

**Investment Suitability**

The Swiss Equity Fund is suitable for clients who understand the risks associated with equity investments and want a broad exposure to the Swiss stock market.

**Monthly Report**

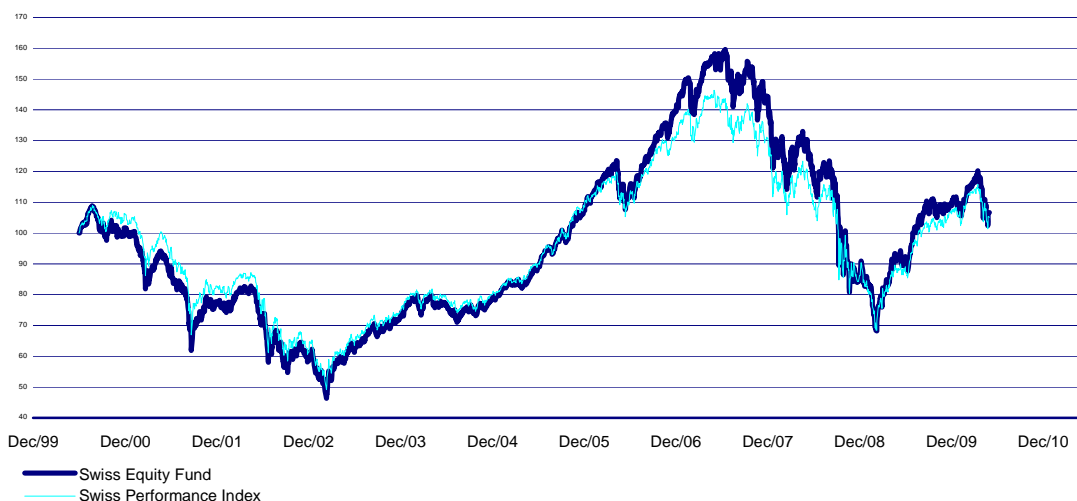
During May international equity markets were under severe pressure. The crisis in the Euro-area and the pressure on the European common currency lead to a big uncertainty among investors and funds were subsequently shifted in less risky asset classes. Most bourses declined between 5 to 10 percent and also the Swiss market lost 4.9 percent during the month.

The Conning Swiss Equity Fund underperformed its benchmark index SPI by 175 basis points during the reporting period. Especially the first week of May showed a very weak relative performance against the benchmark as many small and mid cap stocks in different industry segments faced severe price declines of up to 20 percent. As these price movements were not triggered by specific news flow but rather by panic selling, we expect these prices to recover again. The performance was also hit by the price crash of one biotech holding which reported negative study results in May. The distinct outperformance of the defensive food sector, which is underrepresented in the portfolio, put another drag on the Fund's development. A positive contribution to relative performance came from the underweight positions in the banking sector and the large cyclical stocks as well as from a series of defensive small and mid cap holdings like cantonal banks, medical technology companies or food service providers.

Trading activity was kept at a very low level during the period under review. The positions in Nestlé, Roche and Belimo were reduced. Currently, the cash position of the Fund stands at 0.3% of the total portfolio.

Following the correction on the stock markets in May, we anticipate a stabilization and a more friendly environment for equities over the weeks to come. The sovereign debt problem is well known by now and governments have started to take measures which should give some reassurance to the bourses. Economic news from the US and Asia are mostly positive and continue to signal that the global economy is on an expansionary path or even experiencing some kind of a mini-boom in certain regions or sectors. Investors still carry high levels of cash on their balance sheets and the low bond yields support stock markets' valuations. Still, risks have not disappeared and have to be watched closely. We highlight the debt situation of southern European countries, the political tensions in Korea, the upward pressure on the Swiss franc and real estate market in China, which could all be obstacles on the way to higher equity prices during the second half of the year.

The focus of the Fund continues to lie with companies which have good management, a clear corporate strategy and especially on those with strong balance sheets and cash flows, which can be distributed to shareholders through dividends or share repurchases.

**Performance****Performance\***

	Subfund	Swiss Performance Index
Performance since inception %	6.70	5.08
Performance YTD %	(1.99)	(1.14)
Performance 05/2010 %	(6.62)	(4.87)
YTD high	1 202.197	6 124.160
YTD low	1 024.040	5 367.120

\*Performance is based on last Fund NAV of capital units in each period as available on Bloomberg

**INVESTMENT OBJECTIVES**

The Swiss Equity Fund's objective is to achieve an above-average total return over the long term.

**INVESTMENT POLICY**

To meet its objective, the Swiss Equity Fund focuses on investing in equities and equity related securities (including warrants and convertibles) of companies listed in Switzerland. The Fund is managed actively, with stocks selected on the basis of fundamental, economic and financial analysis.

**CONTACT INFORMATION**

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The value of units and any income on an investment in this fund will fluctuate so that the **value of the investment** may decline as well as increase. Past performance with respect to the value or earnings does not guarantee or indicate future value or earnings.

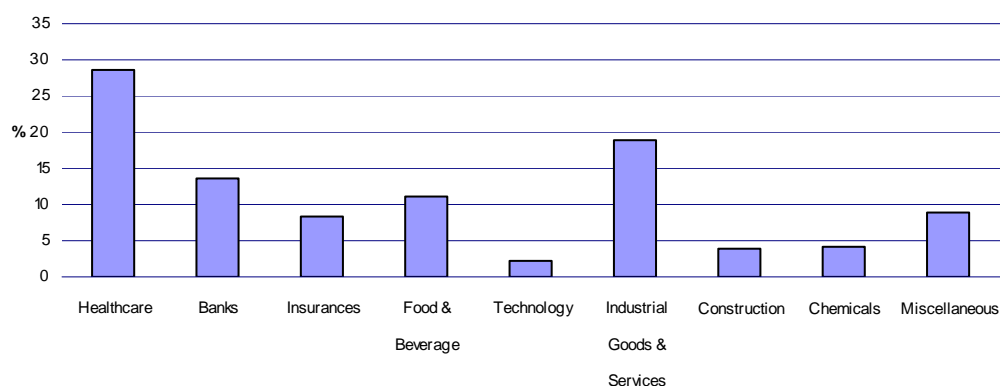
## Statistical Analysis

	Subfund	Swiss Performance Index
Historical Volatility %	19.8	17.1
Tracking Error %	4.7	-

## Top Ten Holdings

	%
NESTLE	9.9
ROCHE	9.8
NOVARTIS	9.7
UBS	6.7
ZURICH FINANCIAL SERVICES	4.9
ABB	4.6
SCHWEITER	4.5
CREDIT SUISSE	4.5
SYNGENTA	3.0
BASILEA PHARMACEUTICA	2.9

## Sector Breakdown



## Fund Characteristics

Fund domicile	Ireland	
Base currency	CHF	
Fund size (millions)	CHF 164.1	
Security number	Capital Units	Income Units
Sedol	0816229	0816207
ISIN	IE0008162293	IE0008162079
Bloomberg	SWISWEA	SWISWEI
WKN	755378	755377
Swiss Valor	1108086	1108029
Net Asset value per unit	CHF 1 067.029	CHF 985.697
Management fees	0.45% p.a.	0.45% p.a.
Min. investment	CHF 500 000	CHF 500 000
Security number	B Units	A Income Units
Sedol	B04GQC7	B033N06
ISIN	IE00B04GQC70	IE00B033N061
Bloomberg	SWISWEB	SWISWIA
WKN	A0MS5W	A0RM2H
Swiss Valor	2228685	2031482
Net Asset value per unit	CHF 803.700	CHF 804.770
Management fees	1.45% p.a.	1.45% p.a.
Min. investment	CHF 10 000	CHF 10 000
Benchmark	Swiss Performance Index (SPI)	
Launch date	3 July 2000	
Close of financial year	31 December	
Listing	Irish Stock Exchange	
Price publication	Bloomberg	