

## THE INTERNATIONAL INVESTOR

# Livedoor ex-CEO comes under fire as a trial begins

ASSOCIATED PRESS

TOKYO—As the trial against Livedoor Co. and its key officials began, Japanese prosecutors accused its former chief executive of calling the shots in a complex scam to inflate stock prices and doctor the books.

Attorneys for the Internet company admitted Friday that it was guilty of violating securities regulations. Former executive Ryoji Miyauchi, one of the defendants, said on national television that he was pleading guilty.

The former chief executive, Takafumi Horie, 33, who was the darling of the Japanese media before his arrest in January, will be tried separately, but no date has been set. He repeatedly has said he is innocent.

Less than 1% of district-court criminal trials in Japan result in verdicts of not guilty, according to Japanese Supreme Court data. Most defendants try to win a lenient sentence by showing remorse and admitting to all the charges. Mr. Horie's trial promises to be unusual because he is determined to fight to assert his innocence.

Besides Mr. Miyauchi, defendants in the case include three other former executives, two auditors, the company itself and a subsidiary, Livedoor Marketing.

In opening statements, prosecutors argued that Mr. Horie ordered other executives to use dubious methods to buy up companies, de-



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## New Millennium CORPORATE BOND TOP FUND

for 1-YR return among Bond EUR Corporates

Source: Lipper, www.lipperweb.com

Ranked on % total return (dividends reinvested) in US dollars for one year ending May 25, 2006

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## Gartmore investment firm will be sold to its managers

By Margot Patrick and Alastair Barr

LONDON—U.S. insurer Nationwide Mutual Insurance Co. said it will sell its London asset-management subsidiary, Gartmore Investment Management, to some of Gartmore's managers backed by private-equity firm Hellman & Friedman LLC, bringing to a close a seven-month auction.

The price wasn't disclosed, though people close to the deal said it was less than \$300 million (\$928 million). Nationwide bought Gartmore for £1 billion in 2000 as part of a plan to build a global mutual-fund business. It wrote down Gartmore's book value to \$600 million in 2002 after the bear market re-

will retain the U.S. portion of the group, which operates as Gartmore Global Investments Inc.

Senior Gartmore fund managers and executives will own a "significant portion of the equity" and control day-to-day operations of the firm, Gartmore said.

The deal is the largest-ever management buyout of a fund company, based on assets under management, according to Putnam Lovell NBF Securities, an investment bank focused on the financial-services industry. Gartmore will have £24 billion in assets after the transaction, including its \$4 billion hedge-fund business.

Hellman & Friedman, based in San Francisco, is among the first

## FUND SCORECARD

### European Corporate Bond Funds

Open-end investment funds which are marketed across national borders and invest in European fixed interest securities, excluding funds specializing in single countries or with maturity constraints. Ranked on % total return (dividends reinvested) in U.S. dollars for one year ending May 26, 2006

#### Leading 10 Performers

FUND	FUND MGMT CO.	CURR. BASE	LEGAL	YTD	1-YR	2-YR	5-YR
SIZE*	NAME			% Return in \$US **			
70.7	New Millennium	EU Luxembourg	9.30	7.40	9.17	NS	NS
43.9	Rinascimento	Rinascimento SICAV	EU Luxembourg	9.98	4.39	4.99	NS
103.0	Aviva Europe	Aviva Fund Services SA	EU Luxembourg	7.98	4.39	8.21	NS
139.0	Evil	Evil Rahastoyhto Oy	EU Finland	7.61	3.64	8.01	15.06
91.2	INIK Fonds	HSBC Timkaus Investment Managers SA	EU Luxembourg	7.65	3.41	7.22	NS
136.0	CIOM Int Pt	COMINVEST Asset Management Limited	EU Dublin	9.12	3.09	5.20	12.10
10.9	HSBC Tr Corp	Internationale Kapitalanlagegesellschaft mbH	EU Germany	7.57	2.73	7.11	12.89
17.7	Bluebay	Bluebay Asset Management Limited	EU Luxembourg	7.09	2.40	NS	NS
8.7	EDM Int'l	EDM Holding SA	EU Luxembourg	7.61	2.39	5.26	NS
71.4	QIK	Ratiffelsen	EU Austria	7.88	2.38	7.64	15.55

NOTE: Changes in currency rates will affect performance and rankings.

KEY: \* millions of US\$ at latest available month end

\*\* 2YR and 5YR performance is annualized.

NS=not available due to incomplete data.

MS=fund not in existence for entire period.

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Partners, an investment-management firm in which it took a minority stake earlier this month.

Roger Guy, Gartmore's investment director, will join the Gartmore board, alongside Chief Executive Jeff Meyer and Paul Feeney, head of distribution.

Gartmore's hedge-fund business has grown strongly in recent

and Guillaume Rambow, who will remain with the firm.

When Nationwide put Gartmore up for sale, there was concern that Mr. Guy and other top hedge-fund managers might leave if they weren't offered attractive roles in the future of the firm.

"Guillaume Rambow and I, together with our team are 100% com-