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Annual Report Permanent Fund

Dear Mr. President Kirsan Iljumzhinov
Dear Delegates

The permanent fund had a swiss franc performance of minus 11.8% during the last 13 month. If however we would have measured its performance in Euros or USD we would have achieved positive simple yields of 5.8% (in Euros) or 15.8% (in USD). The reason for this sharp difference is that the swiss franc has assumed during the last 12 month the same role as gold: the ultimate safe haven in the world (the gold price measured in swiss franc was only slightly up for the last year).

During the last year we have not changed at all our asset and currency allocation. We believe that the swiss franc is probably overvalued at this stage and therefore do not plan to put more assets into swiss francs. The yield curves in the bond market show a very gloomy outlook for at least the next ten years and expected returns should remain low. Let's hope the bond markets are not right. If equity markets go lower another 20% we might allocate up to 20% of the assets of our fund away from bonds into equities.

Yours sincerely

Lucas Brunner

Permanent Fund 2010/2011

Income in Chf	Cost in Chf	Purchases in Chf	Sales in Chf		
16.65	65.86	0.00	0.00		
175.15	59.87	0.00	0.00		
187.50	59.99				
400.25	68.60				
779.55	-254.32	0.00	0.00		
Income in Eur	Cost in Eur	Purchases in Eur	Sales in Eur		
24.53		12,097.67	7,000.00		
27.42					
29.39					
35.40					
210.00					
375.00					
41.97					
743.71	0.00	12,097.67	7,000.00		
Income in Aud	Cost in Aud	Purchases in Aud	Sales in Aud		
450.00	38.19	0.00	0.00		
450.00	-38.19	0.00	0.00		
Chf Cash Aug 2010	1,708.36	Eur Cash July 2010	5,539.10	Aud Cash July 2010	985.68
Income	779.55	Income	743.71	Income	450
Cost	-254.32	Cost	0.00	Cost	-38.19
Payment to Fide	0.00	Payment to Fide	0.00	Payment to Fide	0
Sales of Stock	0.00	Sales of Stock	7,000.00	Sales of Stock	0
Purchases of Stock	0.00	Purchases of Stock	-12,097.67	Purchases of Stock	0
Chf Cash Aug 2011	2,233.59	Eur Cash Aug 2011	1,185.14	Aud Cash Aug 2011	1397.49

Assets in Chf:						
10'000 RABOBK 2/12		8,195.00				
9'000 GS 4/12		10,055.00				
10'000 EIB 10/12		8,210.00				
10'000 BNG 12/13		11,940.00				
12000 EIB 1/14		13,880.00				
10000 BNP 3/15		9,995.00				
10'000 DnB NOR 4/15		10,325.00				
All Assets		72,600.00				
Eur Cash in Chf	1,185.14	1,343.59	Eur/Chf rate 19.8.11	Aud/Chf rate 19.8.11		
Aud Cash in Chf	1,397.49	1,147.76	1.1337	0.8213		
Chf Cash		2,233.59	Eur/Chf rate 22.7.10	Usd/Chf rate 22.7.10	usd/chf 19.8.2011	
All Cash in Chf		4,724.94	1.3452	1.0442	0.7862	
		in CHF	in Eur	in usd		
Total Assets 22.07.2010		86,444.25	64,261.26	82,785.15		
Total Assets 20.08.2011		77,324.94	68,205.82	98,352.76		
Simple Return		-11.79%	5.78%	15.83%		