

**ANNEX 4**  
**(2 pages)**

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FIDE  
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Zug, July 17, 2005

**Annual Report Permanent Fund**

Dear Mr. President Kirsan Iljumzhinov  
Dear Delegates

The permanent fund had a rather good year with a net performance of about 6% expressed in Chf. This was due to a slight weakness of the Swiss franc against the Euro and a generally good performance of the world wide bond markets. Our duration is still very short because we think that the fixed income markets are generally overvalued. Currently we are long some Euro cash which we will invest in the next few weeks into a Sterling or US-\$ Bond. The permanent fund did not pay any income to Fide in 2004 nor in 2005 because it was agreed with the general board that it was worthy to reinvest the income into the Fund for a couple of years and to start payments to Fide again when the fortune of the Fund has already substantially grown.

Yours sincerely

Lucas Brunner

## Permanent Fund 2004 / 2005

Income in Chf	Cost in Chf	Income in Eur	Sales in Eur	Purchases in Eur
8.25	139.60	825.00	15,177.08	
15.20	9.35	350.71		
312.50	141.10	5.21		
<b>335.95</b>	<b>290.05</b>	<b>1,180.92</b>	<b>15,177.08</b>	<b>0.00</b>
	<b>Net Income in Chf</b>		<b>45.90</b>	
	<b>Net Income in Eur</b>		<b>1,180.92</b>	
<b>Chf Cash 06/2004</b>	<b>711.00</b>	<b>Eur Cash 06/2004</b>	<b>0.00</b>	
Net Income	45.90	Net Income	1,180.92	
Chf Cash 06/2005	<b>756.90</b>	Payment to Fide	0.00	
		Sales of Stock	15,177.08	
		Purchases of Stock	0.00	
		<b>Eur Cash 06/2005</b>	<b>16,358.00</b>	
Assets in Chf:				
87 Shares Chugai		1,721.00		
15'000 BNG 12/6		23,476.00		
25'000 ITALY 2/7		25,125.00		
10'000 RABOBK 2/9		9,911.00		
Cash		26,128.00		
<b>Total Assets 30.06.05</b>		<b>86,361.00</b>		
<b>Total Assets 30.07.04</b>		<b>82,110.00</b>		
<b>Annualized Performance</b>		about 6%		