

# Ethna SICAV RCS B-212494

Annual report including audited financial statements  
as of 31 December 2020

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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:

Dear investors,

Most of us will look back on 2020 as the year in which the COVID-19 pandemic infected more than 50 million people, resulting in the loss of over a million lives and creating significant suffering across the world. We will also remember it as the year of the great lockdown, which led to a massive shock to the global economy. To counter this, political decision-makers reacted in a fashion previously inconceivable, making USD 12 trillion of fiscal aid available worldwide, whilst at the same time rolling out comprehensive monetary policy measures. Both made a significant contribution to preventing the prevailing crisis from turning into a long-lasting recession.

However, the current situation continues to represent an enormous challenge. Although the global economy saw a strong upturn in the third quarter of 2020 thanks to the easing of restrictions and swift political action, we saw only a partial and patchy recovery. The European and US economies were hit particularly hard by the second global wave of COVID-19. It is clear that sustainable economic recovery is dependent on controlling and stopping the spread of the virus.

Our 2021 basis scenario therefore assumes a step-by-step economic recovery supported by progress on the development of an effective COVID-19 vaccine and an extension of expansionary economic policies. However, the recovery across individual regions and countries will initially be asynchronous and patchy. We expect above-average economic growth in countries that perform best on controlling the pandemic by making adequate government support available and having the most flexible domestic economies. Yet it is likely that there will still be a significant medium-term impact from the crisis. Savings are likely to increase and consumer expenditure will remain modest for some time, particularly in the service sector and other areas hit by social distancing requirements. Ongoing uncertainty and balance sheet issues will have an impact on corporate investment, and the employment market will also take time to recover. The recovery for the global economy in 2021 could therefore be much more modest than the forecast growth of between 4.5 % and 5.0 %.

The successful distribution of effective, safe and affordable COVID-19 vaccines will play a key role in economic recovery and in future market performance. Markets reacted strongly to the announcement of a vaccine that is over 90 % effective in preventing symptomatic transmission. Risky investments rose to new peaks, whereas investments that are considered safe havens fell off a cliff. We also witnessed rotation out of regions and sectors that performed well during the crisis and into laggards (e.g. out of growth and into value stocks), as these are likely to benefit most from the health situation returning to normal and the economy recovering. This trend could continue for some time as valuation discrepancies are still very high. However, once the situation has returned to normal, the momentum of economic growth and the sectoral earnings outlook will be decisive for outperformance.

There was a change in government in the US in January 2021. Democrats were able to defend their control of the House of Representatives in the November 2020 elections. In January 2021 they also won both seats in the Senate runoff in Georgia giving the party the slimmest conceivable majority for control of the Senate. Biden's government will now have greater room for manoeuvre in implementing its political agenda, as Democrats now control both the House of Representatives and the Senate. This blue sweep of the election of a Democratic President with a majority in both houses of Congress has initially been seen as positive for markets, as Democrats are likely to approve a more comprehensive fiscal stimulus package. However, markets must weigh the positive impact of economic stimulus against the risk that the Biden administration is now more likely to implement some of the most controversial elements in its election programme, such as reversing corporation tax cuts and introducing stricter antitrust laws. We assume there will be an improvement in recently fraught trade relations with the US's traditional trading partners (e.g. the EU, Canada and Mexico) under the Biden administration. Major changes to the relationship between the US and China are unlikely in the short term, but we expect the new administration to take a more reliable and programmatic approach, avoiding any rekindling of the trade war.

Monetary and fiscal support will again be a key factor for economic performance in 2021. Monetary policy should remain supportive over the long term, and central banks seem likely to continue to develop and implement unconventional measures to achieve their objectives of price stability and maximum employment. Against the backdrop of very high public and private debt levels, it will be interesting to see whether and how central banks are able to withdraw monetary stimulus measures and move to more restrictive monetary policies once the economy has recovered on a sustainable basis.

If coronavirus vaccines are successfully introduced and their efficacy proven in practice, we expect a relatively sound basis for synchronised global recovery in the second half of 2021. The conjunction of expansive economic policies and the easing of COVID-19 restrictions should promote increased investor risk appetite, as well as the performance of equity markets and other risky assets, including corporate and high-yield bonds. This scenario would also be to the advantage of emerging countries, whose economies should see a recovery in capital flows. Government bond yields should also recover after hitting very low levels as a result of the crisis in 2020. However, in light of the low inflation level, the hesitancy of the economic recovery and very high indebtedness, central banks will be (very) cautious and take a wait-and-see approach before again raising interest rates, in order to avoid pushing up yields and prematurely choking off any recovery. Accordingly, we expect only a moderate steepening of the yield curve in developed countries.

#### 4 Ethna-AKTIV:

“There are decades where nothing happens; and there are weeks where decades happen.” This quotation that is attributed to Lenin (although not unequivocally) is an accurate description of the events of 2020. At the end of the first quarter of 2020 both the real economy and capital markets seemed completely unhinged by the outbreak of the SARS-CoV-2 virus. At the time, as an economic shutdown was ordered across most of the world, equity markets had already lost over 30 % in record time. This despite the fact that just four weeks earlier, some markets, including the benchmark US S&P 500 index, had climbed to new all-time highs. However, unprecedented levels of fiscal and monetary measures were approved and rolled out at a speed previously inconceivable, not only cushioning the negative impact of the pandemic on the real economy, but also rapidly calming capital markets, which were able to rise to new all-time highs. Only as the first vaccines became available in the fourth quarter did the optimism – up until that point reflected only in soaring stock prices – become reality.

Last year offered a wealth of challenges, and of course also opportunities, for active participants on capital markets. Against the backdrop of the uncertainty this entailed, Ethna-AKTIV’s multi-asset fund concept once again proved its worth. Equities, bonds and commodities all made a positive contribution to the year’s results. At the height of the crisis, the biggest diversification impact came from the currencies asset class, thanks to the safe haven status of the Swiss franc and US dollar. Interestingly – and maybe there is a certain logic to this too – it was the only asset class to make a negative contribution to performance (of 1.8 %) for 2020 as a whole. On the positive side, fully hedging the US dollar exposure for much of the second half of 2020 meant that we were able to avoid higher losses. In equities, stock selection made a positive contribution in 2020, but allocation had a negative impact. Overall, equities contributed 1.83 % to performance. Good allocation decisions in the run-up to the height of the stock market turbulence and during the year-end rally were not enough to offset initially overcautious risk-taking that left us underinvested during the recovery phase directly after the crisis as share prices rose sharply over a very short period of time. In terms of stock selection, the focus on beneficiaries of the crisis in the technology sector in the second half of 2020 was helpful. The performance contribution of the bond portfolio of Ethna-AKTIV shows a similar picture. Our bond selection avoided any unexpected losses, and generated astonishing returns in comparison to expectations at the start of the year and against the backdrop of central bank measures. There was a positive contribution to portfolio performance of 3.63 %. However, there was a 1.34 % negative performance contribution from the duration overlay to reduce risk during the stress phase. In summary, we can say that the combination of selection, allocation and diversification decisions steered Ethna-AKTIV safely through some very choppy waters to positive overall performance for the year of 1.16 % (share class T).

Portfolio composition in the coming year represents the logical continuation of reallocation decisions already taken during 2020. We will continue to reduce the weighting of corporate bonds in the portfolio, given low interest rates, very narrow risk premiums and, accordingly, the increasingly unattractive risk/reward ratio. Funds that become available are being invested in government bonds and equities, resulting in a kind of barbell strategy for the portfolio: equities at one end as potential performance generators, and at the other, a very conservative and solid bond portfolio with relatively low spread risk. This profile continues to be supplemented by a high foreign currency allocation, for both diversification and performance generation. This portfolio configuration also allows us to ensure that we have sufficient liquidity available to act going forward, and that the core promises of Ethna-AKTIV, of active management, capital preservation and an attractive risk-adjusted return, can once again be fulfilled in 2021.

## Ethna-DEFENSIV:

The outbreak of the COVID-19 pandemic was the key event in the last financial year. After a stable start to 2020 and a slightly positive performance trend, the spread of the SARS-CoV-2 virus resulted in worries about infection as well as concerns surrounding the maintenance of supply chains. The former resulted in a widespread shutdown of the economy and public life in many regions across the globe. Ethna-DEFENSIV's bonds saw dramatic value losses during this period. It became impossible to sell corporate bonds for a short time. Even government bonds posted significant losses as a result of the massive and indiscriminate sell-off. The price of gold declined sharply too during this period, even dropping below its value at the beginning of 2020 in the short term. Ethna-DEFENSIV was hit by this trend too and the hedge of a long position in the Bobl Futures contract also failed to produce the desired effect, with the result that the fund lost almost 10 % in value in the two weeks from 6 March to 20 March 2020.

Central banks, in particular the ECB and the Federal Reserve, took swift action to stabilise the bond market. Existing asset purchase programmes were extended and new ones introduced. The ECB will buy up bonds with a value of EUR 1.85 trillion by March 2022 solely via the Pandemic Emergency Purchase Programme (PEPP), which has been stocked up several times. Its focus is of course on government bonds and the bonds of supranational institutions, but corporate bonds will also be bought. In recent months since the start of the crisis, the Federal Reserve has purchased USD 2 trillion of US government bonds and, to a lesser extent, corporate bonds. In March 2020 it also cut its key interest rate, the target range for the US Federal Reserve Funds Rate, by 150 basis points to its current level of 0 % – 0.25 %. Bonds denominated in US dollars therefore benefited both from direct asset purchases by the Federal Reserve as well as from interest rate cuts. Ethna-DEFENSIV also benefited enormously in the first phase of the recovery thanks to its weighting of around 80 % in corporate bonds, and its year-to-date performance moved back into positive territory in June (T class).

Companies with global operations were particularly hit by the uncertainty and liquidity shortages caused by the COVID-19 crisis and reacted quickly once central bank support started to take effect, issuing record volumes of corporate bonds to strengthen liquidity. Ethna-DEFENSIV was well prepared for this flood of issues with its cash reserves and up-front analyses, and subscribed for many bond issues with attractive interest rates for investors, particularly during the period from April to September 2020. This was a key reason for the contribution of over 6 % by bonds to the fund's annual performance. However, ongoing costs, hedging transactions and renewed euro appreciation versus the Swiss franc, US dollar and yen from March 2020 reduced the annual performance of Ethna-DEFENSIV for 2020 to 2.57 % (T unit class).

Central banks will continue with their bond purchases in 2021. This will make bonds a very secure source of performance for Ethna-DEFENSIV, albeit to a lesser extent than last year. Equities should offer a better risk/reward profile in 2021 thanks to support from monetary easing and government spending programmes, and as a result of already very low bond yields. We are therefore prepared to use the maximum equity allocation of 10 % pursuant to the prospectus. We also anticipate a positive contribution to performance from currency positions in the coming year. In particular, we believe that the yen will perform well in 2021. One reason for this is the successful handling of the COVID-19 pandemic by both Japan and Asia as a whole. Additionally, the creation of the largest free trade zone in Asia that covers 15 countries, around 30 % of global economic output and 2.2 billion people will boost the Japanese economy and therefore also the yen.

## Ethna-DYNAMISCH:

2020, the year of the global pandemic, provided enough material for a full decade in capital markets and can be summed up in one word: unpredictable. This applies to the spread of the pandemic itself, but even more so to the measures introduced worldwide to contain the virus. Lockdowns across much of the globe plunged the world economy into the deepest and swiftest recession since World War II. Equity prices also fell at record speeds. Otherwise renowned for its resilience, the US S&P 500 Index ushered in the swiftest bear market in its history in just a few trading days. The standstill in the global economy caused such a strong collapse in the demand for oil that the WTI crude price closed in negative territory at USD -37.60 per barrel for the first time ever in April 2020. But the reactions of governments and central banks were also extremely swift and completely unpredictable, in particular, with regards to the extent of support packages. The same applies to medical achievements in 2020. Whilst it was impossible to predict whether global efforts to develop a vaccine would yield any success for large stretches of the year, by the end of 2020, several million people had already been vaccinated. Against this backdrop, it will come as no great surprise that most equity markets were able to recover the severe losses of the spring and are now back in bullish mode.

6 We can look back on the performance of Ethna-DYNAMISCH with some satisfaction, given the unpredictable nature of events in society and on capital markets last year. The attraction of offering our investors risk-managed access to global equity markets was also apparent in the exceptional year of 2020. In a world of uncertainty, the fund was therefore able to provide some predictability for those investors who would otherwise have been overwhelmed by unchecked market fluctuations. Each of the three core elements of Ethna-DYNAMISCH – active asset allocation, focused stock selection and additional hedging components – made a positive contribution, helping the fund to an overall rise of 4.48 % (T unit class) in 2020. Courageous and well-founded allocation decisions combined with the high quality of the underlying equity portfolio and hedging measures that were implemented held price losses at a manageable level against the backdrop of collapsing capital markets in spring 2020. And we never lost sight of the medium-term opportunities that started to appear amidst the panic prevailing on markets. While always paying due attention to the risk situation, during the summer months we further expanded the cyclical components of the portfolio at the expense of more defensive elements, in order to be in a position to take advantage of any future economic recovery and increasing risk appetite among market participants. Additionally, we placed the clear focus of the portfolio on companies that had been short-term losers during the crisis, but were likely to return to their structural growth paths over the long term. This strategy proved its worth as vaccine breakthroughs were announced. The balance between good growth and an attractive valuation was our main priority here. We deliberately avoided the two extremes of traditional value stocks and celebrated growth stocks. The same can be said with hindsight about the even more surprising success of the bond market, where we were only minimally invested in selected special situations throughout the year. In comparison to potential opportunities in equity markets, we found the potential yields in many places too unattractive to warrant consideration as major investments in the most aggressive of the Ethna funds, Ethna-DYNAMISCH.

To finish, a quick outlook for the coming year. Given the unpredictable nature of the year of pandemic behind us, 2021 almost seems a bit too predictable. The starting point of a pandemic that is slowly starting to look controllable, the emergence of strong economic growth, the positive impact of massive fiscal stimulus programmes, interest rates at record lows and ongoing central bank bond purchase programmes, in conjunction with a return of risk appetite among an increasing number of investor groups speak unanimously in favour of a continuation of the recently accelerating upwards trend in global equity markets. At the start of the year, there is currently little to advocate taking a stance against this trend. We keep any potential risks in check primarily via disciplined analysis of the balance of (growth) opportunities and (valuation) risks. For the time being, we see any potential price corrections in the overall market mainly as attractive opportunities to expand the portfolio. Yet no trend holds forever. So, we too are looking forward to seeing how the relevant conditions develop over the course of the year. The instruments required to successfully navigate the situation, the necessary flexibility of Ethna-DYNAMISCH, and a well-positioned portfolio as of the end of 2020/start of 2021 are in place and give us optimism for the future.

Munsbach, January 2021

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



# Consolidated annual 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 2020

	EUR
Securities holdings (securities acquisition costs: EUR 24,627,397.40)	25,888,233.71
Cash at banks <sup>1)</sup>	16,842.60
Receivables from sales of shares	1,078.40
Receivables from securities transactions	539.21
	<b>25,906,693.92</b>
Share redemptions payable	-2,798.45
Interest liabilities	-15.87
Other liabilities and equity <sup>2)</sup>	-1,071.79
	<b>-3,886.11</b>
<b>Net fund assets</b>	<b>25,902,807.81</b>

## Change in net fund assets

in the period under review from 1 January 2020 to 31 December 2020

	EUR
Total net fund assets at the beginning of the period under review	28,854,288.08
Ordinary net expenditure	-16,317.78
Income and expense equalisation	-1,240.62
Inflow of funds from sale of shares	1,811,051.37
Outflow of funds from redemption of shares	-4,950,473.90
Realised gains	91,412.79
Realised losses	-75.37
Net change in unrealised gains	143,067.30
Net change in unrealised losses	4,864.31
Distribution	-33,768.37
<b>Total net fund assets at the end of the period under review</b>	<b>25,902,807.81</b>

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

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



**Statement of operations**

in the period under review from 1 January 2020 to 31 December 2020

	EUR
<b>Income</b>	
Income from investment units	28,721.84
Bank interest	-74.28
Income equalisation	-1,982.27
<b>Total income</b>	<b>26,665.29</b>
<b>Expense</b>	
Management fee	-13,784.39
Taxe d'abonnement	-6.32
Publication and audit expenses	-3,560.51
8 Typesetting, printing and postage and packaging for the annual and semi-annual reports	-10,162.42
Registrar and transfer agent fee	-1,984.63
Government fees	-9,231.05
Other expenses <sup>1)</sup>	-7,476.64
Expense equalisation	3,222.89
<b>Total expense</b>	<b>-42,983.07</b>
<b>Ordinary net expenditure</b>	<b>-16,317.78</b>

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

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

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The Management 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	99.96 %
<b>Securities holdings</b>	<b>99.96 %</b>
Cash at banks <sup>2)</sup>	0.05 %
Other receivables and payables (net)	-0.01 %
	<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 <sup>2)</sup>	0.05 %
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.

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

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

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## Change over the last 3 financial years

Date	Net Sub-fund assets in EUR millions	Outstanding shares	Net inflows in EUR thousands	Value per share EUR
31/12/2018	28.85	298,709	29,936.39	96.57
31/12/2019	27.72	260,367	-3,836.38	106.47
31/12/2020	24.74	230,395	-3,138.08	107.39

## Composition of net sub-fund assets

as of 31 December 2020

	EUR
Securities holdings (securities acquisition costs: EUR 23,541,024.25)	24,732,306.14
Cash at banks <sup>1)</sup>	12,767.95
Receivables from sales of shares	1,078.40
Receivables from securities transactions	539.21
	<b>24,746,691.70</b>
Share redemptions payable	-2,798.45
Interest liabilities	-8.49
Other liabilities and equity <sup>2)</sup>	-1,024.56
	<b>-3,831.50</b>
<b>Net sub-fund assets</b>	<b>24,742,860.20</b>
<b>Outstanding shares</b>	<b>230,395.253</b>
<b>Value per share</b>	<b>EUR 107.39</b>

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

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

**Change in net sub-fund assets**

in the period under review from 1 January 2020 to 31 December 2020

	EUR
Total net sub-fund assets at the beginning of the period under review	27,721,445.37
Ordinary net expenditure	-21,108.66
Income and expense equalisation	-1,226.15
Inflow of funds from sale of shares	1,808,103.77
Outflow of funds from redemption of shares	-4,946,179.28
Realised gains	91,177.93
Net change in unrealised gains	116,282.97
Net change in unrealised losses	0.00
Distribution	-25,635.75
<b>Total net sub-fund assets at the end of the period under review</b>	<b>24,742,860.20</b>

**Change in number of shares in circulation**

	Number
Shares in circulation at the beginning of the period under review	260,366.970
Shares issued	17,387.000
Shares redeemed	-47,358.717
<b>Shares in circulation at end of period under review</b>	<b>230,395.253</b>

# Statement of operations

## of the sub-fund Ethna SICAV – AKTIV A

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in the period under review from 1 January 2020 to 31 December 2020

	EUR
<b>Income</b>	
Income from investment units	20,434.44
Bank interest	-49.07
Income equalisation	-1,995.78
<b>Total income</b>	<b>18,389.59</b>
<b>Expense</b>	
Management fee	-13,223.43
Taxe d'abonnement	-4.26
Publication and audit expenses	-2,857.13
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-9,755.97
Registrar and transfer agent fee	-1,984.63
Government fees	-8,831.09
Other expenses <sup>1)</sup>	-6,063.67
Expense equalisation	3,221.93
<b>Total expense</b>	<b>-39,498.25</b>
<b>Ordinary net expenditure</b>	<b>-21,108.66</b>
<b>Total transaction costs in the financial year <sup>2)</sup></b>	<b>0.00</b>
<b>Total expense ratio in per cent <sup>2)</sup></b>	<b>0.16</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 net assets of the sub-fund

## Ethna SICAV – AKTIV A as of 31 December 2020

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### Statement of net assets as of 31 December 2020

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	10,484	34,803	184,006	134.4100	24,732,306.14	99.96
							<b>24,732,306.14</b>	<b>99.96</b>
<b>Investment fund units <sup>2)</sup></b>							<b>24,732,306.14</b>	<b>99.96</b>
<b>Securities holdings</b>							<b>24,732,306.14</b>	<b>99.96</b>
<b>Cash at banks – current accounts <sup>3)</sup></b>							<b>12,767.95</b>	<b>0.05</b>
<b>Other receivables and payables (net)</b>							<b>-2,213.89</b>	<b>-0.01</b>
<b>Total net sub-fund assets in EUR</b>							<b>24,742,860.20</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.

<sup>3)</sup> See notes to the Report.

## Acquisitions and disposals of the sub-fund Ethna SICAV – AKTIV A from 1 January 2020 to 31 December 2020

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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 2020, 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	99.58 %
<b>Securities holdings</b>	<b>99.58 %</b>
Cash at banks <sup>2)</sup>	0.42 %
Other receivables and payables (net)	0.00 %
	<b>100.00 %</b>

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

Investment fund units	99.58 %
<b>Securities holdings</b>	<b>99.58 %</b>
Cash at banks <sup>2)</sup>	0.42 %
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.

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

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

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### Change over the last 3 financial years

Date	Net Sub-fund assets in EUR millions	Outstanding shares	Net inflows in EUR thousands	Value per share EUR
31/12/2018	0.48	5,018	-56.57	95.01
31/12/2019	0.50	5,018	0.00	100.40
31/12/2020	0.51	5,027	0.84	101.00

### Composition of net sub-fund assets

as of 31 December 2020

	EUR
Securities holdings (securities acquisition costs: EUR 506,706.92)	505,624.47
Cash at banks <sup>1)</sup>	2,150.02
	<b>507,774.49</b>
Interest liabilities	-3.85
Other liabilities and equity <sup>2)</sup>	-20.73
	<b>-24.58</b>
<b>Net sub-fund assets</b>	<b>507,749.91</b>
<b>Outstanding shares</b>	<b>5,027.000</b>
<b>Value per share</b>	<b>EUR 101.00</b>

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

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

**Change in net sub-fund assets**

in the period under review from 1 January 2020 to 31 December 2020

	EUR
Total net sub-fund assets at the beginning of the period under review	503,811.55
Ordinary net income	5,880.13
Income and expense equalisation	-12.38
Inflow of funds from sale of shares	2,947.60
Outflow of funds from redemption of shares	-2,108.82
Realised losses	-75.37
Net change in unrealised gains	0.00
Net change in unrealised losses	4,864.31
Distribution	-7,557.11
<b>Total net sub-fund assets at the end of the period under review</b>	<b>507,749.91</b>

**Change in number of shares in circulation**

	Number
Shares in circulation at the beginning of the period under review	5,018.000
Shares issued	30.000
Shares redeemed	-21.000
<b>Shares in circulation at end of period under review</b>	<b>5,027.000</b>

# Statement of operations

## of the sub-fund Ethna SICAV – DEFENSIV A

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in the period under review from 1 January 2020 to 31 December 2020

	EUR
<b>Income</b>	
Income from investment units	7,529.76
Bank interest	-12.67
Income equalisation	13.51
<b>Total income</b>	<b>7,530.60</b>
<b>Expense</b>	
Management fee	-251.55
Taxe d'abonnement	-1.04
Publication and audit expenses	-346.21
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-181.57
Government fees	-176.50
Other expenses <sup>1)</sup>	-692.47
Expense equalisation	-1.13
<b>Total expense</b>	<b>-1,650.47</b>
<b>Ordinary net income</b>	<b>5,880.13</b>
<b>Total transaction costs in the financial year <sup>2)</sup></b>	<b>0.00</b>
<b>Total expense ratio in per cent <sup>2)</sup></b>	<b>0.33</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 net assets of the sub-fund

## Ethna SICAV – DEFENSIV A as of 31 December 2020

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### Statement of net assets as of 31 December 2020

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	22	30	3,718	136.0000	505,624.47	99.58
							<b>505,624.47</b>	<b>99.58</b>
<b>Investment fund units <sup>2)</sup></b>							<b>505,624.47</b>	<b>99.58</b>
<b>Securities holdings</b>							<b>505,624.47</b>	<b>99.58</b>
<b>Cash at banks – current accounts <sup>3)</sup></b>							<b>2,150.02</b>	<b>0.42</b>
<b>Other receivables and payables (net)</b>							<b>-24.58</b>	<b>0.00</b>
<b>Total net sub-fund assets in EUR</b>							<b>507,749.91</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.

<sup>3)</sup> See notes to the Report.

# Acquisitions and disposals of the sub-fund Ethna SICAV - DEFENSIV A from 1 January 2020 to 31 December 2020

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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 2020, 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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1 January 2020 – 31 December 2020

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	99.71 %
<b>Securities holdings</b>	<b>99.71 %</b>
Cash at banks <sup>2)</sup>	0.30 %
Other receivables and payables (net)	-0.01 %
	<b>100.00 %</b>

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

Investment fund units	99.71 %
<b>Securities holdings</b>	<b>99.71 %</b>
Cash at banks <sup>2)</sup>	0.30 %
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.

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



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

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### Change over the last 3 financial years

Date	Net Sub-fund assets in EUR millions	Outstanding shares	Net inflows in EUR thousands	Value per share EUR
31/12/2018	0.56	5,680	70.35	98.36
31/12/2019	0.63	5,775	9.70	108.92
31/12/2020	0.65	5,755	-2.19	113.33

### Composition of net sub-fund assets

as of 31 December 2020

	EUR
Securities holdings (securities acquisition costs: EUR 579,666.23)	650,303.10
Cash at banks <sup>1)</sup>	1,924.63
	<b>652,227.73</b>
Interest liabilities	-3.53
Other liabilities and equity <sup>2)</sup>	-26.50
	<b>-30.03</b>
<b>Net sub-fund assets</b>	<b>652,197.70</b>
<b>Outstanding shares</b>	<b>5,755.055</b>
<b>Value per share</b>	<b>EUR 113.33</b>

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

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

**Change in net sub-fund assets**

in the period under review from 1 January 2020 to 31 December 2020

	EUR
Total net sub-fund assets at the beginning of the period under review	629,031.16
Ordinary net expenditure	-1,089.25
Income and expense equalisation	-2.09
Outflow of funds from redemption of shares	-2,185.80
Realised gains	234.86
Net change in unrealised gains	26,784.33
Net change in unrealised losses	0.00
Distribution	-575.51
<b>Total net sub-fund assets at the end of the period under review</b>	<b>652,197.70</b>

**Change in number of shares in circulation**

	Number
Shares in circulation at the beginning of the period under review	5,775.055
Shares issued	0.000
Shares redeemed	-20.000
<b>Shares in circulation at end of period under review</b>	<b>5,755.055</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 2020 to 31 December 2020

	EUR
<b>Income</b>	
Income from investment units	757.64
Bank interest	-12.54
<b>Total income</b>	<b>745.10</b>
<b>Expense</b>	
Management fee	-309.41
Taxe d'abonnement	-1.02
Publication and audit expenses	-357.17
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-224.88
Government fees	-223.46
Other expenses <sup>1)</sup>	-720.50
Expense equalisation	2.09
<b>Total expense</b>	<b>-1,834.35</b>
<b>Ordinary net expenditure</b>	<b>-1,089.25</b>
<b>Total transaction costs in the financial year <sup>2)</sup></b>	<b>0.00</b>
<b>Total expense ratio in per cent <sup>2)</sup></b>	<b>0.30</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 net assets of the sub-fund

## Ethna SICAV – DYNAMISCH A as of 31 December 2020

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### Statement of net assets as of 31 December 2020

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	0	47	7,556	86.0600	650,303.10	99.71
							<b>650,303.10</b>	<b>99.71</b>
<b>Investment fund units <sup>2)</sup></b>							<b>650,303.10</b>	<b>99.71</b>
<b>Securities holdings</b>							<b>650,303.10</b>	<b>99.71</b>
<b>Cash at banks – current accounts <sup>3)</sup></b>							<b>1,924.63</b>	<b>0.30</b>
<b>Other receivables and payables (net)</b>							<b>-30.03</b>	<b>-0.01</b>
<b>Total net sub-fund assets in EUR</b>							<b>652,197.70</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.

<sup>3)</sup> See notes to the Report.

## Acquisitions and disposals of the sub-fund Ethna SICAV – DYNAMISCH A from 1 January 2020 to 31 December 2020

26 **Acquisitions and disposals from 1 January 2020 to 31 December 2020**

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 2020, assets existed exclusively in the sub-fund currency of the euro.



## Notes to the Annual Report as of 31 December 2020

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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 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 Management Regulations were last amended on 1 January 2020 and published in the Recueil électronique des sociétés et associations ("RESA").

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, 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 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, derivative financial 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 pm (4.00 pm GMT) 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.

### 3.) Taxation

#### Taxation of the investment company

The company assets are not liable to tax on their income or profits in the Grand Duchy of Luxembourg. The company assets are only subject to the tax d'abonnement in the Grand Duchy of Luxembourg, at the current rate of 0.05 % p.a. A reduced tax d'abonnement at the rate of 0.01 % p.a. is applicable to (i) sub-funds or share classes, the shares of which are issued exclusively to institutional investors pursuant to Article 174 of the Law of 17 December 2010, (ii) sub-funds, the exclusive purpose of which is to invest in money market instruments, term deposits at credit institutions, or both. The tax d'abonnement is payable quarterly on the company's net assets reported at the end of each quarter. The rate of the tax d'abonnement for a sub-fund or share class is mentioned in the respective annex to the Sales Prospectus. An exemption from the tax d'abonnement is applicable, inter alia, if the fund assets are invested in other Luxembourg investment funds that are already subject to the tax d'abonnement.

Income earned by the relevant sub-fund (in particular interest and dividends) may be subject to withholding tax or other taxes in the countries in which the fund assets are invested. The fund may also be liable to tax on realised or unrealised capital gains on its investments in the source country. 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 that are or were not tax resident in the Grand Duchy of Luxembourg, and do not have a permanent establishment or permanent representative there, are not subject to any Luxembourg income tax in relation to their income from or gains from disposals of their fund shares.

Natural persons who are tax resident in the Grand Duchy of Luxembourg are subject to progressive Luxembourg income tax.

Companies that are tax resident in the Grand Duchy of Luxembourg are liable to pay corporation tax on income from fund units.

It is recommended that shareholders and prospective shareholders ensure they are informed about laws and regulations applicable to the taxation of company assets and to the subscription, purchase, ownership, redemption or transfer of shares and obtain advice from an independent third party, in particular from a tax advisor.

### 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 respective sub-fund. 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 (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 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:

Ethna SICAV – AKTIV A

### Risk management procedure applied

absolute VaR

In the period from 1 January 2020 to 31 December 2020, the absolute VaR approach was used to monitor and measure the total risk associated with derivatives. An absolute value of 15 % was used for the internal limit.

The VaR figure in relation to this internal limit was a minimum of 18.06 %, a maximum of 81.64 % and an average of 34.44 % over the period in question. The VaR was calculated using a (parametric) variance-covariance approach, applying the calculation standard of a one-sided confidence interval of 99 %, a holding period of 20 days and a (historical) observation period of 252 trading days.

In the period from 1 January 2020 to 31 December 2020, 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)

<b>Sub-fund:</b>	<b>Risk management procedure applied</b>
Ethna SICAV – DEFENSIV A	absolute VaR

In the period from 1 January 2020 to 31 December 2020, 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. The VaR figure in relation to this internal limit was a minimum of 15.61 %, a maximum of 83.12 % and an average of 28.49 % over the period in question. The VaR was calculated using a (parametric) variance-covariance approach, applying the calculation standard of a one-sided confidence interval of 99 %, a holding period of 20 days and a (historical) observation period of 252 trading days.

In the period from 1 January 2020 to 31 December 2020, 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)

<b>Sub-fund:</b>	<b>Risk management procedure applied</b>
Ethna SICAV – DYNAMISCH A	absolute VaR (from 1 January 2020 to 30 April 2020)

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In the period from 1 May 2020 to 31 December 2020, the commitment approach was used to monitor and measure the total risk associated with derivatives in the Ethna-DYNAMISCH A fund.

In the period from 1 January 2020 to 30 April 2020, the absolute VaR approach was used to monitor and measure the total risk associated with derivatives. An absolute value of 15 % was used for the internal limit. The VaR figure in relation to this internal limit was a minimum of 27.15 %, a maximum of 78.46 % and an average of 42.23 % over the period in question. The VaR was calculated using a (parametric) variance-covariance approach, applying the calculation standard of a one-sided confidence interval of 99 %, a holding period of 20 days and a (historical) observation period of 252 trading days.

In the period from 1 January 2020 to 30 April 2020, 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

The Sales Prospectus was amended with effect from 1 May 2020. The following amendments were made:

- Risk management process of the Ethna SICAV – DYNAMISCH switched from the absolute VaR approach to the commitment approach.

### Information regarding the COVID-19 pandemic

On 11 March 2020, the World Health Organization (WHO) declared a global pandemic as a result of the spread of the coronavirus (COVID-19). This is the first time this has happened since the outbreak of the H1N1 virus over 10 years ago in 2009/2010.

The pandemic that started in China at the end of December 2019 is first and foremost a humanitarian catastrophe. However, since the imposition of extensive lockdowns worldwide from March 2020, it is also having a significant impact on the global economy. Record daily falls in practically all major indices in March 2020 are just one sign of this, alongside many others.

As such, developments as a result of the COVID-19 outbreak also have a concrete impact on the performance of the sub-funds:

1. The crisis management implemented by all of the fund's counterparties means that its daily operations can be maintained. All of the fund's service providers (including the management company, central administration, depositary, registrar and transfer agent, paying agent and fund manager) are in a position to continue with the provision of the same fund management services, thanks to the potential for full server-based homeworking. This guarantees the unrestricted continuation of fund management activities in the event of the introduction of full curfews, border closures or other extensive measures, which is not yet the case in Luxembourg as of the date of the audit opinion. All of the fund's counterparties have adequate staff to continue to fulfil their contractual duties, even in the event of the spread of COVID-19 and related staff absences due to employees contracting the illness. All employees in each team have adequate training to be able to take over the duties of any other team members who may be absent due to illness.

2. The fund management company is responsible for the risk management of the sub-funds. In this context, ETHENEA Independent Investors S.A. has introduced a range of measures, including closer scrutiny of unit transactions, in particular, in order to identify any significant redemptions and take the necessary action. Although the sub-funds generally consist of assets that can be liquidated on a short-term basis, there is a risk that significant redemptions could not be met during the extreme market conditions prevailing during the crisis. The Board of Directors of the SICAV can suspend unit transactions if such a situation regarding redemptions appears likely. Should redemptions occur at such a level that liquidation of the sub-funds and therefore the fund becomes an issue for consideration, the Board of Directors of the SICAV will take the appropriate measures to ensure that all investors in the sub-funds are treated equally.
3. Information regarding the most recent market trends for the sub-funds is available upon request, and on the website of the management company: [www.ethenea.com](http://www.ethenea.com). All investors will be informed in good time of any further events to explain the most recent market trends for the sub-funds. Furthermore, any documentation connected to such events will subsequently be available upon request from the management company.

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

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

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

### 12.) 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 2020

#### Aggregated fees

as of 31 December 2020

	Pro-rata expenses of the master UCITS	Expenses of the feeder UCITS	Aggregated expenses
Interest expense	-67,696.55	0.00	-67,696.55
Management fee	-27,344,985.47	-13,223.43	-27,358,208.90
Taxe d'abonnement	-773,282.14	-4.26	-773,286.40
Publication and audit expenses	-176,285.65	-2,857.13	-179,142.78
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-27,286.19	-9,755.97	-37,042.16
Registrar and transfer agent fee	-19,778.11	-1,984.63	-21,762.74
Government fees	-28,076.20	-8,831.09	-36,907.29
Other expenses	-1,032,804.34	-6,063.67	-1,038,868.01
Expense equalisation	2,589,985.28	3,221.93	2,593,207.21
<b>Total expense</b>	<b>-26,880,209.37</b>	<b>-39,498.25</b>	<b>-26,919,707.62</b>

**Percentage share of the expenses of the  
feeder UCITS in the aggregated expenses**

**0.15**

Master fund (unit class)	Feeder fund	Currency	Total aggregated fees	Percentage share of the feeder UCITS of the master UCITS
Ethna - AKTIV A LU0136412771	Ethna SICAV - AKTIV A	EUR	26,919,707.62	1.62%

**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 2020

**Aggregated fees**

as of 31 December 2020

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	Pro-rata expenses of the master UCITS	Expenses of the feeder UCITS	Aggregated expenses
Interest expense	-3,434.82	0.00	-3,434.82
Management fee	-1,561,009.05	-251.55	-1,561,260.60
Taxe d'abonnement	-79,233.16	-1.04	-79,234.20
Publication and audit expenses	-52,221.67	-346.21	-52,567.88
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-6,943.49	-181.57	-7,125.06
Registrar and transfer agent fee	-3,116.25	0.00	-3,116.25
Government fees	-3,938.93	-176.50	-4,115.43
Other expenses	-132,880.56	-692.47	-133,573.03
Expense equalisation	137,015.74	-1.13	137,014.61
<b>Total expense</b>	<b>-1,705,762.19</b>	<b>-1,650.47</b>	<b>-1,707,412.66</b>

**Percentage share of the expenses of the  
feeder UCITS in the aggregated expenses**

**0.10**

Master fund (unit class)	Feeder fund	Currency	Total aggregated fees	Percentage share of the feeder UCITS of the master UCITS
Ethna - DEFENSIV A (LU0279509904)	Ethna SICAV - DEFENSIV A	EUR	1,707,412.66	0.33%

**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

**Aggregated fees**

as of 31 December 2020

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	Pro-rata expenses of the master UCITS	Expenses of the feeder UCITS	Aggregated expenses
Interest expense	-1,192.09	0.00	-1,192.09
Management fee	-621,217.57	-309.41	-621,526.98
Taxe d'abonnement	-17,160.49	-1.02	-17,161.51
Publication and audit expenses	-21,406.50	-357.17	-21,763.67
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-3,812.16	-224.88	-4,037.04
Registrar and transfer agent fee	-602.90	0.00	-602.90
Government fees	-1,964.46	-223.46	-2,187.92
Other expenses	-39,890.03	-720.50	-40,610.53
Expense equalisation	42,947.73	2.09	42,949.82
<b>Total expense</b>	<b>-664,298.47</b>	<b>-1,834.35</b>	<b>-666,132.82</b>

**Percentage share of the expenses of the  
feeder UCITS in the aggregated expenses**

**0.28**

Master fund (unit class)	Feeder fund	Currency	Total aggregated fees	Percentage share of the feeder UCITS in the master UCITS
Ethna - DYNAMISCH A (LU0455734433)	Ethna SICAV - DYNAMISCH A	EUR	-666,132.82	1.84%

**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.

**13.) 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 2019, the total remuneration of the 26 employees of ETHENEA Independent Investors S.A. for the year was EUR 2,987,763.03 in fixed annual salaries plus EUR 434,000.00 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.

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.

#### **14.) 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 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).

## Report of the Réviseur d'Entreprises agréé

36 To the Shareholders of  
Ethna SICAV  
4, rue Thomas Edison  
L-1445 Strassen, Luxembourg

### **Audit opinion**

We have audited the annual financial statements of Ethna SICAV (“the fund”) and of each of its sub-funds, consisting of the composition of net sub-fund assets as of 31 December 2020, changes in net sub-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 and of each of its sub-funds as of 31 December 2020 and of the earnings position and change in net sub-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 Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the “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 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. 37

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

The Board of Directors 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 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 is responsible for assessing the ability of the fund and each of its sub-funds 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 intends to liquidate the fund or one of its sub-funds, 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.

38 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, 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, 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 ability of the fund or one of its sub-funds 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 events or circumstances may result in the fund or one of its sub-funds 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, 23 April 2021

Ernst & Young  
Société anonyme  
Cabinet de révision agréé

Nadia Faber

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## Administration, distribution and advisory

<b>Investment company:</b>	<b>Ethna SICAV</b> 4, rue Thomas Edison L-1445 Strassen, Luxembourg	39
<b>Board of Directors of the investment company:</b>		
<b>Chairman of the Board of Directors:</b>	Frank Hauprich ETHENEA Independent Investors S.A.	
<b>Directors:</b>	Josiane Jennes ETHENEA Independent Investors S.A.  Michael Molter IPConcept (Luxemburg) S.A.	
<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>	Frank Hauprich Thomas Bernard Josiane Jennes	
<b>Board of Directors of the management company (managing body):</b>		
<b>Chairman of the Board of Directors:</b>	Luca Pesarini ETHENEA Independent Investors S.A.	
<b>Directors:</b>	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:**

**Ernst & Young S.A**  
35E, Avenue John F. Kennedy  
L-1855 Luxembourg

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