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Annual Report Permanent Fund

Dear Mr. President Kirsan Iljumzhinov
Dear Delegates

The permanent fund had a rather poor performance of only 0.8% during the last 9 month for two reasons:

- Interest rates have risen very sharply since summer 2005 when i made my last report. The damage to our portfolio still was not too bad because the overall duration of the portfolio is relatively short.
- The second reason was simply that i decided to move out of swiss assets because interest rates in chf are the second lowest in the world. Therefore we had a few cost because of a rather high turnover in assets. However the diversification of the portfolio is now finished as we hold now high grade bonds in euros, usd, sterling and australian dollars.

Yours sincerely

Lucas Brunner

Permanent Fund 2005 / 2006

Income in Chf	Cost in Chf	Purchases in Chf	Sales in Chf
2,60	-143,70	-12 901,15	25 048,60
	-7,65	-10 844,80	
2,60	-151,35	-23 745,95	25 048,60
Income in Eur	Cost in Eur	Purchchases in Eur	Sales in Eur
6,97		-15 965,45	
76,22			
412,50			
309,04			
29,05			
368,43			
12,44			
1 214,65	0,00	-15 965,45	0,00
Chf Cash 7/2005	756,90	Eur Cash 07/2005	16 358,00
Income	2,60	Income	1 214,65
Cost	-151,35	Cost	0,00
Payment to Fide	0,00	Payment to Fide	0,00
Sales of Stock	25 048,60	Sales of Stock	0,00
Purchases of Stock	-23 745,95	Purchases of Stock	-15 965,45
Chf Cash 4/2006	1 910,80	Eur Cash 04/2006	1 607,20

Assets in Chf:	
87 Shares Chugai	2 074,00
15'000 BNG 12/6	23 637,00
10'000 RABOBK 2/9	9 503,00
11'000 LBW 12/9	24 456,00
10'000 EIB 10/12	12 347,00
7'000 FRTEL 10/12	10 639,00
Cash	4 449,00
Total Assets 04.04.2006	87 105,00
Total Assets 30.06.05	86 361,00
Simple Return	about 0.8%