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Annual Report Permanent Fund

Dear Mr. President Kirsan Iljumzhinov
Dear Delegates

The permanent fund had a rather bad performance of minus 4.7% during the last 13 month. The asset allocation was not changed during the last year.

The negative performance can be mainly explained by the appreciation of the swiss franc (our base currency) against the currencies hold in the portfolio. The drop of the british pound was especially pronounced. The bonds we hold in the portfolio have not suffered in price due to the subprime crisis except 1 name: Goldman Sachs Bond 10/12 have fallen from about 98% to 93.50% but from all investment banks Goldman is experiencing the least difficulties and i consider it still a safe name.

During the next year Rabobk 2/9 will mature and we will reinvest the proceeds to another bond denominated in Australian Dollars trying to take advantage of the high short term rates in Australia.

Yours sincerely

Lucas Brunner

Permanent Fund 2007 / 2008

Income in Chf	Cost in Chf	Purchases in Chf	Sales in Chf
1,20	-175,65		
	-84,83		
	-82,09		
1,20	-342,57	0,00	0,00
Income in Eur	Cost in Eur	Purchchases in Eur	Sales in Eur
97,22			
101,97			
210,00			
296,08			
391,40			
625,52			
25,79			
117,19			
366,81			
112,95			
118,35			
2 463,28	0,00	0,00	0,00
Chf Cash 06/2007	1 414,55	Eur Cash 06/2007	975,77
Income	1,20	Income	2 463,28
Cost	-342,57	Cost	0,00
Payment to Fide	0,00	Payment to Fide	0,00
Sales of Stock	0,00	Sales of Stock	0,00
Purchases of Stock	0,00	Purchases of Stock	0,00
Chf Cash 07/2008	1 073,18	Eur Cash 07/2008	3 439,05

Assets in Chf:	
10'000 RABOBK 2/9	9 842,00
11'000 LBW 12/9	21 871,00
9'000 GS 4/12	13 641,00
10'000 EIB 10/12	10 302,00
7'000 FRTEL 10/12	10 741,00
10'000 BNG 12/13	15 166,00
Cash	6 648,00
Total Assets	
21.07.2008	88 211,00
Total Assets	
30.06.2007	92 597,00
Simple Return	-4,74%