

Aurum Managed Euro Portfolio Ltd.

Annual Report and Audited Financial Statements

For the year ended 31 December 2008

Aurum Managed Euro Fund Ltd.

Annual Report and Audited Financial Statements Contents

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Aurum Managed Euro Portfolio Ltd.

Directors and service providers

Company	Aurum Managed Euro Portfolio Ltd. Aurum House 35 Richmond Road P.O. Box HM 1806 Hamilton HM 08 Bermuda Tel: (1) (441) 292 6952 Fax: (1) (441) 295 4164
Directors	Dudley R Cottingham W Roger Davidson* David Mark Christopher C Morris S Arthur Morris Meliosa O'Caomh*
Custodian	Northern Trust Fiduciary Services (Ireland) Limited George's Court 54 - 62 Townsend Street Dublin 2 Ireland Tel: (353) (1) 542 2000 Fax: (353) (1) 542 2920
Promoter and Investment Advisor	Aurum Fund Management Ltd. Aurum House 35 Richmond Road P.O. Box HM 1806 Hamilton HM 08 Bermuda Tel: (1) (441) 292 6952 Fax: (1) (441) 295 4164
Administrator	Northern Trust International Fund Administration Services (Ireland) Limited George's Court 54 - 62 Townsend Street Dublin 2 Ireland Tel: (353) (1) 542 2000 Fax: (353) (1) 542 2920

*Non-Executive Directors

Aurum Managed Euro Portfolio Ltd.

**Bermuda
Administrator**

Global Fund Services Ltd.
Century House
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Bermuda

Tel: (1) (441) 292 7478
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**Independent
Auditor**

KPMG
Chartered Accountants
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**Sponsoring
Broker for
Bermuda Stock
Exchange**

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Aurum Managed Euro Portfolio Ltd.

Directors' Report

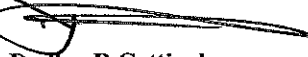
The Directors have the pleasure to present the audited annual accounts of the Company for the year ended 31 December 2008 and report as set out herein in respect of matters required by the Irish Stock Exchange and Bermuda Stock Exchange listings regulations.

At 31 December 2008 the Net Asset Value per Participating Share was €115.63 (2007: €128.21).

No dividends have been declared in the year to 31 December 2008 (2007: €Nil) and the Directors do not recommend the payment of any dividends for the year to 31 December 2008 (2007: €Nil).

Aurum Managed Euro Portfolio Ltd. (the "Company") is a Feeder Fund, which invests solely, apart from currency hedging, in the Participating Shares of Aurum Managed Portfolio Ltd. (the "Master Fund"). The Company's investment objective is to achieve long term capital growth by investing its assets in the Shares of the Master Fund.

The Annual Report and Audited Financial Statements of the Master Fund for the year ended 31 December 2008 are sent to all Shareholders with the accounts of the Company.



Dudley R Cottingham
Director

12 May 2009

Aurum Managed Euro Portfolio Ltd.
Independent Auditor's Report to the Members and Directors of
Aurum Managed Euro Portfolio Ltd

We have audited the accompanying financial statements of Aurum Managed Euro Portfolio Ltd ("the Company"), which comprise the statement of financial position and portfolio statement as at 31 December 2008 and the statement of comprehensive income, statement of changes in net assets attributable to holders of Participating Shares and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

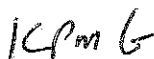
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2008 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



KPMG
Chartered Accountants

1 Harbourmaster Place
International Financial Services Centre
Dublin 1
Ireland
12 May 2009

Aurum Managed Euro Portfolio Ltd.
Portfolio Statement as at 31 December 2008

Fund	2008			2007		
	Nominal Holding	Fair Value €	% of NAV	Nominal Holding	Fair Value €	% of NAV
Aurum Managed Portfolio Ltd	34,640	3,438,704	91.35	48,422	5,148,528	102.80
Net Current Assets/(Liabilities)		325,744	8.65		(139,991)	(2.80)
Total Net Assets		3,764,448	100.00		5,008,537	100.00

The accompanying notes form part of these financial statements.

Aurum Managed Euro Portfolio Ltd.
Statement of Comprehensive Income for the year ended
31 December 2008

2007	Notes	2008
€		€
<hr/>		
	2	
Income from financial assets at fair value through profit or loss		
7,792 Net interest income		983
(101,796) Net unrealised capital loss on investments and currencies		(129,194)
513,215 Net realised capital (loss)/gain on investments and currencies		(445,898)
419,211 Total Income from financial assets at fair value through profit or loss		(574,109)
<hr/>		
	2	
Expenses		
0 Operating expenses		0
<hr/>		
Change in net assets attributable to holders of participating shares resulting		
419,211 from operations		(574,109)

The accompanying notes form part of these financial statements.

Aurum Managed Euro Portfolio Ltd.
Statement of Financial Position as at 31 December 2008

2007		Notes	2008
€			€
	Assets		
	Financial assets at fair value through profit or loss		
5,148,528	Investments at fair value	2	3,438,704
	Loans and receivables		
0	Cash	2	140,000
5,705	Bank interest receivable		61
0	Trades in advance		323,238
0	Unrealised appreciation on forward foreign exchange contracts		2,445
5,154,233	Total Assets		3,904,448
	Liabilities		
	Financial liabilities measured at amortised cost		
77,000	Trades in advance		140,000
68,696	Bank overdraft	2,5	0
145,696	Liabilities (excluding amounts attributable to holders of participating shares)		140,000
5,008,537	Net Assets attributable to holders of participating and sponsor shares	4	3,764,448
5,008,535	Net Assets attributable to holders of participating shares	6	3,764,446
2	Net Assets attributable to holders of sponsor shares	4	2
39,062.53	Participating Shares Outstanding (number of shares)	4	32,555.26
128.21	Net Asset Value per Participating Share	6	115.63

These financial statements were approved by the Directors on 12 May 2009 and signed on their behalf by:



D.R. Cottingham

Director



C.C. Morris

Director

The accompanying notes form part of these financial statements.

Aurum Managed Euro Portfolio Ltd.
Statement of Changes in Net Assets Attributable to Holders of
Participating Shares for the year ended 31 December 2008

	Total €
Balance at 1 January 2008	5,008,535
Change in net assets attributable to holders of participating shares resulting from operations	(574,109)
Subscriptions during the year	3,185,579
Redemptions during the year	(3,855,559)
Balance at 31 December 2008	3,764,446
Balance at 1 January 2007	6,402,265
Change in net assets attributable to holders of participating shares resulting from operations	419,211
Subscriptions during the year	1,963,726
Redemptions during the year	(3,776,667)
Balance at 31 December 2007	5,008,535

The accompanying notes form part of these financial statements.

Aurum Managed Euro Portfolio Ltd.
Statement of Cash Flows for the year ended 31 December 2008

2007 €		2008 €
	Cash flows from operating activities	
419,211	Change in net assets attributable to holders of participating shares resulting from operations	(574,109)
	Adjustment for non cash items	
(411,419)	Net gain/(loss) on investments	(64,986)
	Changes in operating assets and liabilities	
(5,705)	Decrease/(increase) in debtors	320,039
(194)	Increase/(decrease) in creditors	63,000
1,893	Net cash received from operating activities	(256,056)
	Cash flows from investing activities	
(3,070,455)	Purchase of investments and currencies	(4,126,156)
3,759,583	Proceeds from sales of investments	5,260,888
689,128	Net cash inflow from investing activities	1,134,732
	Cash flows from financing activities	
2,040,726	Issue of shares	3,185,579
(2,800,443)	Redemption of shares	(3,855,559)
(759,717)	Net cash outflow from financing activities	(669,980)
(68,696)	Net increase/(decrease) in cash and cash equivalents	208,696
0	Cash and cash equivalents at the beginning of the year	(68,696)
(68,696)	Cash and cash equivalents at the end of the year	140,000
	Supplementary Information	
1,893	Net interest received	6,627

The accompanying notes form part of these financial statements.

Aurum Managed Euro Portfolio Ltd.

Notes to the Financial Statements for the year ended 31 December 2008

1 General

Aurum Managed Euro Portfolio Ltd. (the "Euro Fund" or "the Company") was incorporated in Bermuda on 19 August 2004 under the Companies Act 1981 and acts as an investment company. Shares of the Euro Fund are denominated in euro. The Euro Fund is one of three Feeder Funds, comprising the Euro Fund, Aurum Managed Sterling Portfolio Ltd. (the "Sterling Fund") and Aurum Managed Dollar Portfolio Ltd. (the "Dollar Fund"), that invest in Aurum Managed Portfolio Ltd. (the "Master Fund"). The other Feeder Funds have sterling and US dollar denominated shares respectively.

The Feeder Funds must solely invest into Participating Shares of the Master Fund, except in the case of the Sterling and Euro Funds in respect of currency hedging. The Participating Shares of the Master Fund are valued in US dollars. The Sterling and Euro Feeder Funds whilst investing into US dollar denominated Participating Shares of the Master Fund will, by appropriate currency hedging, seek to protect the value of their shares in sterling and euro terms respectively irrespective of movements in currency values between the dollar, sterling and euro. The Master Fund pays the fees of the Administrators, Custodian, Investment Advisor, audit, minor out of pocket expenses and Directors' fees of all funds. Each Fund will otherwise bear its own costs and liabilities.

The Company's investment objective is to achieve long term capital growth by investing in the Participating Shares of the Master Fund. The Annual Report and Audited Financial Statements of the Master Fund for the year ended 31 December 2008 are attached and should be read in conjunction with these statements.

The Audited Financial Statements were approved by the Board of Directors on 12 May 2009.

2 Principal Accounting Policies

The principal accounting policies which have been applied are set out below.

Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

Basis of Preparation

The financial statements are presented in the currency of the primary activity of the primary economic environment in which the Company operates, this is euro reflecting the fact that the redeemable Participating Shares are issued in Euro and the Company's operations are primarily conducted in Euro. They are prepared on a fair value basis for financial assets and financial liabilities at fair value through profit or loss. All other assets and liabilities are stated at amortised cost.

The accounting policies and presentation have been applied consistently by the company and are consistent with those used in the previous year.

The Company is organised and operates as one segment (in terms of both business and geography). Consequently, no segment reporting is provided in the Company's financial statements.

Investments

The Company on initial recognition designates all investments as at fair value through profit or loss as in doing so it results in more relevant information because the investments and related liabilities are managed as a group of financial assets and liabilities and performance is evaluated on a fair value basis and reported to key management personnel on that basis.

Investments in collective investment schemes are recorded at the net asset value per share as reported by the administrators of such funds. Investment transactions are recorded on a settlement date basis. Realised capital gains and losses on investment transactions are determined on the weighted average cost basis and are included in the Statement of Comprehensive Income. Unrealised capital gains and losses from a change in the fair value of investments are recognised in the Statement of Comprehensive Income.

Aurum Managed Euro Portfolio Ltd.
Notes to the Financial Statements for the year ended 31 December 2008
(continued)

2 Principal Accounting Policies (continued)

Investments (continued)

Where administrators are unable to provide net asset value per share the Directors make their own assessment of value based on available information.

Under IFRS, Participating Shares are treated as a Financial Liability and the format of the Statement of Financial Position reflects this position.

Translation of Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into euro at exchange rates in effect at the date of the financial statements. Transactions in foreign currencies are translated into euro based on exchange rates on the date of the transaction.

Interest Income

Interest income is recognised in the Statement of Comprehensive Income for all interest bearing instruments on an effective interest basis.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances held at banks together with bank overdrafts. The bank overdrafts are repayable on demand and form an integral part of the Company's cash management system.

Taxation

The Company has received an undertaking from the Ministry of Finance of Bermuda, under the Exempted Undertakings Tax Protection Act, 1966 exempting the Company from income, profit, capital transfer or capital taxes, should taxes be enacted, until 28 March 2016.

Expenses

All expenses are recognised in the Statement of Comprehensive Income for all interest bearing instruments on an accruals basis.

Use of Estimates

The preparation of financial statements in accordance with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Actual results could differ from those estimates.

Derecognition of Financial Assets and Liabilities

A financial asset is derecognised when the Company loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. Assets that are sold are derecognised and corresponding receivables from the buyer for the payment are recognised as of the settlement date. The Company uses the weighted average cost basis to determine the realised gain or loss on derecognition. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

3 Fees

The Company pays no direct fees. Please refer to the accompanying Master Fund financial statements for notes regarding fees paid by the Master Fund.

Aurum Managed Euro Portfolio Ltd.
Notes to the Financial Statements for the year ended 31 December 2008
(continued)

4 Share Capital

	December 2008	December 2007
	€	€
Authorised share capital of €0.002 par value per share		
1,000 Sponsor Shares	2	2
4,699,000 Participating Shares	9,398	9,398
	9,400	9,400

All of the Sponsor Shares have been issued to and are beneficially owned by the Investment Advisor. The Sponsor Shares do not carry the right to participate in the assets of the Company in a winding up, except to the extent of repayment of par value paid in cash, nor in any dividends or other distribution of the Company so long as any Participating Shares are in issue.

The Participating Shares are entitled to receive, to the exclusion of the Sponsor Shares, any dividends which may be declared by the Board of the Company and, upon the winding up of the Company, their par value and any surplus remaining after paying to the holders of the Sponsor Shares the par value of the Sponsor Shares (to the extent actually paid up in cash). The Sponsor Shares have the general voting powers of the Company and the holders of Participating Shares are entitled to receive notice of and attend all general meetings of the members.

	Number of Participating Shares		Number of Participating Shares
Opening at 1 January 2008	39,062.53	Opening at 1 January 2007	53,334.61
Issued during the year	24,981.17	Issued during the year	16,030.82
Redeemed during the year	(31,488.44)	Redeemed during the year	(30,302.90)
Closing at 31 December 2008	32,555.26	Closing at 31 December 2007	39,062.53

Statement of Changes in Sponsor and Participating Shares

	Sponsor Shares	Participating Shares	Share Premium	Return allocated to Participating Shareholders	Total
	€	€	€	€	€
Balance at 1 January 2008	2	78	4,244,717	763,740	5,008,537
Change in net assets attributable to holders of participating shares				(574,109)	(574,109)
Subscriptions during the year		50	3,185,529		3,185,579
Redemptions during the year		(63)	(3,855,496)		(3,855,559)
Balance at 31 December 2008	2	65	3,574,750	189,631	3,764,448
Balance at 1 January 2007	2	106	6,057,630	344,529	6,402,267
Change in net assets attributable to holders of participating shares				419,211	419,211
Subscriptions during the year		32	1,963,694		1,963,726
Redemptions during the year		(60)	(3,776,607)		(3,776,667)
Balance at 31 December 2007	2	78	4,244,717	763,740	5,008,537

Aurum Managed Euro Portfolio Ltd.

Notes to the Financial Statements for the year ended 31 December 2008 (continued)

5 Bank Overdraft

The Company has a facility with Northern Trust (Guernsey) Limited and any outstanding bank overdraft is secured over the portfolio of the Company.

6 Net Asset Value per Participating Share

The Net Asset Value per Participating Share is calculated by dividing the net assets less the par value of the Sponsor Shares included in the Statement of Financial Position by the number of Participating Shares in issue at the year end.

	December 2008	December 2007
Total Net Assets (€) Less Par Value of Sponsor Shares	3,764,446	5,008,535
Issued Participating Shares	32,555.26	39,062.53
Net Asset Value per Participating Share (€)	115.63	128.21

7 Related Parties

The Company, Administrators, Investment Advisor, Custodian and Directors are related parties by virtue of the material contracts in existence that are outlined in notes 3 to 5 of the financial statements of the Master Fund.

Mr S A Morris, Mr D R Cottingham and Mr C C Morris are directors of the Investment Advisor. Mr S A Morris, Mr C C Morris and Mr D R Cottingham are directors of Continental Sponsors Ltd, the sponsoring broker on the Bermuda Stock Exchange. Mr D Mark is a Vice President of the Investment Advisor. Mr S A Morris, Mr D R Cottingham and Mr C C Morris are also directors of Global Fund Services Ltd, the Bermuda Administrator. Messrs S A Morris, D R Cottingham and D Mark directly and indirectly hold shares in the Investment Advisor.

Ms M O'Caoimh is an employee of the Irish Administrator.

Aurum Fund Management Ltd. is also the sponsor and Advisor to a number of other investment companies and the directors of the Company, the Master Fund and Aurum Fund Management Ltd. may serve as directors of such companies.

Persons connected to the Directors, as defined under Irish Stock Exchange listing requirements, directly and indirectly own all the Sponsor Shares of the Company. At 31 December 2008 Directors and Persons so connected did not directly and indirectly hold Participating Shares in the Company

All dealings between all parties were at arm's length prices.

Aurum Managed Euro Portfolio Ltd.

Notes to the Financial Statements for the year ended 31 December 2008 (continued)

8 Financial Instruments and Risk Exposure

The Company invests all of its assets other than currency hedging into the Master Fund, which is exposed to market risk, currency risk, credit risk and liquidity risk arising from the financial instruments it holds. These risks are explained in the financial statements of the Master Fund which are attached.

The Company is exposed to currency risk in pursuit of its investment objective, set out on page 10. The currency risk is managed on a monthly basis using Forward Foreign Exchange Contracts. At the 31 December 2008, there was a net exposure to currency risk:

31 December 2008	Monetary Assets €	Monetary Liabilities €	Forward Foreign Exchange Contracts €	Net Exposure €
US Dollar	3,762,003	-	(3,786,057)	(24,054)

31 December 2007	Monetary Assets €	Monetary Liabilities €	Forward Foreign Exchange Contracts €	Net Exposure €
US Dollar	5,191,793	-	(4,379,954)	811,839

The foreign exchange contracts are intended to assist in maintaining the base currency value of the Company as compared with the US Dollar as explained in the Company's prospectus.

9 Net Forward Foreign Exchange Contracts

As at 31 December 2008, the Company had entered into and not closed a forward foreign exchange contract to hedge the value of the Company's portfolio. The contract was with the Custodian.

Open Forward Foreign Currency Transactions at 31 December 2008

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain/(Loss) €
US\$ 5,272,084	€	1.3925	30 January 2009	2,445
				<u>2,445</u>

Open Forward Foreign Currency Transactions at 31 December 2007

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain/(Loss) €
US\$ 6,304,067	€	1.4393	31 January 2008	0
				<u>0</u>

10 Subsequent Events

No events have occurred in respect of the Company subsequent to the year end that may be deemed relevant to the accuracy of these financial statements.