

# Ethna SICAV RCS B-212494

Annual report including audited financial statements  
as of 31 December 2018

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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  
Société d'Investissement à Capital Variable (SICAV)

R.C.S. Luxembourg B-155427



**ETHENEIA**

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The Sales Prospectus with integrated Articles of Association, 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 investment company, or from the depositary, paying agents and the distributor in the respective countries of distribution. Additional information is available from the investment company at all times during regular business hours.

Share 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.

# Fund Management Report

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

*"There is no risk-free path for monetary policy."  
(Jerome Powell)*

Dear investors,

What an exciting and turbulent year it was. At the beginning of 2018 the global economy was on a very solid growth course and there was every indication that growth would remain strong. By the time GDP growth figures for the third quarter of 2018 were out, the picture had changed. In fact the pace of growth in Europe had begun to slow as early as the first quarter. This was mainly attributed to temporary factors, both then and again recently. However, it turns out that hopes for another quick pick-up in growth were premature and unfounded.

In the US, GDP growth could not have been better, due mainly to the Trump administration's very expansionary fiscal policy. As a result, the unemployment rate fell to a historical low, consumption increased greatly and corporate profits also rose strongly. However, the first warning signs in the US, too, appeared in the second half of the year. The real estate market in particular came under pressure due to sharp rises in interest rates in the interim. In addition, the expected increase in capital investments did not come about, which then had negative effects on expectations for productivity and wage development. In December, finally, the US economy gave way to the mounting stress factors and macroeconomic data across the board fell short of the - still high - expectations. The market reacted strongly and the broad-based S&P equity index recorded its worst December since 1932.

In keeping with this late-cycle economic dynamic, the yield curve in the US flattened a good deal and the interest differential between 10-year and 2-year US sovereign bonds shrank to a few tenths of a percentage point. This is a further indicator that the economy is in a very late stage of the economic cycle. Other risks and symptoms that frequently occur were also in evidence: rising real interest rates, high equity market volatility and falling risk-adjusted income.

The causes of this market uncertainty, however, are not solely economic in nature. One reason for the sharp rise in volatility over the course of the year was the political uncertainty; not only the sheer number of sources of political uncertainty - from trade wars to Brexit to potential military conflict in the South China Sea - but also the fact that there's no end to the uncertainty. Investors tend to say that political stock markets are short-lived. But the trade conflict between the US and China shows that political populism doesn't think much of such generalities. The ongoing uncertainty and the potential substantial consequences for growth and employment have finally done serious damage in China as well, the second-largest economy in the world.

On the other hand, central banks' changing monetary policy - in the US in particular but also within the eurozone, Japan and other important developed markets - is contributing to the much more volatile environment. After years of the markets being inundated with liquidity and any uncertainties that arose always being countered with further monetary stimulus, a sea-change finally came about with the appointment of Jerome Powell as Chair of the US central bank. With core inflation at approx. 2 %, a very robust labour market and GDP growth well above potential, the change in the monetary environment was needed. However, we cannot yet clearly discern the consequences of this monetary precedent.

The combination of late-cycle economic developments, a high degree of political uncertainty and the end of expansionary monetary policy - especially in the US - make the 2019 outlook for the stock markets uncertain. At this point in time, there is no reason to expect a recession in the US, China or Europe this year but the 10-year rally in equity and bond markets seems to have ended for now. With this in prospect, we have acted early and structured our portfolios so that they are more defensive and of higher quality.

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.

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

Ethna-AKTIV:

2018 started with a continuation of the previous year's positive momentum. Our conviction that we could continue to expect uniform global growth resulted in gains across the board in global capital markets. The Ethna-AKTIV benefited reasonably well from these developments both through the equity and bond allocation. While the considerable reduction in fund risks did a good job of cushioning the effects of the subsequent volatility shock in February, risk allocation proved increasingly difficult as the year went on. A trade dispute sparked by the US primarily with the Chinese, the uncertainty surrounding Brexit, the Italian budget and, in particular, the future course of the US central bank impacted on stock markets and gradually pushed up volatility from the historically low levels of the previous year. The fact that the relevant fundamental leading indicators were steadily deteriorating at the same time led to a constant rise in the risk premia on corporate bonds and a simultaneous sell-off of equities. While we were correct in our overweighting of US equities - which had long managed to escape this downtrend - our entry into Chinese equities proved premature. The distinct improvement in the credit quality of the bond portfolio implemented over the course of the year did help to limit the resulting losses but couldn't eliminate them. Only in the case of US interest rates was duration management successful in making a positive contribution to the result. At the end of 2018, as the sell-off gathered pace, our flexibility in relation to allocation and the liquidity with regard to the instruments employed, being an integral part of the fund concept, came into play. The radical reduction in idiosyncratic equity risks and the distinct improvement in the quality of the bond portfolio considerably reduced potential losses in the fourth quarter.

Ethna-DEFENSIV:

The Ethna-DEFENSIV started the year very well, with bond markets continuing the global upturn. The duration risks were successfully hedged and the yield premia for corporate bonds shrank to record levels. The turning point came on 6 February 2018. On that date, the VIX volatility index rose dramatically due to abnormal positioning in complex derivatives. This movement brought it home to all market participants that the Goldilocks market was finally over. Suddenly, it was all one-way traffic not only for equities but also, and especially, for corporate bond yield premia: first and foremost, for the lower-grade bond segment and bonds denominated in euro. Portfolio Management took the opportunity to alter the fund positioning by converting the 80 % exposure to USD-denominated bonds into an 80 % exposure to bonds denominated in EUR and, at the same time, improving the average rating from BBB to AA-. As a result of this repositioning, the fund avoided substantially greater losses, as the yield premia widened significantly over the course of the year. Despite that, it was not possible to eliminate all the losses because, of course, the higher-grade bond segment became cheaper. A few special effects in the subordinated bond market segment led to more losses, which were further amplified by the very low liquidity. In general, 2018 was characterised by volatility and illiquidity. Greater attention will be paid to both aspects in future portfolio construction. Anticipating and rotating as early as possible are effective means for the fund to avoid losses.

Ethna-DYNAMISCH:

On the back of 2017's uniform global upturn, equity markets, too, started 2018 on a high. However, once the correction came along in January/February their paths diverged for the rest of the year. In Asia, stock markets were subsequently unable to regain January's highs, while Europe painted a mixed picture. US equity markets held their ground the longest and were still close to historical highs up till the beginning of October before a sharp correction set in in the fourth quarter. As of the end of the year, almost all the major stock market indices were in negative territory; most were even double-digit negatives. In 2018 there was a lot more going on under the surface than the broad indices would have one believe. For example, the year was again much better for growth equities than value stocks. However, the most significant difference was between defensive and cyclical equities. While 2017 was cyclical's year, at the end of February - taking Europe as an example - they reached a relative high and since then have been 21 % weaker than defensive equities. Looking specifically at the Ethna-DYNAMISCH, in 2018 we did not adequately protect the fund from the stress factors mentioned. In particular, the selection result - that is, equity portfolio performance relative to the overall market - was negative for the first time in years. However, we managed to limit the decline by adopting an increasingly defensive stance over the course of the year and also thanks to the hedging components implemented in the fund concept as well as gains on foreign currency positions. In addition, the Ethna-DYNAMISCH managed to escape the falls in prices in bond markets at an early stage by virtue of its extremely risk-averse positioning. As a consequence of the steady reduction in risk, the fund's cash position rose sharply over the course of the year, so now that price levels are more attractive, purchases can slowly but surely be made once again.

Munzbach, January 2019

Board of Directors of the Management Company

# Consolidated financial statements of Ethna SICAV including the sub-funds Ethna SICAV - AKTIV A, Ethna SICAV - DEFENSIV A and Ethna SICAV - DYNAMISCH A

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## Composition of net fund assets

as of 31 December 2018

	EUR
Securities holdings (securities acquisition costs: EUR 31,669,506.99)	29,879,086.82
Cash at banks	3,862.83
Receivables from securities transactions	43,848.35
	<b>29,926,798.00</b>
Share redemptions payable	-43,848.35
Interest liabilities	-7.12
Other liabilities and equity <sup>1)</sup>	-1,146.20
	<b>-45,001.67</b>
<b>Net fund assets</b>	<b>29,881,796.33</b>

<sup>1)</sup> This item comprises management fees.

## Change in net fund assets

in the period under review from 1 January 2018 to 31 December 2018

	EUR
Total net fund assets at the beginning of the period under review	1,824,929.35
Ordinary net income	27,248.31
Income and expense equalisation	-36,145.95
Inflow of funds from sale of shares	31,667,621.90
Outflow of funds from redemption of shares	-1,717,455.80
Realised gains	210.23
Realised losses	-46,766.40
Net change in unrealised gains	-51,014.79
Net change in unrealised losses	-1,778,303.65
Distribution	-8,526.87
<b>Total net fund assets at the end of the period under review</b>	<b>29,881,796.33</b>

**Statement of Operations**

in the period under review from 1 January 2018 to 31 December 2018

	EUR
<b>Income</b>	
Income from investment units	1,725.88
Bank interest	-9.01
Income equalisation	45,167.21
<b>Total income</b>	<b>46,884.08</b>
<b>Expense</b>	
Interest expense	-8.10
Management fee	-9,533.13
Taxe d'abonnement	-1.04
6 Typesetting, printing and postage and packaging for the annual and semi-annual reports	-128.70
Registrar and transfer agent fee	-943.54
Expense equalisation	-9,021.26
<b>Total expense</b>	<b>-19,635.77</b>
<b>Ordinary net income</b>	<b>27,248.31</b>

# Geographical breakdown by country and breakdown by economic sector of the sub-fund Ethna SICAV - AKTIV A

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The company is entitled to create share classes that confer different rights depending on the shares.

Currently the following share class exists with these structural features:

Security identification no.:	A2AH5Q
ISIN code:	LU1546153187
Subscription fee:	up to 3.00 %
Redemption fee:	none
Management fee:	0.05 % p.a.
Minimum subsequent investment:	none
Dividend policy:	distributed
Currency:	EUR

## Geographical breakdown by country <sup>1)</sup>

Luxembourg	99.99 %
<b>Securities holdings</b>	<b>99.99 %</b>
Cash at banks	0.01 %
Other receivables and payables (net)	0.00 %
	<b>100.00 %</b>

## Breakdown by economic sector <sup>1)</sup>

Investment fund units	99.99 %
<b>Securities holdings</b>	<b>99.99 %</b>
Cash at banks	0.01 %
Other receivables and payables (net)	0.00 %
	<b>100.00 %</b>

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



## Composition of net sub-fund assets of the sub-fund Ethna SICAV - AKTIV A

### 8 Change since inception

Date	Net sub-fund assets in EUR millions	Outstanding shares	Net inflows in EUR thousands	Value per share EUR
3 February 2017 (the date of inception)	inception	-	-	100.00 <sup>1)</sup>
31/12/2017	0.72	6,927	699.85	104.21
31/12/2018	28.85	298,709	29,936.39	96.57

<sup>1)</sup> The value per share was calculated for the first time on 7 February 2017

### Composition of net sub-fund assets

as of 31 December 2018

	EUR
Securities holdings (securities acquisition costs: EUR 30,582,467.91)	28,843,915.47
Cash at banks	3,537.02
Receivables from securities transactions	43,848.35
	<b>28,891,300.84</b>
Share redemptions payable	-43,848.35
Interest liabilities	-6.78
Other liabilities and equity <sup>2)</sup>	-1,106.48
	<b>-44,961.61</b>
<b>Net sub-fund assets</b>	<b>28,846,339.23</b>
<b>Outstanding shares</b>	<b>298,709.187</b>
<b>Value per share</b>	<b>EUR 96.57</b>

<sup>2)</sup> This item comprises management fees.

**Change in net sub-fund assets**

in the period under review from 1 January 2018 to 31 December 2018

	EUR
Total net sub-fund assets at the beginning of the period under review	721,869.75
Ordinary net income	27,602.87
Income and expense equalisation	-36,151.46
Inflow of funds from sale of shares	31,588,969.37
Outflow of funds from redemption of shares	-1,652,583.73
Realised losses	-42,421.60
Net change in unrealised gains	-22,393.53
Net change in unrealised losses	-1,738,552.44
<b>Total net sub-fund assets at the end of the period under review</b>	<b>28,846,339.23</b>

**Change in number of shares in circulation**

	Number
Shares in circulation at the beginning of the period under review	6,927.000
Shares issued	308,360.473
Shares redeemed	-16,578.286
<b>Shares in circulation at end of period under review</b>	<b>298,709.187</b>

# Statement of operations of the sub-fund Ethna SICAV - AKTIV A

## 10 Statement of Operations in the period under review from 1 January 2018 to 31 December 2018

	EUR
<b>Income</b>	
Income from investment units	1,429.01
Bank interest	-7.47
Income equalisation	45,198.55
<b>Total income</b>	<b>46,620.09</b>
<b>Expense</b>	
Interest expense	-6.74
Management fee	-8,964.26
Taxe d'abonnement	-0.95
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-54.64
Registrar and transfer agent fee	-943.54
Expense equalisation	-9,047.09
<b>Total expense</b>	<b>-19,017.22</b>
<b>Ordinary net income</b>	<b>27,602.87</b>
<b>Total transaction costs in the financial year <sup>1)</sup></b>	<b>-</b>
<b>Total expense ratio in per cent <sup>1)</sup></b>	<b>0.06</b>

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

# Statement of net assets of the sub-fund

## Ethna SICAV - AKTIV A as of 31 December 2018

### Statement of net assets as of 31 December 2018

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ISIN	Securities		Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NSFA <sup>1)</sup>
<b>Investment fund units <sup>2)</sup></b>								
<b>Luxembourg</b>								
LU0136412771	Ethna - AKTIV A	EUR	246,076	12,330	239,289	120.5400	28,843,915.47	99.99
							<b>28,843,915.47</b>	<b>99.99</b>
<b>Investment fund units <sup>2)</sup></b>							<b>28,843,915.47</b>	<b>99.99</b>
<b>Securities holdings</b>							<b>28,843,915.47</b>	<b>99.99</b>
<b>Cash at banks - current accounts</b>							<b>3,537.02</b>	<b>0.01</b>
<b>Other receivables and payables (net)</b>							<b>-1,113.26</b>	<b>0.00</b>
<b>Total net sub-fund assets in EUR</b>							<b>28,846,339.23</b>	<b>100.00</b>

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

<sup>2)</sup> Information on subscription and redemption fees as well as the maximum amount of the management fee for target fund units may be obtained on application from the registered office of the management company and from the depositary and paying agents free of charge.

## Acquisitions and disposals of the sub-fund Ethna SICAV - AKTIV A from 1 January 2018 to 31 December 2018

12 **Acquisitions and disposals from 1 January 2018 to 31 December 2018**

No other purchases or sales of securities, promissory note loans or derivatives were executed during the period under review, including changes excluding capital movements, that are not reported in the statement of net assets.

**Exchange rates**

As of 31 December 2018, assets existed exclusively in the sub-fund currency of the euro.

# Geographical breakdown by country and breakdown by economic sector of the sub-fund Ethna SICAV - DEFENSIV A

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The company is entitled to create share classes that confer different rights depending on the shares.

Currently the following share class exists with these structural features:

Security identification no.:	A2AH5R
ISIN code:	LU1546156875
Subscription fee:	up to 2.50 %
Redemption fee:	none
Management fee:	0.05 % p.a.
Minimum subsequent investment:	none
Dividend policy:	distributed
Currency:	EUR

## Geographical breakdown by country <sup>1)</sup>

Luxembourg	99.99 %
<b>Securities holdings</b>	<b>99.99 %</b>
Cash at banks	0.02 %
Other receivables and payables (net)	-0.01 %
	<b>100.00 %</b>

## Breakdown by economic sector <sup>1)</sup>

Investment fund units	99.99 %
<b>Securities holdings</b>	<b>99.99 %</b>
Cash at banks	0.02 %
Other receivables and payables (net)	-0.01 %
	<b>100.00 %</b>

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

## Composition of the net sub-fund assets of the sub-fund Ethna SICAV - DEFENSIV A

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### Change since inception

Date	Net sub-fund assets in EUR millions	Outstanding shares	Net inflows in EUR thousands	Value per share EUR
3 February 2017 (the date of inception)	inception	-	-	100.00 <sup>1)</sup>
31/12/2017	0.57	5,612	562.07	101.29
31/12/2018	0.48	5,018	-56.57	95.01

<sup>1)</sup> The value per share was calculated for the first time on 7 February 2017

### Composition of net sub-fund assets

as of 31 December 2018

	EUR
Securities holdings (securities acquisition costs: EUR 511,055.17)	476,709.47
Cash at banks	85.19
	<b>476,794.66</b>
Interest liabilities	-0.14
Other liabilities and equity <sup>2)</sup>	-18.29
	<b>-18.43</b>
<b>Net sub-fund assets</b>	<b>476,776.23</b>
<b>Outstanding shares</b>	<b>5,018.000</b>
<b>Value per share</b>	<b>EUR 95.01</b>

<sup>2)</sup> This item comprises management fees.

**Change in net sub-fund assets**

in the period under review from 1 January 2018 to 31 December 2018

	EUR
Total net sub-fund assets at the beginning of the period under review	568,456.62
Ordinary net expenditure	-13.80
Income and expense equalisation	0.87
Inflow of funds from sale of shares	2,326.16
Outflow of funds from redemption of shares	-58,892.77
Realised losses	-4,344.80
Net change in unrealised losses	-22,229.18
Distribution	-8,526.87
<b>Total net sub-fund assets at the end of the period under review</b>	<b>476,776.23</b>

**Change in number of shares in circulation**

	Number
Shares in circulation at the beginning of the period under review	5,612.000
Shares issued	24.000
Shares redeemed	-618.000
<b>Shares in circulation at end of period under review</b>	<b>5,018.000</b>



# Statement of operations of the sub-fund Ethna SICAV - DEFENSIV A

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## Statement of Operations

in the period under review from 1 January 2018 to 31 December 2018

	EUR
<b>Income</b>	
Income from investment units	296.87
Bank interest	-0.80
Income equalisation	-31.34
<b>Total income</b>	<b>264.73</b>
<b>Expense</b>	
Interest expense	-1.24
Management fee	-271.74
Taxe d'abonnement	-0.05
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-35.97
Expense equalisation	30.47
<b>Total expense</b>	<b>-278.53</b>
<b>Ordinary net expenditure</b>	<b>-13.80</b>
<b>Total transaction costs in the financial year <sup>1)</sup></b>	<b>-</b>
<b>Total expense ratio in per cent <sup>1)</sup></b>	<b>0.06</b>

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

# Statement of net assets of the sub-fund

## Ethna SICAV - DEFENSIV A as of 31 December 2018

### Statement of net assets as of 31 December 2018

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ISIN	Securities		Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NSFA <sup>1)</sup>
<b>Investment fund units <sup>2)</sup></b>								
<b>Luxembourg</b>								
LU0279509904	Ethna - DEFENSIV A	EUR	108	527	3,746	127.2600	476,709.47	99.99
							<b>476,709.47</b>	<b>99.99</b>
<b>Investment fund units <sup>2)</sup></b>							<b>476,709.47</b>	<b>99.99</b>
<b>Securities holdings</b>							<b>476,709.47</b>	<b>99.99</b>
<b>Cash at banks - current accounts</b>							<b>85.19</b>	<b>0.02</b>
<b>Other receivables and payables (net)</b>							<b>-18.43</b>	<b>-0.01</b>
<b>Total net sub-fund assets in EUR</b>							<b>476,776.23</b>	<b>100.00</b>

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

<sup>2)</sup> Information on subscription and redemption fees as well as the maximum amount of the management fee for target fund units may be obtained on application from the registered office of the management company and from the depositary and paying agents free of charge.

## Acquisitions and disposals of the sub-fund Ethna SICAV - DEFENSIV A from 1 January 2018 to 31 December 2018

18 **Acquisitions and disposals from 1 January 2018 to 31 December 2018**

No other purchases or sales of securities, promissory note loans or derivatives were executed during the period under review, including changes excluding capital movements, that are not reported in the statement of net assets.

**Exchange rates**

As of 31 December 2018, assets existed exclusively in the sub-fund currency of the euro.

# Geographical breakdown by country and breakdown by economic sector of the sub-fund Ethna SICAV - DYNAMISCH A

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The company is entitled to create share classes that confer different rights depending on the shares.

Currently the following share class exists with these structural features:

Security identification no.:	A2AH5S
ISIN code:	LU1546162501
Subscription fee:	up to 5.00 %
Redemption fee:	none
Management fee:	0.05 % p.a.
Minimum subsequent investment:	none
Dividend policy:	distributed
Currency:	EUR

## Geographical breakdown by country <sup>1)</sup>

Luxembourg	99.96 %
<b>Securities holdings</b>	<b>99.96 %</b>
Cash at banks	0.04 %
Other receivables and payables (net)	0.00 %
	<b>100.00 %</b>

## Breakdown by economic sector <sup>1)</sup>

Investment fund units	99.96 %
<b>Securities holdings</b>	<b>99.96 %</b>
Cash at banks	0.04 %
Other receivables and payables (net)	0.00 %
	<b>100.00 %</b>

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

## Composition of the net sub-fund assets of the sub-fund Ethna SICAV - DYNAMISCH A

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### Change since inception

Date	Net sub-fund assets in EUR millions	Outstanding shares	Net inflows in EUR thousands	Value per share EUR
3 February 2017 (the date of inception)	inception	-	-	100.00 <sup>1)</sup>
31/12/2017	0.53	5,017	501.82	106.56
31/12/2018	0.56	5,680	70.35	98.36

<sup>1)</sup> The value per share was calculated for the first time on 7 February 2017.

### Composition of net sub-fund assets

as of 31 December 2018

	EUR
Securities holdings (securities acquisition costs: EUR 575,983.91)	558,461.88
Cash at banks	240.62
	<b>558,702.50</b>
Interest liabilities	-0.20
Other liabilities and equity <sup>2)</sup>	-21.43
	<b>-21.63</b>
<b>Net sub-fund assets</b>	<b>558,680.87</b>
<b>Outstanding shares</b>	<b>5,679.831</b>
<b>Value per share</b>	<b>EUR 98.36</b>

<sup>2)</sup> This item comprises management fees.

**Change in net sub-fund assets**

in the period under review from 1 January 2018 to 31 December 2018

	EUR
Total net sub-fund assets at the beginning of the period under review	534,602.98
Ordinary net expenditure	-340.76
Income and expense equalisation	4.64
Inflow of funds from sale of shares	76,326.37
Outflow of funds from redemption of shares	-5,979.30
Realised gains	210.23
Net change in unrealised gains	-28,621.26
Net change in unrealised losses	-17,522.03
<b>Total net sub-fund assets at the end of the period under review</b>	<b>558,680.87</b>

**Change in number of shares in circulation**

	Number
Shares in circulation at the beginning of the period under review	5,017.000
Shares issued	719.831
Shares redeemed	-57.000
<b>Shares in circulation at end of period under review</b>	<b>5,679.831</b>

# Statement of operations

## of the sub-fund Ethna SICAV - DYNAMISCH A

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### Statement of Operations

in the period under review from 1 January 2018 to 31 December 2018

	EUR
<b>Income</b>	
Bank interest	-0.74
<b>Total income</b>	<b>-0.74</b>
<b>Expense</b>	
Interest expense	-0.12
Management fee	-297.13
Taxe d'abonnement	-0.04
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-38.09
Expense equalisation	-4.64
<b>Total expense</b>	<b>-340.02</b>
<b>Ordinary net expenditure</b>	<b>-340.76</b>
<b>Total transaction costs in the financial year <sup>1)</sup></b>	<b>-</b>
<b>Total expense ratio in per cent <sup>1)</sup></b>	<b>0.06</b>

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

# Statement of net assets of the sub-fund

## Ethna SICAV - DYNAMISCH A as of 31 December 2018

### Statement of net assets as of 31 December 2018

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ISIN	Securities		Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NSFA <sup>1)</sup>
<b>Investment fund units <sup>2)</sup></b>								
<b>Luxembourg</b>								
LU0455734433	Ethna - DYNAMISCH A	EUR	1,000	82	7,509	74.3700	558,461.88	99.96
							<b>558,461.88</b>	<b>99.96</b>
<b>Investment fund units <sup>2)</sup></b>							<b>558,461.88</b>	<b>99.96</b>
<b>Securities holdings</b>							<b>558,461.88</b>	<b>99.96</b>
<b>Cash at banks - current accounts</b>							<b>240.62</b>	<b>0.04</b>
<b>Other receivables and payables (net)</b>							<b>-21.63</b>	<b>0.00</b>
<b>Total net sub-fund assets in EUR</b>							<b>558,680.87</b>	<b>100.00</b>

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

<sup>2)</sup> Information on subscription and redemption fees as well as the maximum amount of the management fee for target fund units may be obtained on application from the registered office of the management company and from the depositary and paying agents free of charge.



## Acquisitions and disposals of the sub-fund Ethna SICAV - DYNAMISCH A from 1 January 2018 to 31 December 2018

24 **Acquisitions and disposals from 1 January 2018 to 31 December 2018**

No other purchases or sales of securities, promissory note loans or derivatives were executed during the period under review, including changes excluding capital movements, that are not reported in the statement of net assets.

**Exchange rates**

As of 31 December 2018, assets existed exclusively in the sub-fund currency of the euro.



## Notes to the Annual Report as of 31 December 2018

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### 1.) General

The investment company Ethna SICAV is a public limited liability company with variable capital (Société d'Investissement à Capital Variable) incorporated under the laws of the Grand Duchy of Luxembourg with its registered office at 4, rue Thomas Edison L-1445 Strassen, Luxembourg. The company was founded on 3 February 2017 for an indefinite period in the form of an umbrella fund. Its Articles of Association were published in the Recueil électronique des sociétés et associations ("RESA") of the Luxembourg Trade and Companies Register. The investment company is registered with the Luxembourg Trade and Companies Register under the registration number RCS Luxembourg B-212494.

Ethna SICAV is a Luxembourg investment company (Société d'Investissement à Capital Variable) set up in the form of an umbrella fund ("investment company" or "fund") with one or more sub-funds 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 objective of the investment policy of the Ethna SICAV, as the master UCITS of its three sub-funds that function as feeder UCITS, is to reflect the performance of the individual mono funds Ethna - AKTIV, Ethna - DEFENSIV and Ethna - DYNAMISCH, which are legally dependent investment funds in accordance with Chapter II of the Law of 17 December 2010 in the form of a mono fund. The individual sub-funds are therefore feeder UCITS as defined in Article 77 of the Law of 17 December 2010.

The Board of Directors of the investment company has delegated the asset management, administration and distribution of shares in the investment company to 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. The most recent 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.

The current version of the Sales Prospectus with integrated Management Regulations, the most recent annual and semi-annual reports and the Key Investor Information Document of the individual master UCITS can be downloaded from the website of the management company [www.ethenea.com](http://www.ethenea.com).

### 2.) Main accounting and valuation principles; calculation of the value per share

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

1. The investment company's net assets are stated in euros (EUR) ("reference currency").
2. The value of a share ("net asset value per share") is stated in the currency ("(sub-)fund currency") as specified in the relevant annex to the Sales Prospectus unless a currency other than the (sub-)fund currency is specified for any additional share classes in the relevant annex to the Prospectus ("share class currency").
3. The net asset value per share 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 Board of Directors of the investment company may make different arrangements for individual sub-funds, while taking into account that the net asset value per share must be calculated at least twice a month.

4. To calculate the net asset value per share, the value of the assets belonging to the respective sub-fund less any liabilities of the sub-fund concerned (“net sub-fund assets”) is calculated on each valuation day, divided by the number of shares of the sub-fund concerned in circulation on the valuation day. However, the management company may decide to determine the net asset value per share on 24 and 31 December of any given year, without this constituting a calculation of the net asset value per share on a valuation day as specified in sentence 1 above of this point 4. As a consequence, shareholders shall not be entitled to demand the issue, redemption and/or exchange of shares on the basis of a net asset value per share calculated on 24 and/or 31 December in any year.
5. To the extent that information regarding the position of the company’s net 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 of the relevant sub-fund are translated into the reference currency. Individual net sub-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 individual sub-funds 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 Sales Prospectus of the sub-fund concerned.

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, derivative financial 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, derivative financial instruments (derivatives) and other assets may be sold.

The management company can determine for individual sub-funds 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 Sales Prospectus of the sub-fund concerned.

- c) OTC derivatives are valued on a daily basis using a verifiable method to be specified by the management company.
- d) Units and shares 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. If a sub-fund is structured as a feeder UCITS, the units/shares in the master UCITS are valued at the redemption price of the master UCITS on the valuation day.
- 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, derivatives and other assets that are denominated in a currency other than the relevant sub-fund currency is converted into the relevant sub-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 individual sub-funds that securities, money market instruments, derivatives and other assets denominated in a currency other than the respective sub-fund currency are converted into the respective sub-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 Sales Prospectus of the sub-fund concerned.

Individual net sub-fund assets are reduced by any distributions paid to shareholders in the relevant sub-fund.

6. The net asset value per share is calculated separately for each sub-fund based on the criteria set out above. However, if different share classes have been created within a sub-fund, the corresponding net asset value per share is calculated separately for each share class within the relevant sub-fund in accordance with the criteria set out above.

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 investment company

The company assets are subject to a tax in the Grand Duchy of Luxembourg, the *taxe d'abonnement*, currently 0.05 % p.a., or 0.01 % p.a. for the sub-funds or share classes that issue shares solely to institutional shareholders. The *taxe d'abonnement* is payable quarterly on the company's net assets reported at the end of each quarter. The rate of the *taxe d'abonnement* for a sub-fund or share class is mentioned in the respective 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 the respective sub-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 respective sub-fund assets are invested. In such cases, neither the depositary nor the management company is required to collect tax certificates.

#### Taxation on income from shares in the investment company for the shareholder

Shareholders 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 shares or income from shares 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 prospective investors ensure they are informed about laws and regulations which apply to the purchase, ownership and redemption of shares and seek advice if necessary.

### 4.) Appropriation of income

Further information on the appropriation of income is 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 relevant sub-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 calculation method was applied:

$$\text{TER} = \frac{\text{Total cost in sub-fund currency}}{\text{Average sub-fund volume}} \times 100$$

(Basis: NSFA calculated daily \*)

\* NSFA = Net sub-fund assets.

The TER indicates the level of expenses charged to the individual sub-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 individual sub-funds. It shows the total amount of these costs as a percentage of the average individual sub-fund volumes in a financial year.

## 8.) 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 shares pays for as part of the issue price and the seller of shares receives as part of the redemption price.

## 9.) 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 sub-funds it manages. 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 sub-funds under management 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 (if necessary, delta-weighted) equivalent or nominal value. 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 sub-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 sub-fund. Furthermore, the expected leverage published is explicitly not to be understood as an investment limit.

### Sub-fund: Risk management procedure applied

Ethna SICAV - AKTIV A	absolute VaR
-----------------------	--------------

In the period from 1 January 2018 to 31 December 2018, 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 10.57 %, a maximum of 35.64 % and an average of 16.95 %. 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 January 2018 to 31 December 2018, the leverage effect had the following values:

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

**Sub-fund:** **Risk management procedure applied**

Ethna SICAV - DEFENSIV A absolute VaR

In the period from 1 January 2018 to 31 December 2018, the absolute VaR approach was used to monitor and measure the total risk associated with derivatives. An absolute value of 10 % was used for the internal limit.

For this period, the VaR figure in relation to this internal limit was a minimum of 3.93 %, a maximum of 13.76 % and an average of 7.70 %. 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 January 2018 to 31 December 2018, the leverage effect had the following values:

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

**Sub-fund:** **Risk management procedure applied**

Ethna SICAV - DYNAMISCH A absolute VaR

In the period from 1 January 2018 to 31 December 2018, 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 16.86 %, a maximum of 46.38 % and an average of 25.86 %. 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 January 2018 to 31 December 2018, the leverage effect had the following values:

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

## 10.) Significant events during the period under review

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

## 11.) Significant events after the period under review

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

**13.) Master-feeder structure**

The objective of the investment policy of Ethna SICAV, as the master UCITS of its three sub-funds that function as feeder UCITS, is to reflect the performance of the individual mono funds Ethna - Aktiv, Ethna - Defensiv and Ethna - Dynamisch, which are legally dependent investment funds in accordance with Chapter II of the Law of 17 December 2010 in the form of a mono fund. The individual sub-funds are therefore feeder UCITS as defined in Article 77 of the Law of 17 December 2010.

**Aggregated expense and investment policy:****Ethna SICAV - AKTIV A**

**Aggregated fees - Ethna - AKTIV (unit class A) master UCITS with Ethna SICAV - AKTIV A feeder UCITS as of 31 December 2018**

	Master UCITS	Feeder UCITS	Aggregated
Management fee	-48,512,307.36	-8,964.26	-48,521,271.62
30 Taxe d'abonnement	-1,368,730.96	-0.95	-1,368,731.91
Publication and audit expenses	-549,766.97	0.00	-549,766.97
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-86,281.89	-54.64	-86,336.53
Registrar and transfer agent fee	-50,077.52	-943.54	-51,021.06
Government fees	-58,686.89	0.00	-58,686.89
Other expenses	-1,459,503.02	0.00	-1,459,503.02
<b>Total expense</b>	<b>-52,085,354.61</b>	<b>-9,963.39</b>	<b>-52,095,318.00</b>

**Aggregated fees in per cent****1.79**

Share of the feeder UCITS in the master UCITS (0.65 %)

**Investment policy of the Ethna - AKTIV MASTER UCITS**

In order to achieve the investment objective, the fund assets are invested in accordance with the principle of risk diversification in equities, fixed and variable-rate bonds, debt securities, convertible bonds and bonds with warrants into both securities and certificates. This includes precious metals and commodities certificates and index certificates, which track the performance of the relevant underlying instruments 1:1 and exclude physical delivery. Investments in these certificates may not exceed 20 % of net fund assets. The total exposure to equities, equity funds and equity-type securities may not exceed 49 % of net fund assets. No more than 10 % of the fund's assets may be invested in UCITS or other UCIs (target funds) and the fund is therefore eligible as a target fund. Dependent on the market situation and in the interests of unitholders, up to 100 % of fund assets may also be invested in time deposits, money market instruments and liquid assets including sight deposits.

**Ethna SICAV - DEFENSIV A**

**Aggregated fees - Ethna - DEFENSIV (unit class A) master UCITS with Ethna SICAV - DEFENSIV A feeder UCITS as of 31 December 2018**

	Master UCITS	Feeder UCITS	Aggregated
Management fee	-3,531,413.66	-271.74	-3,531,685.40
Taxe d'abonnement	-177,053.66	-0.05	-177,053.71
Publication and audit expenses	-78,642.82	0.00	-78,642.82
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-16,449.18	-35.97	-16,485.15
Registrar and transfer agent fee	-11,045.48	0.00	-11,045.48
Government fees	-9,192.54	0.00	-9,192.54
Other expenses	-260,789.33	0.00	-260,789.33
<b>Total expense</b>	<b>-4,084,586.67</b>	<b>307.76</b>	<b>-4,084,894.43</b>

**Aggregated fees in per cent****1.07**

Share of the feeder UCITS in the master UCITS (0.08 %)

**Investment policy of the Ethna - DEFENSIV master UCITS**

In order to achieve the investment objective, the fund assets are invested in accordance with the principle of risk diversification in the following: fixed and variable-rate bonds, convertible bonds and bonds with warrants into securities, participation certificates, bank bonds, index certificates on interest rates and bond indices, promissory note loans, credit linked notes and other fixed-interest securities (e.g. zero-coupon bonds) of international issuers in OECD countries. Investments may also be made in precious metals and commodities certificates and index certificates, which track the performance of the relevant underlying instruments 1:1 and exclude physical delivery. Investments in these certificates may not exceed 20 % of net fund assets. Fund assets may also be invested in high-yield government, convertible and corporate bonds in OECD countries. Derivatives such as futures or forward contracts may also be used to achieve the investment objective. Dependent on the market situation and in the interests of unitholders, up to 100 % of fund assets may also be invested in time deposits, money market instruments and liquid assets including sight deposits. Up to 10 % of the net fund assets may be invested in equities and equity-type securities. A maximum of 10 % of net fund assets may be invested in units of other UCITS and UCIs.



**Ethna SICAV - DYNAMISCH A**

**Aggregated fees - Ethna - DYNAMISCH (unit class A) master UCITS with Ethna SICAV - DYNAMISCH A feeder UCITS**  
as of 31 December 2018

	Master UCITS	Feeder UCITS	Aggregated
Management fee	-987,161.16	-297.13	-987,458.29
Taxe d'abonnement	-28,516.24	-0.04	-28,516.28
Publication and audit expenses	-23,073.02	0.00	-23,073.02
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-3,517.71	-38.09	-3,555.80
Registrar and transfer agent fee	-2,745.50	0.00	-2,745.50
Government fees	-2,974.93	0.00	-2,974.93
Other expenses	-51,203.65	0.00	-51,203.65
<b>Total expense</b>	<b>-1,099,192.21</b>	<b>-335.26</b>	<b>-1,099,527.47</b>

**Aggregated fees in per cent****1.92**

Share of the feeder UCITS in the master UCITS (0.19 %)

**Investment policy of the Ethna - DYNAMISCH master UCITS**

In order to achieve the investment objective, the fund assets are invested in accordance with the principle of risk diversification, in open-ended equities, bonds and money market funds and exchange-traded funds (ETFs), and directly in equities, fixed and variable-rate bonds and money market instruments globally.

The fund may also invest in certificates qualifying as securities pursuant to the provisions of Article 41 (1) of the Law of 17 December 2010.

This includes precious metals and commodities certificates and index certificates, which track the performance of the relevant underlying instruments 1:1 and exclude physical delivery. Investments in these certificates may not exceed 20 % of net fund assets.

In principle, the exposure to equities, equity funds and equity-type securities may not exceed 70 % of net fund assets. Dependent upon the assessment of the economic and capital market environment, a better risk/return ratio can be achieved via a flexible mix of the various investment assets.

This provides investors with the possibility of participating in the potential growth of economies and capital markets.

**14.) 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, so that a breakdown by fund is not possible.

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.

**15.) Transparency of securities 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 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).

## Report of the Réviseur d'Entreprises agréé



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4, rue Thomas Edison  
L-1445 Strassen, Luxembourg

### **Report on the audit of the annual financial statements**

#### **Audit opinion**

We have audited the accompanying annual financial statements of the Ethna SICAV (“the fund” or “the SICAV”) and its sub-funds, consisting of the statements of net fund assets, securities holdings and other net assets as of 31 December 2018; the statement of operations and changes to net fund assets for the financial year ending on this date; and explanatory 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 and its sub-funds as of 31 December 2018 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 this law and these standards 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.

#### **Additional information**

The Board of Directors of the SICAV 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.

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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. 35

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

The Board of Directors of the SICAV 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 it deems necessary in order to ensure that annual financial statements are prepared and presented which are free of material misstatement, whether due to error or fraud.

In preparing the annual financial statements, the Board of Directors of the SICAV 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.

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.

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- 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 SICAV, accounting estimates and corresponding explanations.
- We reach a conclusion on the appropriateness of the application of the going concern accounting principle by the Board of Directors of the SICAV, 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 explanations, 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, 21 March 2019

KPMG Luxembourg, Société coopérative  
Cabinet de révision agréé

M. Wirtz-Bach

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## Administration, distribution and advisory

**Investment company:**

**Ethna SICAV**

4, rue Thomas Edison  
L-1445 Strassen, Luxembourg

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**Board of Directors of the investment company:**

**Chairman of the Board of Directors:**

Frank Hauprich  
ETHENEA Independent Investors S.A.

**Directors:**

Josiane Jennes  
ETHENEA Independent Investors S.A.

Michael Borelbach  
IPConcept (Luxemburg) S.A.

**Management company:**

**ETHENEA Independent Investors S.A.**

16, rue Gabriel Lippmann  
L-5365 Munsbach

**Managing directors of the management company:**

Frank Hauprich  
Thomas Bernard  
Josiane Jennes

**Board of Directors of the management company  
(managing body):**

**Chairman of the Board of Directors:**

Luca Pesarini  
ETHENEA Independent Investors S.A.

**Directors:**

Thomas Bernard  
ETHENEA Independent Investors S.A.

Nikolaus Rummler  
IPConcept (Luxemburg) S.A.

Arnoldo Valsangiacomo  
ETHENEA Independent Investors S.A.

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**Depository:**

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

**Registrar and transfer agent, and  
central administration 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

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**Paying agent and information agent in Belgium:**

**CACEIS Belgium SA/NV**  
Avenue du Port / Havenlaan 86C b 320  
B-1000 Brussels

**Auditors of the investment company  
and the management company:**

**KPMG Luxembourg, Société coopérative**  
Cabinet de revision agréé  
39, Avenue John F. Kennedy  
L-1855 Luxembourg

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