

## European Bonds

### Investment Objective

Seeks capital appreciation through investing in high-quality bonds of government and private issuers throughout Europe.

### Investment Process

Blends a "top-down" and "bottom-up" approach to add incremental yield without taking on unnecessary risk; opportunistic management of the Fund's duration, currency and country exposures.

### Features & Benefits

- Access to a diversified portfolio of high-quality European bonds
- Active monitoring of interest rate and currency risks within Europe
- Experienced manager with one of the largest fixed income departments in the US

### Manager's Review

Weaker Euro-zone economic reports have slightly reduced the trade-weighted euro from its April 22 cycle high. While the economic momentum in the second quarter is softer, it will be difficult to disentangle the impact of the strong euro, weaker foreign growth and a return to normal weather following an unusually mild winter.

### Manager's Outlook

Recent news on the European domestic inflation front shows some evidence that upward price pressure in some food sectors is finally abating. While the inflation data argue in favor of tightening, we consider that ongoing financial market tensions and a deteriorating economic outlook imply the ECB will remain firmly on hold. We will gradually shift the Euro-zone positioning to a steeper curve bias. We will maintain the portfolio duration at slightly above that of the index.

### Performance<sup>1</sup> (These figures refer to past performance. Past performance is not a reliable indicator of future results.)

Cumulative	1 Month	3 Months	6 Months	YTD	1 Year	Inception	Annualized Fund	3 Years	5 Years	10 Years	Inception
Fund	-1.32%	-2.60%	-0.49%	-0.10%	2.04%	33.15%	Fund	0.17%	1.56%	—	3.18%
Peer <sup>4</sup>	-0.79%	-2.35%	-2.22%	-1.58%	-1.17%	28.87%	Peer <sup>4</sup>	-0.28%	1.61%	—	2.85%
Benchmark <sup>5</sup>	-1.14%	-2.32%	0.04%	0.36%	2.86%	43.89%	Benchmark <sup>5</sup>	1.04%	2.80%	—	4.06%

Calendar Year Performance	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Fund	1.15%	-1.01%	3.19%	6.21%	2.61%	8.94%	4.50%	5.90%	—	—
Peer	-0.90%	-0.84%	4.12%	5.71%	2.50%	7.70%	4.80%	5.81%	—	—
Benchmark <sup>5</sup>	1.66%	-0.19%	4.96%	7.42%	4.46%	9.29%	6.33%	6.97%	—	—

### General Information

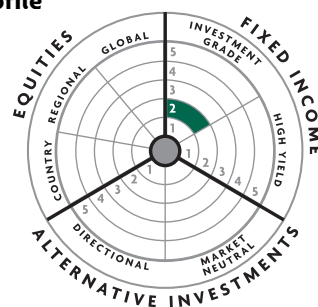
Inception Date	04/06/99
Investment Sub-Advisor	RiverSource Investments, LLC
Bloomberg Code	WFNUSPI
ISIN Code	LU0042998178
Investment Time Horizon	Long Term
Base Currency	Euro
Annualized Expense Ratio	1.25%
Benchmark <sup>5</sup>	Citigroup EuroBig Index (Euro)
Fund Size (in millions)	€ 22.13
Month-End NAV	€ 40.45
Minimum Investment	€50,000; €10,000 Per Portfolio
Quartile Ranking (1 year)	1
Quartile Ranking (s.i.)	1

### Statistics

	Fund	Peer	Benchmark
Standard Deviation	2.84%	2.61%	2.85%
Sharpe Ratio <sup>7</sup>	-1.24	-1.70	-0.92
Average Yield to Maturity	4.77%		
Average Duration (in years)	5.52		
Average Rating	AA-		

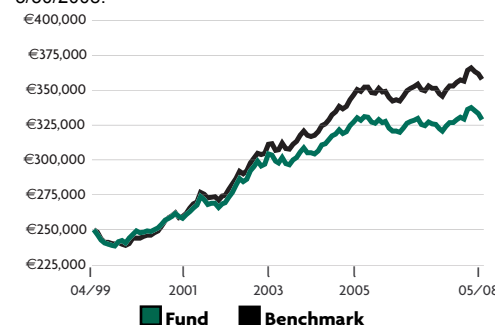
### Investment Profile<sup>9</sup>

Risk Level  
Low=1  
High=5



### Life of Investment

A €250,000 investment in the European Bonds Fund at inception would have grown to €328,969 as of 5/30/2008.

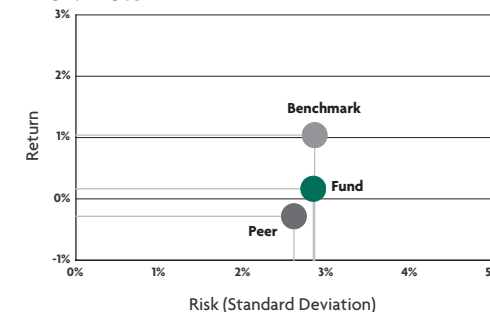


### Portfolio Composition (By Credit Rating)

1. AA Bonds (39%)
2. AAA Bonds (35%)
3. A or Below (25%)
4. Net Cash (1%)



### Risk/Return<sup>7</sup>



### Portfolio Composition

Country	Bond Exposure		Currency Exposure (After Hedging)	
	Current Month	Last Month	Current Month	Last Month
Euro	—	—	96.07%	96.24%
Italy	—	37.23%	0.00%	0.00%
Greece	—	22.18%	0.00%	0.00%
France	—	8.15%	0.00%	0.00%
Germany	—	7.62%	0.00%	0.00%
Austria	—	6.01%	0.00%	0.00%
Spain	—	5.94%	0.00%	0.00%
United States	—	5.40%	0.01%	0.08%
Belgium	—	1.57%	0.00%	0.00%
Poland	—	1.45%	1.46%	1.37%
Norway	—	1.32%	1.42%	1.30%
United Kingdom	—	0.65%	0.64%	0.62%
The Netherlands	—	0.42%	0.00%	0.00%
Sweden	—	0.39%	0.40%	0.38%

1, 4, 5, 7, 9 Please read the American Express Funds - Worldfolio disclosure pages for further information. This sheet must be accompanied by all American Express Funds - Worldfolio disclosure pages. Unless specifically noted in the accompanying disclosure page(s), the source of all information is American Express Bank.

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The SICAV offers investors the opportunity to invest in separate portfolios (or sub-funds, each (for the purposes of this the Review only) an individual “fund”), each with a different objective and each a separate pool of assets. While the SICAV as a whole is one legal entity, each individual fund shall be exclusively responsible for all liabilities attributable to it.

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**As of the close-of-business on October 31, 2007, the American Express Funds – US\$ Liquidity fund, Institutional Shareclass RU was renamed the**

**American Express Funds – US\$ Liquidity fund, Worldfolio Shareclass RU. As of the close-of-business on October 31, 2007, the American Express Funds – Euro Liquidity fund, Institutional Shareclass RE was renamed the American Express Funds – Euro Liquidity fund, Worldfolio Shareclass RE.**

① Performance is calculated for the latest month due to the availability of data and timing of the publication of The Review. Calendar year performance is cumulative, not annualized. All returns are stated in US dollar terms, except for **Euro Liquidity, European Bonds, Global Bonds (Euro), Global High Yield Euro, European Equities and European Small Cap Equities funds** and are net of fees and expenses (except for sales load). On August 15, 2005, Walter Scott & Partners Limited took over as sub-advisor of the US Large Cap Equities and European Equities funds, replacing RiverSource Investments, LLC (“RSI”) (formerly American Express Asset Management Group, Inc.); performance of these funds prior to this date is reflective of the management of RSI. On November 30, 2006, the US Large Cap Equities fund name was changed to the US Equities fund. On August 15, 2005, Munder Capital Management took over as sub-advisor of the US Mid & Small Cap Equities fund, replacing RSI; performance of this fund prior to this date is reflective of the management of RSI. On August 15, 2005, Navellier & Associates Inc. took over as sub-advisor of the Focused US Growth Equities fund, replacing RSI; performance of this fund prior to this date is reflective of the management of RSI. On October 31, 2005, Mondrian Investment Partners Limited took over as sub-advisor of the Global Emerging Market Equities, New Asia-Pacific, Japanese Equities and Greater China Equities funds, replacing Threadneedle Asset Management Limited (“Threadneedle”); performance of these funds prior to this date is reflective of the management of Threadneedle. On January 31, 2006, Drake Management LLC took over as sub-advisor of the Convertible Bonds fund, replacing RiverSource Investments LLC; performance of this fund prior to

January 31, 2006 is reflective of the management of RiverSource Investments LLC. Share prices may go down as well as up. **Past performance is not a reliable indicator of future results.** All performance stated for the funds does not reflect the effects of the sales load. **As investment involves risk, as a potential investor, you should read the Prospectus or Offering Memorandum before investing your money. If a fund is denominated in a currency other than that from which your funds originate, changes in rates of exchange may have an adverse effect on the value of your investment.**

④ **Peer returns are based on the average return of a comparable peer fund group that invests in the same asset classes and markets as determined by Standard Chartered’s Investment Portfolio Management.** Benchmark returns and related information provided by Bloomberg, Standard & Poor’s Limited, Ameriprise Financial Services, Inc., Ibbotson Associates and Datastream. Benchmark returns do not reflect transaction charges and management fees.

⑤ **Benchmark and Inception Information for American Express Funds – Worldfolio**  
 The benchmark for the **US\$ Liquidity fund shareclass W** (Inception Date: 03/31/93), formerly known as the American Express Worldfolio Funds-US\$ Daily Income Fund, is the Three-Month Interbank Eurodollar Deposit Index. This deposit index consists of Eurodollar deposits with three-month maturities and is represented in US dollars. The benchmark for the **Euro Liquidity fund shareclass W** (Inception Date: 03/31/93), formerly known as the American Express Worldfolio Funds-DM Daily Income Fund, is the Citigroup Euro 3-month Euro Deposit Index. This benchmark consists of Eurodollar deposits with three-month maturities and is represented in euros. The benchmark for the **US Short-Term Bonds fund** (Inception Date: 03/31/93), formerly known as the American Express Worldfolio Funds-US\$ Bond Income Fund, is the Merrill Lynch 1-5 year Government Bond Index. This index includes US Treasury and agency securities with at least \$100 million par amount

outstanding; all bonds have maturities between one and five years. The US\$ Bond fund merged into the US\$ Short-Term Bonds fund on May 30, 2008. The benchmark for the **US\$ High Income Bonds fund** (Inception Date: 08/31/04) is the Merrill Lynch US High Yield Cash Pay BB-B Index. This index consists of publicly placed, non-convertible coupon-bearing US domestic debt with a term to maturity of at least one year and a minimum credit rating of BB-B. The benchmark for the **European Bonds fund** is the Citigroup EuroBig Index (Euro). The inception date was 04/06/99. This is a market cap weighted benchmark that tracks the performance of fixed rate issues in the government debt, supranational, finance, “pfandbrief” (a type of mortgage-backed bond market in Germany), industrial and utility sectors that are denominated in Euros with at least one year maturity. The benchmark for the **Global Bonds - US\$ Referenced fund** (Inception Date: 04/30/86), formerly known as the American Express Worldfolio Funds-Global Bonds, is the Citigroup World Government Bond Index (US\$) - US Dollar. This index is in US dollars and tracks the performance of fixed-rate sovereign debt issued in the domestic markets of 18 countries in local currency. The benchmark for the **Global Bonds – Euro Referenced fund** (Inception Date: 04/6/99), formerly known as the American Express Worldfolio Funds-Global Bonds, is the Citigroup World Government Bond Index (Euro) – Euro. This index is a market capitalization-weighted benchmark that tracks the performance of fixed-rate sovereign debt issued in the domestic market in the local currency with at least one-year maturity. The benchmark for the **Global Emerging Market Short-Term Bonds fund** (Inception Date: 08/31/04) is the JP Morgan Emerging Markets Bond Global Index (1-3 year). This index tracks total returns for traded external debt instruments in the emerging markets with durations of up to 3 years. The instruments include external-currency-denominated Brady bonds, loans and Eurobonds, as well as U.S. dollar local markets instruments. The EMBIG is concentrated in instruments from the three major Latin American countries (Argentina, Brazil and

## American Express Funds - Worldfolio

### Additional Information on the American Express Funds Worldfolio (Page 2 of 3)

Mexico), reflecting the size and liquidity of these external debt markets. The non-Latin countries are represented in the index by Bulgaria, Morocco, Nigeria, the Philippines, Poland, Russia, and South Africa. On December 14, 2007, the Global Emerging Market Liquidity fund was renamed the **Emerging Markets Low Duration fund**. The benchmark for the **Emerging Markets Low Duration fund** (Inception Date: 04/02/02) is the US\$ 1-Month LIBOR. As of March 1, 2007, the benchmark for this Fund was changed from the Fed Funds Rate to the US\$ 1-Month LIBOR. The benchmark for the **Emerging Market Debt fund** (Inception Date: 09/30/94), formerly known as the American Express Worldfolio Funds- Emerging Market Debt Fund, is the JP Morgan Emerging Markets Index. This index tracks total returns for traded debt instruments in the emerging markets, including US dollar and other currency-denominated Brady Bonds, loans, Eurobonds and local market instruments. The benchmark for the **Global High Yield Euro fund** is the ML EMD Sovereigns Index/High Yield Euro Index and the inception date was 08/14/00. This index is a market cap weighted blend of the Merrill Lynch Emerging Market Sovereigns and High Yield Euro Index. The benchmark for the **US\$ Liquidity fund, shareclass RU** (Inception Date: 08/31/04) is the Three Month Interbank Eurodollar Deposit Index. This deposit index consists of Eurodollar deposits with three-month maturities and is represented in US dollars. The benchmark for the **Euro Liquidity fund, shareclass RE** (Inception Date: 08/31/04) is the Citigroup Euro Three-month Euro Deposit Index. This benchmark consists of Eurodollar deposits with three-month maturities and is represented in euros. On November 16, 2007, the Global Balanced fund was renamed the **Global Asset Allocation fund**. On September 30, 2005 the European Balanced Fund was merged into the Global Balanced fund ("Global Balanced"). Threadneedle Asset Management Limited continues to manage the equity portion of the Global Asset Allocation fund, and RiverSource Investments, LLC was appointed to manage the fixed income

portion of this fund. The benchmark for the **Global Asset Allocation fund** (Inception Date: 04/30/86) remains 40% Citigroup World Government Bond Index and 60% MSCI World Equities Index. See the Global Bonds-US\$ fund and World Equities fund, respectively, for benchmark definitions. The benchmark for the **World Equities fund** (Inception Date: 03/31/93), formerly known as American Express Worldfolio Funds-Global Equities, is the MSCI World Equities Index. This benchmark consists of 23 developed markets and includes large-, medium- and small-cap companies in each market. The benchmark for the **Global Emerging Market Equities fund** (Inception Date: 08/31/04) is the MSCI Emerging Markets Index. This is a free float-adjusted market capitalization index that is designed to measure emerging market equity performance. This benchmark consists of indices representing 26 emerging market countries. The benchmark for the **Global Innovation fund** (Inception Date: 07/28/00) is the FTSE World Index - information technology, pharmaceuticals, telecom and media. This index is a market capitalization-weighted average composed of these four sectors. The complete index consists of common stocks covering between 82% and 90% of the investable market capitalization in each of 30 developed and advanced emerging market countries. The benchmark for the **Global Energy Equities fund** (Inception Date: 05/06/02) is the MSCI World Energy Index, a market capitalization index that monitors the performance of energy stocks from around the world. The benchmark for the **US Equities fund** (Inception Date: 05/31/93) is the S&P 500. As of September 1, 2005 the benchmark for this Fund was changed from the Russell 1000 Value Index to the S&P 500. Standard and Poor's 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. Returns include dividends reinvested. We will maintain the benchmark history as measured through end of August 2005 and change to the new

benchmark only for performance going forward from September 1, 2005. Between the periods of October 31, 2001 and August 31, 2005 this fund was run against the Russell 1000 Value. Prior to October 31, 2001, the benchmark for this Fund was S&P 500. The benchmark for the **Focused US Growth Equities fund** (Inception Date: 07/28/00) is the Russell 1000 Index, an unmanaged index considered indicative of the growth-oriented domestic stock market in general and is comprised of stocks in the Russell 1000 that have higher price-to-book ratios and higher forecasted growth values. As of September 1, 2005 the benchmark for this fund was changed from the S&P 500 Stock Market to the Russell 1000. We will maintain the benchmark history as measured through end of August 2005 and change to the new benchmark only for performance going forward from September 1, 2005. The benchmark for the **US Mid & Small Cap Equities fund** (Inception Date: 05/31/93), formerly known as American Express Worldfolio Funds-US Aggressive Equities, is the Russell 2500 Index, an Index which excludes the largest 500 companies in the Russell 3000 Index, and is constructed to provide a comprehensive and unbiased barometer for the small to mid-cap segment of the US equity universe. As of September 1, 2005 the benchmark for this fund was changed from the Russell 2000 Growth to the Russell 2500. We will maintain the benchmark history as measured through end of August 2005 and change to the new benchmark only for performance going forward from September 1, 2005. The benchmark for the **European Equities fund** (Inception Date: 03/31/93), formerly known as American Express Worldfolio Funds-European Equities, is the Morgan Stanley Capital International Europe Index (converted to Euros per ECU). This index consists of 15 developed markets in Europe and is a representative sampling of large-, medium- and small cap companies in each market. Information obtained from Standard & Poor's Limited. The benchmark for the **European Small Cap Equities fund** (Inception Date: 06/22/07) is the MSCI Europe Small Cap Index (Euro). The MSCI Europe Small

Cap Index (Euro) represents the small cap segment in 16 developed equity markets in Europe and measures the performance of small cap stocks in the MSCI Europe Index. **As of October 1, 2007, the portfolio's base currency was changed from the US Dollar to the Japan (¥). As of October 1, 2007, the benchmark has also been changed from the MSCI Japan (US\$) to MSCI Japan (¥). After October 1, 2007, the performance reflects the fact that the fund's base currency is the Japanese yen. For share classes "AJ", "DJ" and "W", the performance prior to October 1, 2007 has been converted from a US Dollar base currency to the Japanese yen by using a fluctuating month-end Reuters' 4PM GMT US dollar/Japanese yen foreign exchange rate. For share classes "AEH" and "DEH", prior to October 1, 2007, the hedging of these share classes was such that the base currency of the share class (euro) was hedged against the USD. After October 1, 2007, the base currency of this share class (euro) is hedged against the yen.** The benchmark for the **Japanese Equities fund** (Inception Date: 04/06/99) is the MSCI Japan (¥) Index. The MSCI Japan Index is an unmanaged, unhedged, market capitalization-weighted index compiled by Morgan Stanley Capital International and consisting of large, medium and small-cap companies listed in Japan. The Index aims to cover 60% of the total market capitalization and aims to replicate the industry composition of Japan. The benchmark for the **New Asia-Pacific Equities fund** (Inception Date: 04/06/99) is the MSCI AC Pacific (Free) Ex Japan Index. This index aims to replicate the industry composition of 11 Pacific Rim countries and consists of a representative sampling of large-, medium- and small-cap companies. The benchmark for the **Greater China Equities fund** (Inception Date: 08/31/04) is the MSCI Golden Dragon Index. This index is a free float-adjusted market capitalization index that is designed to measure international equity market performance. The benchmark consists of three developed and emerging market country indices representing China, Hong Kong and Taiwan.

**7 Standard Deviation measures the volatility of a fund's returns where higher percentages indicate greater fluctuations in performance and greater fund volatility; lower percentages indicate less fluctuation in the fund's returns. For all funds, the deviation percentage is annualized and based on three years' monthly data with the exception of funds with a performance history of less than three years, funds where the deviation percentage is annualized and based on monthly data since inception. Risk return chart results based on 3 year annualized rolling returns as available. For performance history of less than 3 years, since inception annualized returns will be used. For performance history of less than 1 year, cumulative since inception returns will be applied. The Sharpe Ratio measures risk-adjusted performance. It is a ratio calculated by subtracting the risk free rate from the rate of return for a fund and dividing the result by the standard deviation of the fund returns.**

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**8 Important Information for the Euro Liquidity fund and European Equities fund.**

For the **Euro Liquidity fund**, the Fund's performance prior to 04/06/99 reflects a conversion from a Deutsche Mark base currency to the ECU, using a fluctuating month-end ECU rate. After 04/06/99, the performance reflects the fact that the fund's base currency is the Euro. For the **European Equities fund**, the fund's performance prior to 04/06/99 reflects a conversion from a US Dollar base currency to the ECU, using a fluctuating month-end ECU rate. After 04/06/99, the performance reflects the fact that the fund's base currency is the Euro. Performance shown here is based on a Euro to US Dollar currency conversion for the fund, Benchmark and Peer using a fluctuating month-end Euro/Dollar rate.

**9** The investment profile is a graphical representation of a product's asset class, sub-asset orientation and risk profile. The concentric circles represent risk levels increasing from "1", the lowest risk, to "5" in the outer circle, the highest risk. The risk level is represented by the product's standard deviation for the prior 3-year rolling period. When three years of data is not available, since inception annualized standard deviation is used. For funds with less than 1 year of performance history, as historical standard deviation data points are few, the Investment Profile reflects the funds' expected long-term volatility levels based on manager style and asset class history. Current risk levels are not indicative of future risk levels, and the investment profile should not be used as a stand-alone measure of product risk or diversification.

### IMPORTANT INFORMATION FOR PERSONS THAT HAVE ACCOUNTS CONTRACTED WITH AEB UK

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**Subscriptions** are accepted on the basis of the Prospectus and the latest available annual and semi-annual reports. It may be difficult for you to realize your investment and to obtain reliable independent information about the value of your shares or the extent of the risks to which your investment is exposed.

**Charges and expenses** are not made uniformly throughout the life of the investment, but are loaded disproportionately onto the early years. If you withdraw from the SICAV in early years, you may not get back the amount invested.

Past performance is not a reliable indicator of future results.

Fees and Charges apply. If you are unsure of what fees and charges may apply or how and when they may be applied, or if you simply require further information regarding fees, please contact your Relationship Manager.

If the product's reference currency is any other than your home or base currency, then any return for you may increase or decrease as a result of currency fluctuations. You should always remember that the value of investments will fluctuate and you may get back less than you invested. Please refer to the general description of the risks associated with investing as outlined in the "Investment Services Risk Warnings" and other relevant product material and documentation provided to you.

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