



# ETHENA-GLOBAL DYNAMISCH

Audited Annual Report for the period ended 31 December 2011

Investment fund under Luxembourg law

Investment fund pursuant to Part I of the Luxembourg law of 17 December 2010 relating to collective investment undertakings in the form of a mutual fund (fonds commun de placement (FCP)).

R.C.S. Luxembourg B 155427



**ETHENA**  
*Independent Investors*



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The Sales Prospectus with integrated management regulations, the Key Investor Documents (KID) and the fund's annual and semi-annual reports are available free of charge by post, fax or e-mail from the registered office of the management company and from the custodian bank, paying agents and the distributor in the respective countries of distribution. Additional information is available from the management company at all times during regular business hours.

Unit subscriptions are valid only if they are made on the basis of the most recent version of the Sales Prospectus (including its annexes) in conjunction with the latest available annual report and any subsequent semi-annual report.

The information and figures contained in this report relate to past performance only and give no indication of future performance.

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## FUND MANAGEMENT REPORT

2 The fund management report on behalf of the Board of Directors of the management company:

Natural disasters at the beginning of the year shook the world in 2011 and set the stage for an extremely volatile year on the stock exchanges. In particular, the earthquake in New Zealand, the double impact of fires and floods in Australia and Thailand, and the earthquake and catastrophic tsunami at Fukushima on the coast of Japan will remain in our memories for a long time to come. In addition to these events, which dramatically reduced the ability of whole economies to function in some cases, political decisions made about the nuclear industry in response to the atomic disaster in Fukushima also impacted on shares, bonds and exchange rates in sectors other than energy.

While inflation expectations on the markets were high at the start of 2011, towards the middle of the year it was the danger of deflation which became the focus of economic analysis. The European Central Bank firmly altered its course on interest rates in response to these shifting assessments: two rate rises in the first half of the year were followed by two rate cuts in the second half.

What was referred to as the euro crisis, but was actually more a crisis of confidence, gripped Spain and Italy and then more recently spread to Belgium and France. Even countries previously considered stable, such as the Netherlands and Austria, were not immune to the crisis. This contagion made investors even more jittery. International investors in North America and Asia retreated from the euro in large numbers, leading to a further escalation of the crisis. This was reflected in the huge increase in yield premiums for supranational issuers, such as the European Investment Bank. The shares and debt securities of financial institutions also lost a great deal of value as banks took a hit from write-downs they were forced to take on European government bonds.

The big rating agencies, Standard & Poor's, Moody's and Fitch, exacerbated financial market talk and uncertainty through their often dubious or at least rather opaque decision-making, adding to the volatility which is a gauge of market nervousness.

In this environment of volatility and erratic price surges, the fund management faced a stiff challenge in achieving our primary goal: to preserve value. We, too, were taken by surprise by the long series of events affecting the capital markets, and we had to adjust the funds to the new risk parameters in the difficult market environment. Despite our many years of experience on the capital markets, our funds did not escape entirely unscathed. A disciplined approach and the correct assessment and anticipation of new trends brought us within sight of our minimum target of preserving capital towards the end of the year, and enabled us to keep losses at a very low level.

We would like to take this opportunity to express our thanks for the trust placed in us, and we are confident not just of making up lost ground going forward but also of achieving the return targets set whilst adhering to volatility limits.

Luxembourg, January 2012

The Board of Directors of ETHENEA Independent Investors S.A.

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# GEOGRAPHICAL BREAKDOWN OF ETHNA-GLOBAL DYNAMISCH BY COUNTRY AND ECONOMIC SECTOR

Annual Report  
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The company is entitled to create unit classes that confer different rights depending on the units.

Currently the following unit classes exist with these structural features:

	Unit class A	Unit class T
Security identification no.:	A0YBKY	A0YBKZ
ISIN code:	LU0455734433	LU0455735596
Entry charge:	5.00%	5.00%
Exit charge:	0.00%	0.00%
Management fee:	2.00%	2.00%
Minimum subsequent investment:	none	none
Utilisation of income:	distributed	reinvested
Currency:	EUR	EUR

## Geographical breakdown by country (by issuer)

Germany	37.87%
Europäische Gemeinschaft	11.87%
Netherlands	10.44%
Luxembourg	4.69%
Supranational institutions	4.57%
Ireland	3.55%
Liechtenstein	3.18%
Cayman Islands	3.10%
Spain	2.14%
France	2.06%
United Kingdom	0.97%
<b>Securities holdings</b>	<b>84.44%</b>
Cash at banks	17.50%
Liabilities to banks	0.00%
Other receivables and payables (net)	-1.94%
	<b>100.00%</b>

Breakdown by economic sector	
Insurance	14.01%
Banks	13.36%
Business and public services	11.87%
Capital goods	7.90%
Real estate	7.07%
Software & services	6.50%
Other	4.69%
Telecommunication services	4.43%
Raw materials and supplies	2.96%
Hardware and equipment	2.39%
Pharmaceuticals, biotechnology and biosciences	2.24%
Automobiles and components	1.97%
Consumer services	1.90%
Diversified financial services	1.85%
Utilities	1.30%
<b>Securities holdings</b>	<b>84.44%</b>
Cash at banks	17.50%
Liabilities to banks	0.00%
Other receivables and payables (net)	-1.94%
	<b>100.00%</b>

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### Change since inception

#### Unit class A

Date	Total net fund assets in EUR m	Outstanding units	Net inflows in EUR '000s	Unit value EUR
10/11/2009	inception	-	-	50.00
	5.04	84,960	4,688.42	59.31
	9.59	165,906	4,968.60	57.81

#### Unit class T

Date	Total net fund assets in EUR m	Outstanding units	Net inflows in EUR '000s	Unit value EUR
10/11/2009	inception	-	-	50.00
	10.48	176,668	9,685.15	59.31
	12.33	213,288	2,535.56	57.81

## COMPOSITION OF THE NET FUND ASSETS OF ETHNA-GLOBAL DYNAMISCH

### Composition of net fund assets

as at 31 December 2011

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	EUR
Securities holdings (securities acquisition costs: EUR 19,137,483.41)	18,511,274.95
Cash at banks	3,836,992.43
Interest receivable	288,057.11
Receivables from unit sales	110,488.49
Other assets*	6,849.69
	<u>22,753,662.67</u>
Liabilities to banks	-17.15
Unit redemptions payable	-782,725.82
Unrealised losses on currency forwards	-1,024.19
Other liabilities**	-48,146.47
	<u>-831,913.63</u>
<b>Net fund assets</b>	<b>21,921,749.04</b>

\* This item includes capitalised incorporation costs.

\*\* This position is made up principally of management and investment advisory fees.

### Allocation among unit classes

Unit class A	
Pro rata net fund assets	EUR 9,591,669.58
Outstanding units	165,905,988
Unit value	EUR 57.81
Unit class T	
Pro rata net fund assets	EUR 12,330,079.46
Outstanding units	213,287,697
Unit value	EUR 57.81

**Change in net fund assets**

In the period under review from 1 January 2011 to 31 December 2011

	Total	Unit class A	Unit class T
	EUR	EUR	EUR
Total net fund assets at the beginning of the period under review	15,516,706.13	5,038,875.96	10,477,830.17
Ordinary net income	148,901.53	65,221.18	83,680.35
Income and expense equalisation	62,807.84	5,116.70	57,691.14
Inflow of funds from sale of units	30,429,097.80	13,038,671.80	17,390,426.00
Outflow of funds from redemption of units	-22,924,935.69	-8,070,067.83	-14,854,867.86
Realised gains	3,854,942.17	1,359,173.81	2,495,768.36
Realised losses	-3,606,572.90	-1,228,347.04	-2,378,225.86
Net change in unrealised gains and losses	-1,559,197.84	-616,975.00	-942,222.84
Total net fund assets at the end of the period under review	21,921,749.04	9,591,669.58	12,330,079.46

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# STATEMENT OF OPERATIONS OF ETHNA-GLOBAL DYNAMISCH

## Statement of Operations

In the period under review from 1 January 2011 to 31 December 2011

	Total EUR	Unit class A EUR	Unit class T EUR
<b>Income</b>			
Dividends	100,402.33	33,819.00	66,583.33
Interest on bonds	688,472.46	236,199.46	452,273.00
Bank interest	28,310.71	9,909.84	18,400.87
Income equalisation	-115,529.95	27,091.57	-142,621.52
<b>Total income</b>	<b>701,655.55</b>	<b>307,019.87</b>	<b>394,635.68</b>
<b>Expense</b>			
Interest expense	-607.99	-215.27	-392.72
Management and investment advisory fees	-507,973.61	-176,138.93	-331,834.68
Custodian fee	-12,933.39	-4,479.93	-8,453.46
Taxe d'abonnement	-12,804.86	-4,403.10	-8,401.76
Publication and audit expenses	-28,194.73	-9,575.26	-18,619.47
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-23,315.13	-7,881.99	-15,433.14
Government fees	-3,657.44	-1,460.76	-2,196.68
Other expenses <sup>1)</sup>	-15,988.98	-5,435.18	-10,553.80
Expense equalisation	52,722.11	-32,208.27	84,930.38
<b>Total expense</b>	<b>-552,754.02</b>	<b>-241,798.69</b>	<b>-310,955.33</b>
<b>Ordinary net income</b>	<b>148,901.53</b>	<b>65,221.18</b>	<b>83,680.35</b>
<b>Total transaction costs in the financial year <sup>2)</sup></b>	<b>114,801.23</b>		
<b>Total expense ratio in percent <sup>2)</sup></b>		<b>2.38</b>	<b>2.40</b>
<b>Ongoing charges in percent <sup>2)</sup></b>		<b>2.39</b>	<b>2.40</b>

<sup>1)</sup> This item mainly comprises general administrative costs and delivery fees.

<sup>2)</sup> See notes to the Annual Report.

## Change in number of units in circulation

	Unit class A Number	Unit class T Number
Units in circulation at start of period under review	84,959,794	176,667,689
Units issued	216,400,767	290,264,826
Units redeemed	-135,454,573	-253,644,818
<b>Units in circulation at end of period under review</b>	<b>165,905,988</b>	<b>213,287,697</b>

# STATEMENT OF NET ASSETS AS AT 31 DECEMBER 2011 OF ETHNA-GLOBAL DYNAMISCH

## 8 Statement of net assets as at 31 December 2011

ISIN	Securities		Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NFA *
<b>Equities, rights and profit participation certificates</b>								
<b>Securities traded on an exchange</b>								
<b>Germany</b>								
DE0005439004	Continental AG	EUR	22,000	20,000	2,000	47.7850	95,570.00	0.44
DE0007100000	Daimler AG	EUR	22,000	12,000	10,000	33.5200	335,200.00	1.53
DE0005557508	Dte. Telekom AG	EUR	305,000	195,000	110,000	8.8340	971,740.00	4.43
DE0006205701	IVG Immobilien AG	EUR	555,000	355,000	200,000	2.1250	425,000.00	1.94
DE0005470405	LANXESS AG	EUR	3,000	0	3,000	38.9000	116,700.00	0.53
DE0005937007	MAN SE	EUR	33,500	35,500	4,000	68.4000	273,600.00	1.25
DE0007164600	SAP AG	EUR	17,000	3,000	14,000	40.7000	569,800.00	2.60
DE0007236101	Siemens AG	EUR	4,200	0	4,200	73.4100	308,322.00	1.41
DE0003304002	Software AG	EUR	30,000	0	30,000	28.4850	854,550.00	3.90
							<b>3,950,482.00</b>	<b>18.03</b>
<b>Liechtenstein</b>								
LI0010737216	Verwaltungs-und Privat-Bank AG	CHF	7,700	0	10,200	83.3000	697,299.95	3.18
							<b>697,299.95</b>	<b>3.18</b>
<b>Securities traded on an exchange</b>							<b>4,647,781.95</b>	<b>21.21</b>
<b>Securities admitted to or included in organised markets</b>								
<b>Germany</b>								
DE000BASF111	BASF SE	EUR	10,000	0	10,000	53.1700	531,700.00	2.43
DE000BAY0017	Bayer AG	EUR	17,000	12,000	5,000	48.7300	243,650.00	1.11
DE0005098404	DIC Asset AG	EUR	190,000	180,000	70,000	5.2000	364,000.00	1.66
DE0007847147	Tipp24 SE	EUR	13,000	15,000	13,000	32.0150	416,195.00	1.90
							<b>1,555,545.00</b>	<b>7.10</b>
<b>Securities admitted to or included in organised markets</b>							<b>1,555,545.00</b>	<b>7.10</b>
<b>Unlisted securities</b>								
<b>Germany</b>								
DE000A0KPM74	DFV Dte. Familienvers.AG	EUR	869,032	0	869,032	1.5000	1,303,548.00	5.94
							<b>1,303,548.00</b>	<b>5.94</b>
<b>Unlisted securities</b>							<b>1,303,548.00</b>	<b>5.94</b>
<b>Equities, rights and profit participation certificates</b>							<b>7,506,874.95</b>	<b>34.25</b>

\* NFA = net fund assets

The accompanying notes form an integral part of this Annual Report.

## Statement of net assets as at 31 December 2011

ISIN	Securities	Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NFA *
<b>Bonds</b>							
<b>Securities traded on an exchange</b>							
<b>EUR</b>							
XS0498817542	8.500% Abengoa S.A. v.10(2016)	300,000	0	500,000	94.0000	470,000.00	2.14
NL0000168714	6.000% Achmea BV EMTN FRN Perp.	0	0	200,000	71.5000	143,000.00	0.65
XS0362173246	8.375% Achmea BV Perp.	565,000	0	700,000	94.6900	662,830.00	3.02
NL0009213545	10.000% ASR Nederland NV Perp.	400,000	200,000	400,000	101.6000	406,400.00	1.85
FR0010239319	4.875% BNP Paribas S.A. Perp.	400,000	0	800,000	56.5000	452,000.00	2.06
XS0285303821	4.750% Dubai Holding Commercial Operations Group LLC v.07(2014)	450,000	0	800,000	85.0000	680,000.00	3.10
XS0544644957	3.000% Europäische Investitionsbank EMTN v.10(2022)	2,000,000	1,000,000	1,000,000	100.1000	1,001,000.00	4.57
EU000A0VUCF1	3.375% Europäische Union v.10(2019)	1,500,000	500,000	1,000,000	105.2500	1,052,500.00	4.80
EU000A1GVJX6	2.750% Europäische Union v.11(2021)	500,000	0	500,000	98.6500	493,250.00	2.25
EU000A1GRVV3	3.500% Europäische Union v.11(2021)	1,000,000	0	1,000,000	105.7500	1,057,500.00	4.82
EU000A1G0AA6	2.750% European Financial Stability Facility v.11(2016)	1,000,000	0	1,000,000	102.7400	1,027,400.00	4.69
DE000A1KQXZ0	7.125% Freenet AG IHS v.11(2016)	300,000	0	300,000	103.9000	311,700.00	1.42
XS0356687219	8.000% ING Groep NV EMTN Perp.	200,000	0	600,000	90.8600	545,160.00	2.49
XS0173549659	5.000% OTE Plc. v.03(2013)	300,000	0	300,000	70.5500	211,650.00	0.97
						<b>8,514,390.00</b>	<b>38.83</b>
<b>Securities traded on an exchange</b>						<b>8,514,390.00</b>	<b>38.83</b>
<b>Securities admitted to or included in organised markets</b>							
<b>EUR</b>							
DE000A0BCLA9	4.875% Depfa ACS Bank v.04(2019)	800,000	0	800,000	97.2200	777,760.00	3.55
XS0647288140	4.125% ENEL Finance International BV v.11(2017)	300,000	0	300,000	95.0000	285,000.00	1.30
XS0223589440	6.750% HDI-Gerling Lebensversicherung AG FRN Perp.	332,000	0	500,000	83.9500	419,750.00	1.91
						<b>1,482,510.00</b>	<b>6.76</b>
<b>Securities admitted to or included in organised markets</b>						<b>1,482,510.00</b>	<b>6.76</b>
<b>Bonds</b>						<b>9,996,900.00</b>	<b>45.59</b>

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\* NFA = net fund assets

The accompanying notes form an integral part of this Annual Report.

**Statement of net assets as at 31 December 2011**

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ISIN	Securities		Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NFA *
<b>Convertible bonds</b>								
<b>Securities traded on an exchange</b>								
<b>EUR</b>								
DE000A1GPH50	2.500%	Celesio Finance BV CV v.11(2018)	300,000	0	300,000	82.5000	247,500.00	1.13
DE000A0LNA87	1.750%	IVG Finance BV CV v.07(2017)	1,000,000	300,000	1,000,000	76.0000	760,000.00	3.47
							1,007,500.00	4.60
<b>Securities traded on an exchange</b>							1,007,500.00	4.60
<b>Convertible bonds</b>							1,007,500.00	4.60
<b>Securities holdings</b>							18,511,274.95	84.44
<b>Cash at banks - current accounts</b>							3,836,992.43	17.50
<b>Liabilities to banks</b>							-17.15	0.00
<b>Other receivables and payables (net)</b>							-426,501.19	-1.94
<b>Total net fund assets in EUR</b>							21,921,749.04	100.00

**Forward foreign exchange contracts**

The following forward foreign exchange contracts were open as at 31 December 2011:

Currency		Currency amount	Price	% share of NFA *
CHF	Currency sales	800,000.00	657,892.57	3.00

\* NFA = net fund assets

## ACQUISITIONS AND DISPOSALS FROM 1 JANUARY 2011 TO 31 DECEMBER 2011

### Acquisitions and disposals from 01 January 2011 to 31 December 2011

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Purchases and sales of securities, promissory note loans and derivatives executed during the period under review, including changes excluding capital movements to the extent not reported in the statement of net assets.

ISIN	Securities		Acquisitions	Disposals
Equities, rights and profit participation certificates				
Securities traded on an exchange				
Australia				
AU000000MCC0	Macarthur Coal Ltd.	AUD	6,184	6,184
Germany				
DE0005408116	Aareal Bank AG	EUR	28,000	28,000
DE0008404005	Allianz SE	EUR	2,000	2,000
DE0005909006	Bilfinger Berger SE	EUR	0	8,000
DE0008032004	Commerzbank AG	EUR	250,000	250,000
DE0005552004	Dte. Post AG	EUR	15,000	45,000
DE000GSW1111	GSW Immobilien AG	EUR	40,000	40,000
DE000KC01000	Klöckner & Co SE	EUR	20,000	20,000
DE0005937031	MAN SE -VZ-	EUR	23,000	23,000
DE0007771172	ProSiebenSat.1 Media AG -VZ-	EUR	10,000	10,000
DE0007030009	Rheinmetall AG	EUR	0	6,000
DE0006202005	Salzgitter AG	EUR	15,000	15,000
DE0007500001	ThyssenKrupp AG	EUR	60,000	60,000
DE0007667107	Vossloh AG	EUR	3,000	3,000
France				
FR0000125007	Compagnie de Saint-Gobain S.A.	EUR	15,000	15,000
FR0010242511	Electricité de France	EUR	12,000	18,000
FR0000133308	France Télécom S.A.	EUR	30,000	30,000
FR0000120537	Lafarge S.A.	EUR	15,000	15,000
FR0000121261	Michelin -B-	EUR	25,000	25,000
FR0000131906	Renault S.A.	EUR	5,000	15,000
FR0000130338	Valéo S.A.	EUR	20,000	20,000
FR0000124141	Veolia Environnement S.A.	EUR	15,000	25,000
Luxembourg				
GG00B39QCR01	3W Power Holdings S.A.	EUR	0	17,900
LU0569974404	Aperam S.A.	EUR	1,000	1,000
LU0323134006	ArcelorMittal S.A.	EUR	5,000	25,000
Netherlands				
NL0000852580	Boskalis Westminster NV	EUR	10,000	10,000
NL0000375400	Nutreco Holding NV	EUR	17,000	17,000
NL0000360618	SBM Offshore NV	EUR	2,685	2,685
NL0000226223	STMicroelectronics NV	EUR	0	60,000

**Acquisitions and disposals from 01 January 2011 to 31 December 2011**

Purchases and sales of securities, promissory note loans and derivatives executed during the period under review, including changes excluding capital movements to the extent not reported in the statement of net assets.

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ISIN	Securities		Acquisitions	Disposals
<b>Norway</b>				
NO0003053605	Storebrand ASA	NOK	65,000	65,000
<b>Austria</b>				
AT0000758305	Palfinger AG	EUR	0	20,000
AT0000937503	Voest-Alpine AG	EUR	0	20,000
<b>Sweden</b>				
SE0000115446	Volvo AB -B-	SEK	0	37,000
<b>Switzerland</b>				
CH0012221716	ABB Ltd.	CHF	30,000	30,000
CH0012138605	Adecco S.A.	CHF	10,000	10,000
CH0012214059	Holcim Ltd.	CHF	10,000	10,000
CH0011795959	Kaba Holding AG	CHF	0	1,000
CH0010702154	Komax Holding AG	CHF	3,000	3,000
CH0038863350	Nestlé S.A.	CHF	13,000	13,000
CH0012005267	Novartis AG	CHF	19,000	19,000
CH0002168083	Panalpina Welttransport Holding AG	CHF	2,000	7,000
CH0012032048	Roche Holding AG profit participation certificates	CHF	5,000	5,000
CH0012549785	Sonova Holding AG	CHF	4,811	4,811
CH0002361068	StarragHeckert Holding AG	CHF	6,750	6,750
CH0011037469	Syngenta AG	CHF	0	1,000
CH0048265513	Transocean Ltd.	CHF	0	5,000
CH0034331535	Uster Technologies AG	CHF	15,000	15,000
CH0011075394	Zurich Financial Services AG	CHF	5,000	5,000
<b>United States of America</b>				
US20854P1093	Consol Energy Inc.	USD	0	4,000
US61945A1079	The Mosaic Co.	USD	0	4,000
<b>Securities admitted to or included in organised markets</b>				
<b>Germany</b>				
DE000A0WMPJ6	AIXTRON SE	EUR	30,000	30,000
DE0005168108	Bauer AG	EUR	0	13,561
DE0005407506	Centrotec Sustainable AG	EUR	0	30,000
DE000A1KRJ19	Commerzbank AG CoMEN	EUR	125,000	125,000
DE0005470306	CTS Eventim AG	EUR	0	5,000
DE0007201907	First Sensor AG	EUR	0	7,500
DE000A0HNF96	InCity Immobilien AG	EUR	359,500	359,500
DE000A1MBE85	IVG Immobilien AG BZR 14.12.11	EUR	25,000	25,000
DE000PRME012	Prime Office AG	EUR	100,000	100,000
DE0007257727	R. Stahl AG	EUR	20,000	20,000
DE000A0Z2XN6	RIB Software AG	EUR	28,000	28,000
DE000A0V9A22	Schuler AG	EUR	30,000	30,000
DE0005111702	Zooplus AG	EUR	0	5,000
<b>Unlisted securities</b>				
<b>Germany</b>				
DE000A1KRCZ2	Commerzbank AG BZR 06.06.11	EUR	250,000	250,000
DE000A1KRJ01	Commerzbank AG BZR 13.04.11	EUR	125,000	125,000
DE000A1K0250	InCity Immobilien AG BZR 29.09.11	EUR	231,000	231,000

**Acquisitions and disposals from 01 January 2011 to 31 December 2011**

Purchases and sales of securities, promissory note loans and derivatives executed during the period under review, including changes excluding capital movements to the extent not reported in the statement of net assets.

ISIN	Securities	Acquisitions	Disposals
<b>Bonds</b>			
<b>Securities traded on an exchange</b>			
<b>EUR</b>			
DE000AAR0108	4.000% Aareal Bank AG EMTN v.11(2014)	300,000	300,000
NL0000168466	6.000% Aegon NV Perp.	200,000	600,000
XS0362491291	8.000% Ageas Hybrid Financing Perp.	250,000	419,000
FR0010348052	4.615% Agence Française Développement FRN Perp.	250,000	250,000
XS0323922376	6.211% AXA S.A. FRN v.07(2049)	150,000	150,000
XS0197646218	5.000% Citigroup Inc. v.04(2019)	600,000	600,000
XS0219847364	4.235% Euroclear Finance 2 S.A. FRN Perp.	300,000	300,000
XS0490093480	6.875% FIL Ltd. EMTN v.10(2017)	350,000	450,000
XS0198106238	7.000% Gerling Konzern Allgemeine Versicherungs-AG FRN v.04(2024)	200,000	200,000
GR0124018525	5.250% Griechenland v.02(2012)	750,000	750,000
GR0124021552	4.600% Griechenland v.03(2013)	500,000	500,000
FR0010533414	6.298% Groupama S.A. FRN v.07(2049)	400,000	400,000
FR0010208751	4.375% Groupe des Assurances Mutuelles Agricoles FRN Perp.	500,000	500,000
DE000A0JQMH5	8.000% IVG Immobilien AG FRN Perp.	300,000	400,000
XS0408623311	0.000% Lloyds TSB Bank Plc. EMTN Perp.	0	100,000
XS0218638236	0.000% Lloyds TSB Bank Plc. FRN Perp.	0	37,000
XS0304987042	5.767% Munich Re Finance BV FRN Perp.	300,000	400,000
XS0275776283	4.625% OTE Plc. v.06(2016)	300,000	300,000
XS0449487619	9.375% Société Générale S.A. FRN Perp.	500,000	500,000
FR0011036979	6.750% Wendel S.A. FRN v.11(2018)	300,000	300,000
<b>Securities admitted to or included in organised markets</b>			
<b>EUR</b>			
XS0455308923	4.500% Allied Irish Banks Plc. EMTN v.09(2012)	0	200,000
XS0487711573	10.000% Bank of Ireland EMTN v.10(2020)	800,000	1,000,000
DE000A1A0U37	7.500% Conti-Gummi Finance BV v.10(2017)	0	100,000
DE000A0DALH4	4.375% Depfa ACS Bank Pfc. v.04(2015)	500,000	500,000
DE000A1KQ1N3	5.875% DIC Asset AG Anleihe v.11(2016)	150,000	150,000
XS0369549570	7.500% Dte. Börse AG EMTN FRN v.08(2038)	200,000	300,000
XS0222474339	3.750% German Postal Pensions Securitisation Plc. v.05(2021)	300,000	300,000
IE0006857530	4.600% Irland v.99(2016)	500,000	500,000
XS0276697439	4.125% Springleaf Finance Corporation v.06(2013)	0	100,000
<b>Convertible bonds</b>			
<b>Securities traded on an exchange</b>			
<b>USD</b>			
XS0470482067	4.000% Aquarius Platinum Ltd. CV v.09(2015)	0	300,000
<b>Credit-linked notes</b>			
<b>EUR</b>			
XS0235535035	5.000% JP Morgan Bank Luxembourg SA/Swiss Life AG LPN/FRN Perp.	150,000	150,000
<b>Warrants</b>			
<b>Securities traded on an exchange</b>			
<b>Luxembourg</b>			
GG00B39QCZ84	3W Power Holdings S.A./3W Power Holdings S.A. WTS v.08(2012)	EUR	0
			10,000

**Acquisitions and disposals from 01 January 2011 to 31 December 2011**

Purchases and sales of securities, promissory note loans and derivatives executed during the period under review, including changes excluding capital movements to the extent not reported in the statement of net assets.

ISIN	Securities	Acquisitions	Disposals
<b>Futures contracts</b>			
<b>CHF</b>			
	Swiss Market Index Future September 2011	40	40
<b>EUR</b>			
	3MO Euribor Future December 2011	80	80
	DAX Performance-Index Future December 2011	40	40
	DAX Performance-Index Future December 2011	10	10
	DAX Performance Index Future June 2011	35	35
14	DAX Performance Index Future March 2011	7	7
	DAX Performance Index Future March 2011	10	10
	DAX Performance Index Future September 2011	25	25
	Dow Jones EURO STOXX 50 Index Future September 2011	280	280

**Exchange rates**

For the valuation of assets in a foreign currency, the following exchange rate for 31 December 2011 was used for conversion into euro.

Australian dollar	AUD	1	1.2762
Swiss franc	CHF	1	1.2185
US dollar	USD	1	1.2913





## NOTES TO THE ANNUAL REPORT AS AT 31 DECEMBER 2011

### 1.) GENERAL

The Ethna-GLOBAL Dynamisch investment fund is managed by ETHENEA Independent Investors S.A. pursuant to the fund's management regulations. The management regulations first came into force on 9 September 2008. They were filed with the Luxembourg Trade and Companies Register with a reference to this filing published in Mémorial, Recueil des Sociétés et Associations, Official Gazette of the Grand Duchy of Luxembourg ("Mémorial"), on 31 October 2008. The management regulations were last amended on 15 December 2011, and a reference to this filing with the Trade and Companies Register in Luxembourg was published in the Mémorial on 15 January 2012.

The Ethna-GLOBAL Dynamisch fund is a Luxembourg investment fund (fonds commun de placement), which was set up in the form of a mono fund for an indefinite period in accordance with Part I of the Luxembourg law of 20 December 2002 on Undertakings for Collective Investment up to 30 June 2011 and the amended law of the same name of 17 December 2010 (hereinafter "the law of 17 December 2010") from 1 July 2011.

The management company of the Fund is ETHENEA Independent Investors S.A. ("management company"), a public limited liability company incorporated under the laws of the Grand Duchy of Luxembourg with its registered office at 9a, Rue Gabriel Lippmann, L-5365 Munsbach. The company was founded on 10 September 2010 for an indefinite period. Its Articles of Association were published on 15 September 2010 in the Mémorial. Amendments to the management company's Articles of Association entered into force on 1 October 2011 and were published in the Mémorial on 21 October 2011. The management company is registered with the Luxembourg Trade and Companies Register under the registration number R.C.S. Luxembourg B-155427.

### 2.) KEY ACCOUNTING AND VALUATION PRINCIPLES

These annual financial statements were prepared under the responsibility of the Board of Directors of the management company in accordance with the statutory provisions and regulations on the preparation and presentation of annual financial statements applicable in Luxembourg.

1. The fund's net assets are stated in euros (EUR) ("reference currency").
  2. The value of a fund unit ("unit value") is stated in the currency ("fund currency") as specified in the annex to the Sales Prospectus unless a currency other than the fund currency is specified for any other unit classes in the annex to the Prospectus ("unit class currency").
  3. The unit value is calculated by the management company or by an agent commissioned by it under the supervision of the custodian bank on any banking day in Luxembourg with the exception of 24 and 31 December of each year ("valuation day"). However, the management company may decide to determine the unit value on 24 and 31 December of any given year without reference to a calculation of the unit value on a valuation day as specified in sentence 1 above of this point 3. As a consequence, investors shall not be entitled to demand the issue, redemption and/or exchange of units on the basis of a unit value calculated on 24 and/or 31 December in any year.
  4. To calculate the unit value, the value of the assets in the fund less any fund liabilities ("net fund assets") is calculated on each valuation day, divided by the number of fund units in circulation on the valuation day and rounded to two decimal places.
-

5. To the extent that information regarding the position of the fund assets as a whole needs to be provided in annual reports, semi-annual reports or other financial statistics in accordance with legal requirements or the rules in these fund management regulations, the fund assets are translated into the reference currency. Net fund assets are calculated in accordance with the following principles:
- Securities listed on a stock exchange are valued using the latest available price. If a security is officially listed on several stock exchanges, the relevant price is the latest available price on the stock exchange representing the principal market for this security.
  - Securities not officially listed on a stock exchange but traded on a regulated market are valued at a price that may be no lower than the bid price and no higher than the offer price at the time of the valuation and that the management company considers to be the best possible price at which the securities may be sold.
  - OTC derivatives are valued on a daily basis using a verifiable method to be specified by the management company.
  - UCITS or UCIs are valued at the latest determined and available redemption price. If redemption has been suspended for investment fund units or a redemption price has not been specified, these units are valued in the same way as all other assets at the relevant market value as determined by the management company in good faith using generally accepted valuation rules that can be verified by independent auditors.
  - If prices are not in line with the market and if no prices have been specified for securities other than those under a) and b), these securities and any of the other legally permissible assets are valued at the relevant market value as determined by the management company in good faith on the basis of the selling price that is likely to be achieved.
  - Liquid assets are valued at face value plus interest.
  - The market value of securities and other investments denominated in a currency other than the fund currency is converted into the relevant fund currency at the most recent exchange mid rate. Gains and losses on foreign exchange transactions will be added or deducted as appropriate.

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Net fund assets are reduced by any distributions paid to investors in the fund.

6. The unit value is calculated in accordance with the aforementioned criteria. However, if unit classes have been created within the fund, the unit value is calculated in accordance with the aforementioned criteria separately for each unit class.
7. For the purpose of uniformity in the tax information for German investors pursuant to section 5 (1) of the German Investment Tax Act (Investmentsteuergesetz – InvStG) and of the information required by investment legislation, cumulative reinvested income over the time an investment is held and realised interim gains from target funds which are sold during the financial year are shown under ordinary income as income from investment fund units. In the event of negative interim gains, negative income from investment fund units may be shown under ordinary income.

For accounting reasons, the tables published in this report may contain rounding discrepancies of +/- one unit (currency, percent, etc.).

### 3.) TAXATION

#### Taxation of the fund

The fund assets are subject to a tax in the Grand Duchy of Luxembourg, the so-called “taxe d'abonnement”, payable quarterly at the current rate of 0.05% p.a. of the net fund assets as reported at the end of the relevant quarter. The rate of the taxe d'abonnement for the fund or unit classes is mentioned in the annex to the Sales Prospectus. If the fund assets are invested in other Luxembourg investment funds that are already subject to the taxe d'abonnement, the tax is waived for the portion of the fund assets invested in those Luxembourg investment funds. The fund's income from the investment of fund assets is not taxed in the Grand Duchy of Luxembourg. However, this income may be subject to withholding tax in the countries in which the fund assets are invested. In such cases, neither the custodian bank nor the management company is required to collect tax certificates.

#### Taxation on income from investment fund units for the investor

Implementing Directive 2003/48/EC on the taxation of interest income (“Directive”), the Grand Duchy of Luxembourg has levied a withholding tax since 1 July 2005. This withholding tax applies to certain interest income paid in Luxembourg to natural persons that are tax residents in another member state. Under certain conditions, this withholding tax may also apply to the interest income of an investment fund. By adopting the Directive, the EU member states agreed that all interest payments should be taxed in accordance with the regulations of the country of residence. To that end, an automatic exchange of information was agreed among the national tax authorities. An exception was agreed to the effect that Luxembourg would not participate for a transitional period in the automatic exchange of information agreed by the other states. Instead, a withholding tax on interest income was introduced in Luxembourg. The rate of this withholding tax was 20% of the interest payment until 30 June 2011 and thereafter 35% from 1 July 2011. It is transferred anonymously to the Luxembourg tax authorities and the investor is issued a certificate in this regard. With this certificate, the withholding tax paid is fully deductible from the taxpayer's tax liability in his country of residence. By granting power of attorney to allow voluntary participation in the exchange of information between tax authorities or by submitting a “certificate to enable exemption from the deduction of withholding tax” issued by the tax authorities in the country of residence, the deduction of withholding tax can be avoided.

Prospective investors should ensure they are informed about laws and regulations which apply to the purchase, ownership and redemption of units and obtain advice if necessary.

**Information for investors liable for tax in Germany:**

The tax rules pursuant to section 5 (1) of the German Investment Tax Act (Investmentsteuergesetz – InvStG) are made available in the electronic German Federal Gazette [www.ebundesanzeiger.de](http://www.ebundesanzeiger.de) under "Kapitalmarkt – Besteuerungsgrundlagen" within the publication timeframe required by law.

**4.) USE OF INCOME**

Income from unit class A is distributed. Income from unit class T is reinvested. Distribution takes place at the intervals determined from time to time by the management company. Further details on the use of income are provided in the Sales Prospectus.

**5.) INFORMATION ON FEES AND EXPENSES**

Information on management and custodian fees and charges may be found in the current Sales Prospectus.

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**6.) TRANSACTION COSTS**

Transaction costs include all costs which were accounted for / settled separately on account of the fund in the financial year and are directly connected with a purchase or sale of assets.

**7.) TOTAL EXPENSE RATIO (TER)**

In calculating the total expense ratio (TER), the following BVI calculation method was applied:

$$\text{TER} = \frac{\text{Total cost in fund currency}}{\text{Average fund volume (Basis: NAV calculated daily)}} * 100$$

The TER indicates the level of expenses charged to the fund assets. It covers management and custodian fees and the tax d'abonnement as well as all other costs with the exception of transaction costs incurred by the fund. It shows the total amount of these costs as a percentage of the average fund volume in a financial year. (Any performance fees are shown separately in direct relation to the TER.)

No synthetic TER is calculated for any target funds which the fund may invest in.

**8.) ONGOING CHARGES**

"Ongoing charges" is a figure calculated pursuant to Article 10 (2) (b) of Commission Regulation (EU) No. 583/2010 of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament.

The ongoing charges indicate the level of expenses charged to the fund assets in the past financial year. They cover management and custodian fees and the tax d'abonnement as well as all other costs with the exception of any performance fees incurred by the fund. The figure shows the total amount of these charges as a percentage of the average fund volume in the financial year. In the case of investment funds which invest more than 20% of their assets in other fund products / target funds, the charges for the target funds are also included – any retrocession receipts (trailer fees) for these products are offset against the charges.

In the case of unit classes that have not yet existed for a full financial year, the figure is based on an estimate of the charges.

**9.) INCOME EQUALISATION**

An income equalisation amount and expense equalisation amount are set against ordinary income and expense. This covers net income arising during the period under review which the purchaser of units pays for as part of the issue price and the seller of units receives as part of the redemption price.

## 10.) RISK MANAGEMENT

The management company applies a risk management procedure which enables it to monitor and measure at all times the risk contained in the investment positions and their contribution to the overall risk profile of the investment portfolio of the funds managed by the management company. In accordance with the Law of 17 December 2010 and the applicable supervisory requirements of the Commission de Surveillance du Secteur Financier ("CSSF"), the management company reports regularly to the CSSF on the risk management procedure it applies. As part of its risk management procedure, the management company ensures, through the use of effective and appropriate methods, that the overall risk connected with derivatives in the funds managed does not exceed the total net value of their portfolios. To do this, the management company uses the following methods:

### Commitment Approach:

Under the Commitment Approach, positions in derivative financial instruments are converted into their underlying equivalent using the delta method. This takes account of netting and hedging effects between derivative financial instruments and their underlyings. The total for their underlying equivalents must not exceed the net asset value of the fund.

### VaR Approach:

18 The Value-at-Risk (VaR) figure is a statistical concept and is used as a standard measure of risk in the financial sector. The VaR indicates the potential loss on a portfolio during a given period (the holding period) which has a given probability (the confidence level) of not being exceeded.

### Relative VaR Approach:

In the relative VaR Approach, the VaR for the fund must not exceed twice the value of the VaR for a benchmark portfolio. The benchmark portfolio provides a correct representation of the fund's investment policy.

### Absolute VaR Approach:

In the absolute VaR Approach, the VaR for the fund (99% confidence level, 20-day holding period) must not exceed 20% of the fund assets.

For funds which use the VaR approaches to ascertain the total risk associated with derivatives, the management company estimates the expected average value for the leverage effect. The extent of this leverage effect is published in the Prospectus and may deviate from and fall below or exceed the actual value depending on prevailing market conditions. Investors' attention is drawn to the fact that no conclusions can be drawn from this information with respect to the risk entailed in the fund. Furthermore, the expected leverage published is explicitly not to be understood as an investment limit.

In accordance with the Sales Prospectus valid at the end of the financial year, Ethna-GLOBAL Dynamisch is subject to the following risk management procedures:

UCITS	Risk management procedure applied
Ethna-GLOBAL Dynamisch	Absolute VaR

### Absolute VaR Approach for Ethna-GLOBAL Dynamisch

For 1 July 2011, the absolute VaR Approach was used to monitor and measure the total risk associated with derivatives. An absolute value of 20% was used for the internal limit. The VaR figure in relation to this internal limit was a minimum of 21.05%, a maximum of 21.05% and an average of 21.05% over the period in question. The VaR was calculated using a (parametric) variance-covariance approach, applying the calculation standard of a one-sided confidence interval of 99%, a holding period of 20 days and a (historical) observation period of 252 trading days.

On 4 July 2011 the internal limit was adjusted.

In the period from 4 July 2011 to 31 December 2011, the absolute VaR Approach was used to monitor and measure the total risk associated with derivatives. An absolute value of 15% was used for the internal limit. The VaR figure in relation to this internal limit was a minimum of 18.41%, a maximum of 85.97% and an average of 52.63% over the period in question. The VaR was calculated using a (parametric) variance-covariance approach, applying the calculation standard of a one-sided confidence interval of 99%, a holding period of 20 days and a (historical) observation period of 252 trading days.

In the period from 1 July 2011 to 31 December 2011, the leverage effect had the following values:

Lowest leverage:	0.00%
Highest leverage:	42.12%
Median leverage:	12.40% (3.67%)
Calculation period:	Nominal value method (total of nominal values of all derivatives)

## REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

To the unitholders of Ethna-GLOBAL Dynamisch  
9a, Rue Gabriel Lippmann  
L-5365 Munsbach

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We have audited the accompanying annual financial statements of Ethna-GLOBAL Dynamisch, consisting of the statement of net assets including securities holdings and other assets as at 31 December 2011, the statement of operations and changes to net fund assets for the financial year ending on this date and a summary of key accounting methods and other explanatory notes.

### **Responsibility of the Board of Directors for the annual financial statements**

The Board of Directors of the management company is responsible for the preparation and fair presentation of the annual financial statements in accordance with the legal provisions and regulations applying in Luxembourg to the preparation of annual financial statements, and for the internal controls which it deems necessary in order to ensure that annual financial statements are prepared which are free of material misstatement, whether due to error or fraud.

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

It is our responsibility to express an opinion on these annual financial statements on the basis of our audit. We have carried out our audit in accordance with the International Standards on Auditing accepted for Luxembourg by the Commission de Surveillance du Secteur Financier. These standards require that we comply with professional standards of conduct and that we plan and execute the audit to obtain reasonable assurance that the annual financial statements are free of material misstatement.

An audit involves carrying out audit procedures to obtain audit evidence for the values and information contained in the annual financial statements. The selection of audit procedures is a matter for the judgement of the Réviseur d'Entreprises agréé, as is the evaluation of the risk that the annual financial statements may contain material misstatement due to error or fraud. As part of this risk assessment, the Réviseur d'Entreprises agréé takes into account the internal control system established for the purpose of the preparation and fair presentation of the annual financial statements in order to establish the audit procedures appropriate to the circumstances; however, the purpose is not to give an assessment of the effectiveness of the internal control system.

An audit also includes an assessment of the suitability of the accounting principles and methods applied and of the reasonableness of the accounting estimates made by the Board of Directors of the management company, as well as an assessment of the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is suitable and sufficient to serve as a basis for our audit opinion.

### **Audit opinion**

In our opinion, the annual financial statements give a true and fair view of the financial position of Ethna-GLOBAL Dynamisch as at 31 December 2011 and of its earnings position and change in net fund assets for the financial year ending on this date, in accordance with the legal provisions and regulations applying in Luxembourg to the preparation of annual financial statements.

### **Other**

The supplementary information contained in the annual report was examined in the context of our mandate, but was not subject to specific audit procedures in accordance with the above standards. Therefore, our audit opinion does not refer to this information. Within the context of the overall presentation of the annual financial statements, this information gave us no cause to comment.

Luxembourg, 13 March 2012

KPMG Luxembourg S.à r.l.  
Cabinet de révision agréé

Walter Koob

## ADMINISTRATION, DISTRIBUTION AND ADVISORY

20	<b>Management company:</b>	<b>ETHENEA Independent Investors S.A.</b> 9a, Rue Gabriel Lippmann L-5365 Munsbach
	<b>Managing directors of the management company:</b>	Thomas Bernard Frank Hauprich
	<b>Board of Directors of the management company:</b>	
	<b>Chairman:</b>	Luca Pesarini ETHENEA Independent Investors S.A.
	<b>Vice chairman:</b>	Julien Zimmer DZ PRIVATBANK S.A.
	<b>Directors:</b>	Thomas Bernard ETHENEA Independent Investors S.A.  Nikolaus Rummler IPConcept Fund Management S.A.  Christian Klein IPConcept Fund Management S.A. Until 3 March 2011  Loris Di Vora DZ PRIVATBANK S.A. Co-opted since 3 March 2011 Affirmed by the general meeting on 27 June 2011  Roland Kunz Haron Holding AG Since 27 June 2011  Ulrich Juchem DZ PRIVATBANK S.A. Since 27 June 2011

**Auditor of the fund and  
of the management company:**

**KPMG Luxembourg S.à r.l.**  
Cabinet de révision agréé  
9, allée Scheffer  
L-2520 Luxembourg

**Custodian bank:**

**DZ PRIVATBANK S.A.**  
4, rue Thomas Edison  
L-1445 Luxembourg-Strassen

**Central administration,  
Registrar and transfer agent:**

**DZ PRIVATBANK S.A.**  
4, rue Thomas Edison  
L-1445 Luxembourg-Strassen

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**Paying agent in  
Grand Duchy of Luxembourg:**

**DZ PRIVATBANK S.A.**  
4, rue Thomas Edison  
L-1445 Luxembourg-Strassen

**Information for investors in the  
federal Republic of Germany:**

**Paying agent and information agent:**

**DZ BANK AG**  
Deutsche Zentral-Genossenschaftsbank,  
Frankfurt am Main  
Platz der Republik  
D-60265 Frankfurt am Main

**Information for investors in Austria:**

**Unit classes A and T are licensed for public  
distribution in the Republic of Austria.**

**Credit institution as defined by section 141 (1) of  
the Austrian Investment Fund Act (InvFG) 2011:**

**ERSTE BANK**  
der oesterreichischen Sparkassen AG  
Graben 21  
A-1010 Vienna

**Agent from which unitholders may obtain the prescribed information pursuant to section 141 of the Austrian Investment Fund Act (InvFG) 2011:**

**ERSTE BANK**  
der oesterreichischen Sparkassen AG  
Graben 21  
A-1010 Vienna

**Domestic tax representative as defined by section 186 (2) no. 2 of the Austrian Investment Fund Act (InvFG) 2011:**

**ERSTE BANK**  
der oesterreichischen Sparkassen AG  
Graben 21  
A-1010 Vienna

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**Information for investors in the Principality of Liechtenstein:**

**Paying agent and distributor:**

**VOLKSBANK AG**  
Feldkircher Strasse 2  
FL-9494 Schaan









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**ETHENEA Independent Investors S.A.**

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