

Audited annual report as at 31st December 2013

ETHOS FUND

Investment Fund (F.C.P.), Luxembourg

Notice

The sole legally binding basis for the purchase of units of the Fund described in this report is the latest valid sales prospectus with its terms of contract.

ETHOS FUND

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ETHOS FUND

Organisation

Management Company and Central Administration

SEB Fund Services S.A.
4, rue Peternelchen
L-2370 Howald

Board of Directors of the Management Company

Chairman
Ralf FERNER
Managing Director
SEB Asset Management S.A., Luxembourg

Vice-Chairman
Peter KUBICKI
Managing Director
Skandinaviska Enskilda Banken S.A., Luxembourg

Directors
Göran FORS
Head of Asset Servicing
Transaction Banking
Skandinaviska Enskilda Banken AB (publ), Sweden

Ann-Charlotte LAWYER
Managing Director and Head of
SEB Fund Services S.A., Luxembourg

Jonas LINDGREN
Head of Prime Brokerage
SEB Enskilda, Securities Finance, Sweden

Sub-Administrator, Registrar and Transfer Agent

European Fund Administration S.A.
2, rue d'Alsace
L-1122 Luxembourg

Custodian Bank

Skandinaviska Enskilda Banken S.A.
4, rue Peternelchen
L-2370 Howald

Paying Agents

In Sweden
Skandinaviska Enskilda Banken AB (publ)
Kungsträdgårdsgatan 8
SE-106 40 Stockholm

In Luxembourg
Skandinaviska Enskilda Banken S.A.
4, rue Peternelchen
L-2370 Howald

ETHOS FUND

Organisation (continued)

Investment Manager

RobecoSAM AG
Josefstraße 218
CH-8005 Zürich

Distributor

Skandinaviska Enskilda Banken AB (publ)
Kungsträdgårdsgatan 8
SE-106 40 Stockholm

**Auditor of the Fund and of
the Management Company**

PricewaterhouseCoopers, Société coopérative
400, route d'Esch
L-1471 Luxembourg

ETHOS FUND

General information

ETHOS FUND (hereafter the "Fund") is a mutual investment fund organised as an umbrella and governed by Part I of the amended Law of 17th December 2010 relating to Undertakings for Collective Investment. The Fund is set up in accordance with Management Regulations signed in Luxembourg on 26th April 2011 (the "Management Regulations") which entered into force on the same day.

The Fund's assets are the undivided joint property of the unitholders and are separate from the assets of the management company, SEB Fund Services S.A. (the "Management Company").

A notice of the deposit of the Management Regulations was published on 6th May 2011 in the "*Mémorial, Recueil des Sociétés et Associations*" (the "*Mémorial C*"). The Management Regulations are deposited with the "*Registre de Commerce et des Sociétés*", where they may be inspected and copies obtained.

At the date of the report, the following Sub-Fund is open:

- ETHOS FUND - Ethos Global Equities in SEK.

The Management Company may offer Class "R" units, available to all types of investors, and "I" units, available to Institutional Investors only. Class "C" units capitalize income whereas Class "D" units distribute income.

At the date of the report, the Classes IC (SEK) and ID (SEK) are issued. The Class IC (EUR) was fully redeemed during the year.

The Net Asset Value per unit of the Sub-Fund is calculated, under the overall responsibility of the Management Company daily as of each business day in Luxembourg (the "Valuation Day"). A business day is a day on which banks are normally open for business in Luxembourg and Sweden.

The financial year of the Fund starts on 1st January and ends on 31st December in each year.

The audited annual reports and the unaudited semi-annual reports comprise consolidated financial statements of the Fund expressed in SEK, being the reference currency of the Fund, and financial information on each Sub-Fund expressed in the reference currency of each Sub-Fund.

Copies of the Management Regulations, of the current Prospectus, of the Key Investor Information Document (KIID) and of the latest reports of the Fund may be obtained free of charge at the registered office of the Management Company.

1. Market review

For Equity Investors, 2013 was the “best case scenario”. The combination of a slow but steady recovery of the European and US economy as well the support of central banks providing excessive liquidity resulted in strong equity returns around the world. The MSCI World Index (TRN) as well as the S&P500, the STOXX50 and the Nikkei 225 increased by more than 20% (all measured in EUR). This development indeed is astonishing as already 2012 provided excellent equity results. A number of markets reached new all-time high, five years after the depression of the post-Lehman collapse. Remarkable also the movements of the long-term bond yields. After years of falling yields and periods of historic low interest rates, the Treasury rate rallied considerably in the second half of the year. The movement was triggered by the Federal Reserve Bank indicating first steps to pare its unprecedented stimulus efforts. Even though it became clear that quantitative easing will not persist for ever and that the purchase program will be reduced gradually, monetary policy will remain highly accommodative for the time being.

The basis for this year’s equity rally has been set in 2012 when the European Central Bank announced to do all that was necessary to save the Euro and to buy Spanish or Italian bond, if required in an unlimited amount. This was the ultimate signal to investors that the major central banks will synchronize their liquidity programs as long as the macroeconomic data proof that the economy is growing with a stable growth rates and creates sufficient new jobs. Consequently, investors regained confidence and started to re-allocate their assets towards risky asset classes. Equities enjoyed massive inflows at the expense of fixed income. Cyclical sectors such as Consumer Discretionary, Industrials and IT achieved the best performance and Small Caps outperformed Large Caps.

On the macroeconomic front, it is worth to highlight the solid data for the US economy, where GDP growth will be close to 2% for the whole year. In Europe though, the development still was lagging. The Eurozone is estimated to have contracted 0.4%, the unemployment is at record high and bank lending still is negative. Similar story in China: in 2013 China's economy lost some steam but is still contributing 7.5% to the global growth. The moderation is explained by the political intention to reshape the economy towards a more consumer demand driven economy. The past three decades the expansion was mostly led by exports.

2. Performance review

For the full year 2013, the Investment Strategy has outperformed the benchmark DJSI World Index. Over the year, stock selection has had a strong positive contribution. In particular, our stock selection capabilities were effective within Financials, Material, Healthcare and Telecoms, whereas selection within Consumer Discretionary stocks has had a negative contribution this year.

Overall portfolio allocation was defensive with overweight position (relative to benchmark DJSI World Index) in defensive sectors such as Consumer Staples, Utilities and Telecommunication while underweight positions in Consumer Discretionary, Material and Energy. Such positioning had a positive contribution to performance. In particular, underweight exposure in Energy and Material had a positive contribution, given the weak performance of the stocks in this space.

The table below lists the best and worst contributors to active returns. Positive contributors in 2013 include healthcare companies Life Technologies and Roche, UK Telecom operator BT Group, Insurance companies Hartford Financials and Legal & General. Worst performance contribution came from exposure in US IT Company IBM, Utilities Manila Water and AGL Energy, Japanese industrial Marubeni and Base Metal Company Boliden.

ETHOS FUND

Report from the Investment Manager (continued)

Attribution Report Asset Level - Major Contributors

Asset Name	Primary Industry	Region	Average Weight(%)			Contribution (% Return)			
			Managed	Benchmark	Active	Total	Active	Within Sector	Asset Selection
Best Performers Active Return									
BT GROUP	Telecommunication Services	Europe	2.64	0.42	2.22	1.64	0.97	1.04	0.41
HARTFORD FINL SVCS GROU	Insurance	Americas	2.21	0.00	2.21	1.16	0.76	1.28	0.08
LIFE TECHNOLOGIES CORP	Pharmaceuticals & Life Sciences	Americas	1.15	0.13	1.02	0.96	0.72	1.02	0.47
LEGAL & GENERAL GROUP	Insurance	Europe	1.75	0.18	1.56	0.98	0.58	0.90	0.24
ROCHE HOLDINGS DRC	Pharmaceuticals & Life Sciences	Europe	4.13	1.91	2.22	1.69	0.49	1.04	0.07
Worst Performers Active Return									
MANILA WATER CO	Utilities	Pacific Rim	0.22	0.00	0.22	-0.30	-0.35	-0.26	-0.18
MARUBENI	Capital Goods	Pacific Rim	2.17	0.14	2.03	0.15	-0.36	0.71	-0.70
BOLIDEN AB	Aluminum & Diversified Metals & Mining	Europe	0.83	0.00	0.83	-0.21	-0.40	-0.20	-0.13
AGL ENERGY LIMITED	Utilities	Pacific Rim	1.21	0.09	1.12	-0.20	-0.45	-0.02	-0.06
INTERNATIONAL BUSINESS	IT Software & Services	Americas	2.48	0.00	2.48	-0.07	-0.66	-0.02	-1.19

Source: RobecoSAM, Barra Aegis Performance Analysis

3. Market Outlook

The chance that equity markets are boosted by central banks for another year is unlikely. This time, earnings growth needs to become the driving factor for equities to rise further. And with the above economic scenario, it seems possible that decent earning growth is possible. Most upside offers the European market where earnings still are substantially below peak levels. The surprise potential lies in the financial sector as the recovery of European banks was lagging international peers. If banks continue the efforts to repair their balance sheets strengthen their capitalization and re-focus on their core businesses, the valuation gap is likely to close. EPS growth expectations in the US are less favorable as they have rebounded most since the bottoming-out period in 2009. Valuation is considered fair but not exaggerated. What speaks most for equities though is their valuation relative to bond yields. Quantitative easing sooner or later will come to an end but interest will remain on low levels. Hence, equity earnings yield still look very attractive relative to the yield of long-term government bonds.

With the focus shifting from monetary policy back to company fundamentals, we expect market volatility as well as the performance spreads between companies beating or disappointing expectations to rise. The key risk for 2014 probably is an unexpected inflation spike in the US, given the enormous liquidity in the market. Uncertainty from the political side of course is a permanent threat. However, if the decent recovery is not disrupted by external shock events, the market should be protected to the downside. We expect a moderate positive performance.

Luxembourg, 10th February 2014

The Investment Manager

Note: The information in this report represents historical data and is not an indication of future results.



Audit Report

To the Unitholders of
ETHOS FUND

We have audited the accompanying financial statements of ETHOS FUND, which comprise the statement of net assets and the statement of investments and other net assets as at 31st December 2013 and the statement of operations and other changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

Responsibility of the Board of Directors of the Management Company for the financial statements

The Board of Directors of the Management Company is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the Management Company, as well as evaluating the overall presentation of the financial statements.

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R.C.S. Luxembourg B 65 477 - TVA LU25482518*



Audit Report (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of ETHOS FUND as of 31st December 2013, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Other matters

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 21st March 2014

A handwritten signature in black ink, appearing to read 'Philippe Sergiel', is written over a horizontal line. The signature is stylized and somewhat cursive.

Philippe Sergiel

ETHOS FUND

Consolidated statement of net assets (in SEK) as at 31st December 2013

Assets

Securities portfolio at market value	749,889,553.87
Cash at banks	17,349,328.86
Formation expenses, net	188,832.95
Receivable on issues of units	3,099,727.58
Income receivable on portfolio	431,310.13
Interest receivable on bank accounts	539.25
	<hr/>
Total assets	770,959,292.64
	<hr/>

Liabilities

Expenses payable	938,225.54
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Total liabilities	938,225.54
	<hr/>
Net assets at the end of the year	770,021,067.10
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The accompanying notes are an integral part of these financial statements.

ETHOS FUND

Consolidated statement of operations and other changes in net assets (in SEK) from 1st January 2013 to 31st December 2013

Income

Dividends, net	17,330,850.15
Interest on bank accounts	110,654.23
Total income	17,441,504.38

Expenses

Management fees	3,213,669.75
Banking charges and other fees	2,688.06
Transaction fees	844,069.63
Central administration costs	858,786.49
Professional fees	139,436.71
Other administration costs	563,407.01
Subscription duty ("taxe d'abonnement")	69,504.81
Interest paid on bank overdrafts	7,343.31
Other expenses	116,882.64
Total expenses	5,815,788.41

Net investment income	11,625,715.97
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Net realised gain/(loss)

- on securities portfolio	72,239,076.27
- on foreign exchange	1,210,315.10
Realised result	85,075,107.34

Net variation of the unrealised gain/(loss)

- on securities portfolio	106,333,481.23
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Result of operations	191,408,588.57
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Dividends paid	-3,135,108.16
----------------	---------------

Subscriptions	66,534,782.58
---------------	---------------

Redemptions	-492,463,905.18
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Total changes in net assets	-237,655,642.19
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Total net assets at the beginning of the year	1,007,676,709.29
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Total net assets at the end of the year	770,021,067.10
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The accompanying notes are an integral part of these financial statements.

ETHOS FUND - Ethos Global Equities

Statement of net assets (in SEK)

as at 31st December 2013

Assets

Securities portfolio at market value	749,889,553.87
Cash at banks	17,349,328.86
Formation expenses, net	188,832.95
Receivable on issues of units	3,099,727.58
Income receivable on portfolio	431,310.13
Interest receivable on bank accounts	539.25
Total assets	<u>770,959,292.64</u>

Liabilities

Expenses payable	<u>938,225.54</u>
Total liabilities	<u>938,225.54</u>
Net assets at the end of the year	<u>770,021,067.10</u>

IC (SEK) units outstanding	5,181,986.764
Net asset value per IC (SEK) unit	128.28
ID (SEK) units outstanding	844,018.245
Net asset value per ID (SEK) unit	124.71

The accompanying notes are an integral part of these financial statements.

ETHOS FUND - Ethos Global Equities

Statement of operations and other changes in net assets (in SEK) from 1st January 2013 to 31st December 2013

Income

Dividends, net	17,330,850.15
Interest on bank accounts	110,654.23
Total income	17,441,504.38

Expenses

Management fees	3,213,669.75
Banking charges and other fees	2,688.06
Transaction fees	844,069.63
Central administration costs	858,786.49
Professional fees	139,436.71
Other administration costs	563,407.01
Subscription duty ("taxe d'abonnement")	69,504.81
Interest paid on bank overdrafts	7,343.31
Other expenses	116,882.64
Total expenses	5,815,788.41

Net investment income	11,625,715.97
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Net realised gain/(loss)

- on securities portfolio	72,239,076.27
- on foreign exchange	1,210,315.10
Realised result	85,075,107.34

Net variation of the unrealised gain/(loss)

- on securities portfolio	106,333,481.23
---------------------------	----------------

Result of operations	191,408,588.57
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Dividends paid	-3,135,108.16
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Subscriptions	66,534,782.58
---------------	---------------

Redemptions	-492,463,905.18
-------------	-----------------

Total changes in net assets	-237,655,642.19
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Total net assets at the beginning of the year	1,007,676,709.29
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Total net assets at the end of the year	770,021,067.10
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The accompanying notes are an integral part of these financial statements.

ETHOS FUND - Ethos Global Equities

Statistical information (in SEK)

as at 31st December 2013

Total net assets	
- as at 31.12.2013	770,021,067.10
- as at 31.12.2012	1,007,676,709.29
- as at 31.12.2011	948,468,779.35
Number of IC (EUR) units outstanding	
- outstanding at the beginning of the year	2,856,033.461
- issued	0.000
- redeemed	-2,856,033.461
- outstanding at the end of the year	-
Net asset value per IC (EUR) unit	
- as at 31.12.2013	-
- as at 31.12.2012	EUR 10.78
- as at 31.12.2011	EUR 9.52
Number of IC (SEK) units outstanding	
- outstanding at the beginning of the year	6,811,602.477
- issued	191,307.025
- redeemed	-1,820,922.738
- outstanding at the end of the year	5,181,986.764
Net asset value per IC (SEK) unit	
- as at 31.12.2013	128.28
- as at 31.12.2012	101.32
- as at 31.12.2011	92.73
Number of ID (SEK) units outstanding	
- outstanding at the beginning of the year	522,264.988
- issued	372,153.872
- redeemed	-50,400.615
- outstanding at the end of the year	844,018.245
Net asset value per ID (SEK) unit	
- as at 31.12.2013	124.71
- as at 31.12.2012	101.62
- as at 31.12.2011	93.01
Dividend paid	
Ex-dividend date	05.12.2013
Dividend per share	3.83
Units outstanding at dividend date	818,566.098

The accompanying notes are an integral part of these financial statements.

ETHOS FUND - Ethos Global Equities

Statement of investments and other net assets (in SEK) as at 31st December 2013

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
Investments in securities					
Transferable securities admitted to an official stock exchange listing					
Shares					
AUD	155,545	AGL Energy Ltd	15,289,200.26	13,455,361.77	1.75
AUD	55,700	National Australia Bank Ltd	9,860,335.88	11,165,778.61	1.45
AUD	54,447	Westpac Banking Corp	8,327,230.59	10,146,847.73	1.32
AUD	42,668	Woodside Petroleum Ltd	9,940,737.38	9,552,834.00	1.24
AUD	48,392	WorleyParsons Ltd	5,932,421.69	4,623,405.69	0.60
			49,349,925.80	48,944,227.80	6.36
CHF	39,358	Nestlé SA Reg	15,593,927.84	18,589,836.59	2.41
CHF	16,923	Roche Holding AG B de jous Pref	18,239,262.29	30,503,857.39	3.96
CHF	6,739	Swiss Re AG	3,434,409.83	3,999,478.91	0.52
CHF	6,094	Swisscom SA Reg	15,667,547.69	20,756,805.21	2.70
CHF	9,144	Zurich Insurance Group AG Reg	12,824,245.23	17,097,244.97	2.22
			65,759,392.88	90,947,223.07	11.81
EUR	13,488	Adidas AG Reg Share	6,823,154.10	11,076,888.66	1.44
EUR	22,093	Akzo Nobel NV	8,891,118.15	11,034,260.23	1.43
EUR	9,548	Allianz SE Reg	9,026,237.58	11,033,038.47	1.43
EUR	168,988	Ansaldo STS SpA	11,506,931.53	11,759,726.18	1.53
EUR	47,452	Axa SA	6,488,874.13	8,501,440.55	1.10
EUR	23,542	Cie de Saint-Gobain SA	8,683,261.43	8,342,640.21	1.08
EUR	13,896	Fresenius SE & Co KGaA	9,472,276.38	13,747,561.99	1.79
EUR	20,854	Henkel AG & Co KGaA Pref	9,505,338.60	15,586,196.43	2.02
EUR	25,629	Koninklijke DSM NV	8,009,080.29	12,986,603.11	1.69
EUR	2,867	Linde AG	3,815,764.37	3,864,433.20	0.50
EUR	9,754	Munich Reinsurance Co Rest Transferability	9,752,209.04	13,847,819.08	1.80
EUR	5,242	Puma SE	10,493,221.02	10,920,350.20	1.42
EUR	63,640	Royal Philips NV	11,019,144.03	15,032,028.22	1.95
EUR	392,868	Snam SpA	13,888,159.22	14,160,732.45	1.84
EUR	132,215	Suez Environnement Co	11,148,711.92	15,266,171.93	1.98
EUR	71,166	Unilever NV Certif of Shares	15,978,126.07	18,468,904.97	2.40
			154,501,607.86	195,628,795.88	25.40
GBP	32,663	AstraZeneca Plc	10,583,091.01	12,437,583.08	1.62
GBP	141,904	Aviva Plc	6,279,614.34	6,798,015.45	0.88
GBP	540,563	Barclays Plc	13,610,330.09	15,660,297.22	2.03
GBP	97,339	BG Group Plc	13,306,717.50	13,454,230.67	1.75
GBP	523,078	BT Group Plc	10,874,849.98	21,141,139.96	2.75
GBP	1	GlaxoSmithKline Plc	134.19	171.72	0.00
GBP	648,906	Legal & General Group Plc	8,139,080.63	15,394,536.83	2.00
GBP	14,228	Reckitt Benckiser Group Plc	5,168,222.43	7,264,670.25	0.94
			67,962,040.17	92,150,645.18	11.97
JPY	291,000	Marubeni Corp	13,231,600.55	13,472,988.96	1.75
NOK	141,263	DNB ASA	11,912,009.92	16,246,536.49	2.11
PHP	950,900	Manila Water Co Inc	4,663,693.21	3,035,375.68	0.39
SEK	90,933	Boliden AB	9,581,463.02	8,952,353.85	1.16
SEK	59,214	Svenska Cellulosa SCA AB B	5,802,231.38	11,724,372.00	1.52
SEK	33,524	Svenska Handelsbanken AB A	8,295,654.70	10,593,584.00	1.38
			23,679,349.10	31,270,309.85	4.06
USD	41,444	Abbott Laboratories	9,470,017.99	10,222,309.76	1.33
USD	16,135	Chubb Corp	9,980,476.68	10,032,969.73	1.30

The accompanying notes are an integral part of these financial statements.

ETHOS FUND - Ethos Global Equities

Statement of investments and other net assets (in SEK) (continued) as at 31st December 2013

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	77,675	Cisco Systems Inc	11,899,012.80	11,221,377.17	1.46
USD	17,303	Du Pont de Nemours (EI) & Co	6,123,548.60	7,234,072.00	0.94
USD	28,723	Emerson Electric Co	9,820,853.77	12,971,545.24	1.68
USD	81,648	Hartford Fin Serv Gr Inc (The)	13,548,659.49	19,035,418.86	2.47
USD	15,663	IBM Corp	17,781,755.21	18,905,443.89	2.46
USD	17,350	Kimberly-Clark Corp	7,562,661.62	11,662,671.77	1.51
USD	28,442	L. Brands Inc	9,501,529.50	11,320,051.13	1.47
USD	1,868	Master Card Inc A	5,848,566.65	10,042,713.80	1.30
USD	22,041	Mc Donald's Corp	13,880,659.24	13,762,137.05	1.79
USD	45,399	Microsoft Corp	7,878,065.06	10,934,896.24	1.42
USD	28,930	ONEOK Inc	8,300,765.34	11,575,711.75	1.50
USD	77,414	Oracle Corp	15,323,255.22	19,059,566.84	2.48
USD	105,270	Pfizer Inc	13,840,379.10	20,749,143.41	2.69
USD	23,766	Procter & Gamble Co	10,230,771.31	12,450,374.07	1.62
USD	24,388	SanDisk Corp	6,228,200.69	11,070,320.50	1.44
USD	19,311	United Health Group Inc	7,739,623.13	9,357,251.29	1.22
USD	30,481	Wells Fargo & Co New	7,029,251.18	8,904,993.70	1.16
USD	23,432	Xylem Inc	4,189,044.50	5,217,158.25	0.68
			<u>196,177,097.08</u>	<u>245,730,126.45</u>	<u>31.92</u>
Total shares			<u>587,236,716.57</u>	<u>737,426,229.36</u>	<u>95.77</u>
<u>Other transferable securities</u>					
Shares					
CAD	56,287	Telus Corp shares Non Canadian	<u>10,006,619.23</u>	<u>12,463,324.51</u>	<u>1.62</u>
Total shares			<u>10,006,619.23</u>	<u>12,463,324.51</u>	<u>1.62</u>
Total investments in securities			<u>597,243,335.80</u>	<u>749,889,553.87</u>	<u>97.39</u>
Cash at banks				17,349,328.86	2.25
Other net assets/(liabilities)				2,782,184.37	0.36
Total				<u>770,021,067.10</u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

ETHOS FUND - Ethos Global Equities

Industrial and geographical classification of investments as at 31st December 2013

Industrial classification

(in percentage of net assets)

Insurance	13.72 %
Pharmaceuticals and biotechnology	11.39 %
Banks	9.45 %
Household and personal products	7.61 %
Utilities	7.46 %
Telecommunication services	7.07 %
Consumer durables and apparel	6.28 %
Capital goods	5.69 %
Technology hardware and equipment	5.36 %
Materials	5.22 %
Software and services	5.20 %
Food and beverage	4.81 %
Energy	3.59 %
Hotels, restaurants and leisure	1.79 %
Transportation	1.53 %
Health care equipment and services	1.22 %
Total	<u>97.39 %</u>

The accompanying notes are an integral part of these financial statements.

ETHOS FUND - Ethos Global Equities

Industrial and geographical classification of investments (continued) as at 31st December 2013

Geographical classification

(by domicile of the issuer)
(in percentage of net assets)

United States of America	31.92 %
United Kingdom	11.97 %
Switzerland	11.81 %
Germany	10.40 %
The Netherlands	7.47 %
Australia	6.36 %
France	4.16 %
Sweden	4.06 %
Italy	3.37 %
Norway	2.11 %
Japan	1.75 %
Canada	1.62 %
Philippines	0.39 %
Total	<u>97.39 %</u>

The accompanying notes are an integral part of these financial statements.

Note 1 - Significant Accounting policies

a) Presentation of the financial statements

The financial statements of the Fund are established in accordance with the Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment.

b) Valuation

- 1) Securities listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued at the last available price; in the event that there should be several such markets, on the basis of the last available price of the main market for the relevant security. Should the last available price for a given security not truly reflect its fair market value, then that security is valued on the basis of the probable sales price which the Management Company deems it is prudent to assume.
- 2) Securities not listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued on the basis of their last available price. Should the last available price for a given security not truly reflect its fair market value, then that security is valued by the Management Company on the basis of the probable sales price which the Management Company deems it is prudent to assume.
- 3) Securities that are not officially quoted on a stock market are valued at a rate that may not be lower than the buying price and not higher than the selling price at the time of the valuation and which the Management Company maintains to be the best possible rate the securities can be sold for.
- 4) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid, and not yet received are deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Management Company may consider appropriate in such case to reflect the true value thereof.

c) Net realised gain/(loss) on sales of securities

The net realised gain/(loss) on sales of securities is determined on the basis of the average cost of securities sold.

d) Cost of securities

The acquisition cost of a security denominated in a currency other than that of the Sub-Fund is converted to the Sub-Fund's currency at the exchange rate prevailing on the date of purchase.

ETHOS FUND

Notes to the financial statements (continued)

as at 31st December 2013

e) Exchange translation

Bank balances, other assets and liabilities and the value of securities held that are denominated in other currencies than the Sub-Fund's currency are converted at the prevailing exchange rate of the closing day. Income and expenses incurred in currencies other than the Sub-Fund's currency are converted at the prevailing exchange rate of the day of each transaction. Exchange gains and losses are recorded in the statement of operations and other changes in net assets.

At the date of the report, the prevailing exchange rates on the closing day were as follows:

1	SEK	=	0.1737479	AUD	Australian Dollar
			0.1651127	CAD	Canadian Dollar
			0.1382517	CHF	Swiss Franc
			0.8414685	DKK	Danish Krona
			0.1128050	EUR	Euro
			0.0938719	GBP	Pound Sterling
			16.3286707	JPY	Japanese Yen
			0.9434033	NOK	Norwegian Krona
			6.8919970	PHP	Philippian Peso
			0.1554002	USD	US Dollar

f) Consolidation

The consolidated financial statements of the Fund are expressed in SEK and are equal to the corresponding captions in the financial statements of the Sub-fund.

g) Formation expenses

Expenses incurred in connection with the establishment of the Fund are amortised over a period of five years.

Formation expenses are included in the caption "Other expenses" in the statement of operations and other changes in net assets.

h) Investment income

Dividend income is recognised on an ex-dividend basis and is recorded net of withholding tax.

i) Transaction fees

Transaction costs disclosed under the caption "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the Fund relating to purchases or sales of securities and of fees relating to liquidation of transactions paid to the custodian bank.

Note 2 - Subscription, redemption and conversion fees

No subscription, redemption or conversion fees are charged.

ETHOS FUND

Notes to the financial statements (continued)

as at 31st December 2013

Note 3 - Management fees

The Management Company receives an infrastructure fee, accrued daily and payable monthly in arrears, of 0.025% per annum of the net assets of the Sub-Fund, subject to an annual minimum of EUR 15,000. Furthermore the Management Company is entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket expenses and disbursements.

This fee is recorded under the caption "Management fees" in the Statement of operations and other changes in net assets.

Note 4 - Investment management fee

The Investment Manager receives out of the Sub-Fund's assets a fee of maximum 0.50% per annum, subject to an annual minimum of SEK 600,000. This fee is payable quarterly in arrears based on the Sub-Fund's average net assets calculated each Valuation Day.

The applicable annual fee for the Investment Manager amounts to:

- Tranche < SEK 250 Mn: 0.50% p.a.
- Tranche > SEK 250 Mn > SEK 1,000 Mn: 0.35% p.a.
- Tranche > SEK 1,000 Mn: 0.25% p.a.

This fee is recorded under the caption "Management fees" in the Statement of operations and other changes in net assets.

Note 5 - Central administration costs

Out of the Sub-Fund's assets, an administration fee consisting of a flat fee of EUR 27,000 per annum plus a variable fee of maximum 0.0758% per annum is payable to the Central Administrator. This fee is accrued on a daily basis, based on the net assets of the Sub-Fund and is paid out monthly in arrears. This fee includes the fee due to the Custodian.

As at 31st December 2013, the applicable rate of administration fee is as follows:

- Tranche < EUR 50 Mn: 0.0758% p.a.
- Tranche > EUR 50 Mn < EUR 125 Mn: 0.0576% p.a.
- Tranche > EUR 125 Mn: 0.0470% p.a.

Note 6 - Distribution Fee

The Distributor receives out of the Sub-Fund's assets a fee of maximum 0.05% per annum. This fee is payable monthly in arrears based on the Sub-Fund's average net assets calculated each Valuation Day.

This fee is recorded under the caption "Other administration costs" in the Statement of operations and other changes in net assets.

ETHOS FUND

Notes to the financial statements (continued)

as at 31st December 2013

Note 7 - Subscription duty ("taxe d'abonnement")

The Fund is governed by Luxembourg law.

Pursuant to the legislation and regulations which are prevailing, the Fund is subject to an annual subscription duty ("*taxe d'abonnement*") of 0.05% which is payable quarterly and calculated on the basis of the net assets of each Sub-Fund on the last day of each quarter.

The rate of this tax is reduced to 0.01% of the value of the net assets for Sub-Funds or Classes of units reserved to institutional investors.

According to Article 175 (a) of the amended Law of 17th December 2010, the net assets invested in Undertakings for Collective Investments already subject to the "*taxe d'abonnement*" are exempt from this tax.

Note 8 - Risk management

As required by Circular CSSF 11/512, the Board of Directors of the Management Company needs to determine the global risk exposure of the Fund either by applying the commitment approach or the VaR approach. In terms of risk management, the Board of Directors of the Management Company decided to adopt the commitment approach as a method of determining and monitoring the global exposure.

Note 9 - Changes in the investment portfolio

The statement of changes in the investment portfolio for the year covered by the report is available free of charge upon request from the registered office of the Management Company.

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