

1st Quarter 2007

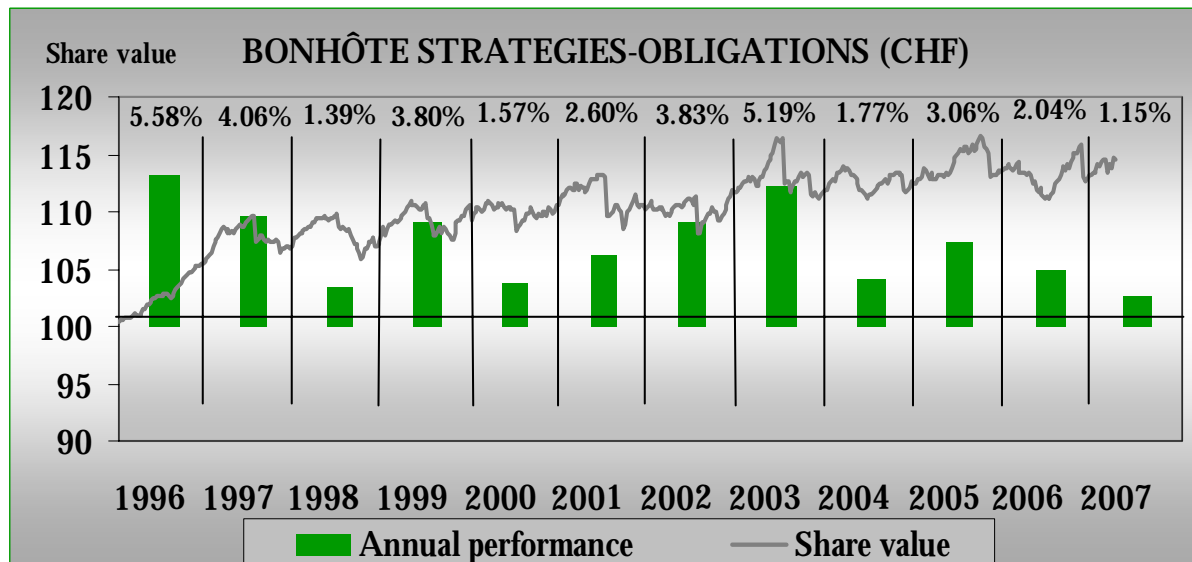
Segment: CHF

PERFORMANCE: YTD + 1.15 %  1st Quarter +1.15 %  Since launch +42.46% 

INVESTMENT STRATEGY

The fund invests in interest-bearing financial instruments such as straight bonds, convertible bonds and term deposits. It seeks capital preservation and growth, investing at least 80% of fund assets in bonds. Investments are made in exchange-listed securities issued by prime borrowers in OECD member countries, and currency exposure can take place when appropriate. The fund aims to preserve value to mitigate volatility through a diversified portfolio of investments. It will suit investors seeking to minimize their exposure to financial risk. Reference benchmarking is not applicable.

PERFORMANCE



ANNUAL RETURNS

1995*	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
0.40%	5.58%	4.06%	1.39%	3.80%	1.57%	2.60%	3.83%	5.19%	1.77%	3.06%	2.04%	1.15%

* since November

6 TOP HOLDINGS

CHF 2.375%	Total Capital	30.11.12	5.50 %	GBP 2.25 %	GE capital UK	18.05.07	3.84%
CHF 2.625%	Eurofima	26.09.11	5.11 %	CHF 4.50%	Confédération Suisse	10.06.07	3.43%
CHF 3.5 %	Deutsche Bahn Fin.	29.12.11	4.12%	GBP 6.25 %	Cades	05.03.08	3.42%

NET ASSET VALUE

Unit value: CHF 114.62

PERFORMANCE SINCE LAUNCH

+ 42.46 %

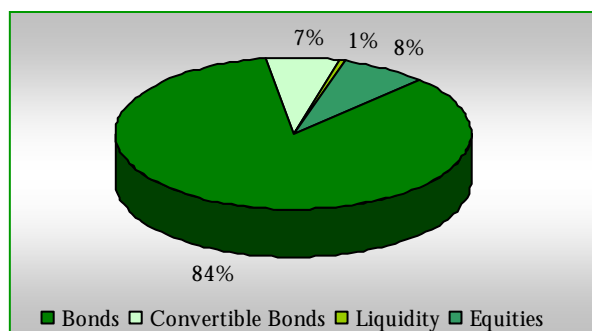
MANAGEMENT REPORT

The Fund generated a return of 1.15% on the quarter. Thanks to a cautious investment strategy and a shorter average duration than the benchmark indices, the portfolio was little affected by rising interest rates in euros and Swiss francs. Performance was buoyed by the allocation in convertibles and stocks, as well as the strong euro.

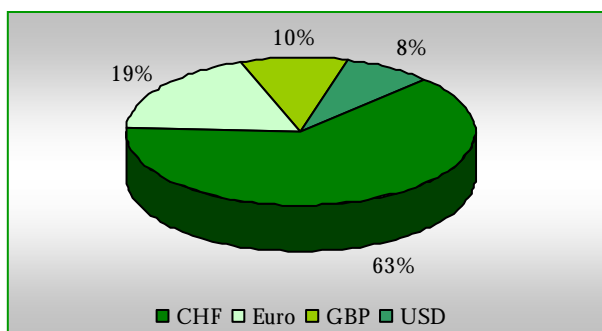
Bond markets traded in a tight range during the quarter. Uncertainties about the strength of U.S. economic growth resurfaced in February, fuelling expectations that the Fed would start to ease short-term interest rates. This sent yields on Government borrowings lower, on the back of a sharp correction in global equity markets and increased risk aversion. Yields on long-term Treasuries dropped 20 bp to 4.6% at the end of March. The yield curve returned to normal, with yields on 2-5 year maturities dropping faster than long-term yields. Economic indicators remained solid, and the easing of yields in euros and Swiss francs was short-lived. The ECB and the SNB, which lifted its target range for 3-month Libor to 2.25%, reiterated their money tightening stance. The 10-year rate in euros rose to 4.1%, while rates on benchmark borrowings in Swiss francs rose 0.2% to 2.8%.

We still prefer 4 to 6-year maturities. This defensive strategy is based on the assumption that the world economy will continue to grow, with the U.S. economy in for a soft landing.

ASSET ALLOCATION



CURRENCY ALLOCATION



CHARACTERISTICS

Legal structure: Fund governed by Swiss law
Management Co: FidFund Management SA
Custodian: Banque Bonhôte & Cie SA
Investor advisor: Banque Bonhôte & Cie SA
Auditors: PricewaterhouseCoopers S A

Launch date: 1st of November 1995
Minimum investment: 1 share
Initial charges: 3% maximum
Management fees: 0.65%
Price quoted in: Financial Times, Le Temps, NZZ

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DISCLAIMER

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