

**Audited**  
**Annual report**

for the period  
from 04 November 2009  
to 31 December 2010

**Ethna-GLOBAL Dynamisch**

- Investment Fund Under Luxembourg Law -

(Fonds commun de placement in accordance with part I of the Luxembourg  
Law of 20 December 2002 on undertakings for collective investment)

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## Information for unit holders

The audited annual reports are published no later than four months after the end of each financial year and the unaudited semi-annual reports no later than 2 months after the end of the first half of the financial year.

The Fund's accounting year begins on 1 January each year and ends on 31 December of that same year. This report covers the period from 4 November 2009 (the date of launch) to 31 December 2010.

Subscriptions can only be made on the basis of the latest sales prospectus and the latest simplified sales prospectus (including annexes) together with the most recently published annual report and, if more than eight months have passed since the reference date of the annual report, the latest semi-annual report.

The reports and the latest sales prospectus (with annexes) and the latest simplified sales prospectus can be obtained free of charge from the Custodian Bank, the Management Company and the payment and information agents.

The management board of Landesbank Baden-Württemberg, Stuttgart, decided on 3 November 2009 to sell LRI Invest S.A. The sale has now been completed. Since 23 November 2010, Augur Financial Holding V S.A. has owned all the shares of LRI Invest S.A.

The accompanying notes constitute an integral component of this report.

The historic information and figures in this report do not give any indication of future performance.

## **Management and administration (until 22 November 2010)**

### **Management company**

LRI Invest S.A.  
1C, Parc d'activité Syrdall  
L-5365 Munsbach  
[www.lri-invest.lu](http://www.lri-invest.lu)

### **Custodian bank / Registrar and transfer agent**

LBBW Luxembourg S.A.  
10-12, Boulevard Roosevelt  
L-2450 Luxembourg  
[www.lbbw.lu](http://www.lbbw.lu)

### **Managing Board of the Management Company**

Markus Gierke  
Chairman and Spokesperson of the Managing Board  
LRI Invest S.A., Munsbach/Luxembourg

Bernd Schlichter  
Member of the Managing Board  
LRI Invest S.A., Munsbach/Luxembourg

### **Supervisory Board of the Management Company**

Horst Marschall (Chairman)  
Member of the Board of  
Baden-Württemberg Bank  
Stuttgart/Germany

Achim Koch (Deputy Chairman)  
Chairman of the Management of  
LBBW Asset Management Investmentgesellschaft mbH  
Stuttgart/Germany

Manuel Köppel (member of the Supervisory Board)  
Landesbank Baden-Württemberg, Shareholdings  
Stuttgart/Germany

### **Investment advisor (until 1 July 2010)**

ETHNA Capital Partners S.A.  
Sihleggstrasse 23  
CH-8832 Wollerau  
[www.ethna.ch](http://www.ethna.ch)

### **Investment advisor (from 2 July 2010)**

ETHNA Capital AG  
Sihleggstrasse 23  
CH-8832 Wollerau  
[www.ethna.ch](http://www.ethna.ch)

### **Payment and information agents**

in Luxembourg  
LBBW Luxembourg S.A.  
10-12, Boulevard Roosevelt  
L-2450 Luxembourg  
[www.lbbw.lu](http://www.lbbw.lu)

### **in the Federal Republic of Germany**

Landesbank Baden-Württemberg  
Am Hauptbahnhof 2  
D-70173 Stuttgart  
[www.lbbw.de](http://www.lbbw.de)

### **in the Republic of Austria**

UniCredit Bank Austria AG  
Schottengasse 6-8  
A-1010 Vienna  
[www.bankaustria.at](http://www.bankaustria.at)

### **Auditor**

PricewaterhouseCoopers S.à r.l.  
400, route d'Esch  
L-1471 Luxembourg  
[www.pwc.com/lu](http://www.pwc.com/lu)

## Management and administration (from 23 November 2010)

### Management company

LRI Invest S.A.  
1C, Parc d'activité Syrdall \*)  
L-5365 Munsbach  
www.lri-invest.lu

### Managing Board of the Management Company

Markus Gierke  
Chairman and Spokesperson of the Managing Board  
LRI Invest S.A., Munsbach/Luxembourg

Bernd Schlichter  
Member of the Managing Board  
LRI Invest S.A., Munsbach/Luxembourg

### Supervisory Board of the Management Company

Günther P. Skrzypek (Chairman)  
Managing partner  
Augur Capital AG  
Frankfurt am Main, Germany

Dr. Thomas Schmitt (Deputy Chairman)  
Managing partner  
Augur Capital AG  
Frankfurt am Main, Germany

Claus Stenbaek  
Managing partner  
Keyhaven Capital Partners Ltd.  
London, UK

Dr. Peter Haid  
Member of the Management Board  
Baden-Württembergische Bank  
Stuttgart/Germany

Achim Koch  
Chairman of the Management of  
LBBW Asset Management Investmentgesellschaft mbH  
Stuttgart/Germany

### Investment advisor (until 1 July 2010)

ETHNA Capital Partners S.A.  
Sihleggstrasse 23  
CH-8832 Wollerau  
www.ethna.ch

### Investment advisor (from 2 July 2010)

ETHNA Capital AG  
Sihleggstrasse 23  
CH-8832 Wollerau  
www.ethna.ch

### Custodian bank / Registrar and transfer agent

LBBW Luxembourg S.A.  
10-12, Boulevard Roosevelt  
L-2450 Luxembourg  
www.lbbw.lu

### Payment and information agents in Luxembourg

LBBW Luxembourg S.A.  
10-12, Boulevard Roosevelt  
L-2450 Luxembourg  
www.lbbw.lu

### in the Federal Republic of Germany

Landesbank Baden-Württemberg  
Am Hauptbahnhof 2  
D-70173 Stuttgart  
www.lbbw.de

### in the Republic of Austria

UniCredit Bank Austria AG  
Schottengasse 6-8  
A-1010 Vienna  
www.bankaustria.at

### Auditor

PricewaterhouseCoopers S.à r.l.  
400, route d'Esch  
L-1471 Luxembourg  
www.pwc.com/lu

\* With effect from 1 January 2011, the street name "Parc d'activité Syrdall" was changed to "rue Gabriel Lippmann" by the "Commune de Schuttrange".

## Fund management report

Dear Shareholder,

It was the crisis year after the crisis, or more precisely: after the banking crisis came the economic crisis and then the government debt crisis which only partly originated from the two previous crises. Particularly in the case of Greece, it became evident that a lasting unbalanced budget is not continuously supported by the trust of the market. As was the case in earlier crises, the markets and even the "evil" speculators ("*speculare*" comes from the Latin word meaning: observe, explore) soon identified as the cause the policy concerning the Euro Government debt crisis. Unfortunately in the analysis of this policy, the causal events were confused such that finally the reaction to policy came very late to introduce the so-called Euro rescue umbrella as a permanent mechanism. By this point, the markets were no longer concerned about the continuing finance of Greek government debt and were also thinking about the position in Ireland, Spain and Portugal, the much-maligned "PIGS" countries. The very existence of the euro was called into question by the markets, which became clear from the fall in the external value of approximately 10% in the trade-weighted euro in 2010.

Naturally the interest markets did not remain stable in this environment either. After record lows for 10-year Federal bonds of under 2.20% during the summer, interest rates rose at a record pace to 3% at the end of 2010. Such a rapid fall in value has not been seen since the beginning of the decade on the US Treasury market in 2003. In particular the connection with the so-called quantitative easing or QE II whereby the central bank buys back the country's bonds in order to keep interest rates low, and the course observed in worldwide yields of long-term government borrowing are having an effect. Apparently QE II does not appear to be working although the European Central Bank has also been practicing it since the end of 2010. The experiment continues.

The equities markets rose on another front also due to the constantly upgraded predictions of the "economic experts" on the course of economic growth, not only in Germany, but also in Alpine countries.

In this backdrop of highly volatile interest rates, currencies and share prices, as an investment advisor it was anything but straightforward and obvious to know how the Fund should be positioned. Particularly the momentum of the market movements, and in some cases the lack of market liquidity, represented a constant new challenge, which took a high degree of commitment to master.

Luxembourg, January 2011

The fund management

## Breakdown of assets of the Ethna-GLOBAL Dynamisch Fund as at 31 December 2010

The accompanying notes constitute an integral component of this annual report.

Category	Number or units or currency in 000	Balance	Purchases / additions in Reporting period	Sales/ disposals in Reporting period	Price	Market value in EUR	as % of Fund assets
<b>Officially traded securities</b>							
<b>Equities</b>							
Kaba Holding AG Namens-Aktien SF 0,10	UNIT	1,000.00	1,000.00		CHF 401.0000	320,948.41	2,07%
Panalpina Weitransp.(Hldg) AG Nam.-Aktien SF 2	UNIT	5,000.00	5,000.00		CHF 120.5000	482,222.98	3,11%
Syngenta AG Nam.-Aktien SF 0,10	UNIT	1,000.00	1,000.00		CHF 273.5000	218,901.22	1,41%
Transocean Ltd. Nam.-Aktien SF 15	UNIT	5,000.00	5,000.00		CHF 64.0500	256,318.52	1,65%
Verwaltungs-und Privat-Bank AG Inhaber-Aktien SF 10	UNIT	2,500.00	2,500.00		CHF 114.8000	229,706.22	1,48%
3W Power Holdings S.A. Registered Shares no par	UNIT	17,900.00	17,900.00		EUR 4.1490	74,267.10	0,48%
ArcelorMittal S.A. Actions Nouvelles Nominat. oN	UNIT	20,000.00	20,000.00		EUR 28.5100	570,200.00	3,67%
Bauer AG (Schrobenhausen) Inhaber-Aktien o.N.	UNIT	13,561.00	23,561.00	10,000.00	EUR 35.3000	478,703.30	3,09%
Billfinger Berger SE Inhaber-Aktien o.N.	UNIT	8,000.00	13,000.00	5,000.00	EUR 63.2000	505,600.00	3,26%
CENTROTEC Sustainable AG Bearer shares no par	UNIT	30,000.00	30,000.00		EUR 16.0000	480,000.00	3,09%
CTS EVENTIM AG Inhaber-Aktien o.N.	UNIT	5,000.00	5,000.00		EUR 46.2150	231,075.00	1,49%
Deutsche Post AG Namens-Aktien o.N.	UNIT	30,000.00	30,000.00		EUR 12.7000	381,000.00	2,46%
DIC Asset AG Inhaber-Aktien o.N.	UNIT	60,000.00	60,000.00		EUR 8.3400	500,400.00	3,22%
Electricité de France (E.D.F.) Actions au Porteur EO -,50	UNIT	6,000.00	6,000.00		EUR 31.0250	186,150.00	1,20%
MAN SE Bearer ordinary shares no par	UNIT	6,000.00	7,000.00	1,000.00	EUR 88.9900	533,940.00	3,44%
Palfinger AG Inhaber-Aktien o.N.	UNIT	20,000.00	30,000.00	10,000.00	EUR 28.7450	574,900.00	3,71%
Renault S.A. Actions Port. EO 3,81	UNIT	10,000.00	16,000.00	6,000.00	EUR 43.4400	434,400.00	2,80%
Rheinmetall AG Inhaber-Aktien o.N.	UNIT	6,000.00	6,000.00		EUR 60.1700	361,020.00	2,33%
Silicon Sensor Internation. AG Inhaber-Aktien o.N.	UNIT	7,500.00	30,000.00	22,500.00	EUR 8.7000	65,250.00	0,42%
STMicroelectronics N.V. Aandelen aan toonder EO 1,04	UNIT	60,000.00	60,000.00		EUR 7.8650	471,900.00	3,04%
Tipp24 SE Namens-Aktien o.N.	UNIT	15,000.00	15,000.00		EUR 28.5900	428,850.00	2,76%
Veolia Environnement S.A. Actions au Porteur EO 5	UNIT	10,000.00	10,000.00		EUR 22.2850	222,850.00	1,44%
voestalpine AG Inhaber-Aktien o.N.	UNIT	20,000.00	25,000.00	5,000.00	EUR 35.6500	713,000.00	4,60%
zooplus AG Inhaber-Aktien o.N.	UNIT	5,000.00	5,000.00		EUR 53.6500	268,250.00	1,73%
Volvo, AB Namn-Aktier B (fria) o.N.	UNIT	37,000.00	37,000.00		SEK 118.5000	487,917.63	3,14%
CONSOL Energy Inc. Registered Shares DL 1	UNIT	4,000.00	4,000.00		USD 48.8100	146,806.93	0,95%
The Mosaic Co. Registered Shares DL -,01	UNIT	4,000.00	4,000.00		USD 75.8300	228,075.58	1,47%
<b>Interest-bearing securities</b>							
10.000% ASR Nederland N.V. EO-FLR Securities2009(19/Und.) FTF	EUR	200.00	200.00		% 112.8100	225,620.00	1,45%
13.000% Lloyds TSB Bank PLC EO-FLR Cap.Secs 2009(19/Und.) FTF	EUR	100.00	100.00		% 117.0100	117,010.00	0,75%
4.385% Lloyds TSB Bank PLC EO-FLR Cap.Secs 2005(17/Und.) FTF	EUR	37.00	37.00		% 65.0000	24,050.00	0,15%
4.875% BNP Paribas S.A. EO-Notes 2005(11/Und.)	EUR	400.00	400.00		% 83.7650	335,060.00	2,16%
5.767% Münchener Rückvers.-Ges. AG FLR-Nachr.-Anl. v.07(17/Unb.) FTF	EUR	100.00	100.00		% 93.6250	93,625.00	0,60%
6.000% AEGON N.V. EO-Med.-T.Cap.Secs 06(11/Und.)	EUR	400.00	400.00		% 89.4350	357,740.00	2,31%
6.000% EUREKO B.V. EO-Medium-T. Nts 2006(12/Und.)	EUR	200.00	200.00		% 79.8100	159,620.00	1,03%
7.500% Deutsche Börse AG FLR-Nachrang-MTN v.08(13/38) FTF	EUR	100.00	100.00		% 105.6250	105,625.00	0,68%
8.000% Ageas Hybrid Financing EO-Bonds 2008(13/Und.)	EUR	169.00	169.00		% 96.4250	162,958.25	1,05%
8.000% ING Groep N.V. EO-Med.-T.Cap.Secs 08(13/Und.)	EUR	400.00	400.00		% 97.3500	389,400.00	2,51%
8.375% EUREKO B.V. EO-Medium-T. Nts 2008(13/Und.)	EUR	135.00	135.00		% 100.1000	135,135.00	0,87%
8.500% Abengoa S.A. EO-Notes 2010(16)	EUR	200.00	200.00		% 94.7850	189,570.00	1,22%
4.000% Aquarius Platinum Ltd. DL-Conv. Notes 2009(15)	USD	300.00	300.00		% 109.5139	247,040.55	1,59%
<b>Organised market</b>							
<b>Interest-bearing securities</b>							
10.000% Bank of Ireland (The Gov.&Co.) EO-Med.-Term Notes 2010(20)	EUR	200.00	200.00		% 57.3950	114,790.00	0,74%
1.750% IVG Finance B.V. EO convertible bond 2007(17)	EUR	300.00	300.00		% 74.5000	223,500.00	1,44%
4.125% American General Finance Corp. EO-Notes 2006(13)	EUR	100.00	100.00		% 82.6250	82,625.00	0,53%
4.500% Allied Irish Banks PLC EO-Medium-Term Notes 2009(12)	EUR	200.00	200.00		% 78.6340	157,268.00	1,01%
4.750% Dubai Holding Commercial Opera EO-Med.-T. Notes 2007(14)	EUR	350.00	350.00		% 80.2500	280,875.00	1,81%
6.750% HDI-Gerling Lebensvers. AG FLR-Bond v.05(15/49) FTF	EUR	168.00	168.00		% 97.0000	162,960.00	1,05%
6.875% FIL Ltd. EO-Bonds 2010(17)	EUR	100.00	100.00		% 105.0000	105,000.00	0,68%
7.500% Conti-Gummi Finance B.V. EO-Notes 2010(10/17) Reg.S	EUR	100.00	100.00		% 104.0500	104,050.00	0,67%
8.000% IVG Immobilien AG Sub.FLR-Bonds v.06(13/Unb.) FTF	EUR	100.00	100.00		% 73.0100	73,010.00	0,47%
<b>Total for securities portfolio</b>					<b>EUR</b>	<b>13,699,184.69</b>	<b>88,29%</b>
<b>Derivatives</b>							
<b>Derivatives on individual securities</b>							
<b>Security option rights</b>							
3W Power Holdings S.A. WTS 01.09.12 3WPower 7,5	UNIT	10,000.00	10,000.00		EUR 0.2000	2,000.00	0,01%
<b>Total security option certificates</b>					<b>EUR</b>	<b>2,000.00</b>	<b>0,01%</b>
<b>Total derivatives on individual securities</b>					<b>EUR</b>	<b>2,000.00</b>	<b>0,01%</b>
<b>Total for derivatives</b>					<b>EUR</b>	<b>2,000.00</b>	<b>0,01%</b>
<b>Bank deposits and uncertificated money market instruments</b>							
<b>Bank deposits</b>							
Bankkonto LBBW Luxemburg S.A.	EUR	1,898,482.27			EUR	1,898,482.27	12,24%
Bankkonto LBBW Luxemburg S.A.	USD	6,420.00			EUR	4,827.39	0,03%
<b>Total bank deposits and uncertificated money market instruments</b>					<b>EUR</b>	<b>1,903,309.66</b>	<b>12,27%</b>

Category	Number or units or currency in 000	Balance	Purchases / additions in Reporting period	Sales/ disposals in Reporting period	Price	Market value in EUR	as % of Fund assets
<b>Other assets</b>							
<b>Formation costs</b>							
Formation costs	EUR	6,849.69		EUR		6,849.69	0,04%
<b>Other interest claims</b>							
Interest on securities	EUR	128,653.89		EUR		128,653.89	0,83%
Interest claim account	EUR	58.34		EUR		58.34	0,00%
Interest claim account	GBP	23.73		EUR		27.55	0,00%
Interest claim account	USD	10.84		EUR		8.15	0,00%
<b>Total for other assets</b>				<b>EUR</b>		<b>135,597.62</b>	<b>0,87%</b>
Interest payable							
Interest payable	CHF	-6.51		EUR		-5.21	-0,00%
<b>Total interest payable</b>				<b>EUR</b>		<b>-5.21</b>	<b>-0,00%</b>
<b>Other liabilities<sup>1)</sup></b>							
				<b>EUR</b>		<b>-223,380.63</b>	<b>-1,44%</b>
<b>Fund assets</b>							
				<b>EUR</b>		<b>15,516,706.13</b>	<b>100.00 *)</b>
Ethna-GLOBAL Dynamisch – A fund - unit value							
				EUR			59.31
Ethna-GLOBAL Dynamisch – T fund - unit value							
				EUR			59.31
Ethna-GLOBAL Dynamisch – A fund - units in circulation							
				UNIT			84,959.794
Ethna-GLOBAL Dynamisch – T fund - units in circulation							
				UNIT			176,667.689
Proportion of securities to Fund assets							
				%			88.29
Proportion of derivatives to Fund assets							
				%			0.01

## Securities prices and/or market rates

All assets as at 30.12.2010

## Exchange rates (in volume quotation)

			as at	30.12.2010
Swiss francs	(CHF)	1.249422	= 1	EUR
Pound Sterling	(GBP)	0.861433	= 1	EUR
Swedish krona	(SEK)	8.986148	= 1	EUR
US dollar	(USD)	1.329910	= 1	EUR

\*) Small differences may occur in the calculations due to rounding.

1) The item "other liabilities" includes the investment advisor fee, management fee, custodian bank fee, performance-related investment advisor fee, auditing costs and the taxe d'abonnement.

**Transactions concluded during the reporting period that no longer appear in the breakdown of assets Purchases & sales of securities, investment units and promissory note loans (market classification as at the report date):**

Category	Number or units or currency in 000	Purchases / additions	Sales/ disposals
<b>Officially traded securities</b>			
<b>Equities</b>			
ABB Ltd. Namens-Aktien SF 1,03	UNIT	3,000	3,000
Ahold N.V., Kon. Aandelen aan toonder EO -,30	UNIT	5,000	5,000
AIIXTRON SE Namens-Aktien o.N.	UNIT	15,000	15,000
Alstom S.A. Actions Port. EO 7	UNIT	5,000	5,000
AMADEUS FIRE AG Inhaber-Aktien o.N.	UNIT	13,000	13,000
AXA S.A. Actions Port. EO 2.29	UNIT	10,000	10,000
Baloise Holding AG Namens-Aktien SF 0,10	UNIT	1,000	1,000
Barrick Gold Corp. Registered Shares o.N.	UNIT	3,500	3,500
Bayer AG Namens-Aktien o.N.	UNIT	3,100	3,100
Beiersdorf AG Inhaber-Aktien o.N.	UNIT	8,000	8,000
Centrosolar Group AG Bearer shares no par	UNIT	20,000	20,000
CNH Global N.V. Aandelen aan toonder EO 2.25	UNIT	2,000	2,000
Deutsche Börse AG Namens-Aktien o.N.	UNIT	6,000	6,000
Bilfinger Berger AG Registered Shares no par	UNIT	7,500	7,500
elelix AG Bearer shares no par	UNIT	6,011	6,011
ELMOS Semiconductor AG Inhaber-Aktien o.N.	UNIT	25,000	25,000
Europ.Aeron.Def.+Space Co.EADS Aandelen aan toonder EO 1	UNIT	25,000	25,000
France Télécom Actions Port. EO 4	UNIT	15,000	15,000
freenet AG Registered shares no par	UNIT	47,500	47,500
Klöckner & Co SE Registered shares no par	UNIT	7,000	7,000
Kon. KPN N.V. Aandelen aan toonder EO -,24	UNIT	10,000	10,000
Lafarge S.A. Actions au Porteur EO 4	UNIT	3,000	3,000
LEONI AG Registered shares no par	UNIT	7,000	7,000
Oréal S.A., L'Actions Port. EO 0,2	UNIT	1,360	1,360
Pfeiffer Vacuum Technology AG Inhaber-Aktien o.N.	UNIT	5,509	5,509
Porsche Automobil Holding SE Bearer preference shares no voting rights, no par	UNIT	2,500	2,500
Q-Cells SE Bearer shares no par	UNIT	9,500	9,500
RWE AG Inhaber-Stammaktien o.N.	UNIT	7,000	7,000
Salzgitter AG Bearer shares no par	UNIT	9,000	9,000
SAP AG bearer shares no par	UNIT	2,500	2,500
SolarWorld AG bearer shares no par.	UNIT	4,000	4,000
STADA Arzneimittel AG vink.Namens-Aktien o.N.	UNIT	5,000	5,000
Strabag SE bearer shares no par	UNIT	5,000	5,000
Symrise AG Inhaber-Aktien o.N.	UNIT	5,000	5,000
Tognum AG Inhaber-Aktien o.N.	UNIT	15,000	15,000
UniCredit S.p.A. Azioni nom. EO 0.50	UNIT	50,000	50,000
Volkswagen AG preference shares, no voting rights, no par	UNIT	2,419	2,419
Wincor Nixdorf AG Inhaber-Aktien o.N.	UNIT	1,000	1,000
Yell Group PLC Registered Shares LS .01	UNIT	300,000	300,000
<b>Rights issues</b>			
Volkswagen AG Bearer preemptive rights	UNIT	2,000	2,000
<b>Profit-participation certificates</b>			
Roche Holding AG Inhaber-Genußscheine o.N.	UNIT	500	500
<b>Interest-bearing securities</b>			
3.125% European Investment Bank EO-Med.-Term Nts 2005(15)Intl	EUR	300	300
4.000% Petroplus Finance Ltd. DL-Conv. Bonds 2009(15)	USD	100	100
5.250% AXA S.A. EO-FLR Med.-T. Nts 2010(20/40) FTF	EUR	100	100
5.500% FMC Finance VI S.A. EO-Notes 2010(10/16) Reg.S	EUR	100	100
5.500% Lafarge S.A. EO-Medium-Term Notes 2009(19)	EUR	100	100
8.500% Conti-Gummi Finance B.V. EO-Notes 2010(10/15) Reg.S	EUR	200	200

## Consolidated income statement of Ethna-GLOBAL Dynamisch for the period 4.11.09 to 31.12.10

	EUR
Interest income from securities	147,972.83
Dividend income	40,342.88
Withholding tax on dividends	-9,234.11
Interest from deposits	304.88
Ordinary earnings equalisation	273,818.38
<b>Total income</b>	<b>453,204.86</b>
Performance-related investment fee	-154,019.74
Investment advisor fee	-120,153.30
Auditing costs	-12,880.00
Management fee	-6,323.86
Publishing costs	-4,386.63
Taxe d'abonnement	-4,120.40
Custodian bank fee	-3,199.46
Formation costs	-1,725.31
Payment agent fee	-466.67
Interest expenses	-160.38
Other expenses	-11,946.10
Ordinary cost netting	-581,253.37
<b>Total expenses</b>	<b>-900,635.22</b>
<b>Ordinary net income</b>	<b>-447,430.36</b>

## Income statement of Ethna-GLOBAL Dynamisch - A for the period 4.11.09 to 31.12.10

	EUR
Interest income from securities	51,547.81
Dividend income	14,998.82
Withholding tax on dividends	-3,441.84
Interest from deposits	103.94
Ordinary earnings equalisation	83,964.59
<b>Total income</b>	<b>147,173.32</b>
Performance-related investment fee	-47,777.20
Investment advisor fee	-41,834.94
Auditing costs	-4,072.39
Management fee	-2,201.84
Publishing costs	-1,762.04
Taxe d'abonnement	-1,421.30
Custodian bank fee	-1,114.37
Formation costs	-633.42
Payment agent fee	-153.22
Interest expenses	-53.63
Other expenses	-4,594.24
Ordinary cost netting	-187,846.45
<b>Total expenses</b>	<b>-293,465.04</b>
<b>Ordinary net income</b>	<b>-146,291.72</b>

## Income statement of Ethna-GLOBAL Dynamisch - T for the period 4.11.09 to 31.12.10

	EUR
Interest income from securities	96,425.02
Dividend income	25,344.06
Withholding tax on dividends	-5,792.27
Interest from deposits	200.94
Ordinary earnings equalisation	189,853.79
<b>Total income</b>	<b>306,031.54</b>
Performance-related investment fee	-106,242.54
Investment advisor fee	-78,318.36
Auditing costs	-8,807.61
Management fee	-4,122.02
Publishing costs	-2,624.59
Taxe d'abonnement	-2,699.10
Custodian bank fee	-2,085.09
Formation costs	-1,091.89
Payment agent fee	-313.45
Interest expenses	-106.75
Other expenses	-7,351.86
Ordinary cost netting	-393,406.92
<b>Total expenses</b>	<b>-607,170.18</b>
<b>Ordinary net income</b>	<b>-301,138.64</b>

## Changes in assets Ethna-GLOBAL Dynamisch Fund

	EUR	EUR
Fund assets at start of year		0.00
Inflows of funds	15,546,965.74	
Outflows of funds	-1,173,393.79	
Net inflows and outflows of funds		14,373,571.95
Ordinary income/cost netting		307,434.99
Ordinary net income incl. ordinary income/cost netting		-447,430.36
Extraordinary income/cost netting		-1,118,284.02
Net realised gains and losses incl. extraordinary income/cost netting		1,469,494.23
Net change in unrealised profits and losses		931,919.34
<b>Fund assets at end of extended financial year</b>		<b>15,516,706.13</b>

## Comparative annual performance of Ethna-GLOBAL Dynamisch - A

Date	Units in issue	Currency	Fund assets	Unit price
31.12.2010	84,959.794	EUR	5,038,875.96	59.31

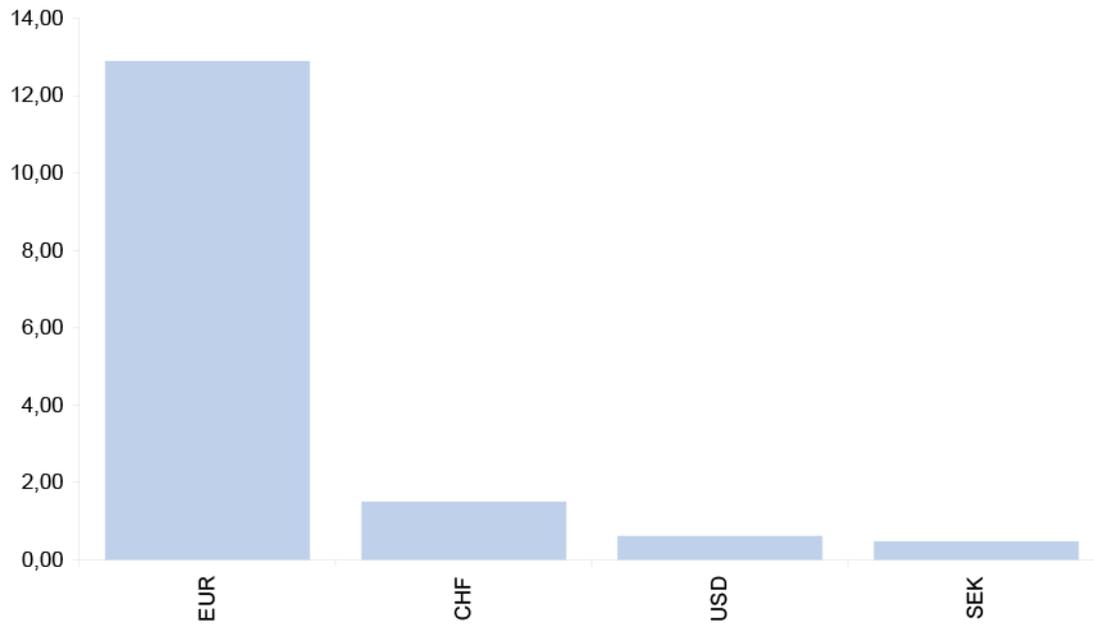
## Comparative annual performance of Ethna-GLOBAL Dynamisch - T

Date	Units in issue	Currency	Fund assets	Unit price
31.12.2010	176,667.689	EUR	10,477,830.17	59.31

## Currency breakdown of the Ethna-GLOBAL Dynamisch Fund

Currency	Market value in million EUR	as % of fund assets
EUR	12.89	83,10%
CHF	1.51	9,72%
USD	0.63	4,04%
SEK	0.49	3,14%
<b>Total</b>	<b>15.52</b>	<b>100,00%</b>

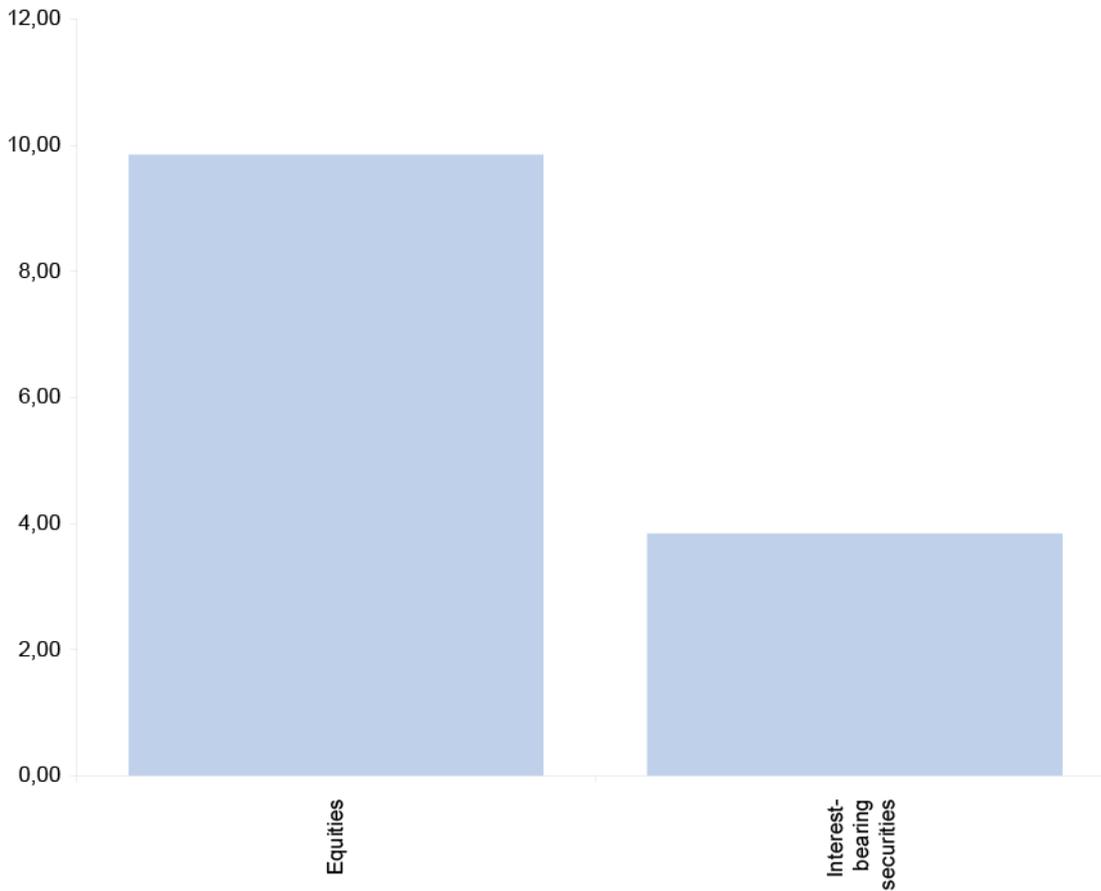
Market value in million EUR



## Securities breakdown of the Ethna-GLOBAL Dynamisch Fund

Securities category	Market value in million EUR	as % of fund assets
Equities	9.85	63,50%
Interest-bearing securities	3.85	24,79%
<b>Total</b>	<b>13.70</b>	<b>88,29%</b>

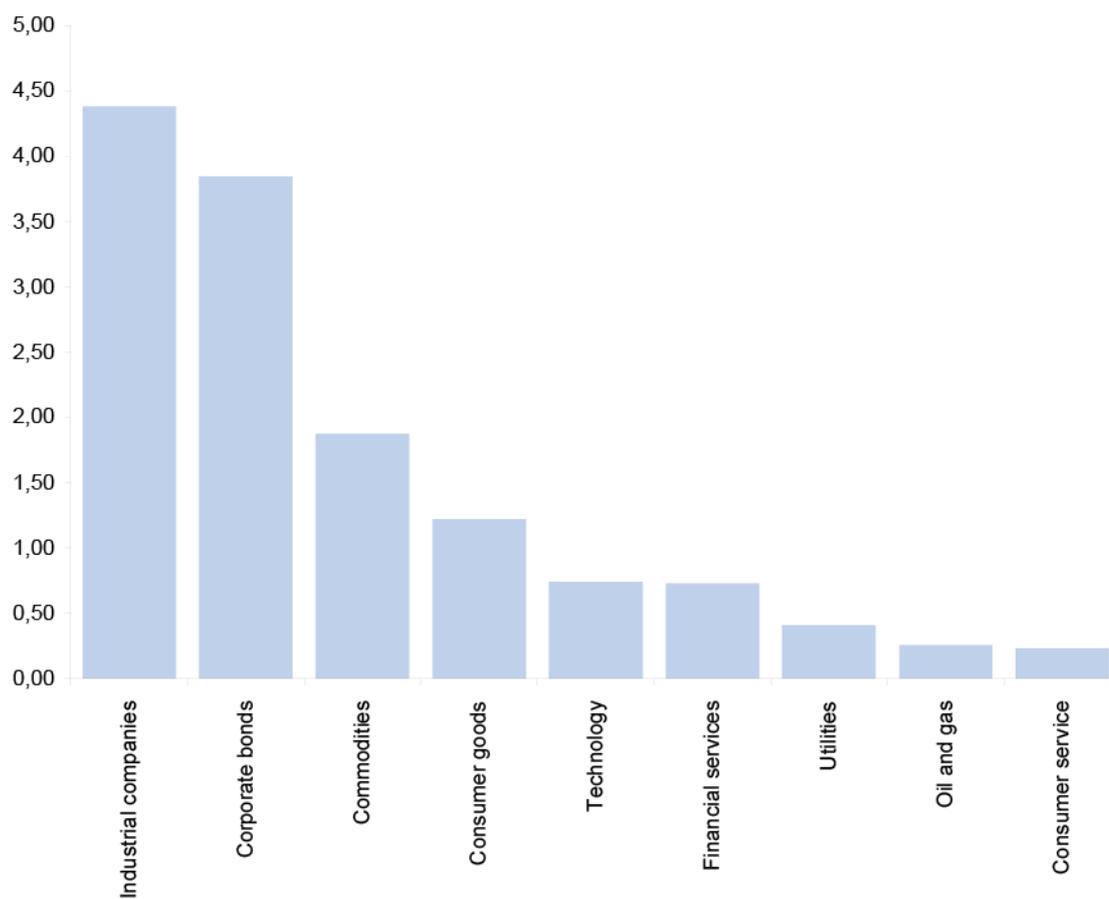
Market value in million EUR



## Sector breakdown of the Ethna-GLOBAL Dynamisch securities portfolio

Sectors	Market value in million EUR	as % of fund assets
Industrial companies	4.38	28,25%
Corporate bonds	3.85	24,79%
Commodities	1.88	12,10%
Consumer goods	1.22	7,89%
Technology	0.74	4,77%
Financial services	0.73	4,71%
Utilities	0.41	2,64%
Oil and gas	0.26	1,65%
Consumer service	0.23	1,49%
<b>Total</b>	<b>13.70</b>	<b>88,29%</b>

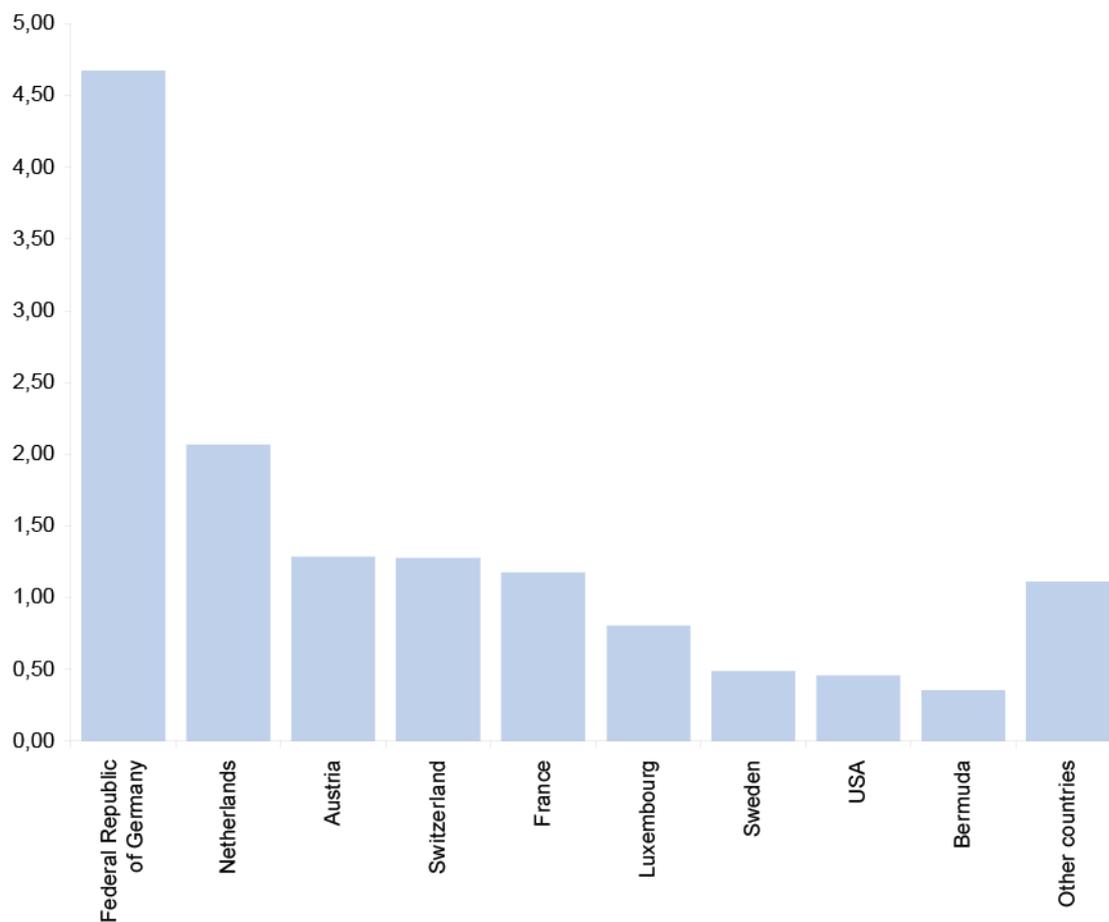
Market value in million EUR



## Country breakdown of the Ethna-GLOBAL Dynamisch securities portfolio

Country	Market value in million EUR	as % of fund assets
Federal Republic of Germany	4.66	30,11%
Netherlands	2.07	13,32%
Austria	1.29	8,30%
Switzerland	1.28	8,24%
France	1.18	7,59%
Luxembourg	0.81	5,20%
Sweden	0.49	3,14%
USA	0.46	2,95%
Bermuda	0.35	2,27%
Other countries	1.11	7,17%
<b>Total</b>	<b>13.70</b>	<b>88,29%</b>

Market value in million EUR



## Notes to the audited annual report as at 31 December 2010

### General information

The Ethna-GLOBAL Dynamisch Fund (the "Fund") is an investment fund consisting of securities and other assets established under Luxembourg law in the form of a mutual fund ("fonds commun de placement"). The Fund was established on 19 October 2009 for an indefinite term under part 1 of the Luxembourg law of 20 December 2002 on undertakings for collective investment. The initial issue date was 4 November 2009.

This report was drawn up in accordance with Luxembourg practice.

### Valuation and accounting policies

1. The value of a unit ("unit value") is denominated in the currency ("fund currency") specified in the Special Regulations for the Fund in question. It is calculated under the supervision of the Custodian Bank by the Management Company or by a third party on behalf of the Management Company on each day specified in the Special Regulations for the Fund in question ("valuation day"). If the Special Regulations do not specify otherwise, every bank working day in Luxembourg, with the exception of 24 and 31 December each year, is deemed a valuation day.

The unit value of the Fund is calculated by dividing the net assets of the Fund by the number of units of this Fund in circulation on the valuation day. Fractional unit values are calculated to three decimal places.

2. The assets in each Fund portfolio are valued according to the following principles:
  - a) The open units of target funds held in a Fund are valued at the most recently available redemption price.
  - b) The value of cash holdings or bank deposits, certificates of deposit and outstanding receivables, expenses paid in advance, cash dividends, and interest declared or accrued but not yet received is equal to the full amount of the item, unless it is likely that the amount cannot be paid or received in full; in this case, an appropriate discount is applied in order to obtain the actual value.
  - c) The value of assets listed or traded on a stock exchange is calculated on the basis of the last available price on the stock exchange that is normally the principal market for this security. If a security or other asset is listed on more than one stock exchange, the price used for the asset is the last selling price on the stock exchange or regulated market that is the principal market for the asset.
  - d) The value of assets traded on another regulated market (according to the definition in Article 4 of the Management Regulations) is calculated on the basis of the most recently available price.
  - e) Where an asset is not listed or traded on a stock exchange or on any other regulated market, or where the prices determined in the regulations in (b) or (c) for assets listed or traded on a stock exchange or other market as mentioned above do not reflect the actual market value of the relevant assets appropriately, the value of such assets is determined on the basis of the reasonably predictable selling price following a careful assessment or in the case of a fund, what would probably be achieved on redemption (fair value). In this case, the Management Company uses appropriate and recognised valuation models and principles in accordance with recognised practice.
  - f) The realisable value of forwards or options that are not traded on stock exchanges or other organised markets is equivalent to the net liquidation value determined in accordance with the Managing Board's guidelines on a basis consistently applied to all the different kinds of contracts. The liquidation value of futures or options that are traded on stock exchanges or other organised markets is calculated on the basis of the most recently available trading price of those contracts on the stock exchanges or organised markets on which these futures or options from the fund are traded. In the event that a future, a forward or an option cannot be realised on a day for which the net asset value has been calculated, the valuation basis for such a contract is specified by the Managing Board in an appropriate and reasonable manner. Swaps are valued at the market value determined for them based on the applicable changes in interest rates.
  - g) The value of money market instruments that are not listed on a stock exchange or traded on another regulated market and which have fewer than 397 days or more than 90 days to run before maturity, is equal to the nominal value plus the interest they have accrued. Money market instruments with a remaining term of maximum 90 days are determined on the basis of amortisation costs equivalent to the approximate market value.

- h) Interest swaps are valued at their market value taking the applicable interest movements into account.
- i) All other securities or other assets are valued at their appropriate market value which is determined in good faith and in accordance with a procedure established by the Management Company.

The value of all assets and liabilities which are not denominated in the Fund currency is converted to this currency at the exchange rates most recently available from a major bank. If such exchange rates are not available, the exchange rate is determined in good faith and in accordance with a procedure established by the Managing Board.

The Management Company can permit other valuation methods at its discretion if it considers this suitable in the interests of a more appropriate valuation of a Fund asset.

In the event of significant changes on the relevant stock exchanges and/or markets since the unit value was calculated, the Management Company can decide to calculate the unit value again on the same day. Under these circumstances all the applications for subscriptions or redemptions received for this valuation day are settled at the asset value first determined for this day. Applications for subscriptions and redemptions which are received after 6 pm of the previous bank working day in Luxembourg can be settled at the second net asset value determined on this day; applications received after the second net asset value has been determined can be settled at the third net asset value determined on this day and so on.

- 3. In accordance with Article 5 paragraph 2 of the Management Regulations, two classes of units have been created for the Fund. The following details apply to the calculation of the unit value:
  - a) The unit value is calculated separately for each unit class in accordance with the criteria listed in paragraph 1 of this Article.
  - b) The inflow of funds due to the issue of units increases the percentage of the unit class in question in the total net asset value of the Fund. The outflow of funds due to the redemption of units decreases the percentage of the unit class in question of the total net asset value of the Fund.
- 4. Earnings equalisation is performed for the Fund. The earnings equalisation is applied to each class of unit separately.
- 5. In the event of applications to redeem large amounts which cannot be met from available funds or permissible loans for the Fund in question, the Management Company can determine the unit value on the basis of the prices on the valuation day on which it makes the necessary purchase of securities for the Fund; this also applies to subscription applications for the Fund made at the same time.

The costs of forming the Fund and the initial issue of units are charged to the net fund assets proportionately over a period of five years.

### **Costs**

- 1. The Management Company receives for managing the Fund a fee of up to 0.10% p.a. (currently 0.10% p.a.) which must be calculated quarterly in arrears based on the Fund's average net assets during the relevant quarter and is payable quarterly in arrears.
- 2. The investment advisor receives a fixed fee of up to 1.90% p.a. (currently 1.90% p.a.) which must be calculated quarterly in arrears on the basis of the Fund's average net assets during the relevant quarter and is payable quarterly in arrears.

In addition to this fixed fee, the investment advisor receives a performance fee of 10% of the net yield exceeding 7%, which is payable on an annual basis at the end of the year. If a performance fee is not paid in respect of a financial year, the basis of measurement for the following performance calculation will be the latest net asset value of a unit class for the completed financial year.
- 3. The Custodian Bank receives a remuneration of up to 0.05% p.a. (currently 0.05% p.a.) plus any value added tax which is calculated quarterly in arrears on the basis of the average net Fund assets during the relevant quarter and is payable quarterly in arrears.

## Total Expense Ratio

The Total Expense Ratio (TER) expresses the total expenses and fees (excluding transaction costs incurred) as a percentage of the average assets of the Fund at the end of each month during a financial year.

	Unit class	Total Expense Ratio at 31 December 2010 (excluding performance fee)	Total Expense Ratio at 31 December 2010 (including performance fee)
Ethna-GLOBAL Dynamisch	A	2,46%	4,50%
Ethna-GLOBAL Dynamisch	T	2,41%	4,80%

In accordance with relevant international customs, the TER includes costs occurring on the level of the investment fund (without transaction costs).

## Portfolio Turnover Rate

The Portfolio Turnover Rate is calculated according to the following method.

Total value of the securities purchases in a reporting period = X

Total value of the securities sales in a reporting period = Y

Total 1 = Total value of the securities transactions = X + Y

Total value of the subscriptions in a period under review = Z

Total value of the redemptions in a period under review = R

Total 2 = Total value of unit certificate transactions = Z + R

Monthly average net asset value = M

Portfolio Turnover Rate = [(Total 1 - Total 2)/M] \* 100

The portfolio turnover rate quantifies the range of transactions on the fund portfolio level.

A portfolio turnover rate approaching zero shows that transactions were made to invest or disinvest inflows or outflows from subscriptions or redemptions. A negative portfolio turnover rate indicates that the sum of the subscriptions and redemptions was higher than the securities transactions in the fund portfolio. A positive portfolio turnover rate shows that the securities transactions were higher than the unit certificate transactions.

	Portfolio Turnover Rate at 31 December 2010
Ethna-GLOBAL Dynamisch	261,83%

## Distribution policy

For reinvesting units (unit class T) the Management Company intends in principle to reinvest income from the financial year in question which annually is generated in the unit of the Fund assets attributable to the unit class in question. However, the Management Company can also decide to distribute the income generated by the Fund in accordance with article 11, no. 2 of the General Management Regulations. The Management Company decides on the precise amount and time of the distribution. The Management Company can also decide not to distribute the funds or to undertake further distributions at the end of a quarter or the half-year, for example.

For distributing units (unit class A) the Management Company intends to distribute the income which is earned annually in the unit of the Fund assets attributable to the unit class in question. Such income consists in principle of ordinary net income and realised price gains. Unrealised price gains and other assets may represent such income in so far as the net assets of the Fund do not fall below the minimum stipulated in article 1 no. 1 of the General Management Regulations as a result of the distribution.

## Taxes

The income from the Fund is not generally speaking taxed in the Grand Duchy of Luxembourg. However it can be subject to withholding tax or other taxes in countries in which the Fund assets are invested. Neither the Management Company nor the Custodian Bank will obtain receipts for such taxes individually or for all unit holders.

Fund assets invested in the Grand Duchy of Luxembourg are subject to a "taxe d'abonnement" that is currently payable at the rate of 0.05% per annum of the Fund's net assets reported at the end of each quarter. This tax does not apply to the part of the Fund's assets which is invested in units of such other undertakings for collective investment which are already subject to taxe d'abonnement in accordance with the relevant provisions of Luxembourg legislation. Unit holders who are not domiciled in Luxembourg or which do not maintain a permanent establishment there are not liable to pay income tax, inheritance tax nor wealth tax on their units nor on income from units in Luxembourg. They are subject to their respective national tax regulations.

## EU Savings Tax Directive

The guidelines on taxing interest income from other countries (2003/48/EC) was adopted on 3 June 2003 by the European Council, implemented in Luxembourg law on 21 June 2005 and came into force on 1 July 2005.

It has the basic and comprehensive aim to use the exchange of information to achieve effective taxation of income in the form of interest paid to natural persons in a country different from that in which they are domiciled for tax purposes. The rates for EU withholding tax are:

- 15% in the period from 01.07.05 to 30.06.08
- 20% in the period from 01.07.08 to 30.06.11
- 35% from 1 July 2011

The EU withholding tax does not discharge unit holders from their duty to declare interest income in their personal tax returns.

The national tax regulations for the country in question apply to unit holders who are not domiciled in Luxembourg nor maintain a permanent establishment there. Investors can be taxed individually on interest income and on capital gains.

Interested investors should obtain information and, if appropriate, consult an advisor concerning the laws and regulations applying to the purchase, holding and redemption of units.

## Unit prices and tax information

The net asset value and the issue prices and redemption prices per unit are made available every bank working day in Luxembourg at the Management Company's registered offices; they are also published in the major business newspapers and can be obtained on request from the German payment agents.

Unit prices and other information for the Fund, including the tax information in Article 5 paragraph 1 InvStG (Investmentsteuergesetz – Investment Tax Act) for investors resident in Germany, is available on the website of the Management Company, LRI Invest S.A., at [www.lri-invest.lu](http://www.lri-invest.lu).

## Applicable law, place of jurisdiction, and contract language

1. The Management Regulations are subject to Luxembourg law. In particular, the provisions of the law of 20 December 2002 governing undertakings for collective investment apply in addition to the Management Regulations. The same applies to the legal relationships between the unit holders, the Management Company and the Custodian Bank.
2. Any dispute between the unit holders, the Management Company and the Custodian Bank will be subject to the jurisdiction of the competent court in the judicial district of Luxembourg in the Grand Duchy of Luxembourg.  

The Management Company and the Custodian Bank are entitled to submit themselves and the Fund to the jurisdiction and law of any country in which the Fund's units are publicly distributed, provided the claims concerned are made by investors resident in the country in question and the matter relates to the Fund in question.
3. The German text of these management regulations is binding unless otherwise expressly stated in the relevant special regulations.

## Post balance sheet events

With effect from 1 January 2011, Ethna-GLOBAL Dynamisch Fund was transferred by the former Management Company LRI Invest S.A. to ETHENEA Independent Investors S.A., 9a, rue Gabriel Lippmann, L-5365 Munsbach.

The following changes in service providers took effect from 1 January 2011:

Function:	New service providers:	Former service providers:
Management company	ETHENEA Independent Investors S.A.	LRI Invest S.A.
Promoter	DZ PRIVATBANK S.A.	LRI Invest S.A.
Custodian bank	DZ PRIVATBANK S.A.	LBBW Luxemburg S.A.
Central administrative agent	DZ PRIVATBANK S.A.	LRI Invest S.A.
Registrar and transfer agent	DZ PRIVATBANK S.A.	LBBW Luxemburg S.A.
Payment agent in Luxembourg	DZ PRIVATBANK S.A.	LBBW Luxemburg S.A.
Payment agent Austria	Erste Bank der österreichischen Sparkassen AG	UniCredit Bank Austria AG



## **Auditors' report**

To the unit holders of  
**Ethna-GLOBAL Dynamisch**

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Following our appointment by the managing board of the Management Company, we have audited the accompanying financial statements of Ethna-GLOBAL Dynamisch, which comprise the breakdown of assets and the list of securities and other assets held as at 31 December 2010, the income statement and the changes in assets for the period from 4 November 2009 (the launch date) until 31 December 2010, and a summary of the significant accounting policies and methods, and other explanatory notes to the financial statements.

### **Responsibility of the managing board of the management company for the financial statements**

The managing board of the management company is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Responsibility of the Réviseur d'entreprises agréé**

It is our responsibility to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with the international auditing standards in Luxembourg as implemented by the Commission de Surveillance du Secteur Financier. These standards require that we comply with professional obligations and standards, and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from 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 the judgement of the réviseur d'entreprises agréé, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the réviseur d'entreprises agréé considers 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 policies used and the reasonableness of accounting estimates made by the managing board of the management company, 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 audit opinion.



## **Opinion**

In our opinion, these annual financial statements comply with Luxembourg's laws and regulations on the preparation and presentation of annual financial statements and give a fair presentation of the financial position of Ethna-GLOBAL Dynamisch as at 31 December 2010 and of its financial performance and the changes in assets for the period between 4 November (the launch date) and until 31 December 2010.

## **Other matters**

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

PricewaterhouseCoopers S.à r.l.  
Represented by

Luxembourg, 31 March 2011

Markus Mees