

ABN AMRO FUNDS GLOBAL EMERGING MARKETS BOND FUND (USD) NEWSLETTER MAY 2006

Data as of 31 May 2006

Ranking & Rating	
S&P ranking	★★★★★
S&P rating	AA
Morningstar Rating	★★★★★

Important Information

The Global Emerging Markets Bond Fund (USD) is a Sub-Fund of ABN AMRO Funds, a regulated SICAV incorporated under Luxembourg law, and a Recognised Collective Investment Scheme under section 264 of the UK's Financial Services and Markets Act in the UK and under section 287 of the Securities and Futures Act in Singapore. This newsletter is not intended to replace the Prospectus of ABN AMRO Funds, nor to give a detailed summary, it does not constitute an offer or solicitation to invest in ABN AMRO Funds. Investors should carefully read the Prospectus of ABN AMRO Funds before investing. An investment should be made only on the basis of the last updated version of the Prospectus, the annual and any subsequent semi-annual reports. These can be obtained from www.asset.abnamro.com.

The prospectus, the Articles of Incorporation, the annual and semi-annual reports of the Company as well as the list of purchases and sales on behalf of the Funds during the reporting period may be obtained, free of charge, at the office of ABN AMRO Bank (Schweiz) in Zurich. For clients in Singapore the above may be obtained at the office of ABN AMRO Asset Management (Singapore) Limited at 63, Chulia Street, 2nd floor, Singapore 049514.

Each Sub-Fund of the SICAV is intended for medium to long term investment. However, all investments involve risks and there can be no assurance that the Funds will achieve their investment objectives. Investors should remember that the price of shares and any income from them may fall as well as rise and that shareholders may not get back the full amount invested. Past performance is not necessarily a guide to future performance. Investors should also be aware that the reference currency may differ from the currency in which the Fund's investments are made and therefore, investors may be exposed to currency risk.

The Representative and Paying Agent of ABN AMRO Funds in Switzerland is ABN AMRO Bank (Schweiz), Beethovenstr. 33, CH-8002 Zurich.

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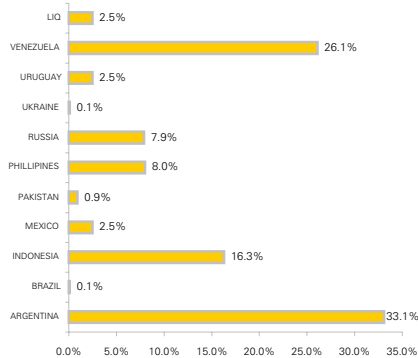
Fund Manager's Comment

In May, the fund returned -3.5%, underperforming the benchmark by 1.4 percentage points. The yield spread of the JP Morgan EMBI Global index over US Treasuries widened by 31 bp to 210 bp. The fund decreased in size to USD 1.984 bln from USD 2.086 bln in April.

Emerging bond markets were dragged lower as emerging equity markets sold off, local currencies weakened and the risk appetite of global investors was scaled back. Emerging market bonds were sold mostly by hedge funds looking to buy them back at reduced prices. Investors flocked to safer investments after comments from the US Federal Reserve signalled it was open to further interest-rate increases if economic data supported that need. Fortunately, subsequent US data pointed to a weakening economy, leading US Treasury yields to ease back. We expect the performance of emerging bonds to follow.

There were no significant events in the major countries. Bolivia's re-nationalisation of oil and gas businesses does not affect the emerging bond market because Bolivia has no bonds outstanding in that market. With energy and commodity prices likely to remain high, economic fundamentals in most emerging countries should stay strong. A potential source of volatility could be the Brazilian presidential elections in October.

Geographic Breakdown



Portfolio Positions

Modified duration 9.65 years

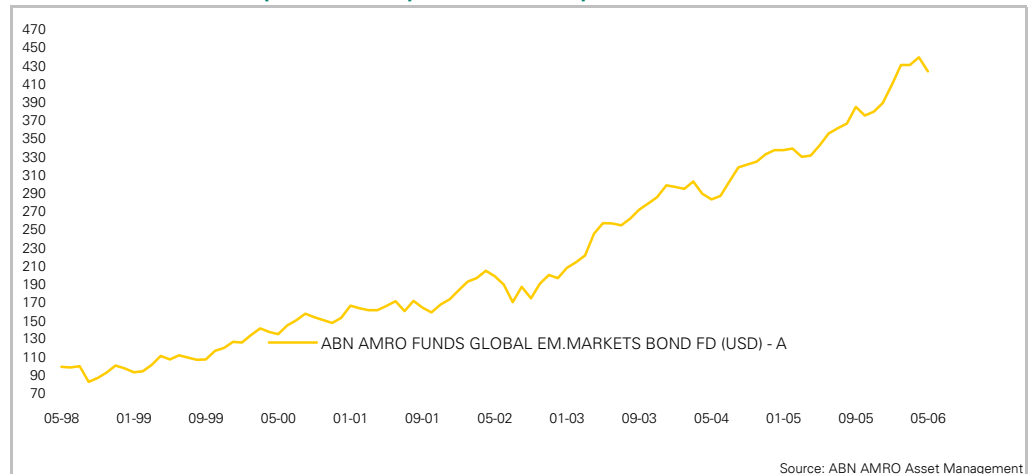
Yield to redemption 8.00%

Quality Allocation

A-	2.5%
BBB	7.9%
BB-	34.3%
B+	17.2%
B	35.6%
LIQ	2.5%

Source: ABN AMRO Asset Management

Performance Index (net in USD, Total Return)



Fund Profile

Focus: The fund invests in emerging markets fixed-income securities, primarily denominated in US dollars, with medium- and long-term maturity.

Management Style: The fund applies a combination of top-down and bottom-up analysis to determine the most attractive risk/ reward positioning. The result is a combination of strategies ranging from regional views to country and specific bond views, in which the degree of importance of either top-down or bottom-up assessments will depend on the global and country conditions.

Objective: The objective of the fund is to provide interest income and capital appreciation via investments in fixed-income instruments. The fund aims to achieve the highest possible return measured against the JP Morgan EMBI Global Comp.

Suitability: The fund may be suitable for investors who take a medium- to long-term view and have an above-average risk profile. The risks relate to movements in bond prices, resulting from interest-rate fluctuations, currency developments and, to a large extent, changes in the quality of the portfolio's individual debtors. Political and sovereign risks also need to be taken into account.

Competitive Performance (net, %)*



Performance (net, Total Return, Fund denominated in USD)

	Actual		Year to Date	Annualized				since 05/98
	1 mth	3 mths		1 yr	3 yrs	5 yrs	10 yrs	
Fund in USD	-3.5%	-1.7%	8.9%	23.6%	18.1%	20.6%	—	19.8%
Benchmark** in USD	-2.1%	-4.0%	-0.7%	6.5%	9.6%	11.2%	—	11.2%
S & P Quartile	4	2	1	1	1	1	—	1
Fund in EUR*	-5.4%	-8.7%	0.0%	18.8%	14.7%	10.9%	—	17.6%
Benchmark** in EUR	-3.9%	-10.9%	-8.8%	2.4%	6.4%	2.3%	—	9.2%

*For information purposes only, ** JP Morgan EMBI Global Source: ABN AMRO Asset Management

Risk Profile



Addendum

Risk is measured in absolute terms by the standard deviation of the total return of the fund. The greater the standard deviation, the wider the fluctuations between the high and the low prices of the fund. The risk of each fund is displayed by a bar that has been equally divided into 7 risk categories, going from 'low' to 'high'.

Fund performance figures have been calculated net of management fees, and on a total return basis with dividends received reinvested. All data in this newsletter is unaudited. Past performance is no guarantee of future returns. The net asset value of the fund may fluctuate and may go down as well as up.

Fund Portrait

Major sources of return	
Duration	
Credits	
➔ Countries	

Debtors	
➔ Government	
Agencies/Supra's	
Corporations	

Annual performance	2005	2004	2003
USD	15.3%	12.9%	51.7%

Fund Facts

Class of shares:	Class A + D*
Currency:	USD
Inception date:	27 May 1998
Total net assets:	USD 1,983.9 million
NAV per share:	USD 212.31
Minimum investment:	USD 250
Management fee:	1.25% annually
Service fee:	0.15% jaarlijks
Sales charge:	max. 5.25%
ISIN code:	LU0085494788
Bloomberg code:	AAGLEMB LX, AAFL
Valore:	862208
WKN code:	988117

* Available in Italy and Spain

Cumulative Net Performance

	USD	EUR
Last Quarter	-1.7%	-8.7%
1 year	23.6%	18.8%
3 years	64.7%	50.8%
5 years	154.7%	68.1%
Since 05/1998	324.6%	265.4%

Source: ABN AMRO Asset Management

Portfolio Statistics*

Alpha	8.31
Beta	1.03
Standard deviation	8.78
Tracking error	5.00
Sharpe ratio	1.79
Information ratio	1.70

* USD based, 3 yr monthly rolling period

Source: ABN AMRO Asset Management