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## Independent auditor's report

To the holders of share documents of the open-ended investment fund INNOVO STATUS SHARES

We have audited the accompanying financial statements of the open-ended investment fund INNOVO STATUS SHARES ("the Fund"), which comprise statement of net assets as at 31 December 2008 and the statement of operations for the period 01 January 2008 – 31 December 2008, and the related statement of changes in net assets, report on value of share documents and report on number of share documents for the year then ended and a summary of significant accounting policies and other explanatory notes.

### *Managements' Responsibility for the financial statements*

Management of the asset management company is responsible for preparation and fair presentation of these financial statements in accordance with Law on investment funds and International Financial Reporting Standards adopted and published in Republic of Macedonia. 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.

### *Auditors' 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 of 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 misstatements.

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 financial statements, whether due to fraud or error. In making those risk assessments, we consider internal 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, financial statements give a true and fair view of the financial position of the open-ended investment fund INNOVO STATUS SHARES as at 31 December 2008, and of its financial performance, changes of net assets, report on value of share documents and report on number of share documents for the year then ended in accordance with International Financial Reporting Standards adopted in Republic of Macedonia.

31 March 2009  
Skopje

Certified auditor  
M. Peshic

ELIT DOOEL

D. Zografaska  
Manager  
Certified auditor

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STATEMENT OF NET ASSETS OF INNOVO STATUS SHARES INVESTMENT FUND

As at 31 December 2008

Description	Note	2008	2007
Cash	3.1	33.521	2.742.284
Investment receivables	3.2		350
Pre-paid expenses		307	-
<b>Investments in securities and deposits</b>		<b>33.827</b>	<b>2.742.634</b>
<b>Financial assets held for trading</b>			
Securities issued by domestic companies listed on the Macedonian Stock Exchange	3.3.1	8.138.397	4.371.283
<b>Financial assets available for sale</b>			
Securities issued by domestic companies listed on the Macedonian Stock Exchange			-
<b>Financial assets held to maturity</b>			
Short term debt securities held to maturity			-
Domestic long term debt securities held to maturity			-
Short term deposits	7		90.000
Long term deposits			-
<b>Total assets</b>		<b>8.172.224</b>	<b>7.203.917</b>
<b>Investment liabilities</b>			
Payables to Depository Bank	9	3.110	1.435
Payables to Central Securities Depository			820
Payables for brokerage fee			-
Payables to Fund management company	8	17.767	8.199
Payables to Fund management company for front-end load		2.461	73.130
Deferred cost			
<b>Total liabilities</b>		<b>23.338</b>	<b>83.585</b>
<b>NET ASSETS</b>	<b>3.4</b>	<b>8.148.886</b>	<b>7.120.332</b>
Number of issued share documents		251.514,0022	70.160,8459
Value of one share document	3.5	<b>32,3993</b>	<b>101.4858</b>

The notes are an integral part of these financial statements

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STATEMENT OF OPERATIONS OF INNOVO STATUS SHARES INVESTMENT FUND

As at 31 December 2008

Description	Note	2008	2007
<b>Investment income</b>			
Interest income	3.6	18.648	1.971
Dividend income		521.858	-
Realized capital gains		5.059.411	-
Net foreign exchange gain			-
Other income			-
<b>Total investment income</b>		<b>5.599.917</b>	<b>1.971</b>
<b>Expenses</b>			
Fees to the Fund management company	3.7	458.185	8.279
Fees for issuance of share documents	3.9	360.398	79.770
Interest expense			-
Realized capital losses		2.333.772	-
Fees to the Depository Bank	3.8	72.621	1.449
Fees to the Central Securities Depository		6.057	830
Other expenses		2.851	-
<b>Total expenses</b>		<b>3.233.884</b>	<b>90.328</b>
Net investment gain/(loss)		2.366.033	(88.358)
Unrealized investment gain/(loss)	3.11	2.393.042	115.365
Amortization of premium/discount on securities with fixed maturities			-
Increase/(decrease) in the fair value of financial assets			-
<b>Total unrealized gains/(losses) from investments in securities</b>		<b>2.393.042</b>	<b>115.365</b>
<b>Total increase/(decrease) of net assets</b>		<b>27.009</b>	<b>27.008</b>

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STATEMENT OF CHANGES IN NET ASSETS OF INNOVO STATUS SHARES INVESTMENT  
FUND

As at 31 December 2008

Description	Note	2008	2007
Net investment gains/(losses)		2.366.033	(88.357)
Total unrealized gains from investment in securities		(2.393.042)	115.365
<b>Net increase of net assets</b>		<b>(27.009)</b>	<b>27.008</b>
Proceeds received from holders of share documents		24.666.313	7.093.325
Proceeds paid out to holders of share documents		23.610.754	
<b>Total increase of net assets from transactions with share documents</b>		<b>1.055.562</b>	<b>7.093.325</b>
<b>Total increase of net assets</b>		<b>1.028.553</b>	<b>7.120.332</b>
<b>Net assets at the beginning of the period</b>		<b>7.120.332</b>	<b>-</b>
<b>Net assets at the end of the period</b>		<b>8.148.886</b>	<b>7.120.332</b>
<b>NUMBER OF SHARE DOCUMENTS</b>			
Number of paid share documents		326.072,9490	
Number of withdrawn share documents		74.558,9468	
<b>NUMBER OF SHARE DOCUMENTS</b>		<b>251.514,0022</b>	

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REPORT ON VALUE OF SHARE DOCUMENTS OF INNOVO STATUS SHARES INVESTMENT  
FUND

As at 31 December 2007

Description	31.12.2008	31.12.2007
Net assets at the beginning of the period	7.120.332	-
Number of share documents at the beginning of the period	70.160,8459	-
<b>Value of share document at the beginning of the period</b>	<b>101,4858</b>	<b>-</b>
Net assets at the end of the period	8.148.886	7.120.332
Number of share documents at the end of the period	251.514,0022	70.160.8459
<b>Value of share document at the end of the period</b>	<b>32,3993</b>	<b>101.4858</b>
<b>Ratios and supplemental data</b>		
Ratio of expenses to net assets	0,3968	0.0127
Ratio of net investment income to average net assets	0,29	-
Rate of return	-68,08%	1.48%

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REPORT ON NUMBER OF SHARE DOCUMENTS OF INNOVO STATUS SHARES INVESTMENT  
FUND

As at 31 December 2008

Description	31.12.2008	31.12.2007
At the beginning of the period	70.160,8459	-
Number of issued share documents during the period	255.912,1031	-
Number of redeemed share documents	74.558,9468	-
<b>Total number of share documents at the end of the period</b>	<b>251.514,022</b>	<b>70.160,8459</b>
<b>Value of share documents</b>		
Value of share document at the beginning of the period	101,4858	100,0000
Value of share document at the end of the period	32,3993	101,4858

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