Lucas Brunner
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Zug, July 14, 2007

Annual Report Permanent Fund

Dear Mr. President Kirsan Iljumzhinov
Dear Delegates

The permanent fund had a good performance of 7.2% during the last 15 month. One bond, BNG 12/2006, matured and we also sold our small and only holding in equities (chugai) because the permanend fund should only invest in high grade bonds. We reinvested the incoming flows into Goldman Sachs Floater 4/2012 and into BNG 12/2013.

Even though short term and long term interest have risen in all major currencies our portfolio did well because we kept the duration of the portfolio rather short with no bond having a maturity longer than 7 years and especially because our base currency swiss franc depreciated very severly against the euro, the aussie dollar and the sterling.

Yours sincerely

Lucas Brunner

Permanent Fund 2006 / 2007

Income in Chf	Cost in Chf	Purchases in Chf	Sales in Chf
1,50	-165,65		
	-165,55		
	-166,55		
1,50	**-497,75**	**0,00**	**0,00**

Income in Eur	Cost in Eur	Purchchases in Eur	Sales in Eur
6,51		-9 888,83	15 000,00
210,00		-9 148,15	1 280,43
335,55			
412,50			
688,84			
16,81			
355,19			
9,16			
90,56			
2 125,12	**0,00**	**-19 036,98**	**16 280,43**

Chf Cash 4/2006	**1 910,80**	**Eur Cash 04/2006**	**1 607,20**
Income	1,50	Income	2 125,12
Cost	-497,75	Cost	0,00
Payment to Fide	0,00	Payment to Fide	0,00
Sales of Stock	0,00	Sales of Stock	16 280,43
Purchases of Stock	0,00	Purchases of Stock	-19 036,98
Chf Cash 06/2006	**1 414,55**	**Eur Cash 06/2006**	**975,77**

Assets in Chf:	
10'000 RABOBK 2/9	10 310,00
11'000 LBW 12/9	25 917,00
9'000 GS 4/12	14 868,00
10'000 EIB 10/12	11 819,00
7'000 FRTEL 10/12	10 963,00
10'000 BNG 12/13	15 691,00
Cash	3 029,00
Total Assets 30.06.2007	**92 597,00**
Total Assets 04.04.2006	**86 361,00**
Simple Return	about 7.2%