

**Unaudited Interim  
Financial Statements**

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**for the six months ended 30 June 2011**

# Conning Funds

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Unaudited Financial Statements  
For the six months ended 30 June 2011

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# General Information

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Directors of the Manager	Mr. Alan McCormick (Irish)* Mr. Robert Burke (Irish)* Mr. David Greene (Irish)* * Non-Executive Director
Manager	Conning Funds (Europe) Limited 13-17 Dawson Street Dublin 2 Ireland
Administrator and Registrar	J.P. Morgan Administration Services (Ireland) Limited JPMorgan House IFSC Dublin 1 Ireland
Trustee	J.P. Morgan Bank (Ireland) plc JPMorgan House IFSC Dublin 1 Ireland
Independent Auditors	PricewaterhouseCoopers Chartered Accountants and Registered Auditors One Spencer Dock North Wall Quay Dublin 1 Ireland
Sponsoring Broker	Davy Stockbrokers Davy House 49 Dawson Street Dublin 2 Ireland
Legal Advisers	McCann FitzGerald Solicitors Riverside One Sir John Rogerson's Quay Dublin 2 Ireland
Investment Manager	Conning Asset Management (Europe) Limited 13-17 Dawson Street Dublin 2 Ireland

# Trust Background

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Conning Funds (the "Fund") is an open-ended umbrella unit trust constituted on the 13 June 2000 under the laws of Ireland by the Trust Deed for the sole purpose of the collective investment of its assets in transferable securities with the aim of spreading investment risk and giving Unit Holders the benefit of the results of the management of its assets. The Fund is authorised by the Central Bank of Ireland (the "Central Bank") as an Undertaking for Collective Investment in Transferable Securities ("UCITS") pursuant to the UCITS Regulations, 2003 (as amended). The Fund is made up of Sub-Funds, each Sub-Fund being a single pool of assets (the "portfolio"). The Fund has been structured as an umbrella fund in that the Manager may, whether on the establishment of a Sub-Fund or from time to time, with the prior approval of the Central Bank, create different Classes of Units in a Sub-Fund. The Fund is not a separate legal entity and as such it is not liable as a whole to third parties for the liabilities of each Sub-Fund. The assets of each Sub-Fund will be invested separately in accordance with the investment objective and policies of that Sub-Fund. The Fund is managed by Conning Funds (Europe) Limited, an Irish registered company and a wholly-owned subsidiary of Conning Asset Management (Europe) Limited which in turn is owned by Conning Holdings Corp.

All Unit Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Trust Deed which are binding on the Trustee, the Manager and the Unit Holders and all persons claiming through them respectively as if all such Unit Holders and persons had been party to the Trust Deed. Unit Holders shall not have any recourse to or claim against or right of action in respect of any of the assets of the Fund or any Sub-Fund or any part thereof other than the assets of the Sub-Fund in which they hold units and in respect of which the claim arises.

Under the Trust Deed, the assets and liabilities attributable to each Sub-Fund established by the Manager shall belong exclusively to that Sub-Fund and shall be segregated by the Trustee and there will be no cross-liabilities between other Sub-Funds.

The assets of each Sub-Fund are invested separately in accordance with the investment objectives and policies of that Sub-Fund. The investment policy of Conning Funds is set out in more detail in the prospectus relating to the Fund. At 30 June 2011, there was one active Sub-Fund in the Fund namely the Swiss Equity Fund.

Units are available in four Classes for each Sub-Fund; namely Income Class Units that may pay a dividend; "A" Income Class Units that may pay a dividend; Capital Class Units that are accumulating units and do not pay dividends; and "B" Class Units that are accumulating units and do not pay dividends. The Income Units, Capital Units, "A" Income Units and "B" Units shall rank *pari passu* with each other except that:

- (i) a different distribution policy applies to each Class as detailed in the prospectus and
- (ii) the annual management fee payable to the Manager in relation to each Class shall be as set out in Note 9 to the financial statements.

The Manager may, whether on the establishment of a Sub-Fund, or from time to time, create different Classes of Units in a Sub-Fund.

All Classes of the Sub-Fund are listed on the Irish Stock Exchange.

# Statement of Responsibilities of the Manager

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The Manager of the Fund is required by the UCITS Regulations, 2003 (as amended) to prepare financial statements for each financial year that give a true and fair view of the financial position of the Fund at the end of that period, and of the results of its operations and changes in its net assets for the period then ended. In preparing these financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The Manager is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Fund and to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the provisions of the Trust Deed and the UCITS Regulations, 2003 (as amended). The Manager is also responsible with respect to its duties under the UCITS Regulations, 2003 (as amended), to take reasonable steps for the prevention and detection of fraud and other irregularities.

Under the UCITS Regulations, 2003 (as amended), the assets of the Fund shall be entrusted to the Trustee for safekeeping. In carrying out this duty, the Trustee retains custody of the Fund's assets within J.P. Morgan Bank (Ireland) plc.

# Investment Managers' Report

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## Swiss Equity Fund

International equity markets were rather volatile during the first six months of the year. Good company results and positive business outlooks drove stock prices higher in January and February. Investors' confidence was also supported by rather solid economic data. The political turmoil in Northern Africa and the Arabian Peninsula as well as the expected economic growth also boosted oil prices. The earthquake/tsunami and the subsequent nuclear catastrophe in Japan stopped the upward movement in stock markets and led to an immediate sell-off of equities during March. Nevertheless, equity markets recovered surprisingly quickly after the situation started to stabilize and after it became clear that the negative influence on economies outside Japan was limited. Bond prices on the other hand were relatively stable during the first quarter. However, in the second quarter the European debt problems, which were out of investors' focus at the beginning of the year, regained attention again. More or less all peripheral countries in the Euro-zone, as well as the European banking system (which is a big lender to the peripheral region) were scrutinized and bond markets in those countries experienced severe pressure. The Swiss Franc on the other hand was seen as the safe haven and reached new high levels against almost all currencies, the Euro and the US dollar in particular. Therefore, it was no surprise that the Swiss equity market faced selling pressure in May and June. The local companies suffer due to the currency's strength although, compared to previous periods of Swiss Franc's appreciation, this time they were much better prepared, having diversified their cost base internationally. Global investors started to realize currency gains by selling Swiss equities and thereby increasing the pressure on the local bourse. Stock markets were also hampered by a series of rather weak economic data worldwide during the second quarter and renewed fears of a fallback into recession severely undermined investors' confidence towards mid-year. Overall, the Swiss stock market lost 1.8% during the period under review and thereby underperformed many of its international peers, of which some even managed to end the six month period in positive territory.

The Conning Swiss Equity Fund underperformed its SPI benchmark index by 37 basis points during the reporting period. After a good start into the year, the portfolio suffered from its exposure to several small and mid cap stocks in various industry segments like technology, general industrials, financial services or basic materials. While the share price decline of some companies could be explained by negative news flow or results that were below expectations, others stock prices came under pressure due to the above mentioned profit taking by international investors. On the other hand, most of the positions in the biotech sector made a positive contribution to the portfolio's performance as did other holdings with rather defensive business models or less currency exposure.

Small and mid cap stocks are overweighted in the portfolio compared to the benchmark index. The sector break down shows underweight positions in the pharmaceutical and food industries and overweight positions mainly in the industrials, chemicals, basic resources, technology and financial services sectors. Holdings in Winterthur Technology and Schulthess were sold during the period under review. Ublox and IMZ were added to the portfolio. Currently, the Fund holds a cash position of 3.14% of total assets.

# Investment Managers' Report

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We expect the stock markets to trade range-bound during the summer months. The short term rally from oversold levels might have somewhat more to go but the upcoming half-year reports could bring some negative surprises as well, especially from the companies which have a large exposure to foreign currencies. A more sustainable recovery seems possible once economic data begins to surprise positively again and the Swiss Franc depreciates somewhat from its overbought levels. Bourses will continue to be very selective and careful stock selection will again be key until year end.

The focus of the Fund continues to lie with companies which have good management, a clear corporate strategy and especially on those with strong balance sheets and cash flows which can be distributed to shareholders through dividends or share repurchases.

**July 2011**

# Unaudited Statement of Operations

For the six months ended 30 June 2011

	Notes	Swiss Equity Fund CHF
<b>Income</b>		
Dividend Income		957 723
Securities Lending Commission Income	11	13 441
Net Losses on Financial Assets at Fair Value through profit or loss	12	(1 584 934)
		<b>(613 770)</b>
<b>Expenses</b>		
Management Fees	9	152 834
Administration Fees	9	53 249
Custodian Fees	9	5 307
Trustee Fees	9	25 365
Audit Fees	9	5 043
Legal Fees	9	36 650
Miscellaneous Expenses	9	33 450
Transaction Costs	9	155 045
Transfer Agency Fees	9	32 573
Central Bank of Ireland Fees		1 290
		<b>500 806</b>
<b>Operating Loss before Tax</b>		<b>(1 114 576)</b>
Non-recoverable dividend withholding tax		(334 278)
<b>Loss After Tax</b>		<b>(1 448 854)</b>
<b>Adjustment</b>		
From bid prices to mid market prices		51 718
<b>Decrease in Net Assets Attributable to Redeemable Participating Unit Holders</b>		<b>(1 397 136)</b>

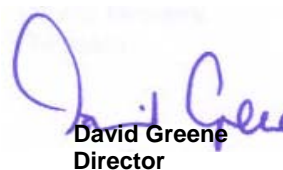
There are no other profits or losses in the financial statements other than the decrease in net assets resulting from operations attributable to the Redeemable Participating Unit Holders of the Fund.

All recognised gains and losses for the period arose solely from continuing operations.

The accompanying notes form an integral part of the financial statements.

On behalf of the Board of the Manager

  
Alan McCormick  
Director

  
David Greene  
Director

29 August 2011

# Statement of Operations

For the year ended 31 December 2010

	Notes	Swiss Equity Fund CHF
<b>Income</b>		
Dividend Income		3 879 100
Securities Lending Commission Income	11	386 623
Net Gains on Financial Assets at Fair Value through profit or loss	12	5 322 626
		<b>9 588 349</b>
<b>Expenses</b>		
Management Fees	9	1 711 648
Administration Fees	9	120 429
Custodian Fees	9	12 775
Trustee Fees	9	55 205
Audit Fees	9	8 739
Legal Fees	9	89 388
Miscellaneous Expenses	9	162 947
Transaction Costs	9	176 592
Transfer Agency Fees	9	62 246
Central Bank of Ireland Fees		2 597
		<b>2 402 566</b>
		<b>Operating Profit before Tax</b>
		<b>7 185 783</b>
Non-recoverable dividend withholding tax		(1 356 807)
		<b>Profit After Tax</b>
		<b>5 828 976</b>
<b>Adjustment</b>		
From bid prices to mid market prices		(481 549)
		<b>Increase in Net Assets</b>
		<b>Attributable to Redeemable Participating Unit Holders</b>
		<b>5 347 427</b>

There are no other profits or losses in the financial statements other than the increase in net assets resulting from operations attributable to the Redeemable Participating Unit Holders of the Fund.

All recognised gains and losses for the year arose solely from continuing operations.

The accompanying notes form an integral part of the financial statements.

# Unaudited Statement of Operations

For the six months ended 30 June 2010

	Notes	Swiss Equity Fund CHF
<b>Income</b>		
Dividend Income		3 781 200
Securities Lending Commission Income	11	346 517
Net Losses on Financial Assets/(Liabilities) at Fair Value through profit or loss	12	(10 638 457)
		<b>(6 510 740)</b>
<b>Expenses</b>		
Management Fees	9	982 301
Administration Fees	9	61 936
Custodian Fees	9	5 635
Trustee Fees	9	24 814
Audit Fees	9	5 939
Legal Fees	9	35 798
Miscellaneous Expenses	9	41 094
Transaction Costs	9	39 583
Transfer Agency Fees	9	39 742
Financial Regulator Fees		625
		<b>1 237 467</b>
		<b>(7 748 207)</b>
<b>Operating Loss before Tax</b>		<b>(7 748 207)</b>
Non-recoverable dividend withholding tax		(1 322 542)
		<b>(9 070 749)</b>
<b>Loss After Tax</b>		<b>(9 070 749)</b>
<b>Adjustment</b>		
From bid prices to mid market prices		(178 928)
		<b>(9 249 677)</b>
<b>Decrease in Net Assets Attributable to Redeemable Participating Unit Holders</b>		<b>(9 249 677)</b>

There are no other profits or losses in the financial statements other than the decrease in net assets resulting from operations attributable to the Redeemable Participating Unit Holders of the Fund.

All recognised gains and losses for the period arose solely from continuing operations.

The accompanying notes form an integral part of the financial statements.

# Unaudited Statement of Assets and Liabilities Attributable to Redeemable Participating Unit Holders

As at 30 June 2011

	Notes	Swiss Equity Fund CHF
<b>Current Assets</b>		
Cash at Bank	8	1 816 978
Financial assets at fair value through profit or loss		56 071 868
Subscriptions Awaiting Settlement		41 306
		<b>57 930 152</b>
<b>Current Liabilities (falling due within one year)</b>		
Management Fees Payable	9	76 337
Redemptions Awaiting Settlement		2 165
Administration Fees Payable	9	21 135
Audit Fees Payable	9	17 579
Trustee Fees Payable	9	9 396
Custodian Fees Payable	9	1 665
Transfer Agency Fees Payable	9	9 724
Other Fees Payable	9	63 722
		<b>201 723</b>
<b>Net Assets</b>		
<b>attributable to Redeemable Participating Unit Holders at bid prices</b>		<b>57 728 429</b>
<b>Adjustment</b>		
From bid to mid market prices		160 705
<b>Net Assets</b>		
<b>Attributable to Redeemable Participating Unit Holders at mid market prices</b>		<b>57 889 134</b>
<b>Units in Issue</b>		
	<b>3</b>	<b>Units</b>
Income		203.00
Capital		49 156.16
“A” Income		1.00
“B”		3 367.79
<b>Net Asset Value Per Unit</b>		
		<b>CHF</b>
Income		1 031.291
Capital		1 116.390
“A” Income		832.960
“B”		831.848

The accompanying notes form an integral part of the financial statements.

On behalf of the Board of the Manager

  
Alan McCormick  
Director

  
David Greene  
Director

29 August 2011

# Statement of Assets and Liabilities Attributable to Redeemable Participating Unit Holders

As at 31 December 2010

	Notes	Swiss Equity Fund CHF
<b>Current Assets</b>		
Cash at Bank	8	424 984
Financial assets at fair value through profit or loss		57 391 443
Subscriptions Awaiting Settlement		42 235
		<b>57 858 662</b>
<b>Current Liabilities (falling due within one year)</b>		
Management Fees Payable	9	310 875
Redemptions Awaiting Settlement		59 785
Interest Payable		2 057
Administration Fees Payable	9	17 064
Audit Fees Payable	9	12 536
Trustee Fees Payable	9	9 507
Custodian Fees Payable	9	2 475
Transfer Agency Fees Payable	9	12 195
Other Fees Payable	9	49 346
		<b>475 840</b>
<b>Net Assets</b>		
<b>attributable to Redeemable Participating Unit Holders at bid prices</b>		<b>57 382 822</b>
<b>Adjustment</b>		
From bid to mid market prices		108 987
<b>Net Assets</b>		
<b>Attributable to Redeemable Participating Unit Holders at mid market prices</b>		<b>57 491 809</b>
<b>Units in Issue</b>		
	<b>3</b>	<b>Units</b>
Income		203.00
Capital		47 077.42
“A” Income		1.00
“B”		4 141.68
<b>Net Asset Value Per Unit</b>		
		<b>CHF</b>
Income		1 054.453
Capital		1 141.457
“A” Income		855.460
“B”		854.734

The accompanying notes form an integral part of the financial statements.

# Unaudited Statement of Assets and Liabilities Attributable to Redeemable Participating Unit Holders

As at 30 June 2010

	Notes	Swiss Equity Fund CHF
<b>Current Assets</b>		
Cash at Bank	8	2 670 795
Financial assets at fair value through profit or loss		155 152 908
Subscriptions Awaiting Settlement		53 937
Withholding Tax Asset		61 467
		<b>157 939 107</b>
<b>Current Liabilities (falling due within one year)</b>		
Management Fees Payable	9	479 641
Redemptions Awaiting Settlement		746 186
Administration Fees Payable	9	17 459
Audit Fees Payable	9	9 736
Trustee Fees Payable	9	6 312
Custodian Fees Payable	9	1 416
Transfer Agency Fees Payable	9	8 303
Other Fees Payable	9	29 838
		<b>1 298 891</b>
<b>Net Assets</b>		
<b>attributable to Redeemable Participating Unit Holders at bid prices</b>		<b>156 640 216</b>
<b>Adjustment</b>		
From bid to mid market prices		411 608
<b>Net Assets</b>		
<b>Attributable to Redeemable Participating Unit Holders at mid market prices</b>		<b>157 051 824</b>
<b>Units in Issue</b>		
	<b>3</b>	<b>Units</b>
Income		273.000
Capital		53 592.580
“A” Income		1.000
“B”		131 029.160
<b>Net Asset Value Per Unit</b>		
		<b>CHF</b>
Income		951.619
Capital		1 030.139
“A” Income		776.270
“B”		775.274

The accompanying notes from an integral part of the financial statements.

# Unaudited Statement of Changes in Net Assets Attributable to Redeemable Participating Unit Holders

For the period ended 30 June 2011

	<b>Swiss Equity Fund CHF</b>
<b>Net Assets</b>	
<b>Attributable to Redeemable Participating Unit Holders at beginning of period</b>	57 491 809
Proceeds from Shares Issued	9 979 683
Shares Redeemed	(8 185 222)
Decrease in Net Assets Attributable to Redeemable Participating Unit Holders	(1 397 136)
<b>Net Assets</b>	
<b>Attributable to Redeemable Participating Unit Holders at end of period</b>	<b>57 889 134</b>
<b>Unit Transactions</b>	
Units in issue 31 December 2010	<b>Units</b>
Income	203.00
Capital	47 077.42
"A" Income	1.00
"B"	4 141.68
Units issued	
Income	-
Capital	8 454.00
"A" Income	-
"B"	3.83
Units redeemed	
Income	-
Capital	(6 375.26)
"A" Income	-
"B"	(777.72)
Units in issue 30 June 2011	
<b>Income</b>	<b>203.00</b>
<b>Capital</b>	<b>49 156.16</b>
<b>"A" Income</b>	<b>1.00</b>
<b>"B"</b>	<b>3 367.79</b>

The accompanying notes form an integral part of the financial statements.

# Statement of Changes in Net Assets Attributable to Redeemable Participating Unit Holders

For the year ended 31 December 2010

**Swiss  
Equity  
Fund  
CHF**

<b>Net Assets</b>	
<b>Attributable to Redeemable Participating Unit Holders at beginning of year</b>	182 537 808
Proceeds from Shares Issued	13 203 335
Shares Redeemed	(143 596 761)
Increase in Net Assets Attributable to Redeemable Participating Unit Holders	5 347 427
<b>Net Assets</b>	
<b>Attributable to Redeemable Participating Unit Holders at end of year</b>	<b>57 491 809</b>

## Unit Transactions

	<b>Units</b>
Units in issue 31 December 2009	
Income	293.00
Capital	56 478.16
"A" Income	1.00
"B"	146 643.44
Units issued	
Income	-
Capital	7 202.11
"A" Income	-
"B"	6 522.17
Units redeemed	
Income	(90.00)
Capital	(16 602.85)
"A" Income	-
"B"	(149 023.93)
Units in issue 31 December 2010	
<b>Income</b>	<b>203.00</b>
<b>Capital</b>	<b>47 077.42</b>
<b>"A" Income</b>	<b>1.00</b>
<b>"B"</b>	<b>4 141.68</b>

The accompanying notes form an integral part of the financial statements.

# Unaudited Statement of Changes in Net Assets Attributable to Redeemable Participating Unit Holders

For the period ended 30 June 2010

	<b>Swiss Equity Fund CHF</b>
<b>Net Assets</b>	
<b>Attributable to Redeemable Participating Unit Holders at beginning of period</b>	182 537 808
Proceeds from Shares Issued	5 672 095
Shares Redeemed	(21 908 402)
Decrease in Net Assets Attributable to Redeemable Participating Unit Holders	(9 249 677)
<b>Net Assets</b>	
<b>Attributable to Redeemable Participating Unit Holders at end of period</b>	<b>157 051 824</b>
<b>Unit Transactions</b>	
Units in issue 31 December 2009	<b>Units</b>
Income	293.00
Capital	56 478.16
"A" Income	1.00
"B"	146 643.44
Units issued	
Income	-
Capital	2 329.12
"A" Income	-
"B"	3 700.72
Units redeemed	
Income	(20.00)
Capital	(5 214.70)
"A" Income	-
"B"	(19 315.00)
Units in issue 30 June 2010	
<b>Income</b>	<b>273.00</b>
<b>Capital</b>	<b>53 592.58</b>
<b>"A" Income</b>	<b>1.00</b>
<b>"B"</b>	<b>131 029.16</b>

The accompanying notes form an integral part of the financial statements.

# Unaudited Notes to the Financial Statement

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## **1. Basis of Preparation**

The financial statements are prepared in accordance with UCITS Notices, UCITS Regulations and the Statement on Half Yearly Financial Reports issued by the Accounting Standards Board in 2007.

## **2. Significant Accounting Policies**

There have been no changes to the significant accounting policies adopted by the Fund since the last audited financial statements dated 31 December 2010.

## **3. Units in Issue**

### *Issued Unit Capital*

Units issued at 30 June 2011 were available in four Classes as Income Units or "A" Income Units or Capital Units or "B" Units to which a different distribution policy applies. Income Units and "A" Income Units may pay a dividend; Capital Units and "B" Units are accumulating Units and will not pay dividends.

During the period ended 30 June 2011, no dividends were declared or paid.

## **4. Significant events during the period**

There have been no significant events during the period.

## **5. Significant events since the period end**

There have been no significant events since the period end.

## **6. Soft Commission Arrangements**

There were no soft commission arrangements during the period.

## **7. Exchange Rates**

All assets and liabilities are denominated in the presentation currency of the Fund.

# Unaudited Notes to the Financial Statement

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## 8. Credit Institution

All of the monies shown in the Schedule of Investments at 30 June 2011 were held with J.P. Morgan Bank (Ireland) plc, as Trustee.

## 9. Fees

### *Management Fee*

The Manager is entitled to receive a management fee payable out of the assets of the Fund equal to the following annual rates based upon the respective Sub-Fund's Net Asset Values:

<b>Sub-Fund</b>	<b>Income and Capital Units</b>	<b>“A” Income and “B” Units</b>
Swiss Equity Fund	0.45%	1.45%

The management fee shall be accrued daily and is payable quarterly in arrears by reference to the relevant accrual on the Sub-Fund's portfolio valuation at each quarter-end.

The fees of the Manager may be different from Class to Class and shall be calculated on that proportion of the Net Asset Value attributable to the relevant Class.

The Manager pays the fees of the Investment Manager out of its fee, and will be entitled to recover any out-of-pocket expenses incurred by it or the Investment Manager out of the Sub-Fund.

The Investment Manager in turn pay from their fees the fees of any investment advisers.

### *Trustee Fee*

The Trustee is entitled to a trustee fee out of the assets of the Fund, charged as a percentage per annum of the Net Asset Value (NAV) of each Sub-Fund, accrued as at each Dealing Day and calculated as at the last Dealing Day of each month.

The Trustee fee is payable monthly in arrears and is subject to a minimum of EUR 40 000 per annum.

A flat fee rate per annum of the NAV is applied at the relevant rates

Less than EUR 2 billion	0.010% of the NAV
Between EUR 2 billion and EUR 5 billion	0.004% of the NAV
Over EUR 5 billion	0.001% of the NAV

The J.P. Morgan Bank (Ireland) plc as Trustee is also entitled to receive out of the assets of the Sub-Fund sub-custodial fees and expenses at normal commercial rates.

### *Administration Fee*

The Administrator is entitled to an administration fee calculated as at the last Dealing Day of every month and payable monthly in arrears out of the Net Assets of each Sub-Fund.

# Unaudited Notes to the Financial Statement

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The Administration fee is payable monthly in arrears and is subject to a minimum fee of EUR 40 000 per Sub-Fund per annum.

The fee is calculated at a stepped annual rate applicable as follows:

First EUR 38.500 million	0.0165% of the NAV
From EUR 38.500 million to EUR 77.000 million	0.0125% of the NAV
From EUR 77.000 million to EUR 192.500 million	0.0084% of the NAV
From EUR 192.500 million to EUR 385.000 million	0.0050% of the NAV
From EUR 385.000 million to EUR 770.000 million	0.0020% of the NAV
From EUR 770.000 million to EUR 1.155 billion	0.0015% of the NAV
From EUR 1.155 billion to EUR 3.850 billion	0.0013% of the NAV
From EUR 3.850 billion to EUR 7.700 billion	0.0011% of the NAV
Over EUR 7.700 billion	0.0009% of the NAV

#### *Custodian Fee*

The Custodian is entitled to a custodian fee and settlement charges. Custodian fees and settlement charges are market specific and further determined by transaction size.

#### *Transfer Agency Fee*

The Administrator is entitled to a transfer agency fee calculated as at the last Dealing Day of every month and payable monthly in arrears out of the Net Assets of each Sub-Fund.

The Transfer Agency fee is payable monthly in arrears and is subject to a minimum fee of EUR 60 000 per Sub-Fund per annum.

#### *Audit Fee*

The fee is disclosed in the Statement of Operations.

#### *Legal Fee*

The fee disclosed in the Statement of Operations includes the fees for the preparation of an updated prospectus.

#### *Transaction Costs*

The transaction costs are disclosed in the Statement of Operations.

#### *Miscellaneous*

The fee disclosed in the Statement of Operations includes the fees for translations and attribution analysis. The Sub-Fund pays out of its assets all fees, costs and expenses, including administration expenses, of or incurred by the Manager, the Administrator and the Trustee in connection with the ongoing management, administration and operation of the Sub-Fund.

# Unaudited Notes to the Financial Statement

## *Other Fees Payable*

The fees disclosed in the Statement of Assets and Liabilities Attributable to Redeemable Participating Unit Holders comprise of the following:

### **Swiss Equity Fund**

	<b>June 2011 CHF</b>	<b>December 2010 CHF</b>	<b>June 2010 CHF</b>
Legal fees	13 434	27 039	13 779
Translation fees	3 719	10 416	3 011
Compliance reporting fees	3 257	1 992	241
Performance reporting fees	7 207	4 407	1 067
Other fees	36 105	5 492	11 740
	<b>63 722</b>	<b>49 346</b>	<b>29 838</b>

### **10. Related parties**

The Manager; Conning Funds (Europe) Limited and the Trustee; J.P.Morgan Bank (Ireland) Plc, are related parties under FRS 8 "Related Party Transactions".

Fees payable to those parties and the amounts due at the period-end are shown in the Statement of Operations and the Statement of Net Assets Attributable to Redeemable Participating Unit Holders respectively.

Investments held by related companies are one (1) "A" Income Class Unit in the Swiss Equity Fund held by Conning Funds (Europe) Limited.

### **11. Securities Lending**

The following table sets out the securities' lending income earned by the Sub-Fund during the six months ended 30 June 2011, together with the aggregate value of securities on loan at 30 June 2011 and the aggregate value of collateral held in respect of such securities at the same date, together with the comparative information as at 31 December 2010 and 30 June 2010.

Swiss Equity Fund	<b>June 2011 CHF</b>	<b>December 2010 CHF</b>	<b>June 2010 CHF</b>
Securities Lending Income	13 441	386 623	346 517
Securities on Loan	1 249 224	-	6 672 753
Collateral held	1 325 377	-	7 218 110

The Lending Agent is J.P. Morgan Chase Bank National Association (London Branch).

# Unaudited Notes to the Financial Statement

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## 12. Investments

The analysis of Net gains/(losses) on Financial Assets/(Liabilities) at fair value through profit or loss as stated in the Statement of Operations for the period ended 30 June 2011 is detailed in the following table, together with comparative information as at 31 December 2010 and 30 June 2010.

Swiss Equity Fund	June 2011 CHF	December 2010 CHF	June 2010 CHF
Net change in Unrealised Gains/(Losses) on Financial Assets at fair value through profit or loss	(821 151)	20 454 119	(10 159 891)
Net Realised Losses on Financial Assets at fair value through profit or loss	(763 783)	(15 131 493)	(478 566)
Gains on Foreign Exchange	-	-	-
<b>Net Gains/(Losses) on Financial Assets/(Liabilities) at Fair Value through profit or loss</b>	<b>(1 584 934)</b>	<b>5 322 626</b>	<b>(10 638 457)</b>

## 13. Contingent Liabilities

There were no contingent liabilities during the period.

## 14. Financial Statements

These financial statements were approved by the Board of Directors of the Manager on 29 August 2011.

# Unaudited Schedule of Investments

Swiss Equity Fund As at 30 June 2011

Holding Investment	Fair Value CHF	% of Net Assets
<b>96.86% Equities - CHF</b>		
<b>Agricultural Chemicals</b>		
6 900 Syngenta AG	1 955 460	3.38
<b>Building Materials</b>		
450 Belimo Holdings AG	814 500	1.41
20 000 Holcim Limited	1 269 000	2.19
340 Sika AG	689 180	1.19
<b>Commercial Banks Non-US</b>		
15 000 Julius Baer Group Limited	520 950	0.90
20 000 Vontobel Holding AG	569 000	0.98
<b>Computers</b>		
40 000 Logitech International SA	376 600	0.65
<b>Dental Supplies and Equipment</b>		
11 600 Coltene Holding AG	535 920	0.93
<b>Engineering and Construction</b>		
123 000 ABB Limited	2 681 400	4.63
<b>Finance - Investment Banker</b>		
80 000 Credit Suisse Group AG	2 615 200	4.52
15 000 Swissquote Group Holding SA	671 250	1.16
190 000 UBS AG	2 912 700	5.03
<b>Food - Misc/Diversified</b>		
107 000 Nestle SA	5 585 400	9.65
17 000 Orior AG	911 200	1.57
<b>Health and Biotechnology</b>		
1 900 Givaudan AG	1 689 100	2.92
18 000 HBM BioVentures AG	882 900	1.52
<b>Human Resources</b>		
18 000 Adecco SA	970 200	1.68
<b>Industrial</b>		
300 Vetropack Holding AG	516 600	0.89
<b>Machine Tools &amp; Related Products</b>		
14 580 Huber and Shuner AG	807 732	1.40
12 000 Meyer Burger Technology	444 000	0.77
1 250 Schweiter Technologies AG	724 375	1.25
<b>Machinery Diversified</b>		
2 400 Burckhardt Compression Holding AG	614 400	1.06
2 250 Interroll Holding AG	844 875	1.46
<b>Medical - Biomedical</b>		
54 000 Addex Pharmaceuticals Limited	564 300	0.97
14 000 Basilea Pharmaceuticals Limited	858 900	1.48
90 000 Newron Pharmaceuticals SpA	513 000	0.89
<b>Medical - Drugs</b>		
19 000 Actelion Limited	785 080	1.36
109 000 Novartis AG	5 608 050	9.69
40 000 Roche Holding AG	5 620 000	9.71

# Unaudited Schedule of Investments

Holding Investment	Fair Value CHF	% of Net Assets
<b>Medical - Wholesale Distribution</b>		
1 700 Galenica AG	912 050	1.57
<b>Medical Products</b>		
20 000 Nobel Biocare Holding AG	342 800	0.59
10 000 Synthes Inc	1 476 000	2.55
<b>Mining</b>		
90 000 International Minerals	589 500	1.02
30 000 Xstrata Plc	552 000	0.95
<b>Multi-line Insurance</b>		
23 000 Schweizerische National-Versicherungs- Gesellschaft AG	765 900	1.32
12 200 Zurich Financial Services AG	2 592 500	4.48
<b>Oil &amp; Gas Services</b>		
24 100 Weatherford International Limited	379 816	0.66
<b>Oil Refining &amp; Marketing</b>		
11 000 Transocean Limited	600 050	1.04
<b>Reinsurance</b>		
22 000 Swiss Reinsurance Co Limited	1 013 980	1.75
<b>Retail- Jewellery</b>		
30 000 Compagnie Financiere Richemont SA	1 651 500	2.85
13 000 The Swatch Group AG	981 500	1.70
<b>Wireless Equipment</b>		
17 000 U-Blox AG	663 000	1.14
<b>Financial Assets</b>		
<b>at fair value through profit or loss</b>		
<b>(Book Cost CHF 68 143 572)</b>		
	56 071 868	96.86
<b>3.14% Net Liquid Assets</b>		
Cash	1 816 978	3.14
Net Current Assets	288	-
<b>Net Assets</b>		
<b>attributable to Redeemable Participating</b>		
<b>Unit Holders at mid market prices</b>		
CHF	57 889 134	100.00
<b>Analysis of Total Assets</b>		
		<b>% of Total Assets</b>
(a) Transferable securities admitted to official stock exchange listing		96.79
(b) Transferable securities dealt in or on another regulated market		-
(c) Transferable securities other than those admitted to official stock exchange listing or dealt in another regulated market		-
(d) Financial derivative instruments		-
(e) Other Assets		3.21
<b>Total Assets</b>		<b>100.00</b>

# Unaudited Portfolio Changes

Swiss Equity Fund 1 January 2011 to 30 June 2011

Largest Purchases		Net Settlement Amount CHF
23 000	Nestle SA	1 187 704
20 000	Novartis AG	1 064 074
1 020	Givaudan AG	949 912
17 000	U-Blox AG	816 830
15 000	Julius Baer Group Limited	654 045
30 000	Xstrata Plc	652 505
19 000	Credit Suisse Group AG	648 946
90 000	International Minerals	647 779
11 000	Actelion Limited	519 898
12 000	Meyer Burger Technology	480 791
1 500	Syngenta AG	466 569
3 250	Roche Holding AG	460 077
24 100	Weatherford International Limited	453 134
5 000	Holcim Limited	331 198
55 000	OC Oerlikon Corp AG	296 169
1 200	Zurich Financial Services AG	268 268
130	Vetropack Holding AG	243 295
3 000	Orior AG	161 902
300	Galenica AG	152 657
2 000	Adecco SA	115 321

Largest Sales		Net Settlement Amount CHF
40 000	Meyer Burger Technology	1 221 134
16 000	Schulthess Group	907 745
14 000	Nestle SA	745 320
6 800	Komax Holding AG	722 439
34 000	Nobel Biocare Holding AG	670 854
63 000	Schmolz + Bickenbach AG	570 791
10 000	Novartis AG	541 188
3 500	Roche Holding AG	520 424
675	Schweiter Technologies AG	450 337
20 000	UBS AG	351 161
55 000	OC Oerlikon Corp AG	333 582
4 000	Basilea Pharmaceuticals Limited	279 715
1 000	Burckhardt Compression Holding AG	269 224
5 000	Swiss Reinsurance Co Limited	245 195
500	Interroll Holding AG	184 565
100	Vetropack Holding AG	178 831
7 000	ABB Limited	160 223
2 000	The Swatch Group AG	152 094
3 000	Credit Suisse Group AG	126 917

# Unaudited Information for Unit Holders

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Manager	Conning Funds (Europe) Limited 13–17 Dawson Street, Dublin 2, Ireland
Trustee	J.P. Morgan Bank (Ireland) p.l.c. JP Morgan House, IFSC, Dublin 1, Ireland
Administrator	J.P. Morgan Administration Services (Ireland) Limited JP Morgan House, IFSC, Dublin 1, Ireland
Global Distributor	Conning Asset Management Limited 55 King William Street, London, EC4R 9AD, United Kingdom
Auditors	PricewaterhouseCoopers, Chartered Accountants & Registered Auditors One Spencer Dock, North Wall Quay, Dublin 1, Ireland
Promoter and Investment Manager	Conning Asset Management (Europe) Limited 13–17 Dawson Street, Dublin 2, Ireland
Sponsoring Broker	Davy Stockbrokers Davy House, 49 Dawson Street, Dublin 2, Ireland
Legal Advisers	<i>Ireland</i> McCann FitzGerald Solicitors Riverside One, Sir John Rogerson's Quay, Dublin 2, Ireland  <i>Austria</i> Freshfields Bruckhaus Deringer LLP Seilergasse16, Vienna 1010, Austria  <i>Germany</i> Simmons & Simmons MesseTurm, Friedrich-Ebert-Anlage 49, 60308 Frankfurt am Main, Germany  <i>Switzerland</i> Niederer Kraft & Frey Bahnhofstrasse 13, CH - 8001 Zürich, Switzerland
Paying Agents	<i>Austria</i> UniCredit Bank Austria AG Schottengasse 6-8, 1010 Vienna, Austria  <i>Germany</i> Marcard, Stein & Co AG Ballindamm 36, 20095 Hamburg, Germany  <i>Switzerland</i> Wegelin & Co Private Bankers, General Partners Bruderer, Hummler, Tolle & Co. Bohl 17, 9004 St. Gallen, Switzerland
Representative	<i>Switzerland</i> Wegelin Fondsleitung AG Bahnhofstrasse 8, CH-9001 St. Gallen, Switzerland

# Unaudited Information for Unit Holders

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All Unit Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Trust Deed which are binding on the Trustee, the Manager and the Unit Holders and all persons claiming through them respectively as if all such Unit Holders and persons had been party to the Trust Deed. Unit Holders shall not have any recourse to or claim against or right of action in respect of any of the assets of the Fund or any Sub-Fund or any part thereof other than the assets of the Sub-Fund in which they hold units and in respect of which the claim arises.

## Extract from the Prospectus

The Fund and Sub-Funds are registered for sale in a number of jurisdictions. Information relevant to investors in these jurisdictions is set out in Prospectus Appendix III - Additional Information for Investors.

Prospective investors should inform themselves as to:

- (a) the legal requirements within their own jurisdictions for the purchase or holding of Units,
- (b) any foreign exchange restrictions which may affect them, and
- (c) the income and other tax consequences which may apply in their own jurisdictions relevant to the purchase, holding or disposal of Units.

## Documents Available for Inspection

The following documents are available for inspection on any Business Day at the registered office of the Manager and at the offices of the appointed paying agents and representatives from the date of this Prospectus:

- (a) the Prospectus (and any Supplements or addenda attached thereto);
- (b) the Trust Deed and any instruments amending the aforesaid document;
- (c) the Simplified Prospectus;
- (d) the material contracts referred to above; and
- (e) annual reports, incorporating audited financial statements, and half-yearly reports, incorporating unaudited financial statements, when published.

Copies of each of the documents referred to above can, upon written request, be obtained by Unit Holders at the registered office of the Manager.

**This document forms part of and should be read in conjunction with the general description of**

- **the Fund and its management and administration**
- **its general management and fund charges**
- **the taxation of the Fund and of its Unit Holders and**
- **its risk factors**

**which is contained in the Prospectus dated 27 July 2010 for the Fund and which is available from the Manager Conning Funds (Europe) Limited at 13–17 Dawson Street, Dublin 2, Ireland.**

*The Prospectus and the Simplified Prospectus is available in both English and German and every effort has been made to keep the translations parallel. For Units distributed in Switzerland, the Prospectus and Simplified Prospectus in German are binding. For Units distributed in jurisdictions other than Switzerland, the Prospectus and Simplified Prospectus in English is binding. The Prospectus and Simplified Prospectus are also filed in German in the Federal Republic of Germany but these should be interpreted as best efforts translations of the English versions which remain the binding versions as prescribed under the UCITS Regulations. The Annual Report and Financial Statements are also available in German but these should be interpreted as best efforts translations of the English versions.*

	Income Units	Capital Units	“A” Income Units	“B” Units
Swiss Equity Fund				
Total Expenditure Ratio (TER)	1.08%	1.08%	1.99%	2.09%
Portfolio Turnover Rate (PTR)	4.69%	4.69%	4.69%	4.69%

Please note a full list of purchases and sales during the reporting period might be obtained from the Swiss representative.

# Conning Funds

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**Fund Manager**

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Ireland  
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Asset Management 08/11, en

