

# Ethna-DYNAMISCH RCS Luxembourg K818

Annual report including audited financial statements  
as of 31 December 2019

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Investment fund under Luxembourg law

Investment fund pursuant to Part I of the Luxembourg law of 17 December 2010 on Undertakings for Collective Investment, as amended, taking the legal form of a Fonds Commun de Placement (FCP)

Luxembourg registered company B 155427



**ETHENEIA**

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The Sales Prospectus with integrated Management Regulations, the Key Investor Information Document (KIID) 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, or from the depositary, paying agents and the distributor in the respective countries of distribution and the representative in Switzerland. 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.

Unit classes (R-A) and (R-T) are intended exclusively for distribution in Italy, France and Spain.

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

# Fund Management Report

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

“When we remember we are all mad, the mysteries disappear and life stands explained.”  
(Mark Twain)

Dear investors,

Last year can be summed up in a single word: *mad*. Put simply, 2019 was a mad year. It was mad in almost all senses of the word: paradoxical, extraordinary, extreme, emotive and definitely also a bit crazy. These days more than a few people say the whole world has gone mad. But as mad and mysterious each individual part of the puzzle may seem in isolation, when pieced together the overall picture makes perfect sense. Let’s take a look at the pieces and the overall picture that emerges when they are assembled.

2019 was *paradoxical*. At first glance, the spectacular performance of equity markets was not quite in keeping with the slackening real economy. At the end of 2018 the pace of growth was already poor in many sectors and regions of the world, with little change in 2019. The leading economic research institutes and organisations continually revised downwards their outlook for future economic growth across the globe. These adjustments were in line with the macroeconomic data, which painted a similarly gloomy picture of economies around the world. In addition, the political uncertainty everywhere did little to improve this situation. While there were no new conflicts in 2019 the two biggest flashpoints – Brexit and the trade war between the US and China – alone robbed many companies of the planning certainty that is so important to continued investment in the future.

2019 was *extraordinary*. The gains in many equity markets were a positive stand-out even in the historical context. How come equity markets were able to post such strong gains with the real economy being as it was? Firstly, just before the start of the year, in the fourth quarter of 2018, prices had plunged and investors had began to price in a global recession. However, things didn’t turn out as badly as expected, and the tendency was to muddle through, a scenario we heard much about. Secondly, hopes were raised at the turn of the year that central banks would again provide strong support; hopes that were fully realised in the course of the rest of the year. So, by the end of April equity markets had already recouped most of 2018’s losses. Over the summer months, equity markets were in a volatile sideways trend, as the previous economic fears persisted, having been confirmed rather than allayed by weak economic data. It wasn’t until autumn that equity markets came back around and the key market indices climbed to new highs for the year. This uptrend mainly came on the back of gradual improvements in leading indicators, record-low interest rates and the prospect of a resolution of the main economic conflicts. A not insignificant consequence of the fact that share prices rose sharply while corporate profits were stagnant was a significant rise in valuations. These will become one of the fresh challenges in 2020.

2019 was *extreme*. The central banks’ continued dominance over markets led to bond market yields that even the most audacious market participants would scarcely have thought possible beforehand. No other figure expresses how extreme they were so much as the yield on 10-year German Bunds at the end of August 2019: -0.70 % was the annualised return that investors could “secure” for themselves if they bought a 10-year German Bund. At that point in time, approximately USD 17 trillion in bonds were yielding less than 0 % to maturity. Not just interest, but the yield on long-dated papers too eventually became non-existent, especially for EUR, JPY and CHF investors. This increasing scarcity of yield pushed up the prices of many asset classes. Thus, investors were able to make handsome returns in 2019 not just with equities, but also with bonds, real estate and gold.

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2019 was *emotive*. Not only did political developments stir up the emotions of many people, but the dramatic impact of global climate change was also suddenly very much to the fore. With “Fridays for Future”, Greta, and natural disasters like the recent bushfires in Australia, the environmental aspects of our current way of life made the daily news. In the world of finance, ESG (Environmental, Social & Governance) criteria quickly became established. Although prudent investors had always considered environmental, social and governance aspects in their decision-making, the issue took centre stage in 2019. Tricky though the finer points may seem, at the end of the day ESG has the potential to actually make our mad world a better one. So, don’t be surprised if the issue of sustainability plays a more prominent role in the Ethna funds too in the future.

2019 was *crazy* in many respects – but in this it was only leading into 2020. We won’t be able to say with certainty until the beginning of 2021 whether the global economy will throw up a pleasant surprise as a result of new fiscal stimulus measures. Or whether equities will again make double-digit gains – as one could expect – for instance, from the US equity market based on empirical evidence. Perhaps the reason given for a continued bull run will be fresh records for negative interest rates, or maybe direct equity purchases by the central banks? If one were to focus these purchases on companies with strong ESG ratings, a Neuer Markt 2.0 could be the next big surprise. Things should remain interesting.

Sometimes the world seems to have gone off the rails. However, from the point of view of capital markets, much is following a strict pattern. Sure, we are in unfamiliar territory – in terms of the unconventional measures undertaken by the global central banks – but the drivers behind this development are easy to identify: the combination of high levels of debt and moderate growth is increasingly tying the hands of many governments. While the central banks initially only wanted to make time to introduce the necessary economic and social reforms after the global financial crisis of 2008/09, they are now trapped in their ultra-loose monetary policy. As of yet, there is no sign of them breaking this cycle and staying out. “Low for longer” is likely to remain the norm rather than the crazy exception for fixed income securities. In such an environment, most asset classes should be able to continue their structural upward trend – driven by rises in valuations, supported by a growing lack of alternatives and perhaps even stoked by an economic recovery.

#### Ethna-DYNAMISCH:

The Ethna-DYNAMISCH benefited from the positive sentiment in capital markets in 2019 and ended the year with an all-time high performance. Nevertheless it must be said that 2019 was not an easy year overall for the fund. Performance was hampered initially by an overly low equity allocation and weak selection results. The low risk ratio at the beginning of the year was directly related to the economic concerns that mounted in the fourth quarter of 2018 and greatly lessened the extent of the previous stock market losses. That said, the fund’s participation in the rapid equity market rally in the first few weeks of 2019 was below average as a result. At the same time, the bull run in equities was driven mainly by growth equities with high valuations, meaning that the Ethna-DYNAMISCH’s value-heavy equity portfolio couldn’t quite keep up with the market. In order to escape and stay out of the value trap, we made a comparatively simple but very effective change in our individual security selection process. Instead of first selecting the cheapest from the overall equity universe, and then selecting the best of them, as before, we now focus first on the best companies and only then on the best-priced equities. This is not least a reflection of one of Warren Buffett’s central tenets: “It’s far better to buy a wonderful company at a fair price than a fair company at a wonderful price.” We made another improvement to the Ethna-DYNAMISCH in 2019, including at an overarching level: to enable us to exploit more upside potential in bullish phases as well as to utilise the potential of equities to a greater extent in view of the entrenched negative interest rate environment, the fund’s previous cap of 70 % on equity investments was lifted as of 1 July 2019. Since then the Ethna-DYNAMISCH may invest up to 100 % in equities if need be. Both the stronger focus on companies and the immediate utilisation of a higher equity allocation put the fund back on a successful track in the second half of the year. Bonds, gold and foreign currencies played a secondary role in the portfolio in 2019, but each still made a positive contribution to the overall result. What we now have to do for 2020 is maintain the recent very positive momentum. The instruments and flexibility required to do so and a well-positioned portfolio as of the end of 2019/start of 2020 are in place and give us optimism for the future.

We would like at this point to thank you for the trust you have placed in us. We are confident that we will be able to continue successfully with our work into the new year, despite challenging market conditions, with the necessary caution.

Munsbach, January 2020

The Fund Management on behalf of the Board of Directors of the Management Company

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)	Unit class (SIA-A)	Unit class (SIA-T)
Security identification no.:	A0YBKY	A0YBKZ	A1W66S	A1W66T
ISIN code:	LU0455734433	LU0455735596	LU0985193357	LU0985193431
Subscription fee:	up to 5.00 %	up to 5.00 %	up to 5.00 %	up to 5.00 %
Redemption fee:	none	none	none	none
Management fee:	1.75 % p.a.	1.75 % p.a.	0.95 % p.a.	0.95 % p.a.
Minimum subsequent investment:	none	none	none	none
Dividend policy:	distributed	reinvested	distributed	reinvested
Currency:	EUR	EUR	EUR	EUR

	Unit class (R-A)*	Unit class (R-T)*	Unit class (USD-T)	Unit class (SIA CHF-T)
Security identification no.:	A12EJA	A12EJB	A2PB19	A2PB18
ISIN code:	LU1134152310	LU1134174397	LU1939236748	LU1939236318
Subscription fee:	up to 1.00 %	up to 1.00 %	up to 5.00 %	up to 5.00 %
Redemption fee:	none	none	none	none
Management fee:	2.15 % p.a.	2.15 % p.a.	1.70 % p.a.	0.90 % p.a.
Minimum subsequent investment:	none	none	none	none
Dividend policy:	distributed	reinvested	reinvested	reinvested
Currency:	EUR	EUR	USD	CHF

\* Unit classes (R-A) and (R-T) are intended exclusively for distribution in Italy, France and Spain.

# Geographical breakdown by country of Ethna-DYNAMISCH

<b>Geographical breakdown by country <sup>1)</sup></b>	
United States of America	40.96 %
Germany	14.30 %
United Kingdom	10.30 %
Switzerland	6.33 %
Spain	4.12 %
Supranational institutions	3.58 %
Cayman Islands	3.41 %
Ireland	3.14 %
Denmark	2.83 %
South Korea	2.72 %
France	2.42 %
New Zealand	2.23 %
<b>Securities holdings</b>	<b>96.34 %</b>
Options	0.37 %
Futures contracts	-0.06 %
Cash at banks <sup>2)</sup>	3.62 %
Other receivables and payables (net)	-0.27 %
	<b>100.00 %</b>

<sup>1)</sup> Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

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

## Breakdown by economic sector of Ethna-DYNAMISCH

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<b>Breakdown by economic sector <sup>1)</sup></b>	
Food, beverages and tobacco	12.61 %
Diversified financial services	9.76 %
Pharmaceuticals, biotechnology and biosciences	9.36 %
Wholesale and retail	7.53 %
Capital goods	6.38 %
Consumer services	6.28 %
Healthcare: Equipment & services	5.97 %
Banks	5.13 %
Hardware and equipment	4.99 %
Real estate	4.55 %
Government bonds	3.95 %
Software & services	3.92 %
Media & entertainment	3.21 %
Semiconductors & equipment for semiconductor production	2.97 %
Energy	2.46 %
Automobiles and components	2.37 %
Household goods & personal care products	2.09 %
Raw materials and supplies	1.91 %
Transport	0.90 %
<b>Securities holdings</b>	<b>96.34 %</b>
Options	0.37 %
Futures contracts	-0.06 %
Cash at banks <sup>2)</sup>	3.62 %
Other receivables and payables (net)	-0.27 %
	<b>100.00 %</b>

<sup>1)</sup> Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

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

**Change over the last 3 financial years**

## Unit class (A)

Date	Net fund assets in EUR millions	Outstanding Units	Net inflows in EUR thousands	Unit value EUR
31.12.2017	53.84	668,744	-6,291.43	80.52
31.12.2018	50.92	684,739	1,424.53	74.37
31.12.2019	39.30	476,426	-16,062.35	82.48

## Unit class (T)

Date	Net fund assets in EUR millions	Outstanding Units	Net inflows in EUR thousands	Unit value EUR
31.12.2017	121.71	1,456,051	6,429.42	83.59
31.12.2018	147.14	1,905,837	37,094.69	77.20
31.12.2019	152.01	1,773,171	-10,757.24	85.73

## Unit class (SIA-A)

Date	Net fund assets in EUR millions	Outstanding Units	Net inflows in EUR thousands	Unit value EUR
31.12.2017	13.77	23,788	2,695.81	578.72
31.12.2018	21.07	39,116	8,771.21	538.64
31.12.2019	15.85	26,317	-7,152.81	602.34

## Unit class (SIA-T)

Date	Net fund assets in EUR millions	Outstanding Units	Net inflows in EUR thousands	Unit value EUR
31.12.2017	56.06	95,822	-4,066.53	585.08
31.12.2018	64.70	118,796	13,487.94	544.64
31.12.2019	15.42	25,281	-52,705.72	609.89

## Unit class (R-A)\*

Date	Net fund assets in EUR millions	Outstanding Units	Net inflows in EUR thousands	Unit value EUR
31.12.2017	0.21	1,982	-121.76	103.93
31.12.2018	0.08	864	-114.42	95.69
31.12.2019	0.07	692	-16.63	105.73

## Unit class (R-T)\*

Date	Net fund assets in EUR millions	Outstanding Units	Net inflows in EUR thousands	Unit value EUR
31.12.2017	1.45	14,129	255.94	102.47
31.12.2018	2.94	31,202	1,743.52	94.19
31.12.2019	2.21	21,186	-988.15	104.21

\* Unit classes (R-A) and (R-T) are intended exclusively for distribution in Italy, France and Spain.



**Change since inception**

## Unit class (USD-T)

Date	Net fund assets in EUR millions	Outstanding Units	Net inflows in EUR thousands	Unit value EUR	Unit value USD
01.03.2019	inception	-	-	87.83	100.00 <sup>1)</sup>
31.12.2019	1.69	17,195	1,524.31	98.21	109.62 <sup>2)</sup>

## Unit class (SIA CHF-T)

Date	Net fund assets in EUR millions	Outstanding Units	Net inflows in EUR thousands	Unit value EUR	Unit value CHF
16.04.2019	inception	-	-	439.68	500.00 <sup>3)</sup>
31.12.2019	0.00	1	-26.63	485.04	528.26 <sup>4)</sup>

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<sup>1)</sup> converted into EUR as of 1 March 2019 EUR 1 = USD 1.1386

<sup>2)</sup> converted into EUR as of 31 December 2019 EUR 1 = USD 1.1162

<sup>3)</sup> converted into EUR as of 16 April 2019 EUR 1 = CHF 1.1372

<sup>4)</sup> converted into EUR as of 31 December 2019 EUR 1 = CHF 1.0891

# Composition of net fund assets of Ethna-DYNAMISCH

## Composition of net fund assets

as of 31 December 2019

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	EUR
Securities holdings (securities acquisition costs: EUR 188,509,381.80)	218,267,533.10
Options	835,493.29
Cash at banks <sup>1)</sup>	8,192,517.58
Unrealised gains on forward foreign exchange contracts	266,406.22
Interest receivable	132,174.50
Dividends receivable	111,574.68
Receivables from unit sales	330,480.04
	<b>228,136,179.41</b>
Unit redemptions payable	-1,101,185.86
Unrealised losses on futures contracts	-140,655.80
Other liabilities and equity <sup>2)</sup>	-349,275.39
	<b>-1,591,117.05</b>
<b>Net fund assets</b>	<b>226,545,062.36</b>

<sup>1)</sup> See notes to the Report.

<sup>2)</sup> This item mainly comprises management fees and the taxe d'abonnement.

**Allocation among unit classes**

<b>Unit class (A)</b>	
Pro rata net fund assets	EUR 39,295,498.77
Outstanding units	476,426.378
Unit value	EUR 82.48
<b>Unit class (T)</b>	
Pro rata net fund assets	EUR 152,008,699.26
Outstanding units	1,773,170.804
Unit value	EUR 85.73
<b>Unit class (SIA-A)</b>	
Pro rata net fund assets	EUR 15,851,758.61
Outstanding units	26,316.790
Unit value	EUR 602.34
<b>Unit class (SIA-T)</b>	
Pro rata net fund assets	EUR 15,419,015.01
Outstanding units	25,281.446
Unit value	EUR 609.89
<b>Unit class (R-A)*</b>	
Pro rata net fund assets	EUR 73,184.99
Outstanding units	692.160
Unit value	EUR 105.73
<b>Unit class (R-T)*</b>	
Pro rata net fund assets	EUR 2,207,675.56
Outstanding units	21,185.532
Unit value	EUR 104.21
<b>Unit class (USD-T)</b>	
Pro rata net fund assets	EUR 1,688,745.12
Outstanding units	17,195.000
Unit value	EUR 98.21
Unit value	USD 109.62 <sup>1)</sup>
<b>Unit class (SIA CHF-T)</b>	
Pro rata net fund assets	EUR 485.04
Outstanding units	1.000
Unit value	EUR 485.04
Unit value	CHF 528.26 <sup>2)</sup>

<sup>1)</sup> converted at the foreign exchange rate into EUR as of 31 December 2019: EUR 1 = USD 1.1162

<sup>2)</sup> converted at the foreign exchange rate into EUR as of 31 December 2019: EUR 1 = CHF 1.0891

\* Unit classes (R-A) and (R-T) are intended exclusively for distribution in Italy, France and Spain.

**Change in net fund assets**

in the period under review from 1 January 2019 to 31 December 2019

	Total EUR	Unit class (A) EUR	Unit class (T) EUR	Unit class (SIA-A) EUR
Total net fund assets at the beginning of the period under review	286,852,185.80	50,922,798.17	147,137,625.38	21,069,116.46
Ordinary net expenditure	-759,020.04	-169,057.17	-663,876.41	48,684.74
Income and expense equalisation	-48,303.70	-32,862.99	-38,492.35	409.04
Inflow of funds from sale of units	45,258,677.60	3,375,778.87	32,268,965.62	1,377,532.66
Outflow of funds from redemption of units	-131,443,888.91	-19,438,129.43	-43,026,207.28	-8,530,339.85
Realised gains	19,037,977.59	3,388,056.84	11,692,246.06	1,280,370.40
Realised losses	-22,441,249.91	-4,012,788.66	-13,433,068.95	-1,521,357.21
Net change in unrealised gains	19,652,892.32	3,457,136.96	12,287,884.12	1,347,566.37
Net change in unrealised losses	10,515,909.71	1,868,606.56	5,783,623.07	795,767.36
Distribution	-80,118.10	-64,040.38	0.00	-15,991.36
<b>Total net fund assets at the end of the period under review</b>	<b>226,545,062.36</b>	<b>39,295,498.77</b>	<b>152,008,699.26</b>	<b>15,851,758.61</b>

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	Unit class (SIA-T) EUR	Unit class (R-A)* EUR	Unit class (R-T)* EUR	Unit class (USD-T) EUR
Total net fund assets at the beginning of the period under review	64,700,971.49	82,638.26	2,939,036.04	0.00
Ordinary net expenditure	54,320.08	-589.07	-17,360.93	-11,151.53
Income and expense equalisation	22,814.45	-49.76	-4,755.44	762.26
Inflow of funds from sale of units	5,387,738.23	22,964.89	153,634.62	1,525,732.33
Outflow of funds from redemption of units	-58,093,453.87	-39,591.49	-1,141,786.75	-1,419.53
Realised gains	2,229,750.17	6,307.63	205,185.75	180,917.97
Realised losses	-3,062,725.13	-7,467.21	-242,484.13	-123,114.56
Net change in unrealised gains	2,248,351.34	5,786.21	205,719.47	92,642.20
Net change in unrealised losses	1,931,248.25	3,271.89	110,486.93	24,375.98
Distribution	0.00	-86.36	0.00	0.00
<b>Total net fund assets at the end of the period under review</b>	<b>15,419,015.01</b>	<b>73,184.99</b>	<b>2,207,675.56</b>	<b>1,688,745.12</b>

	Unit class (SIA CHF-T) EUR
Total net fund assets at the beginning of the period under review	0.00
Ordinary net expenditure	10.25
Income and expense equalisation	3,871.09
Inflow of funds from sale of units	1,146,330.38
Outflow of funds from redemption of units	-1,172,960.71
Realised gains	55,142.77
Realised losses	-38,244.06
Net change in unrealised gains	7,805.65
Net change in unrealised losses	-1,470.33
Distribution	0.00
<b>Total net fund assets at the end of the period under review</b>	<b>485.04</b>

\* Unit classes (R-A) and (R-T) are intended exclusively for distribution in Italy, France and Spain.

**Change in number of units in circulation**

	Unit class (A) Number	Unit class (T) Number	Unit class (SIA-A) Number	Unit class (SIA-T) Number
Units in circulation at start of period under review	684,738.688	1,905,836.923	39,115.741	118,796.308
Units issued	43,814.633	403,129.826	2,452.983	9,321.274
Units redeemed	-252,126.943	-535,795.945	-15,251.934	-102,836.136
<b>Units in circulation at end of period under review</b>	<b>476,426.378</b>	<b>1,773,170.804</b>	<b>26,316.790</b>	<b>25,281.446</b>

	Unit class (R-A)* Number	Unit class (R-T)* Number	Unit class (USD-T) Number	Unit class (SIA CHF-T) Number
Units in circulation at start of period under review	863.617	31,201.619	0.000	0.000
Units issued	220.176	1,578.855	17,210.000	2,601.000
Units redeemed	-391.633	-11,594.942	-15.000	-2,600.000
<b>Units in circulation at end of period under review</b>	<b>692.160</b>	<b>21,185.532</b>	<b>17,195.000</b>	<b>1.000</b>

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\* Unit classes (R-A) and (R-T) are intended exclusively for distribution in Italy, France and Spain.

# Statement of operations of Ethna-DYNAMISCH

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## Statement of Operations

in the period under review from 1 January 2019 to 31 December 2019

	Total EUR	Unit class (A) EUR	Unit class (T) EUR	Unit class (SIA-A) EUR
<b>Income</b>				
Dividends	3,860,470.49	699,255.99	2,424,118.21	250,216.12
Interest on bonds	129,542.38	23,034.35	74,042.55	8,825.02
Bank interest	-140,017.17	-25,749.99	-79,433.18	-9,103.13
Income equalisation	-560,096.94	-124,927.30	-208,043.95	-20,251.51
<b>Total income</b>	<b>3,289,898.76</b>	<b>571,613.05</b>	<b>2,210,683.63</b>	<b>229,686.50</b>
<b>Expense</b>				
Interest expense	-1,374.86	-210.26	-723.42	-77.67
Performance fee	-6,529.85	0.00	0.00	0.00
Management fee	-4,007,290.96	-781,141.39	-2,730,986.45	-154,237.74
Taxe d'abonnement	-120,380.93	-21,556.54	-74,857.88	-7,965.94
Publication and audit expenses	-67,195.66	-12,056.98	-40,280.46	-4,641.53
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-16,794.80	-2,969.51	-10,533.36	-1,085.41
Registrar and transfer agent fee	-5,436.96	-975.12	-3,349.94	-356.92
Government fees	-27,130.43	-4,868.52	-16,717.38	-1,803.64
Other expenses <sup>1)</sup>	-405,184.99	-74,682.19	-243,647.45	-30,675.38
Expense equalisation	608,400.64	157,790.29	246,536.30	19,842.47
<b>Total expense</b>	<b>-4,048,918.80</b>	<b>-740,670.22</b>	<b>-2,874,560.04</b>	<b>-181,001.76</b>
<b>Ordinary net expenditure</b>	<b>-759,020.04</b>	<b>-169,057.17</b>	<b>-663,876.41</b>	<b>48,684.74</b>
<b>Total transaction costs in the financial year <sup>2)</sup></b>	<b>320,179.97</b>			
<b>Total expense ratio in per cent <sup>2)</sup></b>		<b>2.01</b>	<b>2.01</b>	<b>1.22</b>
<b>Performance fee in per cent <sup>2)</sup></b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Ongoing charges in per cent <sup>2)</sup></b>		<b>2.03</b>	<b>2.03</b>	<b>1.24</b>
<b>Swiss total expense ratio in per cent before performance fee <sup>2)</sup> (for the period from 1 January 2019 to 31 December 2019)</b>		<b>2.01</b>	<b>2.01</b>	<b>1.22</b>
<b>Swiss total expense ratio in per cent including performance fee <sup>2)</sup> (for the period from 1 January 2019 to 31 December 2019)</b>		<b>2.01</b>	<b>2.01</b>	<b>1.22</b>
<b>Swiss performance fee in per cent <sup>2)</sup> (for the period from 1 January 2019 to 31 December 2019)</b>		<b>-</b>	<b>-</b>	<b>-</b>

<sup>1)</sup> This item mainly comprises paying agents' fees and general management costs.

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

**Statement of Operations**

in the period under review from 1 January 2019 to 31 December 2019

	Unit class (SIA-T) EUR	Unit class (R-A)* EUR	Unit class (R-T)* EUR	Unit class (USD-T) EUR
<b>Income</b>				
Dividends	415,105.93	1,226.13	41,793.78	20,823.77
Interest on bonds	21,909.29	38.11	1,348.90	344.13
Bank interest	-23,504.27	-44.65	-1,506.87	-355.33
Income equalisation	-190,603.76	-152.98	-9,470.92	958.86
<b>Total income</b>	<b>222,907.19</b>	<b>1,066.61</b>	<b>32,164.89</b>	<b>21,771.43</b>
<b>Expense</b>				
Interest expense	-335.76	-0.36	-12.66	-5.48
Performance fee	0.00	0.00	0.00	-6,529.50
Management fee	-257,850.38	-1,667.59	-57,131.23	-21,627.76
Taxe d'abonnement	-13,914.31	-37.13	-1,286.81	-599.00
Publication and audit expenses	-9,172.09	-19.24	-714.10	-262.03
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-1,902.01	-5.24	-180.19	-93.56
Registrar and transfer agent fee	-661.76	-1.70	-58.19	-26.81
Government fees	-3,285.48	-8.34	-293.76	-126.09
Other expenses <sup>1)</sup>	-49,254.63	-118.82	-4,075.24	-1,931.61
Expense equalisation	167,789.31	202.74	14,226.36	-1,721.12
<b>Total expense</b>	<b>-168,587.11</b>	<b>-1,655.68</b>	<b>-49,525.82</b>	<b>-32,922.96</b>
<b>Ordinary net expenditure</b>	<b>54,320.08</b>	<b>-589.07</b>	<b>-17,360.93</b>	<b>-11,151.53</b>
<b>Total expense ratio in per cent <sup>2)</sup></b>	<b>1.16</b>	<b>2.42</b>	<b>2.38</b>	<b>1.64 <sup>3)</sup></b>
<b>Performance fee in per cent <sup>2)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.44 <sup>3)</sup></b>
<b>Ongoing charges in per cent <sup>2)</sup></b>	<b>1.17</b>	<b>2.44</b>	<b>2.40</b>	<b>-</b>
<b>Swiss total expense ratio in per cent before performance fee <sup>2)</sup></b> (for the period from 1 January 2019 to 31 December 2019)	<b>1.16</b>	<b>2.42</b>	<b>2.38</b>	<b>1.94 <sup>4)</sup></b>
<b>Swiss total expense ratio in per cent including performance fee <sup>2)</sup></b> (for the period from 1 January 2019 to 31 December 2019)	<b>1.16</b>	<b>2.42</b>	<b>2.38</b>	<b>2.37 <sup>4)</sup></b>
<b>Swiss performance fee in per cent <sup>2)</sup></b> (for the period from 1 January 2019 to 31 December 2019)	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.43</b>

<sup>1)</sup> This item mainly comprises paying agents' fees and general management costs.<sup>2)</sup> See notes to the Report.<sup>3)</sup> For the period from 4 March 2019 to 31 December 2019.<sup>4)</sup> Estimated for the period from 1 January 2019 to 31 December 2019.

\* Unit classes (R-A) and (R-T) are intended exclusively for distribution in Italy, France and Spain.

**Statement of Operations**

in the period under review from 1 January 2019 to 31 December 2019

	Unit class (SIA CHF-T) EUR
<b>Income</b>	
Dividends	7,930.56
Interest on bonds	0.03
Bank interest	-319.75
Income equalisation	-7,605.38
<b>Total income</b>	<b>5.46</b>
<b>Expense</b>	
Interest expense	-9.25
Performance fee	-0.35
Management fee	-2,648.42
Taxe d'abonnement	-163.32
Publication and audit expenses	-49.23
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-25.52
Registrar and transfer agent fee	-6.52
Government fees	-27.22
Other expenses <sup>1)</sup>	-799.67
Expense equalisation	3,734.29
<b>Total expense</b>	<b>4.79</b>
<b>Ordinary net expenditure</b>	<b>10.25</b>
<b>Total expense ratio in per cent <sup>2)</sup></b>	<b>0.79 <sup>4)</sup></b>
<b>Performance fee in per cent <sup>2)</sup></b>	<b>0.00</b>
<b>Ongoing charges in per cent <sup>2)</sup></b>	<b>-</b>
<b>Swiss total expense ratio in per cent before performance fee <sup>2)</sup> (for the period from 1 January 2019 to 31 December 2019)</b>	<b>1.02 <sup>3)</sup></b>
<b>Swiss total expense ratio in per cent including performance fee <sup>2)</sup> (for the period from 1 January 2019 to 31 December 2019)</b>	<b>1.02 <sup>3)</sup></b>
<b>Swiss performance fee in per cent <sup>2)</sup> (for the period from 1 January 2019 to 31 December 2019)</b>	<b>0.00</b>

<sup>1)</sup> This item mainly comprises paying agents' fees and general management costs.

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

<sup>3)</sup> Estimated for the period from 1 January 2019 to 31 December 2019.

<sup>4)</sup> For the period from 17 April 2019 to 31 December 2019.



**Performance in per cent \***

As of: 31 December 2019

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Fund	ISIN Security code	Unit class currency	6 months	1 year	3 years	10 years
<b>Ethna-DYNAMISCH (A)</b> since 10/11/2009	LU0455734433 A0YBKY	EUR	7.40 %	11.05 %	11.14 %	59.42 %
<b>Ethna-DYNAMISCH (R-A)***</b> since 07/05/2015	LU1134152310 A12EJA	EUR	7.20 %	10.60 %	10.02 %	-
<b>Ethna-DYNAMISCH (R-T)***</b> since 20/04/2015	LU1134174397 A12EJB	EUR	7.20 %	10.64 %	9.75 %	-
<b>Ethna-DYNAMISCH (SIA-A)</b> since 02/04/2014	LU0985193357 A1W66S	EUR	7.82 %	11.92 %	13.57 %	-
<b>Ethna-DYNAMISCH (SIA CHF-T)</b> since 16/04/2019	LU1939236318 A2PB18	CHF	6.95 %	5.65 %**	-	-
<b>Ethna-DYNAMISCH (SIA-T)</b> since 19/06/2014	LU0985193431 A1W66T	EUR	7.83 %	11.98 %	13.78 %	-
<b>Ethna-DYNAMISCH (T)</b> since 10/11/2009	LU0455735596 A0YBKZ	EUR	7.41 %	11.05 %	11.09 %	59.11 %
<b>Ethna-DYNAMISCH (USD-T)</b> since 01/03/2019	LU1939236748 A2PB19	USD	8.43 %	9.62 %**	-	-

\* On the basis of published unit values (BVI method); the result is in accordance with the "Guidelines on the Calculation and Publication of Performance Data of Collective Investment Schemes" issued by the Swiss Funds & Asset Management Association on 16 May 2008.

\*\* Since inception.

\*\*\* Unit classes (R-A) and (R-T) are intended exclusively for distribution in Italy, France and Spain.

Past performance is no indicator of current or future performance. The performance data do not include commissions and charges incurred in the issue and redemption of units.

# Statement of net assets of Ethna-DYNAMISCH as of 31 December 2019

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## Statement of net assets as of 31 December 2019

ISIN	Securities		Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NFA <sup>1)</sup>
<b>Equities, rights and profit participation certificates</b>								
<b>Securities traded on an exchange</b>								
<b>Cayman Islands</b>								
US01609W1027	Alibaba Group Holding Ltd. ADR	USD	15,000	0	40,000	215.4700	7,721,555.28	3.41
							<b>7,721,555.28</b>	<b>3.41</b>
<b>Denmark</b>								
DK0060738599	Demant AS	DKK	225,000	0	225,000	212.5000	6,400,002.68	2.83
							<b>6,400,002.68</b>	<b>2.83</b>
<b>Germany</b>								
DE000LEG1110	LEG Immobilien AG	EUR	0	0	50,000	106.5000	5,325,000.00	2.35
DE000PAH0038	Porsche Automobil Holding SE -VZ-	EUR	0	0	80,000	67.2000	5,376,000.00	2.37
DE0007164600	SAP SE	EUR	0	35,000	25,000	121.4000	3,035,000.00	1.34
DE000A1ML7J1	Vonovia SE	EUR	0	0	103,521	48.1800	4,987,641.78	2.20
DE0007472060	Wirecard AG	EUR	55,000	0	55,000	106.3000	5,846,500.00	2.58
							<b>24,570,141.78</b>	<b>10.84</b>
<b>France</b>								
FR0013258662	Ald S.A.	EUR	0	205,000	145,000	14.0000	2,030,000.00	0.90
FR0000120271	Total S.A.	EUR	1,314	42,539	70,000	49.2900	3,450,300.00	1.52
							<b>5,480,300.00</b>	<b>2.42</b>
<b>Ireland</b>								
IE00BTN1Y115	Medtronic Plc.	USD	0	10,000	70,000	113.3500	7,108,493.10	3.14
							<b>7,108,493.10</b>	<b>3.14</b>
<b>New Zealand</b>								
NZATME0002S8	The a2 Milk Co. Ltd.	AUD	550,000	0	550,000	14.6500	5,041,609.31	2.23
							<b>5,041,609.31</b>	<b>2.23</b>
<b>Switzerland</b>								
CH0038389992	BB Biotech AG	CHF	115,000	0	115,000	66.9000	7,064,089.62	3.12
CH0012032048	Roche Holding AG Genussscheine	CHF	0	0	25,000	317.2500	7,282,389.13	3.21
							<b>14,346,478.75</b>	<b>6.33</b>

<sup>1)</sup> NFA = net fund assets. Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

## Statement of net assets as of 31 December 2019

ISIN	Securities		Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NFA <sup>1)</sup>
<b>Spain</b>								
ES0148396007	Industria de Diseño Textil S.A.	EUR	325,000	35,000	290,000	32.1500	9,323,500.00	4.12
							<b>9,323,500.00</b>	<b>4.12</b>
<b>South Korea</b>								
KR7005931001	Samsung Electronics Co. Ltd. -VZ-	KRW	0	0	175,000	45,700.0000	6,169,753.19	2.72
							<b>6,169,753.19</b>	<b>2.72</b>
<b>United States of America</b>								
US02079K3059	Alphabet Inc.	USD	1,500	0	6,000	1,354.6400	7,281,705.79	3.21
US0311621009	Amgen Inc.	USD	7,500	5,000	40,000	241.5300	8,655,438.09	3.82
US0846707026	Berkshire Hathaway Inc.	USD	40,000	0	40,000	226.1400	8,103,924.03	3.58
US8085131055	Charles Schwab Corporation	USD	160,000	0	160,000	48.3400	6,929,224.15	3.06
US17275R1023	Cisco Systems Inc.	USD	0	50,000	120,000	47.7700	5,135,638.77	2.27
US3703341046	General Mills Inc.	USD	20,000	25,000	145,000	53.1900	6,909,648.81	3.05
US4581401001	Intel Corporation	USD	15,000	0	125,000	60.0800	6,728,184.91	2.97
US5007541064	Kraft Heinz Co., The	USD	60,000	0	180,000	31.6200	5,099,086.19	2.25
US5962781010	Middleby Corporation	USD	40,000	0	40,000	109.7300	3,932,270.20	1.74
US7170811035	Pfizer Inc.	USD	0	35,000	150,000	39.3200	5,283,999.28	2.33
US72703H1014	Planet Fitness Inc.	USD	130,000	0	130,000	75.4900	8,792,062.35	3.88
US88579Y1010	3M Co.	USD	5,000	5,000	35,000	177.2600	5,558,233.29	2.45
							<b>78,409,415.86</b>	<b>34.61</b>
<b>United Kingdom</b>								
GB0006731235	Associated British Foods Plc.	GBP	210,000	0	210,000	26.4200	6,507,389.16	2.87
GB00B0744B38	Bunzl Plc.	GBP	200,000	0	200,000	21.1700	4,965,986.39	2.19
GB00BRJ9BJ26	Fevertree Drinks Plc.	GBP	200,000	0	200,000	21.3300	5,003,518.65	2.21
GB00B24CGK77	Reckitt Benckiser Group Plc.	GBP	80,000	15,000	65,000	62.2400	4,745,015.25	2.09
GB00B03MLX29	Royal Dutch Shell Plc.	EUR	0	90,000	80,000	26.5500	2,124,000.00	0.94
							<b>23,345,909.45</b>	<b>10.30</b>
<b>Securities traded on an exchange</b>							<b>187,917,159.40</b>	<b>82.95</b>
<b>Equities, rights and profit participation certificates</b>							<b>187,917,159.40</b>	<b>82.95</b>
<b>Bonds</b>								
<b>Securities traded on an exchange</b>								
<b>NOK</b>								
XS1195588915	1.125 % European Investment Bank (EIB) EMTN Reg.S. v.15(2020)		40,000,000	0	40,000,000	99.8740	4,057,362.23	1.79
XS1227593933	1.500 % European Investment Bank (EIB) EMTN Reg.S. v.15(2022)		40,000,000	0	40,000,000	99.7370	4,051,796.63	1.79
XS1489186947	1.000 % Kreditanstalt für Wiederaufbau EMTN v.16(2021)		35,000,000	0	35,000,000	98.8150	3,512,547.99	1.55
							<b>11,621,706.85</b>	<b>5.13</b>
<b>USD</b>								
US912810SK51	2.375 % United States of America v.19(2049)		5,000,000	0	5,000,000	101.2734	4,536,527.41	2.00
US912810SJ88	2.250 % United States of America v.19(2049)		5,000,000	0	5,000,000	98.5938	4,416,491.22	1.95
							<b>8,953,018.63</b>	<b>3.95</b>
<b>Securities traded on an exchange</b>							<b>20,574,725.48</b>	<b>9.08</b>
<b>Bonds</b>							<b>20,574,725.48</b>	<b>9.08</b>

<sup>1)</sup> NFA = net fund assets. Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

## Statement of net assets as of 31 December 2019

ISIN	Securities	Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NFA <sup>1)</sup>
<b>Convertible bonds</b>							
<b>Securities admitted to or included in organised markets</b>							
<b>USD</b>							
DE000A2BPEU0	0.925 % BASF SE Optionsanleihe cum v.17(2023)	5,000,000	0	5,000,000	96.6160	4,327,898.22	1.91
						<b>4,327,898.22</b>	<b>1.91</b>
<b>Securities admitted to or included in organised markets</b>						<b>4,327,898.22</b>	<b>1.91</b>
<b>Convertible bonds</b>						<b>4,327,898.22</b>	<b>1.91</b>
<b>Certificates</b>							
<b>Securities traded on an exchange</b>							
<b>United States of America</b>							
DE000A0S9GB0	Dte. Börse Commodities GmbH/ Gold Unze 999 Zert. v.07(2199)	0	75,000	125,000	43.5820	5,447,750.00	2.40
						<b>5,447,750.00</b>	<b>2.40</b>
<b>Securities traded on an exchange</b>						<b>5,447,750.00</b>	<b>2.40</b>
<b>Certificates</b>						<b>5,447,750.00</b>	<b>2.40</b>
<b>Securities holdings</b>						<b>218,267,533.10</b>	<b>96.34</b>
<b>Options</b>							
<b>Long positions</b>							
<b>EUR</b>							
Call on EURO STOXX Bank Index March 2020/100.00		1,000	0	1,000		132,500.00	0.06
Call on EURO STOXX Bank Index March 2020/95.00		1,000	0	1,000		255,000.00	0.11
Call on EURO STOXX Bank Index March 2020/97.50		1,000	0	1,000		187,500.00	0.08
Put on EUR/NOK December 2020/9.8		10,000,000	0	10,000,000		139,060.00	0.06
Put on Euro Stoxx 50 Price Index March 2020/3,450.00		400	0	400		85,200.00	0.04
						<b>799,260.00</b>	<b>0.35</b>
<b>USD</b>							
Put on E-Mini S&P 500 Index Future March 2020/2,900.00		100	0	100		81,750.58	0.04
						<b>81,750.58</b>	<b>0.04</b>
<b>Long positions</b>						<b>881,010.58</b>	<b>0.39</b>
<b>Short positions<sup>2)</sup></b>							
<b>EUR</b>							
Put on Euro Stoxx 50 Price Index March 2020/3,100.00		0	400	-400		-22,000.00	-0.01
						<b>-22,000.00</b>	<b>-0.01</b>
<b>USD</b>							
Put on E-Mini S&P 500 Index Future March 2020/2,600.00		0	100	-100		-23,517.29	-0.01
						<b>-23,517.29</b>	<b>-0.01</b>
<b>Short positions<sup>2)</sup></b>						<b>-45,517.29</b>	<b>-0.02</b>
<b>Options</b>						<b>835,493.29</b>	<b>0.37</b>

<sup>1)</sup> NFA = net fund assets. Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

<sup>2)</sup> The total amount of commitments from options written as of the reporting date, valued at the underlying price, is EUR X,XXX,XXX.XX.

**Statement of net assets as of 31 December 2019**

ISIN	Securities	Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NFA <sup>1)</sup>
<b>Futures contracts</b>							
<b>Short positions</b>							
<b>USD</b>							
E-Mini S&P 500 Index Future March 2020		0	80	-80		-140,655.80	-0.06
						<b>-140,655.80</b>	<b>-0.06</b>
<b>Short positions</b>						<b>-140,655.80</b>	<b>-0.06</b>
<b>Futures contracts</b>						<b>-140,655.80</b>	<b>-0.06</b>
<b>Cash at banks - current accounts<sup>2)</sup></b>						<b>8,192,517.58</b>	<b>3.62</b>
<b>Other receivables and payables (net)</b>						<b>-609,825.81</b>	<b>-0.27</b>
<b>Total net fund assets in EUR</b>						<b>226,545,062.36</b>	<b>100.00</b>

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**Forward foreign exchange contracts**

The following forward foreign exchange contracts were open as of 31 December 2019:

Currency	Counterparty		Currency amount	Price EUR	% share of NFA <sup>1)</sup>
CHF/EUR	DZ PRIVATBANK S.A.	Currency purchases	528.00	485.18	0.00
USD/EUR	DZ PRIVATBANK S.A.	Currency purchases	1,898,000.00	1,691,539.19	0.75
EUR/CHF	DZ PRIVATBANK S.A.	Currency sales	5,000,003.00	4,592,518.06	2.03
EUR/GBP	Citigroup Global Markets Ltd.	Currency sales	2,500,000.00	2,930,334.23	1.29
EUR/GBP	J.P. Morgan AG, Frankfurt	Currency sales	5,000,000.00	5,860,668.47	2.59
EUR/USD	DZ PRIVATBANK S.A.	Currency sales	9,015,000.00	8,064,948.54	3.56
EUR/USD	Morgan Stanley Europe SE	Currency sales	51,000,000.00	45,625,621.20	20.14

**Futures contracts**

	Holdings	Commitments EUR	% share of NFA <sup>1)</sup>
<b>Short positions</b>			
<b>USD</b>			
E-Mini S&P 500 Index Future March 2020	-80	-11,601,863.47	-5.12
		<b>-11,601,863.47</b>	<b>-5.12</b>
<b>Short positions</b>		<b>-11,601,863.47</b>	<b>-5.12</b>
<b>Futures contracts</b>		<b>-11,601,863.47</b>	<b>-5.12</b>

<sup>1)</sup> NFA = net fund assets. Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

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

# Acquisitions and disposals

## from 1 January 2019 to 31 December 2019

### Acquisitions and disposals from 1 January 2019 to 31 December 2019

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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 in the period under review	Disposals in the period under review
<b>Equities, rights and profit participation certificates</b>				
<b>Securities traded on an exchange</b>				
<b>China</b>				
CNE100000593	PICC Property & Casualty Co. Ltd.	HKD	0	3,000,000
<b>Germany</b>				
DE000BASF111	BASF SE	EUR	0	87,500
DE0007257503	CECONOMY AG	EUR	0	650,000
DE0008232125	Dte. Lufthansa AG	EUR	200,000	475,035
<b>France</b>				
FR0000130577	Publicis Groupe S.A.	EUR	0	93,185
<b>Japan</b>				
JP3486800000	Daito Trust Construction Co. Ltd.	JPY	0	15,000
JP3496400007	KDDI Corporation	JPY	0	160,000
JP3735400008	Nippon Telegraph and Telephone Corporation	JPY	0	120,000
JP3162600005	SMC Corporation	JPY	0	15,000
JP3462660006	Takeuchi MFG Co. Ltd.	JPY	60,000	60,000
<b>Netherlands</b>				
NL0009434992	Lyondellbasell Industries NV	USD	0	47,500
<b>Switzerland</b>				
CH0102659627	GAM Holding AG	CHF	0	450,000
CH0021783391	Pargesa Holding S.A.	CHF	0	90,000
CH0496451508	SoftwareONE Holding AG	CHF	225,000	225,000
<b>South Korea</b>				
KR7032640005	LG Uplus Corporation	KRW	0	450,000
<b>United States of America</b>				
US25470F1049	Discovery Inc. -A-	USD	0	110,000
US8926721064	Tradeweb Markets Inc.	USD	20,000	20,000
US9024941034	Tyson Foods Inc.	USD	0	65,000
<b>United Kingdom</b>				
GB0008847096	Tesco Plc.	GBP	0	2,200,000

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

**Acquisitions and disposals from 1 January 2019 to 31 December 2019**

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 in the period under review	Disposals in the period under review
<b>Unlisted securities</b>				
<b>Germany</b>				
DE000A2TSGY3	Vonovia SE Dividende Cash BZR 03.06.19	EUR	103,521	103,521
<b>Bonds</b>				
<b>Securities traded on an exchange</b>				
<b>USD</b>				
22	US912810RU43	2.875 % Vereinigte Staaten von Amerika v.16(2046)	0	5,000,000
	US912810RS96	2.500 % Vereinigte Staaten von Amerika v.16(2046)	0	5,000,000
	US912810RV26	3.000 % Vereinigte Staaten von Amerika v.17(2047)	0	5,000,000
	US912810RZ30	2.750 % Vereinigte Staaten von Amerika v.17(2047)	0	5,000,000
<b>Options</b>				
<b>EUR</b>				
	Put on Anheuser-Busch InBev S.A./NV March 2019/65.00		0	200
	Put on Continental AG March 2019/130.00		0	100
	Put on Euro Stoxx 50 Price Index December 2019/2,700.00		1,000	1,000
	Put on Euro Stoxx 50 Price Index December 2019/2,900.00		500	500
	Put on Euro Stoxx 50 Price Index December 2019/3,000.00		1,000	1,000
	Put on Euro Stoxx 50 Price Index December 2019/3,250.00		500	500
	Put on Euro Stoxx 50 Price Index June 2019/2,700.00		2,500	2,500
	Put on Euro Stoxx 50 Price Index June 2019/2,900.00		2,500	2,500
	Put on Euro Stoxx 50 Price Index June 2019/3,000.00		2,500	2,500
	Put on Euro Stoxx 50 Price Index June 2019/3,200.00		2,500	2,500
	Put on Euro Stoxx 50 Price Index March 2019/2,700.00		2,500	0
	Put on Euro Stoxx 50 Price Index March 2019/3,000.00		0	2,500
	Put on Euro Stoxx 50 Price Index September 2019/2,750.00		2,000	2,000
	Put on Euro Stoxx 50 Price Index September 2019/2,950.00		2,000	2,000
	Put on Euro Stoxx 50 Price Index September 2019/3,050.00		2,000	2,000
	Put on Euro Stoxx 50 Price Index September 2019/3,250.00		2,000	2,000
<b>USD</b>				
	Put on CME Nasdaq 100 E-Mini Index Future June 2019 June 2019/6,100.00		150	150
	Put on CME Nasdaq 100 E-Mini Index Future June 2019 June 2019/6,500.00		150	150
	Put on CME Nasdaq 100 E-Mini Index Future June 2019 June 2019/6,700.00		150	150
	Put on CME Nasdaq 100 E-Mini Index Future June 2019 June 2019/7,100.00		150	150
	Put on CME Nasdaq 100 E-Mini Index Future September 2019 September 2019/6,000.00		100	100
	Put on CME Nasdaq 100 E-Mini Index Future September 2019 September 2019/6,100.00		50	50
	Put on CME Nasdaq 100 E-Mini Index Future September 2019 September 2019/6,600.00		150	150
	Put on CME Nasdaq 100 E-Mini Index Future September 2019 September 2019/6,600.00		100	100
	Put on CME Nasdaq 100 E-Mini Index Future September 2019 September 2019/6,700.00		50	50
	Put on CME Nasdaq 100 E-Mini Index Future September 2019 September 2019/7,200.00		150	150
	Put on CME Nasdaq 100 E-Mini Index March 2019/5,700.00		200	0
	Put on CME Nasdaq 100 E-Mini Index March 2019/6,200.00		0	200
	Put on E-Mini S&P 500 Index Future December 2019 December 2019/2,450.00		100	100
	Put on E-Mini S&P 500 Index Future December 2019 December 2019/2,750.00		100	100
	Put on E-Mini S&P 500 Index Future June 2019 June 2019/2,400.00		500	500
	Put on E-Mini S&P 500 Index Future June 2019 June 2019/2,500.00		500	500
	Put on E-Mini S&P 500 Index Future June 2019 June 2019/2,600.00		500	500
	Put on E-Mini S&P 500 Index Future June 2019 June 2019/2,700.00		500	500

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

**Acquisitions and disposals from 1 January 2019 to 31 December 2019**

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 in the period under review	Disposals in the period under review
<b>USD (continued)</b>			
	Put on E-Mini S&P 500 Index Future March 2019 March 2019/2,200.00	200	200
	Put on E-Mini S&P 500 Index Future March 2019 March 2019/2,300.00	200	0
	Put on E-Mini S&P 500 Index Future March 2019 March 2019/2,400.00	200	200
	Put on E-Mini S&P 500 Index Future March 2019/2,500.00	0	200
	Put on E-Mini S&P 500 Index Future September 2019 September 2019/2,450.00	500	500
	Put on E-Mini S&P 500 Index Future September 2019 September 2019/2,750.00	500	500
	Put on E-Mini S&P 500 Index Future September 2019/2,325.00	500	500
	Put on E-Mini S&P 500 Index Future September 2019/2,575.00	500	500
	Put on Franklin Resources Inc. January 2019/30.00	0	400
<b>Futures contracts</b>			
<b>EUR</b>			
	DAX Performance-Index Future December 2019	75	75
	DAX Performance-Index Future June 2019	42	42
	DAX Performance-Index Future March 2019	40	40
	DAX Performance-Index Future September 2019	80	80
<b>USD</b>			
	E-Mini S&P 500 Index Future December 2019	170	170
	E-Mini S&P 500 Index Future March 2019	100	100
	E-Mini S&P 500 Index Future September 2019	180	180

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**Exchange rates**

For the valuation of assets in a foreign currency, the following exchange rate for 31 December 2019 was used for conversion into euro.

Australian dollar	EUR 1 =	AUD	1.5982
Sterling	EUR 1 =	GBP	0.8526
Danish krone	EUR 1 =	DKK	7.4707
Hong Kong dollars	EUR 1 =	HKD	8.6900
Japanese yen	EUR 1 =	JPY	122.3020
New Zealand dollar	EUR 1 =	NZD	1.6630
Norwegian krone	EUR 1 =	NOK	9.8462
Swiss franc	EUR 1 =	CHF	1.0891
South Korean Won	EUR 1 =	KRW	1,296.2431
US dollar	EUR 1 =	USD	1.1162





## 24 Notes to the Annual Report as of 31 December 2019

### 1.) General

The Ethna-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 10 November 2009.

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 30 November 2009. The Mémorial was replaced as of 1 June 2016 by the new information platform Recueil électronique des sociétés et associations ("RESA") implemented by the Luxembourg Trade and Companies Register. The Management Regulations were last amended on 13 October 2016 and published in the Recueil électronique des sociétés et associations ("RESA").

Ethna-DYNAMISCH is a Luxembourg investment fund (Fonds Commun de Placement) set up in the form of a mono fund for an indefinite period in accordance with Part I of the Luxembourg Law of 17 December 2010 on undertakings for collective investment, as amended (the "Law of 17 December 2010").

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 16, 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 January 2015 and were published in the Mémorial on 13 February 2015. The management company is registered with the Luxembourg Trade and Companies Register under the registration number R.C.S. Luxembourg B-155427.

Unit classes (R-A) and (R-T) are intended exclusively for distribution in Italy, France and Spain.

### 2.) Main accounting and valuation principles; unit value calculation

Responsibility for preparing this annual report in accordance with the applicable Luxembourg statutory provisions and regulations relating to the preparation and presentation of annual reports lies with the Board of Directors of the management company.

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 Sales 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 depositary on every day that is a banking day in Luxembourg with the exception of 24 and 31 December of each year ("valuation day") and is rounded to two decimal places. The management company may make different arrangements for the fund, while taking into account that the unit value must be calculated at least twice a month.

However, the management company may decide to determine the unit value on 24 and 31 December of any given year, without this constituting 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.

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 the fund Management Regulations, the fund assets are translated into the reference currency. Net fund assets are calculated in accordance with the following principles:

- a) Securities, money market instruments, derivative financial instruments (derivatives) and other assets which are officially listed on a stock exchange are valued at the last available price of the trading day preceding the valuation day which ensures a reliable valuation.

The management company can determine for the fund that securities, money market instruments, derivatives and other assets that are officially listed on a stock exchange are valued at the last available price at the close of trading, ensuring a reliable valuation. This is mentioned in the annex to the fund's Sales Prospectus.

Where securities, money market instruments, derivatives and other assets are officially listed on several stock exchanges, the exchange with the highest liquidity is used.

- b) Securities, money market instruments, derivatives and other assets not officially listed on a stock exchange (or whose exchange prices are not considered representative because of a lack of liquidity, for example) but which are 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 of the trading day preceding the valuation day and that the management company considers in good faith to be the best possible price at which the securities, money market instruments, derivatives and other assets may be sold.

The management company can determine for the fund that securities, money market instruments, derivatives and other assets not officially listed on a stock exchange (or whose exchange prices are not considered representative because of a lack of liquidity, for example) but which are traded on a regulated market are valued at the last available price that the management company considers in good faith to be the best possible price at which the securities, money market instruments, derivatives and other assets may be sold. This is mentioned in the annex to the fund's Sales Prospectus.

- c) OTC derivatives are valued on a daily basis using a verifiable method to be specified by the management company.
- d) Units of UCITS or UCIs shall be valued at the last redemption price determined before the valuation day, or at the last available price which ensures a reliable valuation. 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 and verifiable valuation rules.
- e) If prices are not in line with the market, if the financial instruments specified under b) are not traded on a regulated market and if no prices have been specified for financial instruments other than those under a) to d), these financial instruments 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 generally accepted and verifiable valuation rules (e.g. suitable valuation models, taking into account current market conditions).
- f) Liquid assets are valued at face value plus interest.
- g) Receivables, such as deferred interest and liabilities, are generally valued at their nominal value.
- h) The market value of securities, money market instruments, derivative financial instruments (derivatives) and other assets that are denominated in a currency other than the fund currency is converted into the relevant fund currency on the basis of the exchange rate determined at the WM/Reuters fixing at 5:00 p.m. (4:00 p.m. London time) on the trading day preceding the valuation day. Gains and losses on foreign exchange transactions will be added or deducted as appropriate.

The management company can determine for the fund that securities, money market instruments, derivatives and other assets denominated in a currency other than the fund currency are converted into the relevant fund currency on the basis of the exchange rate determined on the valuation day. Gains and losses on foreign exchange transactions will be added or deducted as appropriate. This is mentioned in the annex to the fund's Sales Prospectus.

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. In connection with listed derivatives, the fund is required to cover risks by providing collateral in the form of bank deposits or securities. The collateral provided in the form of bank deposits amounts to:

ESMA - Initial Margin/Variation Margin for the financial year ending 31 December 2019:

Fund name	Counterparty	Initial margin	Variation margin
Ethna-DYNAMISCH	DZ PRIVATBANK S.A.	USD 492,900.00	USD 109,800.00

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

### 3.) Taxation

#### Taxation of the fund

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The fund assets are subject to a tax in the Grand Duchy of Luxembourg, the *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 depositary nor the management company is required to collect tax certificates.

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

Investors who are not resident in the Grand Duchy of Luxembourg, or who do not maintain a permanent establishment there, do not have to pay income, inheritance, or wealth tax on units or income from units in the Grand Duchy of Luxembourg. They are subject to the national tax regulations of their country of residence.

Since 1 January 2017, in accordance with the Luxembourg law implementing the Directive, natural persons who are resident in the Grand Duchy of Luxembourg and who are not resident for tax purposes in another country have had to pay a final withholding tax of 20 % on the interest income mentioned in the legislation. Under certain conditions, this withholding tax may also apply to the interest income of an investment fund.

It is recommended that unitholders ensure they are informed about laws and regulations which apply to the purchase, ownership and redemption of units and seek advice if necessary.

### 4.) Appropriation of income

Income from unit classes (A), (SIA-A) and (R-A) is distributed. Income from unit classes (T), (SIA-T) (USD-T) and (SIA CHF-T) is reinvested. Distribution takes place at the intervals determined from time to time by the management company.

Further details on the appropriation of income are provided in the Sales Prospectus.

### 5.) Information relating to charges and expenditure

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

### 6.) Transaction costs

Transaction costs include all costs which were accounted for and/or settled separately on account of the fund in the financial year and are directly connected with a purchase or sale of securities, money market instruments, derivatives or other assets. These costs primarily comprise commissions, processing fees and tax.

### 7.) Total Expense Ratio (TER)

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

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

\* NFA = net fund assets

The TER indicates the level of expenses charged to the fund assets. In addition to management and depositary fees and the tax d'abonnement, all other costs are included, 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.)

## 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. In addition to management and depositary fees and the tax d'abonnement, all other costs are included, with the exception of applicable performance fees. 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.

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## 9.) Income and expense 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.) Fund current accounts (cash at banks and/or liabilities to banks)

All of the fund's current accounts (including those in different currencies) that actually and legally form only part of a single current account are designated as a single current account in connection with net fund assets.

Current accounts in foreign currencies, if applicable, are converted into the currency of the fund.

Interest is calculated on the basis of the terms of the relevant individual account.

## 11.) Risk management (unaudited)

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. Equivalent to underlyings, their total value must not exceed the total net value of the fund portfolio.

### VaR Approach:

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 the VaR for a reference portfolio by a factor contingent on the level of the fund's risk profile. The maximum factor permitted by the supervisory authorities is 200 %. 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 a portion of the fund's assets contingent on the level of the fund's risk profile. The maximum limited permitted by the supervisory authorities is 20 % of the fund's assets.

For funds which use the VaR approaches to ascertain the total risk, the Management Company estimates the expected degree of leverage effect. The extent of this leverage effect may deviate from the actual value depending on prevailing market conditions, falling below or exceeding it. 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. The method used to determine the overall risk and, if applicable the publication of the reference portfolio and the expected degree of leverage, as well as the calculation method, are stated in the fund-specific appendix.

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

<b>UCITS</b>	<b>Risk management procedure applied</b>
Ethna-DYNAMISCH	absolute VaR

#### **Absolute VaR Approach for Ethna-DYNAMISCH**

28 In the period from 1 January 2019 to 31 December 2019, 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. For this period, the VaR figure in relation to this internal limit was a minimum of 16.82 %, a maximum of 44.87 % and an average of 30.36 %. 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 2 days and a (historical) observation period of 252 trading days.

In the period from 1 January 2019 to 31 December 2019, the leverage effect had the following values:

Lowest leverage:	43.39 %
Highest leverage:	160.44 %
Median leverage:	96.70 % (101.67 %)
Calculation method:	Nominal value method (total of nominal values of all derivatives)

It should be noted that the leverage does not take into account hedging or netting of opposing positions. Derivatives, which were used to hedge asset positions and thus served to reduce risk at overall fund level, also led to an increase in leverage. The leverage determined on this basis is therefore mainly an indicator of the use of derivatives, but not necessarily of the risk resulting from derivatives.

## **12.) Information for Swiss investors**

### **a.) Securities numbers:**

Ethna-DYNAMISCH unit class (A) securities no. 10724364  
 Ethna-DYNAMISCH unit class (T) securities no. 10724365  
 Ethna-DYNAMISCH unit class (SIA-A) securities no. 22830636  
 Ethna-DYNAMISCH unit class (SIA-T) securities no. 22830638  
 Ethna-DYNAMISCH unit class (USD-T) securities no. 46028820  
 Ethna-DYNAMISCH unit class (SIA CHF-T) securities no. 46028814

### **b.) Total expense ratio (TER) in accordance with the guidelines issued by the Swiss Funds & Management Association (SFAMA) on 16 May 2008:**

Commissions and costs incurred in the management of the collective investment scheme must be disclosed using the internationally recognised measure known as the "Total Expense Ratio (TER)". This figure expresses the total of those commissions and costs which are incurred by the assets of the collective investment scheme on an ongoing basis (operating expense) retrospectively as a percentage of net assets and is to be calculated using the following formula:

$$\text{TER \%} = \frac{\text{Total operating expense in UA}^*}{\text{Average net assets in UA}^*} \times 100$$

\* UA = Units in the currency of account of the collective investment scheme



For newly established funds, the TER is to be calculated for the first time using the statement of operations published in the first annual or semi-annual report. Operating expense may be converted to a 12-month period. The median of month-end values over the period under review is used to calculate the average value for fund assets.

$$\text{Annualised operating expense in UA}^* = \frac{\text{Operating expense in n months}}{N} \times 12$$

\* UA = Units in the currency of account of the collective investment scheme

As per the Swiss Funds & Asset Management Association (SFAMA) guidelines of 16 May 2008, the following TER in per cent was calculated for the period from 1 July 2018 to 30 June 2019:

<b>Ethna-DYNAMISCH</b>	<b>Swiss TER in %</b>	<b>Swiss performance fee in %</b>
Unit class (A)	2.01	0.00
Unit class (T)	2.01	0.00
Unit class (SIA-A)	1.22	0.00
Unit class (SIA-T)	1.16	0.00
Unit class (USD-T) *	1.94*	0.43*
Unit class (SIA CHF-T)*	1.02*	0.00

\* estimated for the period from 1 July 2018 to 30 June 2019

#### **c.) Information for investors**

Payments may be made from the fund management fee to distributors and asset managers in return for distribution of the investment fund (trailer fees). Reimbursements may be granted from the management fee to institutional investors which hold the fund units for third-party beneficial owners.

#### **d.) Amendments to the Prospectus in the financial year**

Published amendments to the Prospectus in the financial year are made available in the Swiss Official Gazette of Commerce at shab.ch and at swissfunddata.ch.

### **13.) Significant events during the period under review**

The Sales Prospectus was amended with effect from 1 July 2019.

The following amendments were made:

- Change in investment policy: The limitation of equity exposure to 70 % has been removed.
- General editorial changes

With effect from 10 July 2019, the decision to change auditor from KPMG Luxembourg to Ernst & Young Luxembourg was made in an extraordinary general meeting.

There were no other noteworthy changes or significant events during the period under review.

### **14.) Significant events after the period under review**

The Sales Prospectus was updated with effect from 1 January 2020. The following amendments entered into force:

- Alignments to template and editorial changes
- The calculation basis for fees was changed for all funds from month-end to average for the month.
- The change of auditor, which had already occurred, was noted in the prospectus.

There were no other noteworthy changes or significant events after the period under review.

### **15.) Remuneration policy (unaudited)**

The Management Company of ETHENEA Independent Investors S.A. applies a remuneration policy that complies with the legal requirements. The remuneration system is designed to be compatible with sound and effective risk management, neither encouraging the assumption of risks that are inconsistent with the risk profiles, management regulations or articles of association of the undertakings for collective investment in transferable securities (hereinafter “UCITS”) under management, nor preventing ETHENEA Independent Investors S.A. from duly acting in the best interests of the UCITS. Employee remuneration consists of an appropriate fixed annual salary plus variable remuneration based on performance and results.

As of 31 December 2018, the total remuneration of the 68 employees of ETHENEA Independent Investors S.A. for the year was EUR 5,789,591.22 in fixed annual salaries plus EUR 1,359,500.00 in variable remuneration. The aforementioned remuneration pertains to all of the UCITS managed by ETHENEA Independent Investors S.A. All employees are involved in total management activities for all funds; therefore, distribution based on fund is not possible.

Since the audited figures for fees for the 2019 financial year are not in yet, the fees for the 2018 financial year are shown at the moment. There were no noteworthy changes as a result of the annual review of the fee policy.

30 More detailed information on the current remuneration policy can be obtained free of charge on the website of the Management Company, [www.ethenea.com](http://www.ethenea.com), in the legal notices section. Investors will be provided with a paper version free of charge upon request.

### **16.) Transparency of securities financing transactions and their reuse (unaudited)**

By definition, ETHENEA Independent Investors S.A., as a management company of undertakings for collective investment in transferable securities (UCITS), comes within the scope of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (“SFTR”).

In the financial year of the investment fund, no securities financing transactions or total return swaps within the meaning of this regulation were used. Thus, no disclosures pursuant to Article 13 of this regulation are to be made to investors in the Annual Report.

More detailed information on the fund’s investment strategy and the financial instruments it uses can be found in the current prospectus, and can be obtained free of charge from the website of the management company at [www.ethenea.com](http://www.ethenea.com).

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# Report of the Réviseur d'Entreprises agréé

To the unitholders of  
**Ethna-DYNAMISCH**  
16, rue Gabriel Lippmann  
L-5365 Munsbach, Luxembourg

## **Audit opinion**

We have audited the annual financial statements of Ethna-DYNAMISCH (“the fund”), consisting of the composition of net fund assets as of 31 December 2019, changes in net fund assets as well as the statement of operations for the financial year ending on that date; and notes, along with a summary of key accounting methods.

In our opinion, the annual financial statements provided give a true and fair view of the financial position of the fund as of 31 December 2019 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 and presentation of financial statements.

## **Basis for our audit opinion**

We have carried out our audit in accordance with the Law concerning the audit profession (the “Law of 23 July 2016”) and international standards on auditing (“ISAs”) accepted for Luxembourg by the Commission de Surveillance du Secteur Financier (“CSSF”). Our responsibility in accordance with the Law of 23 July 2016 and the ISAs is described in more detail in the section “Responsibility of the Réviseur d'entreprises agréé for the audit of the annual financial statements”. We are independent of the Fund in accordance with the “International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants” (“IESBA Code”) accepted for Luxembourg by the CSSF, together with professional conduct requirements to be upheld within the framework of the audit of the annual financial statements and have fulfilled all other professional obligations in accordance with these conduct requirements. We believe that the audit evidence we have obtained is suitable and sufficient to serve as a basis for our audit opinion.

## **Other**

The financial statements of Ethna-DYNAMISCH for the financial year ended on 31 December 2018 were audited by a different auditor, which issued an unqualified audit report on 7 March 2019.

## **Additional information**

The Management Company’s Board of Directors is responsible for the additional information. The additional information includes the information contained in the Annual Report, but not the financial statements or our report as Réviseur d'entreprises agréé on these financial statements.

Our audit results for the financial statements do not cover the additional information, and we make no guarantee whatsoever regarding this information.



In auditing the financial statements, our responsibility is to read the additional information and to assess whether there is a significant discrepancy between it and the financial statements or the findings obtained from the audit, or whether the additional information appears otherwise misrepresented. If we determine on the basis of our activities that the additional information contains substantial misrepresentations, we are required to report this. We have nothing to report in this regard.

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#### **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 and presentation of annual financial statements, and for the internal controls which the Board of Directors of the Management Company deems necessary in order to ensure that annual financial statements are prepared which are free of material misstatement – whether due to error or fraud.

In preparing the annual financial statements, the Board of Directors of the Management Company is responsible for assessing the Fund's ability to continue as a going concern and – where relevant – provide factual information in connection with continuation as a going concern, and use the going concern assumption as an accounting policy, unless the Board of Directors of the management company intends to liquidate the Fund or cease trading, or has no realistic alternative but to do so.

#### **Responsibility of the Réviseur d'entreprises agréé for the audit of the annual financial statements**

The aim of our audit is to obtain reasonable assurance that the annual financial statements as a whole are free of material misstatement – whether due to error or fraud – and prepare a Report of the Réviseur d'entreprises agréé containing our audit opinion. Reasonable assurance corresponds to a high degree of certainty but is no guarantee that an audit in accordance with the Law of 23 July 2016 and pursuant to the ISAs accepted for Luxembourg by the CSSF will always uncover material misstatements, if there are any. Misstatements can be due to fraud or error and are considered material when it can reasonably be believed that these individually or as a whole could influence economic decisions of users made on the basis of the financial statements.

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Within the framework of an audit in accordance with the Law of 23 July 2016 and international standards on auditing (“ISAs”) accepted for Luxembourg by the CSSF, we exercise our best judgement and adopt a critical stance.

Furthermore:

- We identify and assess the risk of material misstatements in the annual financial statements due to fraud or error, plan and carry out audit procedures in response to these risks and obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion. The risk that material misstatements may not be revealed is higher in the case of fraud than in the case of error, as fraud can entail fraudulent conduct, falsifications, deliberate omissions, misleading statements and bypassing of internal controls.
- We obtain an understanding of the internal control system relevant to our audit, in order to plan audit procedures that are appropriate under the given circumstances but not with the aim of expressing an opinion on the effectiveness of the fund’s internal control system.
- We assess the appropriateness of the accounting principles used by the Board of Directors of the management company, accounting estimates and corresponding notes.
- We reach a conclusion on the appropriateness of the application of the going concern accounting principle by the Board of Directors of the management company, as well as on the basis of the audit evidence obtained as to whether a material uncertainty exists in connection with events or circumstances that could create serious doubt about the Fund’s ability to continue with its activities. Should we conclude that a material uncertainty exists, we are obliged to indicate this in the Report of the Réviseur d’entreprises agréé on the accompanying notes to the annual financial statements or, if the information is inappropriate, to amend our audit opinion. These conclusions are based on the principles of the audit evidence obtained up to the date of the Report of the Réviseur d’entreprises agréé. Future or events or circumstances may result in the Fund no longer being able to continue with its business activities.
- We assess the overall presentation, structure and contents of the annual financial statements, including the notes, and assess whether this gives a reasonable presentation of underlying transactions and events.

We communicate with those responsible for governance about the planned audit scope and time frame, as well as significant findings including material weaknesses in the internal control system identified within the framework of the audit.

Luxembourg, 10 March 2020

Ernst & Young  
Société anonyme  
Cabinet de révision agréé

Nadia Faber

## Administration, distribution and advisory

34	<b>Management company:</b>	<b>ETHENEA Independent Investors S.A.</b> 16, rue Gabriel Lippmann L-5365 Munsbach
	<b>Managing directors of the management company:</b>	Thomas Bernard Frank Hauprich Josiane Jennes
	<b>Board of Directors of the management company (managing body):</b>	
	<b>Chairman:</b>	Luca Pesarini ETHENEA Independent Investors S.A.
	<b>Members:</b>	Thomas Bernard ETHENEA Independent Investors S.A.  Nikolaus Rummler IPConcept (Luxemburg) S.A.  Arnoldo Valsangiacomo ETHENEA Independent Investors S.A.
	<b>Auditor of the fund and the management company:</b>	<b>Ernst &amp; Young S.A.</b> 35E, Avenue John F. Kennedy L-1855 Luxembourg
	<b>Depositary:</b>	<b>DZ PRIVATBANK S.A.</b> 4, rue Thomas Edison L-1445 Strassen, Luxembourg
	<b>Fund manager:</b>	<b>ETHENEA Independent Investors S.A.</b> 16, rue Gabriel Lippmann L-5365 Munsbach

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**Central administration, registrar and transfer agent:** **DZ PRIVATBANK S.A.**  
4, rue Thomas Edison  
L-1445 Strassen, Luxembourg

**Paying agent in the Grand Duchy of Luxembourg:** **DZ PRIVATBANK S.A.**  
4, rue Thomas Edison  
L-1445 Strassen, Luxembourg

**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

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**Information for investors in Austria:**

**Credit institution as defined by section 141 (1)  
of the Austrian Investment Fund Act (InvFG) 2011:** **ERSTE BANK**  
der oesterreichischen Sparkassen AG  
Am Belvedere 1  
A-1100 Wien

**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  
Am Belvedere 1  
A-1100 Wien

**Domestic tax representative as as defined by  
section 186 (2) no. 2 of the Austrian Investment  
Fund Act (InvFG) 2011:** **ERSTE BANK**  
der oesterreichischen Sparkassen AG  
Am Belvedere 1  
A-1100 Wien

**Information for investors in Switzerland:**

**Representative in Switzerland:** **IPConcept (Schweiz) AG**  
Münsterhof 12  
Postfach  
CH-8022 Zurich

**Paying agent in Switzerland:** **DZ PRIVATBANK (Schweiz) AG**  
Münsterhof 12  
Postfach 2918  
CH-8022 Zurich

**Information for investors in Belgium:**

**Unit classes (T) and (SIA-T) are licensed for public distribution in Belgium. Units in other unit classes may not be publicly distributed to investors in Belgium.**

**Paying agent and distributor:**

**CACEIS Belgium SA/NV**

Avenue du Port / Havenlaan 86C b 320  
B-1000 Brussels

**Distributor:**

**DEUTSCHE BANK AG**

Brussels branch, Marnixlaan 13 - 15  
B-1000 Brussels

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

**Paying agent:**

**SIGMA Bank AG**

Feldkircher Strasse 2  
FL-9494 Schaan

**Information for investors in Italy:**

**Paying agents:**

**BNP Paribas Securities Services**

Via Ansperto no. 5  
IT-20123 Milano

**Société Générale Securities Services**

Via Benigno Crespi, 19/A - MAC 2  
IT-20159 Milano

**RBC Investor Services Bank S.A.**

Via Vittor Pisani 26  
IT-20124 Milano

**State Street Bank S.p.A.**

Via Ferrante Aporti 10  
IT-20125 Milano

**Banca Sella Holding S.p.A.**

Piazza Gaudenzio Sella 1  
IT-13900 Biella

**Allfunds Bank S.A.**

Via Santa Margherita 7  
IT-20121 Milano

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**Information for investors in Spain:**

**Paying agent:**

**Allfunds Bank S.A.**

c/ Estafeta nº 6 (La Moraleja)  
Complejo Plaza de la Fuente - Edificio 3-  
ES-28109 Alcobendas (Madrid)

**Information for investors in France:**

**Paying agent:**

**Caceis Bank**

1/3 Place Valhubert  
F-75013 Paris

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