions, patents, licenses, trademarks and similar rights and assets acquired for valuable consideration	5,442,657	6,681,353
Payments on account and intangible assets in course of construction	1,861,518	2,067,948
	7,304,175	8,749,301
Tangible assets (Note 5)		
Other fixtures and fittings, tools and equipment	1,875,517	2,316,956
Payments on account and tangible assets in course of construction	33,549	194,863
	1,909,066	2,511,819
Financial assets (Note 6)		
Participating interests (accounted for using the equity method)	-	252,150
Securities held as fixed assets	118,017	68,491
	118,017	320,641
	9,331,258	11,581,761
CURRENT ASSETS		
Debtors		
Trade debtors, due in one year or less	7,886,415	5,055,625
Other debtors	1,701,934	100,079
Cash at bank and in hand	23,567,632	25,110,140
	33,155,981	30,265,844
PREPAYMENTS AND ACCRUED INCOME	720,979	646,784
	43,208,218	42,494,389

LIABILITIES	2009	2008
CAPITAL AND RESERVES (NOTE 7)	EUR	EUR
Subscribed capital	13,250,000	13,250,000
Reserves		
Legal reserve	1,325,000	1,325,000
Special reserve	1,891,815	1,198,590
Other reserves	88	88
Profit brought forward	5,926,715	5,885,090
Profit for the financial year	5,065,961	4,026,150
	27,459,579	25,684,918
PROVISIONS FOR LIABILITIES AND CHARGES		
Provisions for pensions and similar obligations	398,782	346,192
Provisions for taxation	-	2,757,108
Other provisions	2,003,803	1,763,292
	2,402,585	4,866,592
CREDITORS		
Trade creditors		
- due in one year or less	3,100,131	3,331,811
- due in more than one year	313,705	622,773
	3,413,836	3,954,584
Creditors for tax and social security		
- Tax	881,656	63,131
- Social security	1,385,411	1,102,703
	2,267,067	1,165,834
Other creditors		
- due in one year or less	6,535,113	5,470,179
- due in more than one year	1,125,738	1,275,778
	7,660,851	6,745,957
	13,341,754	11,866,375
ACCRUALS AND DEFERRED INCOME	4,300	76,504
	43,208,218	42,494,389

Profit and Loss Account for the year ended December 31, 2009

	2009	2008
CHARGES	EUR	EUR
Other external charges	12,025,426	13,138,552
Staff costs (Note 8)		
a) Wages and salaries	36,909,765	34,800,086
b) Social security costs attributable to wages and salaries	4,174,833	3,272,175
c) Supplementary pensions	1,187,294	742,283
Value adjustments in respect of formation expenses and tangible and intangible fixed assets (Notes 4, 5)	5,234,708	3,796,398
Value adjustments on Goodwill acquired for valuable consideration (Note 4)	-	1,964,990
Other operating charges	271,855	(403,430)
Interest and similar charges	7,105	8,022
Tax on profit or loss	-	1,179,279
Other taxes not shown under the above headings	160,080	60,981
Extraordinary charges	13,182	-
PROFIT FOR THE FINANCIAL YEAR	5,065,961	4,026,150
	65,050,209	62,585,486

	2009	2008
INCOME	EUR	EUR
Net turnover	62,984,963	61,426,918
Other interest and similar income	420,986	1,063,453
Income from participating interest (Note 10)	1,245,379	-
Share of the profit or loss of affiliates accounted for using the equity method (Note 10)	77,471	-
Extraordinary income (Note 9)	321,410	95,115
	65,050,209	62,585,486

Notes to the Consolidated Accounts - December 31, 2009

NOTE 1 - GENERAL

EUROPEAN FUND ADMINISTRATION S.A. (hereafter "the company" or "EFA") was incorporated on October 15, 1996 as a "Société Anonyme" Luxembourg.

The purpose of the company is to supply any administrative services to any undertakings or portfolios in the broadest sense, whether or not they have legal status, particularly to (i) undertakings for collective investment in any form, regardless of whether their units or shares are available to the public, (ii) SICARs (*société d'investissement en capital à risque* - Luxembourg company investing in venture capital or private equity), securitisation companies or any other similar vehicles, (iii) pension funds, whether they be established as SEPCAVs (*société d'épargne-pension à capital variable* or variable-capital pension savings company) or ASSEPs (*association d'épargne-pension* - pension savings association), as well as any other regulated investment vehicle set up as a pension fund and (iv) managing bodies and representatives of these vehicles or those with a responsibility toward these investment portfolios, such as their custodians, investment managers, asset managers and advisors, hereinafter collectively referred to as the "investment vehicles and other entities".

The administrative services to be provided by the company are to be understood in the broadest sense and cover, inter alia, (i) responsibility for the proper functioning of the IT systems, including their implementation and maintenance, used in the preparation of accounting information and annual accounts and which form part of the IT infrastructure of the investment vehicles and other entities, (ii) the accounting activities of investment vehicles and other entities as well as, where necessary, the valuation of their assets and liabilities and the calculation of their net asset values, (iii) registrar services for all financial instruments issued by the investment vehicles and other entities, including the reception and execution of orders relative to these financial

instruments, (iv) the preparation of all documents, reports and statements that need to be drawn up or submitted to the supervisory authorities or that are necessary by virtue of the laws and regulations applicable to them in Luxembourg or abroad, (v) domiciliation services, including constitution and management services under the terms of Article 29-5 of the Law of April 5, 1993 on the financial sector, as amended, and (vi) the services associated with the management and distribution of financial information for its own needs as well as for those of any other users.

The company may carry out any studies, tasks, commercial and financial operations or transactions involving current or fixed assets of any nature that are directly or indirectly related, either completely or partially, to its objective or which serve the purpose of facilitating the achievement of its objective; to this end, it may invest in or acquire participating interests in other companies or businesses.

The first consolidated accounts of the company were prepared for the period ended December 31, 2007 in accordance with the Laws of May 4, 1984 and July 11, 1988, which introduced the Fourth and Seventh Directives of the European Economic Community in the Grand-Duchy of Luxembourg.

The company is registered under the number R.C. Luxembourg B 56.766. Its head office is located at 2, rue d'Alsace, L-1017 Luxembourg.

Notes to the Consolidated Accounts

NOTE 2 - CONSOLIDATION SCOPE AND PRINCIPLES

a) Consolidation scope

The consolidated accounts of the group include the annual accounts of EUROPEAN FUND ADMINISTRATION S.A. (hereafter the "parent company") and its subsidiaries, affiliated companies and participating (hereafter the "Group") interests as follows:

Name	EUROPEAN FUND ADMINISTRATION FRANCE S.A.S.	SERVIZI SGR S.p.A.
Registered office	France	Italy
Corporate object	<ul style="list-style-type: none"> The provision of administrative and accounting services for all UCITS, investment funds or vehicles and, more generally, all investment portfolios. The management and distribution of financial information related to these activities, for its own needs as well as those of any other users. 	<ul style="list-style-type: none"> The provision of administrative and accounting services for all UCITS, investment funds or vehicles and, more generally, all investment portfolios.
% control (% interest) 2009	100 % (100 %)	0 % (0 %)
% control (% interest) 2008	100 % (100 %)	34 % (34 %)

b) Consolidation principles

The consolidated accounts include the accounts of subsidiaries and affiliated companies, the activity of which is contributing to the company's activities and where the company exercises control. Participating interests, held in the capital of undertakings, for which the company exercises significant influence over the operating and financial policies, are valued at the amount corresponding to the proportion of the capital and reserves represented by the participating interest.

European Fund Administration France S.A.S. ("EFA France")

The above mentioned subsidiary is consolidated according to the global integration method.

Servizi SGR S.p.A. ("Servizi")

The above mentioned participating interest is valued under the equity method. As the 34 % participation was acquired on November 14, 2008, the participating interest has been included in the consolidated accounts as of December 31, 2008.

The acquisition cost of the participating interest of EUR 2,217,140 includes an amount of EUR 1,964,990 (booked as 'Goodwill acquired for valuable consideration') representing the difference between acquisition cost and net assets before purchase accounting. In view of the financial situation of the participating interest, the respective goodwill has been fully written off during the financial year ended December 31, 2008.

As at June 24, 2009, following an increase of the share capital of Servizi to which EFA did not subscribe, the participation of EFA has been diluted to 17,85%. The participation therefore fell out of the consolidation scope as of that date.

As at June 29, 2009, the shares held in Servizi were sold to an Italian company AMS S.p.A. ("AMS"). This transaction was concluded on December 28, 2009.

Notes to the Consolidated Accounts

The main consolidation principles used for the preparation of the consolidated accounts can be summarised as follows:

- The inter-company accounts and all significant inter-company transactions are eliminated.
- When a company is included in the consolidation for the first time, the book value of the company in the parent company accounts is eliminated according to the portion of share capital corresponding to the percentage of the company held. The difference is recorded as a goodwill. The difference is allocated to the appropriate balance sheet items as far as possible. The remaining differences that cannot be allocated are recorded as goodwill and amortised over 5 years.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated accounts have been prepared in accordance with Luxembourg legal requirements and with accounting standards applicable in Luxembourg.

Currency conversion

The accounting currency of the company is the Euro ("EUR") and the consolidated accounts are expressed in this currency.

Assets and liabilities expressed in a currency other than the Euro are converted into Euro on the basis of the exchange rate in effect at year-end. The foreign exchange differences resulting from this conversion and any other foreign exchange differences are recorded in the profit and loss account for the financial year.

Tangible and intangible fixed assets

Tangible and intangible fixed assets are valued at their purchase price, less value adjustments. Value adjustments for depreciation are calculated according to the estimated useful life of the asset.

Tangible and intangible fixed assets are amortised using the straight-line method based on the following annual rates:

- Intangible fixed assets:
 - Concessions, patents, licenses, brands 25%
- Tangible fixed assets:
 - Plant and machinery 25%
 - Other fixtures and fittings, tools and equipment 20%, 25%

Where the company considers that a tangible asset has suffered a durable depreciation in value, an additional write-down is recorded in order to reflect this loss. Value adjustments are released if the reasons for which they were recorded have ceased to apply.

Payments on account and tangible and intangible fixed assets in course of development or construction are not depreciated.

Financial fixed assets

Shares in affiliated undertakings, associates and securities held as fixed assets are valued individually at either their purchase price or their estimated value as calculated by the board of directors, whichever is lower, without offsetting the individual capital gains and losses.

To determine their estimated value, the board of directors considers either:

- their market value or the annual accounts of the companies to be valued; or
- other available information and documents.

Debtors

Debtors are valued at their nominal value.

Value adjustments for doubtful debt

Value adjustments are recorded on debtors where their recovery becomes doubtful or where there is a risk of loss. A value adjustment is also booked when the estimated realisable values (securities)/recoverable amounts (receivables) is

Notes to the Consolidated Accounts

deemed to be lower than their acquisition cost (securities)/ nominal value (receivables). Value adjustments are released if the reasons for which they were recorded have ceased to apply.

Cash at bank and in hand, creditors

The items under these headings are valued at their nominal value.

Debts

The debts are registered at their recovery value.

Provisions for liabilities and charges

Provisions for liabilities and charges are intended to cover losses or debts nature of which is clearly defined and which, at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Prepayment and accrued income

This asset item includes expenditure incurred during the financial year but relating to a subsequent financial year.

Accruals and deferred income

This liability item includes income received during the financial year but relating to a subsequent financial year.

Net turnover

The net turnover includes amounts resulting from the sale of products and from the provision of services corresponding to the company's ordinary activities, after deduction of sales rebates, and value-added tax and other taxes directly linked to the turnover.

Taxation

EFA is a fully taxable company and tax resident of Luxembourg. As such, as at December 31, 2009, the company is liable for all taxes applicable to Luxembourgish companies.

NOTE 4 - INTANGIBLE ASSETS

	Concessions, patents, licenses, trademarks and similar rights and assets acquired for valuable consideration	Goodwill acquired for valuable consideration	Payments on account and intangible assets in course of construction	TOTAL
2009	EUR	EUR	EUR	EUR
ACQUISITION COST				
Acquisition cost at January 1	23,059,159	1,964,990	2,067,948	27,092,097
Transactions for the financial year - Additions	3,037,906	-	1,640,190	4,678,096
Transactions for the financial year - Disposals	(1,527,787)	(1,964,990)	(1,846,620)	(5,339,397)
Acquisition cost at December 31	24,569,278	-	1,861,518	26,430,796
VALUE ADJUSTMENT				
Accumulated value adjustment at January 1	(16,377,806)	(1,964,990)	-	(18,342,796)
Value adjustment for the year - Additions	(3,982,487)	-	-	(3,982,487)
Value adjustment for the year - Disposals	1,233,672	1,964,990	-	3,198,662
Accumulated value adjustment at December 31	(19,126,621)	-	-	(19,126,621)
NET BOOK VALUE AT DECEMBER 31	5,442,657	-	1,861,518	7,304,175

Notes to the Consolidated Accounts

	Concessions, patents, licenses, trademarks and similar rights and assets acquired for valuable consideration	Goodwill acquired for valuable consideration	Payments on account and intangible assets in course of construction	TOTAL
2008	EUR	EUR	EUR	EUR
ACQUISITION COST				
Acquisition cost at January 1	18,645,940	-	2,033,908	20,679,848
Transactions for the financial year - Additions	4,413,219	1,964,990	1,695,902	8,074,111
Transactions for the financial year - Disposals	-	-	(1,661,862)	(1,661,862)
Acquisition cost at December 31	23,059,159	1,964,990	2,067,948	27,092,097
VALUE ADJUSTMENT				
Accumulated value adjustment at January 1	(13,718,632)	-	-	(13,718,632)
Value adjustment for the year	(2,659,174)	(1,964,990)	-	(4,624,164)
Accumulated value adjustment at December 31	(16,377,806)	(1,964,990)	-	(18,342,796)
NET BOOK VALUE AT DECEMBER 31	6,681,353	-	2,067,948	8,749,301

The goodwill item relates to the acquisition of the 34% participation in Servizi SGR S.p.A. which took place on November 14, 2008. This goodwill was sold to AMS as at June 29, 2009 (note 12).

The value adjustment for the year ended December 31, 2009 on intangible and tangible assets is included in the Profit and Loss account as follows:

	2009	2008
	EUR	EUR
- Value adjustments in respect of formation expenses and intangible and tangible assets	3,982,487	2,659,174
- Value adjustment on Goodwill acquired for valuable consideration	-	1,964,990
	3,982,487	4,624,164

Notes to the Consolidated Accounts

NOTE 5 - TANGIBLE ASSETS

	Plant and machinery	Other fixtures and fittings, tools and equipment	Payments on account and tangible assets in course of construction	TOTAL
2009	EUR	EUR	EUR	EUR
ACQUISITION COST				
Acquisition cost at January 1	436,663	7,836,349	194,863	8,467,875
Transactions for the financial year				
- Additions	-	811,005	33,549	844,554
- Disposals	(33,128)	(906,123)	(194,863)	(1,134,114)
Acquisition cost at December 31	403,535	7,741,231	33,549	8,178,315
VALUE ADJUSTMENT				
Accumulated value adjustment at January 1	(436,663)	(5,519,393)	-	(5,956,056)
Value adjustment for the year				
- Additions	-	(1,252,221)	-	(1,252,221)
- Disposals	33,128	905,900	-	939,028
Accumulated value adjustment at December 31	(403,535)	(5,865,714)	-	(6,269,249)
NET BOOK VALUE AT DECEMBER 31	-	1,875,517	33,549	1,909,066

2008	EUR	EUR	EUR	EUR
ACQUISITION COST				
Acquisition cost at January 1	436,663	6,803,502	58,466	7,298,631
Transactions for the financial year				
- Additions	-	1,032,847	194,863	1,227,710
- Disposals	-	-	(58,466)	(58,466)
Acquisition cost at December 31	436,663	7,836,349	194,863	8,467,875
VALUE ADJUSTMENT				
Accumulated value adjustment at January 1	(436,663)	(4,382,169)	-	(4,818,832)
- Additions	-	(1,137,224)	-	(1,137,224)
Accumulated value adjustment at December 31	(436,663)	(5,519,393)	-	(5,956,056)
NET BOOK VALUE AT DECEMBER 31	-	2,316,956	194,863	2,511,819

Notes to the Consolidated Accounts

NOTE 6 - FINANCIAL ASSETS

Participating interests (equity method)

As at June 29, 2009, the shares held in Servizi were sold (note 2).

	2009	2008
	EUR	EUR
ACQUISITION COST		
Acquisition cost at January 1	252,150	-
Transactions for the financial year		
- Additions	-	252,150
- Disposals	(252,150)	-
Acquisition cost at December 31	-	252,150
VALUE ADJUSTMENT		
Accumulated value adjustment at January 1	-	-
Value adjustment for the year	-	-
ACCUMULATED VALUE ADJUSTMENT AT DECEMBER 31	-	252,150

	2009	2008
	EUR	EUR
ACQUISITION COST		
Acquisition cost at January 1	68,491	58,794
Transactions for the financial year		
- Additions	50,026	26,258
- Disposals	(500)	(16,561)
Acquisition cost at December 31	118,017	68,491
VALUE ADJUSTMENT		
Accumulated value adjustment at January 1	-	-
Value adjustment for the year	-	-
ACCUMULATED VALUE ADJUSTMENT AT DECEMBER 31	118,017	68,491

Notes to the Consolidated Accounts

NOTE 7 - CAPITAL AND RESERVES

	Subscribed capital	Legal reserve	Special reserve	Other reserves	Profit carried forward	Profit for the financial year	TOTAL
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Balance at January 1, 2009	13,250,000	1,325,000	1,198,590	88	5,885,090	4,026,150	25,684,918
Appropriation of prior year profit	-	-	693,225	-	41,625	(734,850)	-
Dividend	-	-	-	-	-	(3,291,300)	(3,291,300)
Share in net income of equity affiliates	-	-	-	-	-	77,471	77,471
Profit for the financial year	-	-	-	-	-	4,988,490	4,988,490
BALANCE AT DECEMBER 31, 2009	13,250,000	1,325,000	1,891,815	88	5,926,715	5,065,961	27,459,579

The subscribed capital is made up of 53,000 fully-paid shares with a nominal value of EUR 250.

Legal reserve in accordance with Luxembourg legal requirements

In accordance with Luxembourg legal requirements, at least 5% of the annual net profit of the parent company, EUROPEAN FUND ADMINISTRATION S.A., is to be transferred to a legal reserve. This requirement is satisfied when the reserve reaches 10% of the issued share capital. The distribution of this reserve is not permitted.

Special reserve in accordance with Luxembourg tax rules

By virtue of paragraph 8a of the Luxembourg law on the net worth tax, the parent company may, upon request, reduce its net worth tax for a financial year by a maximum amount equal to the corporate income tax for the financial year, before the allocation of tax credits. The company accordingly reduced the net worth tax payable for fiscal years 2005, 2006, 2007 and 2008.

In order to qualify for this tax reduction, and before the financial year-end following the year for which the tax reduction was obtained, the parent company undertakes to allocate to a reserve an amount corresponding to five times the amount of the reduced net worth tax and to maintain this reserve on the balance sheet for the five fiscal years following the year for which the reduction was obtained.

Dividend

The ordinary general meeting of March 11, 2009 resolved to distribute a dividend from the 2008 profit for an amount of EUR 3,291,300.

Notes to the Consolidated Accounts

NOTE 8 - STAFF COSTS

The average number of personnel employed over the financial years 2009 and 2008 is as follows:

	2009	2008
- Management	7	7
- Staff	576	557
	583	564

At December 31, 2009, the company employed 572 people.

At December 31, 2009, "personnel costs, wages and salaries" included an amount of EUR 234,971 relating to the company's profit-sharing scheme (2008: EUR 402,413).

NOTE 9 - EXTRAORDINARY INCOME

At December 31, 2009, extraordinary income comprised mainly an amount of EUR 321,396, corresponding to a refund of deductible VAT related to the financial year 2007 and of a refund of tax bonuses.

At December 31, 2008, extraordinary income comprised mainly an amount of EUR 95,114, corresponding to a refund of deductible VAT for the financial year 2006.

NOTE 10 - SHARE OF THE PROFIT OR LOSS OF AFFILIATES ACCOUNTED FOR USING THE EQUITY METHOD AND INCOME FROM PARTICIPATING INTEREST

Until June 24, 2009, the share of the profit or loss of affiliates accounted for using the equity method amounted to EUR 77,471. The participation fell out of the consolidation scope as of that date.

On June 29, 2009, the participation was sold and the income from participating interests as at December 31, 2009 amounted to EUR 1,245,379 which represents the reversal of impairment loss, to the settlement of the claim initiated in December 2008, after deduction of the loss on the sale of the participation.

NOTE 11 - INFORMATION ON THE GOVERNING BODIES OF THE COMPANY

Neither the parent company, nor any of the affiliated companies had granted emoluments to the members of governing bodies during the financial year ended December 31, 2008.

The directors' share of profits, allocated to the members of the board or directors of the parent company for the year ended December 31, 2009, amounts to EUR 100,000. It is recorded under the heading "Other operating charges". The affiliated companies had not granted emoluments for the year ended December 31, 2009.

Neither the parent company, nor any of the affiliated companies had entered into any commitments in respect of retirement pensions for former members of the governing bodies during the financial year ended December 31, 2009.

Neither the parent company, nor any of the affiliated companies had granted any advances or loans to the members of the governing bodies during the financial year ended December 31, 2009.

Notes to the Consolidated Accounts

NOTE 12 - OFF BALANCE SHEET COMMITMENTS

Servizi SGR S.p.A.:

Based on a contract signed on October 14, 2008, the company entered into a commitment to acquire in 2009 an additional participation of 17% of the share capital of SERVIZI SGR S.p.A. for an acquisition price of EUR 1,108,570. The effect of such a transaction was that the company would be able to exercise control over the participation and hence it was subject to approval by the Bank of Italy and the CSSF before January 31, 2009.

The contract also included the possibility of a call option for an additional 24 % from 2010, for an acquisition price based on a formula which takes into account assets and profit as at the end of 2010.

The company lodged a claim with the main shareholder of Servizi SGR S.p.A. with whom the contract was signed on December 17, 2008.

The sale of the shares in Servizi on June 29, 2009 settle at the same time the claim initiated in December 2008 as well as the options concluded beforehand.

European Fund Administration France S.A.S.:

Despite the negative financial position of the subsidiary, European Fund Administration France S.A.S. is still deemed to be in a going concern status as regard with the continued financial support of the sole shareholder, European Fund Administration S.A., and its commitment to support the company for the next 12 months.

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