

Ethna-DYNAMISCH RCS Luxembourg K818

Annual report including audited financial statements
as of 31 December 2020

Investment fund under Luxembourg law

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

Luxembourg registered company B 155427



ETHENEIA

Content

	Page
Fund Management Report	2
Geographical breakdown by country and breakdown by economic sector of Ethna-DYNAMISCH	6-7
Composition of the net fund assets of Ethna-DYNAMISCH	10
Statement of operations of Ethna-DYNAMISCH	13
Statement of net assets of Ethna-DYNAMISCH as of 31 December 2020	18
Acquisitions and disposals of Ethna-DYNAMISCH from 1 January 2020 to 31 December 2020	22
Notes to the Annual Report as of 31 December 2020	25
Report of the Réviseur d'Entreprises agréé	32
Administration, distribution and advisory	35

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

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

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

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

Fund Management Report

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

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 managed to defend their control of the House of Representatives in November 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.

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.

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

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

Currently the following unit classes exist with these structural features:

	Unit class (A)	Unit class (T)	Unit class (SIA-A)	Unit class (SIA-T)
Security identification no.:	A0YBKY	A0YBKZ	A1W66S	A1W66T
ISIN code:	LU0455734433	LU0455735596	LU0985193357	LU0985193431
Subscription fee:	up to 5.00 %	up to 5.00 %	up to 5.00 %	up to 5.00 %
Redemption fee:	none	none	none	none
Management fee:	up to 1.75 % p.a.	up to 1.75 % p.a.	up to 1.05 % p.a.	up to 1.05 % p.a.
Minimum subsequent investment:	none	none	none	none
Dividend policy:	distributed	reinvested	distributed	reinvested
Currency:	EUR	EUR	EUR	EUR

	Unit class (SIA CHF-T)	Unit class (CHF-T)	Unit class (USD-T)	Unit class (R-A)*
Security identification no.:	A2PB18	A2PB17	A2PB19	A12EJA
ISIN code:	LU1939236318	LU1939236409	LU1939236748	LU1134152310
Subscription fee:	up to 5.00 %	up to 5.00 %	up to 5.00 %	up to 1.00 %
Redemption fee:	none	none	none	none
Management fee:	up to 1.05 % p.a.	up to 1.75 % p.a.	up to 1.75 % p.a.	up to 2.15 % p.a.
Minimum subsequent investment:	none	none	none	none
Dividend policy:	reinvested	reinvested	reinvested	distributed
Currency:	CHF	CHF	USD	EUR

	Unit class (R-T)*
Security identification no.:	A12EJB
ISIN code:	LU1134174397
Subscription fee:	up to 1.00 %
Redemption fee:	none
Management fee:	up to 2.15 % p.a.
Minimum subsequent investment:	none
Dividend policy:	reinvested
Currency:	EUR

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

Geographical breakdown by country of Ethna-DYNAMISCH

6

Geographical breakdown by country ¹⁾	
United States of America	46.49 %
Germany	13.60 %
United Kingdom	8.23 %
Switzerland	4.92 %
Supranational institutions	4.86 %
Denmark	3.06 %
South Korea	3.05 %
Spain	2.86 %
Cayman Islands	2.73 %
Ireland	2.45 %
New Zealand	1.87 %
Securities holdings	94.12 %
Options	0.06 %
Cash at banks ²⁾	5.18 %
Other receivables and payables (net)	0.64 %
	100.00 %

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

²⁾ See notes to the Report.

Breakdown by economic sector of Ethna-DYNAMISCH

Breakdown by economic sector ¹⁾	
Diversified financial services	14.22 %
Wholesale and retail	8.54 %
Capital goods	6.98 %
Hardware and equipment	6.95 %
Consumer services	6.85 %
Banks	6.23 %
Food, beverages and tobacco	6.18 %
Software & services	5.86 %
Media & entertainment	5.52 %
Healthcare: Equipment & services	5.51 %
Government bonds	5.51 %
Pharmaceuticals, biotechnology and biosciences	4.09 %
Household goods & personal care products	3.25 %
Raw materials and supplies	3.07 %
Other	3.05 %
Real estate	2.31 %
Securities holdings	94.12 %
Options	0.06 %
Cash at banks ²⁾	5.18 %
Other receivables and payables (net)	0.64 %
	100.00 %

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

²⁾ See notes to the Report.

Change over the last 3 financial years

Unit class (A)

Date	Net fund assets in EUR millions	Outstanding Units	Net inflows in EUR thousands	Unit value EUR
31/12/2018	50.92	684,739	1,424.53	74.37
31/12/2019	39.30	476,426	-16,062.35	82.48
31/12/2020	35.47	412,204	-5,191.23	86.06

Unit class (T)

Date	Net fund assets in EUR millions	Outstanding Units	Net inflows in EUR thousands	Unit value EUR
31/12/2018	147.14	1,905,837	37,094.69	77.20
31/12/2019	152.01	1,773,171	-10,757.24	85.73
31/12/2020	146.86	1,639,617	-10,051.83	89.57

Unit class (SIA-A)

Date	Net fund assets in EUR millions	Outstanding Units	Net inflows in EUR thousands	Unit value EUR
31/12/2018	21.07	39,116	8,771.21	538.64
31/12/2019	15.85	26,317	-7,152.81	602.34
31/12/2020	19.62	30,961	2,465.50	633.70

Unit class (SIA-T)

Date	Net fund assets in EUR millions	Outstanding Units	Net inflows in EUR thousands	Unit value EUR
31/12/2018	64.70	118,796	13,487.94	544.64
31/12/2019	15.42	25,281	-52,705.72	609.89
31/12/2020	5.58	8,686	-8,988.17	641.92

Unit class (R-A)*

Date	Net fund assets in EUR millions	Outstanding Units	Net inflows in EUR thousands	Unit value EUR
31/12/2018	0.08	864	-114.42	95.69
31/12/2019	0.07	692	-16.63	105.73
31/12/2020	0.08	758	6.98	109.92

Unit class (R-T)*

Date	Net fund assets in EUR millions	Outstanding Units	Net inflows in EUR thousands	Unit value EUR
31/12/2018	2.94	31,202	1,743.52	94.19
31/12/2019	2.21	21,186	-988.15	104.21
31/12/2020	2.24	20,649	-55.48	108.44

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

Change since inception

Unit class (SIA CHF-T)

Date	Net fund assets in EUR millions	Outstanding Units	Net inflows in EUR thousands	Unit value EUR	Unit value CHF
15/04/2019	inception	-	-	439.68	500.00 ¹⁾
31/12/2019	0.00	1	-26.63	485.04	528.26 ²⁾
31/12/2020	0.00	1	0.00	512.21	554.83 ³⁾

Unit class (CHF-T)

Date	Net fund assets in EUR millions	Outstanding Units	Net inflows in EUR thousands	Unit value EUR	Unit value CHF
14/01/2020	inception	-	-	92.52	100.00 ⁴⁾
31/12/2020	0.68	7,070	660.10	95.72	103.68 ³⁾

Unit class (USD-T)

Date	Net fund assets in EUR millions	Outstanding Units	Net inflows in EUR thousands	Unit value EUR	Unit value USD
01/03/2019	inception	-	-	87.83	100.00 ⁵⁾
31/12/2019	1.69	17,195	1,524.31	98.21	109.62 ⁶⁾
31/12/2020	1.68	17,690	58.71	94.87	116.12 ⁷⁾

¹⁾ Converted at foreign exchange rates into EUR as of 16 April 2019: EUR 1 = CHF 1.1372

²⁾ Converted at the foreign exchange rate into EUR as of 31 December 2019: EUR 1 = CHF 1.0891

³⁾ Converted at the foreign exchange rate into EUR as of 31 December 2020: EUR 1 = CHF 1.0832

⁴⁾ Converted at foreign exchange rates into EUR as of 14 January 2020: EUR 1 = CHF 1.0808

⁵⁾ Converted at foreign exchange rates into EUR as of 1 March 2019: EUR 1 = USD 1.1386

⁶⁾ Converted at the foreign exchange rate into EUR as of 31 December 2019: EUR 1 = USD 1.1162

⁷⁾ Converted at the foreign exchange rate into EUR as of 31 December 2020: EUR 1 = USD 1.2240

Composition of net fund assets of Ethna-DYNAMISCH

10 Composition of net fund assets as of 31 December 2020

	EUR
Securities holdings (securities acquisition costs: EUR 172,551,410.18)	199,739,795.54
Options	118,161.76
Cash at banks ¹⁾	10,995,063.84
Unrealised gains on forward foreign exchange contracts	1,434,069.60
Interest receivable	142,996.63
Dividends receivable	54,382.86
Receivables from unit sales	230,529.57
	212,714,999.80
Unit redemptions payable	-170,960.81
Other liabilities and equity ²⁾	-340,967.22
	-511,928.03
Net fund assets	212,203,071.77

¹⁾ See notes to the Report.

²⁾ This item mainly comprises management fees and the taxe d'abonnement.

Allocation among unit classes

Unit class (A)	
Pro rata net fund assets	EUR 35,473,196.73
Outstanding units	412,203.616
Unit value	EUR 86.06
Unit class (T)	
Pro rata net fund assets	EUR 146,855,980.24
Outstanding units	1,639,617.439
Unit value	EUR 89.57
Unit class (SIA-A)	
Pro rata net fund assets	EUR 19,620,076.96
Outstanding units	30,961.308
Unit value	EUR 633.70
Unit class (SIA-T)	
Pro rata net fund assets	EUR 5,575,620.71
Outstanding units	8,685.811
Unit value	EUR 641.92
Unit class (SIA CHF-T)	
Pro rata net fund assets	EUR 512.21
Outstanding units	1.000
Unit value	EUR 512.21
Unit value	CHF 554.83 ¹⁾
Unit class (CHF-T)	
Pro rata net fund assets	EUR 676,801.45
Outstanding units	7,070.420
Unit value	EUR 95.72
Unit value	CHF 103.68 ¹⁾
Unit class (USD-T)	
Pro rata net fund assets	EUR 1,678,270.88
Outstanding units	17,690.000
Unit value	EUR 94.87
Unit value	USD 116.12 ²⁾
Unit class (R-A)*	
Pro rata net fund assets	EUR 83,362.04
Outstanding units	758.395
Unit value	EUR 109.92
Unit class (R-T)*	
Pro rata net fund assets	EUR 2,239,250.55
Outstanding units	20,648.755
Unit value	EUR 108.44

¹⁾ Converted at the foreign exchange rate into EUR as of 31 December 2020: EUR 1 = CHF 1.0832

²⁾ Converted at the foreign exchange rate into EUR as of 31 December 2020: EUR 1 = USD 1.2240

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

Change in net fund assets

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

12

	Total EUR	Unit class (A) EUR	Unit class (T) EUR	Unit class (SIA-A) EUR
Total net fund assets at the beginning of the period under review	226,545,062.36	39,295,498.77	152,008,699.26	15,851,758.61
Ordinary net expenditure	-1,628,904.67	-302,377.63	-1,245,053.86	-22,431.22
Income and expense equalisation	-60,202.79	-18,589.87	-41,147.62	3,009.68
Inflow of funds from sale of units	41,775,101.89	2,872,942.46	28,339,471.75	7,248,734.51
Outflow of funds from redemption of units	-62,870,526.35	-8,064,170.90	-38,391,300.92	-4,783,236.87
Realised gains	44,596,157.16	7,483,814.18	30,080,574.08	3,658,905.55
Realised losses	-34,679,125.75	-5,911,576.47	-23,500,851.50	-3,205,135.77
Net change in unrealised gains	-3,911,206.28	-493,090.95	-2,501,476.71	86,621.66
Net change in unrealised losses	2,497,686.34	655,162.64	2,107,065.76	798,329.63
Distribution	-60,970.14	-44,415.50	0.00	-16,478.82
Total net fund assets at the end of the period under review	212,203,071.77	35,473,196.73	146,855,980.24	19,620,076.96

	Unit class (SIA-T) EUR	Unit class (SIA CHF-T) EUR	Unit class (CHF-T) EUR	Unit class (USD-T) EUR
Total net fund assets at the beginning of the period under review	15,419,015.01	485.04	0.00	1,688,745.12
Ordinary net expenditure	-8,805.24	0.00	-5,565.80	-16,294.12
Income and expense equalisation	-5,004.35	0.00	2,683.21	-977.00
Inflow of funds from sale of units	2,044,493.61	0.00	700,174.18	237,271.31
Outflow of funds from redemption of units	-11,032,664.67	0.00	-40,074.98	-178,560.93
Realised gains	2,328,123.65	1,285.27	56,589.36	530,122.17
Realised losses	-1,110,859.24	-1,258.22	-59,488.59	-523,331.16
Net change in unrealised gains	-962,791.17	-7.50	6,362.70	-25,380.83
Net change in unrealised losses	-1,095,886.89	7.62	16,121.37	-33,323.68
Distribution	0.00	0.00	0.00	0.00
Total net fund assets at the end of the period under review	5,575,620.71	512.21	676,801.45	1,678,270.88

	Unit class (R-A)* EUR	Unit class (R-T)* EUR
Total net fund assets at the beginning of the period under review	73,184.99	2,207,675.56
Ordinary net expenditure	-1,020.13	-27,356.67
Income and expense equalisation	15.92	-192.76
Inflow of funds from sale of units	7,005.29	325,008.78
Outflow of funds from redemption of units	-27.74	-380,489.34
Realised gains	16,487.64	440,255.26
Realised losses	-13,564.04	-353,060.76
Net change in unrealised gains	-624.61	-20,818.87
Net change in unrealised losses	1,980.54	48,229.35
Distribution	-75.82	0.00
Total net fund assets at the end of the period under review	83,362.04	2,239,250.55

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

Statement of operations of Ethna-DYNAMISCH

13

Statement of operations

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

	Total EUR	Unit class (A) EUR	Unit class (T) EUR	Unit class (SIA-A) EUR
Income				
Dividends	1,953,517.37	334,604.19	1,337,853.39	175,046.60
Interest on bonds	361,480.93	61,695.43	248,555.21	32,659.13
Bank interest	-84,046.70	-14,468.12	-57,878.84	-7,971.32
Other income	27,071.50	4,447.20	18,395.74	2,020.75
Income equalisation	-93,815.39	-24,357.86	-49,428.26	-2,469.85
Total income	2,164,207.71	361,920.84	1,497,497.24	199,285.31
Expense				
Interest expense	-6,941.30	-1,192.09	-4,763.67	-646.04
Management fee	-3,447,093.79	-621,217.57	-2,499,057.89	-175,582.33
Taxe d'abonnement	-100,565.79	-17,160.49	-68,998.39	-8,969.43
Publication and audit expenses	-125,763.28	-21,406.50	-85,571.64	-10,456.14
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-22,412.94	-3,812.16	-15,361.80	-2,000.85
Registrar and transfer agent fee	-3,530.44	-602.90	-2,414.06	-307.26
Government fees	-11,574.17	-1,964.46	-7,918.68	-960.06
Other expenses ¹⁾	-229,248.85	-39,890.03	-149,040.85	-22,254.59
Expense equalisation	154,018.18	42,947.73	90,575.88	-539.83
Total expense	-3,793,112.38	-664,298.47	-2,742,551.10	-221,716.53
Ordinary net expenditure	-1,628,904.67	-302,377.63	-1,245,053.86	-22,431.22
Total transaction costs in the financial year ²⁾	157,085.55			
Total expense ratio in percent ²⁾		1.99	1.98	1.20
Ongoing charges in percent ²⁾		2.01	2.00	1.21
Swiss total expense ratio in percent before performance fee ²⁾ (for the period from 1 January 2020 to 31 December 2020)		1.99	1.98	1.20
Swiss total expense ratio in percent including performance fee ²⁾ (for the period from 1 January 2020 to 31 December 2020)		1.99	1.98	1.20
Swiss performance fee in percent ²⁾ (for the period from 1 January 2020 to 31 December 2020)		-	-	-

¹⁾ This item mainly comprises paying agents' fees and general management costs.

²⁾ See notes to the Report.

Statement of operations

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

	Unit class (SIA-T) EUR	Unit class (SIA CHF-T) EUR	Unit class (CHF-T) EUR	Unit class (USD-T) EUR
Income				
Dividends	65,907.68	4.52	2,616.62	16,918.14
Interest on bonds	11,065.24	0.38	568.96	3,079.10
Bank interest	-1,958.85	-0.01	-137.45	-724.30
Other income	1,681.29	0.06	29.98	230.42
Income equalisation	-20,057.42	0.00	3,568.59	-1,024.03
Total income	56,637.94	4.95	6,646.70	18,479.33
Expense				
Interest expense	-195.15	-0.02	-10.15	-60.20
Management fee	-68,512.27	-4.13	-5,167.58	-30,291.57
Taxe d'abonnement	-3,363.02	0.00	-149.11	-860.83
Publication and audit expenses	-5,800.04	-0.24	-164.79	-1,056.02
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-778.61	-0.05	-31.58	-193.02
Registrar and transfer agent fee	-134.57	0.00	-4.60	-29.89
Government fees	-497.21	-0.02	-14.38	-99.11
Other expenses ¹⁾	-11,224.08	-0.49	-418.51	-4,183.84
Expense equalisation	25,061.77	0.00	-6,251.80	2,001.03
Total expense	-65,443.18	-4.95	-12,212.50	-34,773.45
Ordinary net expenditure	-8,805.24	0.00	-5,565.80	-16,294.12
Total expense ratio in percent ²⁾	1.25	1.02	1.90 ³⁾	2.06
Ongoing charges in percent ²⁾	1.27	1.03	-	2.08
Swiss total expense ratio in percent before performance fee ²⁾ (for the period from 1 January 2020 to 31 December 2020)	1.25	1.02	1.88 ⁴⁾	2.06
Swiss total expense ratio in percent including performance fee ²⁾ (for the period from 1 January 2020 to 31 December 2020)	1.25	1.02	1.88 ⁴⁾	2.06
Swiss performance fee in percent ²⁾ (for the period from 1 January 2020 to 31 December 2020)	-	-	-	-

¹⁾ This item mainly comprises paying agents' fees and general management costs.

²⁾ See notes to the Report.

³⁾ For the period from 15 January 2020 to 31 December 2020.

⁴⁾ Estimated for the period from 1 January 2020 to 31 December 2020.

Statement of operations

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

	Unit class (R-A)* EUR	Unit class (R-T)* EUR
Income		
Dividends	727.88	19,838.35
Interest on bonds	136.23	3,721.25
Bank interest	-32.66	-875.15
Other income	8.83	257.23
Income equalisation	11.63	-58.19
Total income	851.91	22,883.49
Expense		
Interest expense	-2.59	-71.39
Management fee	-1,667.55	-45,592.90
Taxe d'abonnement	-37.52	-1,027.00
Publication and audit expenses	-44.59	-1,263.32
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-8.22	-226.65
Registrar and transfer agent fee	-1.32	-35.84
Government fees	-4.17	-116.08
Other expenses ¹⁾	-78.53	-2,157.93
Expense equalisation	-27.55	250.95
Total expense	-1,872.04	-50,240.16
Ordinary net expenditure	-1,020.13	-27,356.67
Total expense ratio in percent ²⁾	2.38	2.38
Ongoing charges in percent ²⁾	2.39	2.40
Swiss total expense ratio in percent before performance fee ²⁾ (for the period from 1 January 2020 to 31 December 2020)	2.38	2.38
Swiss total expense ratio in percent including performance fee ²⁾ (for the period from 1 January 2020 to 31 December 2020)	2.38	2.38
Swiss performance fee in percent ²⁾ (for the period from 1 January 2020 to 31 December 2020)	-	-

¹⁾ This item mainly comprises paying agents' fees and general management costs.

²⁾ See notes to the Report.

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

Performance in percent *

As of 31 December 2020

16

Fund	ISIN Security code	Unit class currency	6 months	1 year	3 years	10 years
Ethna-DYNAMISCH (A) since 10/11/2009	LU0455734433 A0YBKY	EUR	8.09 %	4.48 %	7.16 %	51.34 %
Ethna-DYNAMISCH (CHF-T) since 14/01/2020	LU1939236409 A2PB17	CHF	7.93 %	3.68 % **	---	---
Ethna-DYNAMISCH (R-A)** since 07/05/2015	LU1134152310 A12EJA	EUR	7.88 %	4.07 %	5.98 %	---
Ethna-DYNAMISCH (R-T)** since 20/04/2015	LU1134174397 A12EJB	EUR	7.88 %	4.06 %	5.83 %	---
Ethna-DYNAMISCH (SIA-A) since 02/04/2014	LU0985193357 A1W66S	EUR	8.52 %	5.30 %	9.69 %	---
Ethna-DYNAMISCH (SIA CHF-T) since 16/04/2019	LU1939236318 A2PB18	CHF	8.42 %	5.03 %	10.97 % ***	---
Ethna-DYNAMISCH (SIA-T) since 19/06/2014	LU0985193431 A1W66T	EUR	8.46 %	5.25 %	9.71 %	---
Ethna-DYNAMISCH (T) since 10/11/2009	LU0455735596 A0YBKZ	EUR	8.10 %	4.48 %	7.15 %	51.02 %
Ethna-DYNAMISCH (USD-T) since 01/03/2019	LU1939236748 A2PB19	USD	8.55 %	5.93 %	16.12 % ***	---

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

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

*** Since inception.

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

Change in number of units in circulation

	Unit class (A) Number	Unit class (T) Number	Unit class (SIA-A) Number	Unit class (SIA-T) Number
Units in circulation at start of period under review	476,426.378	1,773,170.804	26,316.790	25,281.446
Units issued	35,956.065	338,784.484	12,689.256	3,329.023
Units redeemed	-100,178.827	-472,337.849	-8,044.738	-19,924.658
Units in circulation at end of period under review	412,203.616	1,639,617.439	30,961.308	8,685.811

	Unit class (SIA CHF-T) Number	Unit class (CHF-T) Number	Unit class (USD-T) Number	Unit class (R-A)* Number
Units in circulation at start of period under review	1.000	0.000	17,195.000	692.160
Units issued	0.000	7,515.741	2,400.000	66.495
Units redeemed	0.000	-445.321	-1,905.000	-0.260
Units in circulation at end of period under review	1.000	7,070.420	17,690.000	758.395

	Unit class (R-T)* Number
Units in circulation at start of period under review	21,185.532
Units issued	3,190.191
Units redeemed	-3,726.968
Units in circulation at end of period under review	20,648.755

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

Statement of net assets of Ethna-DYNAMISCH as of 31 December 2020

18

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 NFA ¹⁾
Equities, rights and profit participation certificates								
Securities traded on an exchange								
Cayman Islands								
US01609W1027	Alibaba Group Holding Ltd. ADR	USD	0	10,000	30,000	236.2600	5,790,686.27	2.73
							5,790,686.27	2.73
Denmark								
DK0060738599	Demant AS	DKK	25,000	50,000	200,000	241.4000	6,490,381.38	3.06
							6,490,381.38	3.06
Germany								
DE000BASF111	BASF SE	EUR	100,000	0	100,000	65.0700	6,507,000.00	3.07
DE000A288904	CompuGroup Medical SE & Co.KgaA	EUR	55,000	0	55,000	78.8500	4,336,750.00	2.04
DE0007164600	SAP SE	EUR	20,000	10,000	35,000	106.8000	3,738,000.00	1.76
DE000A1ML7J1	Vonovia SE	EUR	2,395	23,521	82,395	59.5400	4,905,798.30	2.31
							19,487,548.30	9.18
Ireland								
IE00BTN1Y115	Medtronic Plc.	USD	0	15,000	55,000	115.5700	5,193,096.41	2.45
							5,193,096.41	2.45
New Zealand								
NZATME0002S8	The a2 Milk Co. Ltd.	AUD	200,000	200,000	550,000	11.5900	3,966,461.33	1.87
							3,966,461.33	1.87
Switzerland								
CH0038389992	BB Biotech AG	CHF	0	35,000	80,000	74.2500	5,483,751.85	2.58
CH0012032048	Roche Holding AG participation certificates	CHF	0	7,500	17,500	306.9500	4,959,033.42	2.34
							10,442,785.27	4.92
Spain								
ES0148396007	Industria de Diseño Textil S.A.	EUR	80,000	140,000	230,000	26.3600	6,062,800.00	2.86
							6,062,800.00	2.86

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

Statement of net assets as of 31 December 2020

ISIN	Securities		Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NFA ¹⁾
South Korea								
KR7005931001	Samsung Electronics Co. Ltd. -VZ-	KRW	0	55,000	120,000	72,200.0000	6,482,080.01	3.05
							6,482,080.01	3.05
United States of America								
US00507V1098	Activision Blizzard Inc.	USD	80,000	0	80,000	91.3700	5,971,895.42	2.81
US02079K3059	Alphabet Inc.	USD	0	2,000	4,000	1,757.7600	5,744,313.73	2.71
US0311621009	Amgen Inc.	USD	0	20,000	20,000	226.8700	3,707,026.14	1.75
US0846707026	Berkshire Hathaway Inc.	USD	10,000	12,500	37,500	229.5700	7,033,394.61	3.31
US09247X1019	Blackrock Inc.	USD	15,000	2,000	13,000	706.2800	7,501,339.87	3.53
US8085131055	Charles Schwab Corporation	USD	0	30,000	130,000	52.5400	5,580,228.76	2.63
US17275R1023	Cisco Systems Inc.	USD	0	10,000	110,000	44.6400	4,011,764.71	1.89
US3703341046	General Mills Inc.	USD	40,000	75,000	110,000	59.1500	5,315,767.97	2.51
US5962781010	Middleby Corporation	USD	10,000	15,000	35,000	126.8600	3,627,532.68	1.71
US6177001095	Morningstar Inc.	USD	30,000	5,000	25,000	225.0900	4,597,426.47	2.17
US72703H1014	Planet Fitness Inc.	USD	95,000	145,000	80,000	76.3400	4,989,542.48	2.35
US8725401090	TJX Companies Inc.	USD	90,000	0	90,000	67.9900	4,999,264.71	2.36
US92826C8394	VISA Inc.	USD	25,000	0	25,000	214.3700	4,378,472.22	2.06
US9288811014	Vontier Corporation	USD	160,000	0	160,000	32.6800	4,271,895.42	2.01
US88579Y1010	3M Co.	USD	20,000	15,000	40,000	173.8500	5,681,372.55	2.68
							77,411,237.74	36.48
United Kingdom								
GB0006731235	Associated British Foods Plc.	GBP	0	60,000	150,000	23.0500	3,811,597.40	1.80
GB00B0744B38	Bunzl Plc.	GBP	0	0	200,000	24.9200	5,494,432.81	2.59
GB00BMTV7393	THG Holdings Plc.	GBP	150,000	0	150,000	7.6260	1,261,051.70	0.59
GB00B10RZP78	Unilever Plc.	EUR	140,000	0	140,000	49.2500	6,895,000.00	3.25
							17,462,081.91	8.23
Securities traded on an exchange							158,789,158.62	74.83
Equities, rights and profit participation certificates							158,789,158.62	74.83
Bonds								
Securities traded on an exchange								
EUR								
XS0676294696	2.750 % European Investment Bank (EIB) EMTN v.11(2021)		5,000,000	2,000,000	3,000,000	102.4170	3,072,510.00	1.45
DE000A2LQHU0	0.000 % Kreditanstalt für Wiederaufbau EMTN Reg.S. v.18(2021)		3,000,000	0	3,000,000	100.2510	3,007,530.00	1.42
DE000A2GSKL9	0.000 % Kreditanstalt für Wiederaufbau v.17(2022)		3,000,000	0	3,000,000	101.2940	3,038,820.00	1.43
							9,118,860.00	4.30
NOK								
XS1227593933	1.500 % European Investment Bank (EIB) EMTN Reg.S. v.15(2022)		0	0	40,000,000	101.5090	3,848,609.51	1.81
XS1555330999	1.500 % European Investment Bank (EIB) EMTN v.17(2024)		35,000,000	0	35,000,000	102.5640	3,402,532.65	1.60
XS1489186947	1.000 % Kreditanstalt für Wiederaufbau EMTN v.16(2021)		0	0	35,000,000	100.5560	3,335,917.80	1.57
							10,587,059.96	4.98

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

Statement of net assets as of 31 December 2020

ISIN	Securities	Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NFA ¹⁾
USD							
US912810SH23	2.875 % United States of America v.19(2049)	3,000,000	0	3,000,000	128.4922	3,149,318.33	1.48
US912810SN90	1.250 % United States of America v.20(2050)	8,000,000	0	8,000,000	90.1563	5,892,565.36	2.78
US912810SL35	2.000 % United States of America v.20(2050)	3,000,000	0	3,000,000	108.0234	2,647,633.27	1.25
						11,689,516.96	5.51
Securities traded on an exchange						31,395,436.92	14.79
Bonds						31,395,436.92	14.79
Certificates							
Securities traded on an exchange							
United States of America							
DE000A0S9GB0	Dte. Börse Commodities GmbH/Gold Unze 999 Zert. v.07(2199)	EUR 50,000	0	175,000	49.4540	8,654,450.00	4.08
IE00B4ND3602	iShares Physical Metals Plc./Gold Unze 999 Zert. v.11(2199)	EUR 200,000	170,000	30,000	30.0250	900,750.00	0.42
						9,555,200.00	4.50
Securities traded on an exchange						9,555,200.00	4.50
Certificates						9,555,200.00	4.50
Securities holdings						199,739,795.54	94.12
Options							
Long positions							
EUR							
Put on Euro Stoxx 50 Price Index March 2021/3,200.00		250	0	250		107,250.00	0.05
						107,250.00	0.05
USD							
Put on E-Mini S&P 500 Index Future March 2021/3,300.00		60	0	60		117,034.31	0.06
						117,034.31	0.06
Long positions						224,284.31	0.11
Short positions²⁾							
EUR							
Put on Euro Stoxx 50 Price Index March 2021/2,900.00		0	250	-250		-49,750.00	-0.02
						-49,750.00	-0.02
USD							
Put on E-Mini S&P 500 Index Future March 2021/3,000.00		0	60	-60		-56,372.55	-0.03
						-56,372.55	-0.03
Short positions²⁾						-106,122.55	-0.05
Options						118,161.76	0.06
Cash at banks - current accounts³⁾						10,995,063.84	5.18
Other receivables and payables (net)						1,350,050.63	0.64
Total net fund assets in EUR						212,203,071.77	100.00

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

²⁾ The total amount of commitments from options written as of the reporting date, valued at the underlying price, is EUR 13,269,171.56.

³⁾ See notes to the Report.

Forward foreign exchange contracts

The following forward foreign exchange contracts were open as of 31 December 2020:

Currency	Counterparty		Currency amount	Price EUR	% share of NFA ¹⁾
CHF/EUR	DZ PRIVATBANK S.A.	Currency purchases	747,265.00	690,031.24	0.33
USD/EUR	DZ PRIVATBANK S.A.	Currency purchases	2,189,000.00	1,786,014.45	0.84
EUR/CHF	DZ PRIVATBANK S.A.	Currency sales	19,112.00	17,646.53	0.01
EUR/USD	DZ PRIVATBANK S.A.	Currency sales	143,000.00	116,728.03	0.06
EUR/USD	J.P. Morgan AG, Frankfurt	Currency sales	57,000,000.00	46,503,772.92	21.91

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

Acquisitions and disposals

from 1 January 2020 to 31 December 2020

22 Acquisitions and disposals from 1 January 2020 to 31 December 2020

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

ISIN	Securities		Acquisitions in the period under review	Disposals in the period under review
Equities, rights and profit participation certificates				
Securities traded on an exchange				
Germany				
DE000LEG1110	LEG Immobilien AG	EUR	0	50,000
DE000PAH0038	Porsche Automobil Holding SE -VZ-	EUR	0	80,000
DE0007472060	Wirecard AG	EUR	0	55,000
France				
FR0013258662	Ald S.A.	EUR	0	145,000
FR0000120271	Total SE	EUR	0	70,000
Netherlands				
NL0000388619	Unilever NV	EUR	170,000	170,000
United States of America				
US4581401001	Intel Corporation	USD	0	125,000
US5007541064	Kraft Heinz Co., The	USD	0	180,000
US52567D1072	Lemonade Inc.	USD	5,000	5,000
US7170811035	Pfizer Inc.	USD	0	150,000
United Kingdom				
GB00BRJ9BJ26	Fevertree Drinks Plc.	GBP	100,000	300,000
GB00B24CGK77	Reckitt Benckiser Group Plc.	GBP	0	65,000
GB00B03MLX29	Royal Dutch Shell Plc.	EUR	0	80,000
Unlisted securities				
Germany				
DE000A2888C9	Vonovia SE BZR 21.07.20	EUR	80,000	80,000
Bonds				
Securities traded on an exchange				
NOK				
NO0010743305	1.250 % European Investment Bank (EIB) EMTN Reg.S. v.15(2020)		20,000,000	20,000,000
XS1195588915	1.125 % European Investment Bank (EIB) EMTN Reg.S. v.15(2020)		0	40,000,000
XS1606957063	1.000 % Kreditanstalt für Wiederaufbau EMTN Reg.S. v.17(2020)		20,000,000	20,000,000

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

Acquisitions and disposals from 1 January 2020 to 31 December 2020

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

ISIN	Securities	Acquisitions in the period under review	Disposals in the period under review
USD			
US912810SJ88	2.250 % United States of America v.19(2049)	3,000,000	8,000,000
US912810SK51	2.375 % United States of America v.19(2049)	3,000,000	8,000,000
Convertible bonds			
Securities admitted to or included in organised markets			
USD			
DE000A2BPEU0	0.925 % BASF SE Convertible bond cum v.17(2023)	0	5,000,000
Options			
EUR			
	Call on EUR STOXX Bank Index December 2020/60.00	1,000	1,000
	Call on EUR STOXX Bank Index June 2021/70.00	1,000	1,000
	Call on EURO STOXX Bank Index March 2020/100.00	0	1,000
	Call on EURO STOXX Bank Index March 2020/95.00	0	1,000
	Call on EURO STOXX Bank Index March 2020/97.50	0	1,000
	Call on EUR STOXX Bank Index March 2021/65.00	1,000	1,000
	Put on EUR/NOK December 2020/9.8	0	10,000,000
	Put on Euro Stoxx 50 Price Index December 2020/2,700.00	200	200
	Put on Euro Stoxx 50 Price Index December 2020/3,000.00	200	200
	Put on Euro Stoxx 50 Price Index June 2020/3,100.00	400	400
	Put on Euro Stoxx 50 Price Index June 2020/3,500.00	400	400
	Put on Euro Stoxx 50 Price Index March 2020/3,100.00	400	0
	Put on Euro Stoxx 50 Price Index March 2020/3,450.00	0	400
	Put on Euro Stoxx 50 Price Index September 2020/2,600.00	400	400
	Put on Euro Stoxx 50 Price Index September 2020/2,900.00	400	400
USD			
	Put on Apple Inc. June 2020/290.00	40	40
	Put on E-Mini S&P 500 Index Future December 2020/2,900.00	50	50
	Put on E-Mini S&P 500 Index Future December 2020/3,200.00	50	50
	Put on E-Mini S&P 500 Index Future June 2020 June 2020/2,800.00	100	100
	Put on E-Mini S&P 500 Index Future June 2020 June 2020/3,100.00	100	100
	Put on E-Mini S&P 500 Index Future March 2020/2,600.00	100	0
	Put on E-Mini S&P 500 Index Future March 2020/2,900.00	0	100
	Put on E-Mini S&P 500 Index Future September 2020/2,500.00	100	100
	Put on E-Mini S&P 500 Index Future September 2020/2,800.00	100	100
	Put on Tesla Inc. June 2020/440.00	10	10
Futures contracts			
EUR			
	Euro Stoxx 50 Price Index Future December 2020	260	260
	Euro Stoxx 50 Price Index Future June 2020	2,350	2,350
	Euro Stoxx 50 Price Index Future March 2020	3,425	3,425
	Euro Stoxx 50 Price Index Future September 2020	520	520

Acquisitions and disposals from 1 January 2020 to 31 December 2020

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

ISIN	Securities	Acquisitions in the period under review	Disposals in the period under review
USD			
	E-Mini S&P 500 Index Future December 2020	110	110
	E-Mini S&P 500 Index Future June 2020	445	445
	E-Mini S&P 500 Index Future March 2020	610	530
	E-Mini S&P 500 Index Future September 2020	220	220
	Nasdaq 100 Index Future March 2020	70	70

24

Exchange rates

For the valuation of assets in a foreign currency, the following exchange rate for 31 December 2020 was used for conversion into euro.

Australian dollar	EUR 1 =	AUD	1.6071
Sterling	EUR 1 =	GBP	0.9071
Danish krone	EUR 1 =	DKK	7.4387
Hong Kong dollars	EUR 1 =	HKD	9.4907
Japanese yen	EUR 1 =	JPY	126.7942
Norwegian krone	EUR 1 =	NOK	10.5502
Swiss franc	EUR 1 =	CHF	1.0832
South Korean Won	EUR 1 =	KRW	1,336.6080
US dollar	EUR 1 =	USD	1.2240



Notes to the Annual Report as of 31 December 2020

25

1.) General

The Ethna-DYNAMISCH investment fund is managed by ETHENEA Independent Investors S.A. pursuant to the fund's management regulations. The Management Regulations first came into force on 10 November 2009.

They were filed with the Luxembourg Trade and Companies Register with a reference to this filing published in *Mémorial, Recueil des Sociétés et Associations*, Official Gazette of the Grand Duchy of Luxembourg ("Mémorial"), on 30 November 2009. The Mémorial was replaced as of 1 June 2016 by the new information platform Recueil électronique des sociétés et associations ("RESA") implemented by the Luxembourg Trade and Companies Register. The Management Regulations were last amended on 1 January 2020 and published in the Recueil électronique des sociétés et associations ("RESA").

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

The management company of the fund is ETHENEA Independent Investors S.A. ("management company"), a public limited liability company incorporated under the laws of the Grand Duchy of Luxembourg with its registered office at 16, Rue Gabriel Lippmann, L-5365 Munsbach. The company was founded on 10 September 2010 for an indefinite period. Its Articles of Association were published on 15 September 2010 in the Mémorial. Amendments to the management company's Articles of Association entered into force on 1 January 2015 and were published in the Mémorial on 13 February 2015. The management company is registered with the Luxembourg Trade and Companies Register under the registration number R.C.S. Luxembourg B-155427.

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

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

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

1. The fund's net assets are stated in euros (EUR) ("reference currency").
2. The value of a fund unit ("unit value") is stated in the currency ("fund currency") as specified in the annex to the Sales Prospectus, unless a currency other than the fund currency is specified for any other unit classes in the annex to the Sales Prospectus ("unit class currency").
3. The unit value is calculated by the management company or by an agent commissioned by it under the supervision of the depositary on every day that is a banking day in Luxembourg with the exception of 24 and 31 December of each year ("valuation day") and is rounded to two decimal places. The management company may make different arrangements for the fund, while taking into account that the unit value must be calculated at least twice a month.

However, the management company may decide to determine the unit value on 24 and 31 December of any given year, without this constituting a calculation of the unit value on a valuation day as specified in sentence 1 above of this point 3. As a consequence, investors shall not be entitled to demand the issue, redemption and/or exchange of units on the basis of a unit value calculated on 24 and/or 31 December in any year.

4. To calculate the unit value, the value of the assets in the fund less any fund liabilities ("net fund assets") is calculated on each valuation day, divided by the number of fund units in circulation on the valuation day.

5. To the extent that information regarding the position of the fund assets as a whole needs to be provided in annual reports, semi-annual reports or other financial statistics in accordance with legal requirements or the rules in the fund Management Regulations, the fund assets are translated into the reference currency. Net fund assets are calculated in accordance with the following principles:

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

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

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

- b) Securities, money market instruments, derivatives and other assets not officially listed on a stock exchange (or whose exchange prices are not considered representative because of a lack of liquidity, for example) but which are traded on a regulated market are valued at a price that may be no lower than the bid price and no higher than the offer price of the trading day preceding the valuation day and that the management company considers in good faith to be the best possible price at which the securities, money market instruments, derivatives and other assets may be sold.

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

- c) OTC derivatives are valued on a daily basis using a verifiable method to be specified by the management company.
- d) Units of UCITS or UCIs shall be valued at the last redemption price determined before the valuation day, or at the last available price which ensures a reliable valuation. If redemption has been suspended for investment fund units or a redemption price has not been specified, these units are valued in the same way as all other assets at the relevant market value as determined by the management company in good faith using generally accepted and verifiable valuation rules.
- e) If prices are not in line with the market, if the financial instruments specified under b) are not traded on a regulated market and if no prices have been specified for financial instruments other than those under a) to d), these financial instruments and any of the other legally permissible assets are valued at the relevant market value as determined by the management company in good faith on the basis of generally accepted and verifiable valuation rules (e.g. suitable valuation models, taking into account current market conditions).
- f) Liquid assets are valued at face value plus interest.
- g) Receivables, such as deferred interest and liabilities, are generally valued at their nominal value.
- h) The market value of securities, money market instruments, derivative financial instruments (derivatives) and other assets that are denominated in a currency other than the fund currency is converted into the relevant fund currency on the basis of the exchange rate determined at the WM/Reuters fixing at 5.00 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 the fund that securities, money market instruments, derivatives and other assets denominated in a currency other than the fund currency are converted into the relevant fund currency on the basis of the exchange rate determined on the valuation day. Gains and losses on foreign exchange transactions will be added or deducted as appropriate. This is mentioned in the annex to the fund's Sales Prospectus.

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

6. The unit value is calculated in accordance with the aforementioned criteria. However, if unit classes have been created within the fund, the unit value is calculated in accordance with the aforementioned criteria separately for each unit class.

3.) Taxation

Taxation of the fund

From a Luxembourg tax perspective, as an investment fund the fund does not have any legal personality and is tax transparent.

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

Income earned by the 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.

Distributions by the fund and profits from liquidations or disposals are not subject to withholding tax in the Grand Duchy of Luxembourg. Neither the depositary nor the management company is required to collect tax certificates.

Taxation on income from investment fund units for the investor

Investors 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 units.

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 investors and prospective investors ensure they are informed about laws and regulations applicable to the taxation of fund assets and to the subscription, purchase, ownership, redemption or transfer of units and obtain advice from an independent third party, in particular from a tax advisor.

4.) Appropriation of income

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

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

5.) Information relating to charges and expenditure

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

6.) Transaction costs

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

7.) Total Expense Ratio (TER)

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

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

* NFA = net fund assets

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

8.) Ongoing charges

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

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

9.) Income and expense equalisation

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

28

10.) Fund current accounts (cash at banks and/or liabilities to banks)

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

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

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

11.) Risk management (unaudited)

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

Commitment Approach:

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

VaR Approach:

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

Relative VaR approach:

In the relative VaR approach, the VaR for the fund must not exceed the VaR for a reference portfolio by a factor contingent on the level of the fund's risk profile. The maximum factor permitted by the supervisory authorities is 200 %. The benchmark portfolio provides a correct representation of the fund's investment policy.

Absolute VaR approach:

In the absolute VaR approach, the VaR for the fund (99 % confidence level, 20-day holding period) must not exceed a portion of the fund's assets contingent on the level of the fund's risk profile. The maximum limited permitted by the supervisory authorities is 20 % of the fund's assets.

In the absolute VaR approach, the VaR for the fund (99 % confidence level, 20-day holding period) must not exceed a portion of the fund's assets contingent on the level of the fund's risk profile. The maximum limited permitted by the supervisory authorities is 20 % of the fund's assets.

For funds which use the VaR approaches to ascertain the total risk, the Management Company estimates the expected degree of leverage effect. The extent of this leverage effect may deviate from the actual value depending on prevailing market conditions, falling below or exceeding it. Investors' attention is drawn to the fact that no conclusions can be drawn from this information with respect to the risk entailed in the fund. Furthermore, the expected leverage published is explicitly not to be understood as an investment limit. The method used to determine the overall risk and, if applicable the publication of the reference portfolio and the expected degree of leverage, as well as the calculation method, are stated in the fund-specific appendix.

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

UCITS	Risk management procedure applied
Ethna-DYNAMISCH	absolute VaR (from 1 January 2020 to 30 April 2020)

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 fund.

Absolute VaR Approach for Ethna-DYNAMISCH

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 27.20 %, a maximum of 78.63 % and an average of 42.28 % 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 4 May 2020, the leverage effect had the following values:

Lowest leverage:	34.22 %
Highest leverage:	93.25 %
Median leverage:	68.93 % (66.06 %)
Calculation method:	Nominal value method (total of nominal values of all derivatives)

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

12.) Information for Swiss investors (unaudited)

a.) Securities numbers:

Ethna-DYNAMISCH unit class (A) securities no. 10724364
 Ethna-DYNAMISCH unit class (T) securities no. 10724365
 Ethna-DYNAMISCH unit class (SIA-A) securities no. 22830636
 Ethna-DYNAMISCH unit class (SIA-T) securities no. 22830638
 Ethna-DYNAMISCH unit class (CHF-T) securities no. 46028816
 Ethna-DYNAMISCH unit class (USD-T) securities no. 46028820
 Ethna-DYNAMISCH unit class (SIA CHF-T) securities no. 46028814

b.) Total expense ratio (TER) in accordance with the guidelines issued by the Swiss Funds & Asset Management Association (SFAMA) on 16 May 2008 (updated on 1 June 2015):

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

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

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

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

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

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

As per the Swiss Funds & Asset Management Association (SFAMA) guidelines of 16 May 2008 (updated as of 1 June 2015), the following TER in percent was calculated for the period from 1 January 2020 to 31 December 2020:

Ethna-DYNAMISCH	Swiss TER in %	Swiss performance fee in %
Unit class (A)	1.99	0.00
Unit class (T)	1.98	0.00
Unit class (SIA-A)	1.20	0.00
Unit class (SIA-T)	1.25	0.00
Unit class (USD-T)	2.06	0.00
Unit class (SIA CHF-T)	1.02	0.00
Unit class (CHF-T)	1.88 ¹⁾	0.00

¹⁾ Estimated for the period from 1 January 2020 to 31 December 2020.

c.) Information for investors

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

d.) Amendments to the Prospectus in the financial year

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

13.) Significant events during the period under review

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

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

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

- Risk management process 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 fund:

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 management company is responsible for the risk management of the fund. 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 fund generally consists 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 management company can suspend unit transactions if such a situation regarding redemptions appears likely. Should redemptions occur at such a level that liquidation of the fund becomes an issue for consideration, the management company will take the appropriate measures to ensure that all investors in the fund are treated equally.
3. Information regarding the most recent market trends for the fund is available upon request, and on the website of the management company: www.ethenea.com. All investors will be informed in good time of any further events to explain the most recent market trends for the fund. Furthermore, any documentation connected to such events will subsequently be available upon request from the management company.

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

14.) Significant events after the period under review

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

31

15.) Remuneration policy (unaudited)

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

Employee remuneration consists of an appropriate fixed annual salary plus variable remuneration based on performance and results.

As of 31 December 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, in the legal notices section. Investors will be provided with a paper version free of charge upon request.

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

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

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

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

Report of the Réviseur d'Entreprises agréé

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

32

Audit opinion

We have audited the annual financial statements of Ethna-DYNAMISCH (“the fund”), consisting of the composition of net fund assets as of 31 December 2020, changes in net fund assets as well as the statement of operations for the financial year ending on that date; and notes, along with a summary of key accounting methods.

In our opinion, the annual financial statements provided give a true and fair view of the financial position of the fund as of 31 December 2020 and of its earnings position and change in net fund assets for the financial year ending on this date, in accordance with the legal provisions and regulations applying in Luxembourg to the preparation and presentation of financial statements.

Basis for our audit opinion

We have carried out our audit in accordance with the Law concerning the audit profession (the “Law of 23 July 2016”) and international standards on auditing (“ISAs”) accepted for Luxembourg by the Commission de Surveillance du Secteur Financier (“CSSF”). Our responsibility in accordance with the Law of 23 July 2016 and the ISAs is described in more detail in the section “Responsibility of the Réviseur d’entreprises agréé for the audit of the annual financial statements”. We are independent of the Fund in accordance with the International 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 Management Company’s Board of Directors is responsible for the additional information. The additional information includes the information contained in the Annual Report, but not the financial statements or our report as Réviseur d’entreprises agréé on these financial statements.

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

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

Responsibility of the Board of Directors for the annual financial statements

33

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

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

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

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

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

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

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

Luxembourg, 12 March 2021

Ernst & Young
Société anonyme
Cabinet de révision agréé

Nadia Faber

Administration, distribution and advisory

Management company:	ETHENEA Independent Investors S.A. 16, rue Gabriel Lippmann L-5365 Munsbach	35
Managing directors of the management company:	Thomas Bernard Frank Hauprich Josiane Jennes	
Board of Directors of the management company (managing body):		
Chairman:	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.	
Auditor of the fund and the management company:	Ernst & Young S.A. 35E, Avenue John F. Kennedy L-1855 Luxembourg	
Depositary:	DZ PRIVATBANK S.A. 4, rue Thomas Edison L-1445 Strassen, Luxembourg	
Fund manager:	ETHENEA Independent Investors S.A. 16, rue Gabriel Lippmann L-5365 Munsbach	

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

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

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

36 **Paying agent and information agent:** **DZ BANK AG**
Deutsche Zentral-Genossenschaftsbank,
Frankfurt am Main
Platz der Republik
D-60265 Frankfurt am Main

Information for investors in Austria:

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

**Agent from which unitholders may obtain the
prescribed information pursuant to section 141
of the Austrian Investment Fund Act (InvFG) 2011:** **ERSTE BANK**
der oesterreichischen Sparkassen AG
Am Belvedere 1
A-1100 Wien

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

Information for investors in Switzerland:

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

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

Information for investors in Belgium:

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

Paying agent and distributor:

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

Distributor:

DEUTSCHE BANK AG
Brussels branch, Marnixlaan 13 - 15
B-1000 Brussels

37

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

Paying agent:

SIGMA Bank AG
Feldkircher Strasse 2
FL-9494 Schaan

Information for investors in Italy:

Paying agents:

BNP Paribas Securities Services
Via Ansperto no. 5
IT-20123 Milano

Société Générale Securities Services
Via Benigno Crespi, 19/A - MAC 2
IT-20159 Milano

RBC Investor Services Bank S.A.
Via Vittor Pisani 26
IT-20124 Milano

State Street Bank S.p.A.
Via Ferrante Aporti 10
IT-20125 Milano

Banca Sella Holding S.p.A.
Piazza Gaudenzio Sella 1
IT-13900 Biella

Allfunds Bank S.A.
Via Santa Margherita 7
IT-20121 Milano

Information for investors in Spain:

Paying agent:

Allfunds Bank S.A.

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

Information for investors in France:

Paying agent:

Caceis Bank

1/3 Place Valhubert
F-75013 Paris

ETHENEA Independent Investors S.A.
16, rue Gabriel Lippmann · 5365 Munsbach · Luxembourg
Phone +352 276 921 -0 · Fax +352 276 921 -1099
info@ethenea.com · ethenea.com

