



Audited Annual Report Clariden Leu (CH) Cat Bond Fund

31 December 2010

Contractual investment fund under Swiss law (type "Other funds for traditional investments")

Clariden Leu (CH) Cat Bond Fund was established by Swiss Investment Company SIC Ltd., Zurich, as the fund management company and Clariden Leu Ltd., Zurich, as the custodian bank.

This is an English translation of the official German prospectus. In case of discrepancies between the German and English text, the German text shall prevail.

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Management and executive bodies

Fund management company

Swiss Investment Company SIC Ltd.
Claridenstrasse 19
8002 Zurich

Board of Directors

Heinz Hofmann,
Chairman

Max Cotting,
Vice-Chairman

Emil Stark,
Director

Executive Board

Markus Hafner,
CEO

Hansueli Halter,
Deputy CEO

Custodian bank

Clariden Leu Ltd.
Bahnhofstrasse 32
8001 Zurich

Auditors

KPMG Ltd
Badenerstrasse 172
8004 Zurich

Information on third parties

Delegation of investment decisions

The investment decisions in respect of the fund have been delegated to Clariden Leu Ltd., Zurich, a subsidiary of Credit Suisse Group.

Delegation of other specific tasks

The fund management company has also contractually delegated other tasks such as distribution and marketing to Clariden Leu Ltd., Zurich.

Brief overview

Key figures

Clariden Leu (CH) Cat Bond Fund CHF A Class

Reporting period	from	01.01.2010	01.01.2009	01.01.2008
	to	31.12.2010	31.12.2009	31.12.2008
Net fund assets in USD millions		430.51	294.09	333.11
Shares in circulation		2'867'889.000	2'279'449.000	2'785'011.000
Net asset value per share in CHF		139.92	133.37	127.31
Distribution per share in CHF		0.00	0.00	1.75
Total Expense Ratio (TER)		1.69%	1.70%	1.75%
Portfolio Turnover Rate (PTR)		73.54%	48.29%	29.49%

Clariden Leu (CH) Cat Bond Fund CHF IA Class

Reporting period	from	01.01.2010	01.01.2009	01.01.2008
	to	31.12.2010	31.12.2009	31.12.2008
Net fund assets in USD millions		66.34	41.65	25.62
Shares in circulation		564'583.000	414'387.000	275'300.000
Net asset value per share in CHF		109.52	103.91	99.06
Distribution per share in CHF		0.00	0.00	1.70
Total Expense Ratio (TER)		1.20%	1.23%	1.25%
Portfolio Turnover Rate (PTR)		73.54%	48.29%	29.49%

Clariden Leu (CH) Cat Bond Fund EUR A Class

Reporting period	from	01.01.2010	01.01.2009	01.01.2008
	to	31.12.2010	31.12.2009	31.12.2008
Net fund assets in USD millions		134.84	146.91	251.96
Shares in circulation		680'475.000	722'305.000	1'326'103.000
Net asset value per share in EUR		147.71	141.76	135.67
Distribution per share in EUR		0.00	1.60	3.50
Total Expense Ratio (TER)		1.69%	1.70%	1.75%
Portfolio Turnover Rate (PTR)		73.54%	48.29%	29.49%

Clariden Leu (CH) Cat Bond Fund EUR IA Class

Reporting period	from	01.06.2010		
	to	31.12.2010		
Net fund assets in USD millions		5.63		
Shares in circulation		40'700.000		
Net asset value per share in EUR		103.12		
Distribution per share in EUR		0.00		
Total Expense Ratio (TER)		1.20%		
Portfolio Turnover Rate (PTR)		73.54%		

Clariden Leu (CH) Cat Bond Fund USD A Class

Reporting period	from	01.01.2010	01.01.2009	01.01.2008
	to	31.12.2010	31.12.2009	31.12.2008
Net fund assets in USD millions		141.43	114.08	128.38
Shares in circulation		925'242.000	789'489.000	947'082.000
Net asset value per share in USD		152.86	144.50	135.55
Distribution per share in USD		0.00	0.00	1.15
Total Expense Ratio (TER)		1.69%	1.70%	1.75%
Portfolio Turnover Rate (PTR)		73.54%	48.29%	29.49%

Fee rates

Clariden Leu (CH) Cat Bond Fund CHF A Class	31.12.2010	31.12.2009
Flat fee	1.750%	1.750%
Administration fee on related funds p.a.	0.250%	0.250%

Clariden Leu (CH) Cat Bond Fund CHF IA Class	31.12.2010	31.12.2009
Flat fee	1.250%	1.250%
Administration fee on related funds p.a.	0.250%	0.250%

Clariden Leu (CH) Cat Bond Fund EUR A Class	31.12.2010	31.12.2009
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Administration fee on related funds p.a.	0.250%	0.250%

Clariden Leu (CH) Cat Bond Fund EUR IA Class	31.12.2010	31.12.2009
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Administration fee on related funds p.a.	0.250%	0.250%

Clariden Leu (CH) Cat Bond Fund USD A Class	31.12.2010	31.12.2009
Flat fee	1.750%	1.750%
Administration fee on related funds p.a.	0.250%	0.250%

Fund performance

Fund performance Clariden Leu (CH) Cat Bond Fund CHF A Class	Fund	Benchmark
2010	4.91%	0.17%
2009	6.22%	0.50%
2008	-0.41%	2.70%
2007	7.49%	2.44%
2006	4.51%	1.34%
2005	0.65%	0.80%

Fund performance Clariden Leu (CH) Cat Bond Fund CHF IA Class	Fund	Benchmark
2010	5.40%	0.17%
2009	6.73%	0.50%
2008 (YTD, from 29.02.2008 to 31.12.2008)	-0.94%	2.44%

Fund performance Clariden Leu (CH) Cat Bond Fund EUR A Class	Fund	Benchmark
2010	5.36%	0.54%
2009	7.25%	1.44%
2008	1.38%	4.86%
2007	9.19%	4.20%
2006	6.15%	2.96%
2005	2.13%	2.20%

Fund performance Clariden Leu (CH) Cat Bond Fund EUR IA Class	Fund	Benchmark
2010 (YTD, from 31.05.2010 – 31.12.2010)	3.12%	0.54%

Fund performance Clariden Leu (CH) Cat Bond Fund USD A Class	Fund	Benchmark
2010	5.79%	0.31%
2009	7.51%	0.94%
2008	0.65%	3.45%
2007	10.62%	5.45%
2006	8.67%	5.19%
2005	3.55%	3.37%

Benchmark: CGBI WMMI US \$ 3 MTH EURO DEP.(L)

Disclaimer: Past performance is no guarantee of current or future performance. In addition, performance data do not take into account fees and commissions charged on the issue and redemption of shares.

Security numbers / ISIN / Bloomberg tickers

1211524	CH0012115249	LEUPCBC SW	Clariden Leu (CH) Cat Bond Fund CHF A Class
3684084	CH0036840848	CCATBSI SW	Clariden Leu (CH) Cat Bond Fund CHF IA Class
1211526	CH0012115264	LEUPCBE SW	Clariden Leu (CH) Cat Bond Fund EUR A Class
11233050	CH0112330508	LEUPEIA SW	Clariden Leu (CH) Cat Bond Fund EUR IA Class
1211527	CH0012115272	LEUPCBU SW	Clariden Leu (CH) Cat Bond Fund USD A Class

Report on activities from January 1, 2010 to December 31, 2010

Investment policy

The investment policy remained unchanged, with the fund investing in insurance-linked securities from the natural catastrophes segment (so-called cat bonds). The main event categories cover the risks “Hurricanes US”, “Earthquakes US”, “Earthquakes Japan” and “Windstorms Europe”. To optimize diversification, the fund invests in further securities that cover other geographic regions. However, given that there are currently only a limited number of such other bonds available on the market, the focus of the fund is on the main event categories mentioned above.

Review of 2010

2010 was a good year for investors in insurance-linked securities (ILSs). The development of the market reflects the high level of interest in this asset class. The market for insurance risks posted solid returns in the first half of 2010, and issuing activity was strong. Issues of new cat bonds totaled nearly USD 2.5 billion in the first half of the year, corresponding to 73% of the total volume for 2009 as a whole.

The keen interest in ILS drove prices higher on the secondary market at the beginning of the year, and led to a narrowing in the spreads of most outstanding cat bonds. This bolstered the performance of the fund, which was well above the target set for the first quarter. It was only in the second quarter that issuers reacted to the strong demand from investors, and issued new cat bonds totaling more than USD 2 billion in volume. The resultant impact on the market was clearly reflected in the protracted trend of steadily declining prices from March to May, as the available investor capital decreased or was allocated to new issues. This trend was further reinforced by the fact that most of the new issues related to storm risks in the US, reducing investors’ options for diversifying their portfolios and limiting their opportunities for using their capital. The situation was further exacerbated by the publication of the forecasts for the 2010 hurricane season in May, which projected an exceptionally heavy storm year.

In the traditional reinsurance sector, many companies posted massively higher losses for 2010 than usual, which had a corresponding impact on earnings. Losses stemming from rare and unexpected events such as the earthquakes in Chile and New Zealand and the explosion of the Deepwater Horizon drilling rig took their toll on balance sheets even before the US hurricane season began. As a result, certain companies were susceptible to further losses in 2010 and possibly insufficient capital reserves.

In the second half of 2010, the pressure on prices of outstanding cat bonds eased. Above all after the end of the US hurricane season in October and November, prices on the secondary market picked up clearly and securities relating to US storm risks gained ground again in particular. Issuing activity was strong again in the final quarter of the year especially, with 11 new cat bonds being issued, their volume totaling some USD 2 billion. 2010 thus closed in an extremely positive vein, and the cat bond market is back on a growth path which it temporarily left as a result of the uncertainty emanating from the financial market crisis.

Outlook for 2011

The ILS market remains attractive for cat bond issuers, given that the price gap between traditional reinsurance and the cover available on the capital markets is currently rather narrow, especially by comparison with earlier years such as 2006 and 2009. This is a key criterion for maintaining a healthy ILS supply for investors, and ultimately for sustaining the asset class. In light of the favorable conditions for ILS sponsors at present, we expect issue volumes to be higher than average in the first half of 2011. This market growth will in turn allow us to optimize the diversification of the portfolio on an ongoing basis, so as to continue to maintain the good risk/return profile for our investors.

Disclaimer: Past performance is no guarantee of current or future performance. In addition, performance data do not take into account fees and commissions charged on the issue and redemption of shares.

Statement of net assets as at December 31, 2010

Statement of net assets	31.12.2010	31.12.2009
	USD	USD
Call deposits	77'695'572.99	22'919'485.34
Time deposits	0.00	0.00
Securities		
Bonds, convertible bonds, bonds with warrants and other debt instruments and rights	660'850'390.72	552'165'847.52
Units of other collective investment schemes	32'015'403.58	21'032'588.27
Derivative financial instruments	7'107'147.26	-1'742'844.16
Other assets	4'140'735.28	4'864'494.02
Total assets	781'809'249.83	599'239'570.99
Due to banks	-2'557.93	-25'869.22
Other liabilities	-3'051'775.27	-2'482'849.02
Net assets at end of reporting period	778'754'916.63	596'730'852.75

Change in net assets	from	01.01.2010	01.01.2009
	to	31.12.2010	31.12.2009
		USD	USD
Net assets at start of reporting period		596'730'852.75	739'072'757.60
Distributions		-1'564'662.27	-10'486'460.77
Balance from share transactions		107'451'389.44	-174'970'511.05
From share transactions, other		-483'509.85	1'294'595.66
Overall net income		76'620'846.56	41'820'471.28
Net assets at end of reporting period		778'754'916.63	596'730'852.75

Changes in number of shares in circulation - Clariden Leu (CH) Cat Bond Fund CHF A Class	Number	Number
Number at start of reporting period	2'279'449.000	2'785'011.000
Number of shares issued	810'064.000	311'592.000
Number of shares redeemed	-221'624.000	-817'154.000
Number at end of reporting period	2'867'889.000	2'279'449.000

Net asset value per share in CHF	139.92	133.37
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Changes in number of shares in circulation - Clariden Leu (CH) Cat Bond Fund CHF IA Class	Number	Number
Number at start of reporting period	414'387.000	275'300.000
Number of shares issued	264'623.000	166'087.000
Number of shares redeemed	-114'427.000	-27'000.000
Number at end of reporting period	564'583.000	414'387.000

Net asset value per share in CHF	109.52	103.91
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Changes in number of shares in circulation - Clariden Leu (CH) Cat Bond Fund EUR A Class	Number	Number
Number at start of reporting period	722'305.000	1'336'103.000
Number of shares issued	133'286.000	136'691.000
Number of shares redeemed	-175'116.000	-750'489
Number at end of reporting period	680'475.000	722'305.000

Net asset value per share in EUR	147.71	141.76
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Changes in number of shares in circulation - Clariden Leu (CH) Cat Bond Fund EUR IA Class	Number
Number at start of reporting period	0.000
Number of shares issued	40'700.000
Number of shares redeemed	0.000
Number at end of reporting period	40'700.000

Net asset value per share in EUR	103.12
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Changes in number of shares in circulation - Clariden Leu (CH) Cat Bond Fund USD A Class	Number	Number
Number at start of reporting period	789'489.000	947'082.000
Number of shares issued	387'911.000	323'526.000
Number of shares redeemed	-252'158.000	-481'119.000
Number at end of reporting period	925'242.000	789'489.000

Net asset value per share in USD	152.86	144.50
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Further information

Derivatives	Underlying equivalent	% of net fund assets	Underlying equivalent	% of net fund assets
	Current year	Current year	Previous year	Previous year
Exposure-increasing derivative positions:				
- Market risk (share price risk)	0.00	0.00	0.00	0.00
- Market risk (interest rate risk)	0.00	0.00	0.00	0.00
- Credit risk	0.00	0.00	0.00	0.00
- Currency risk*	636'408'766.82	81.72	478'261'269.34	80.15
Exposure-reducing derivative positions:				
- Market risk (share price risk)	0.00	0.00	0.00	0.00
- Market risk (interest rate risk)	0.00	0.00	0.00	0.00
- Credit risk	0.00	0.00	0.00	0.00
- Currency risk*	151'282'421.01	19.43	106'885'224.50	17.91

* The above derivatives include the following forex forwards to hedge the currency risks for the following currency classes

CHF Class	495'678'687.07	63.65	336'062'314.42	56.32
EUR Class	140'730'079.75	18.07	142'198'954.91	23.83

Securities lending and borrowing

Volumes of securities lent (market value)	0.00	0.00
Volumes of securities borrowed (market value)	0.00	0.00

Income statement for the period from January 1, 2010 to December 31, 2010

Income statement	from to	01.01.2010 31.12.2010 USD	01.01.2009 31.12.2009 USD
Income			
Income from bank assets		30'145.89	13'357.46
Income from securities			
Income from money market instruments		65'151.57	0.00
Bonds, convertible bonds, bonds with warrants and other debt securities and rights		1'998'538.30	4'832'437.74
Units of other collective investment schemes		0.00	0.00
Current net income paid in on issued shares		-697'812.94	631'254.80
Total income		1'396'022.82	5'477'050.00
Expenses			
Interest paid		-2'472.31	-1'236.34
Swap costs		-3'604'270.37	-4'077'323.31
Remuneration of all-in fee in accordance with fund regulations		-11'049'214.82	-10'357'741.31
Partial carry-forward of remunerations to the fund management company in accordance with the fund regulations to realized capital gains and losses*		1'150'483.64	1'279'323.62
Other expenses		-23'673.42	-5'144.37
Current net income disbursed on redeemed shares		443'077.70	-2'231'767.42
Total expenses		-13'086'069.58	-15'393'889.13
Net income		-11'690'046.76	-9'916'839.13
Partial carry-forward of remunerations to the fund management company in accordance with the fund regulations to realized capital gains and losses*		-1'150'483.64	-1'279'323.62
Capital gains from risk premium		31'105'453.30	34'215'815.89
Realized capital gains / losses on investments		-2'980'484.70	-28'980'139.99
Realized capital gains / losses on forex		40'336'744.00	60'588'276.11
Buying in to accumulated capital gains on issuance of shares		2'931'881.83	2'745'899.04
Disbursement of accumulated capital gain disbursed on redemption of shares		-1'785'765.88	-10'311'553.20
Realized net income		56'767'298.15	47'062'153.10
Unrealized capital gains and losses		19'853'548.41	-5'241'681.82
Overall net income		76'620'846.56	41'820'471.28

*Pursuant to Circular no. 24 Art. 2.1.9.4.2 Deductible Fees

Appropriation of net income	from 01.01.2010	01.01.2009
to	31.12.2010	31.12.2009
	USD	USD
Net income for the accounting year	-11'690'046.76	-9'916'839.13
Amount netted against realized capital gains (Art. 29 VStV)	-11'690'046.76	-9'916'839.13
Capital gains generated during the accounting year earmarked for distribution	0.00	0.00
Capital gains from previous accounting years earmarked for distribution	0.00	0.00
Balance brought forward from previous year	2'651'197.93	4'309'321.43
Net income available for distribution	2'651'197.93	4'309'321.43
Distribution		
Net income earmarked for distribution to investors	0.00	1'658'123.50
Capital gains earmarked for distribution to investors	0.00	0.00
Balance brought forward to new account	2'651'197.93	2'651'197.93

Portfolio composition and changes from January 1, 2010 to December 31, 2010

Name of security	Security number	31.12.2009 Number/nominal	Purchases 1)	Sales 2)	31.12.2010 Number/nominal	Curr.	Market value USD	% of total fund assets
Securities								
Cat bonds traded on an exchange or other regulated market								
EUR Windstorms Europe								
Blue Finance Ltd. Class A	3'538'134	20'650'000	1'500'000	0	22'150'000	EUR	29'389'354	3.76
Blue Finance Ltd. Class B	3'535'676	1'000'000	0	0	1'000'000	USD	987'020	0.13
Calypso Capital Ltd. Class A Series 2010-1	11'952'090	0	24'000'000	0	24'000'000	EUR	32'136'024	4.11
Eurus II Ltd. Cl. A S. 2009-1	10'398'657	8'700'000	0	0	8'700'000	EUR	12'134'842	1.55
Green Fields Capital Ltd. Cl. A Series 2011-I	12'238'169	0	9'000'000	0	9'000'000	EUR	12'073'949	1.54
Green Valley Ltd. Class A Series 1 07/11	3'626'643	11'800'000	4'900'000	0	16'700'000	EUR	22'394'922	2.86
Green Valley Ltd. Class A Series 2 10/12	11'789'796	0	7'000'000	0	7'000'000	EUR	9'397'423	1.20
Nelson Re Ltd. Class I Ser. 2008-1	4'280'042	3'100'000	4'000'000	0	7'100'000	USD	7'074'440	0.90
Queen Street Ltd. Cl. A-1	3'868'672	12'250'000	1'000'000	0	13'250'000	EUR	17'729'320	2.27
Total							143'317'296	18.33
JAP Earthquakes Japan								
Midori Ltd.	3'435'446	18'350'000	0	0	18'350'000	USD	18'381'195	2.35
Muteki Ltd	4'235'034	32'200'000	0	2'500'000	29'700'000	USD	29'863'350	3.82
Total							48'244'545	6.17
JAP Typhoons								
Akibare Ltd. Class A Series 1	3'109'844	8'700'000	0	0	8'700'000	USD	8'760'030	1.12
Akibare Ltd. Class B Series 1	3'109'849	1'250'000	0	0	1'250'000	USD	1'258'500	0.16
Fhu Jin Ltd. Cl. B	2'651'826	19'450'000	6'000'000	0	25'450'000	USD	25'638'330	3.28
Total							35'656'860	4.56
Other								
Atlas V Capital Ltd. Series 1	3'398'194	3'950'000	0	1'700'000	2'250'000	USD	2'385'000	0.31
Atlas V Capital Ltd. Series 3	3'402'519	3'950'000	0	0	3'950'000	USD	4'240'483	0.54
Blue Finance Ltd. Class A II	10'112'488	6'200'000	0	1'500'000	4'700'000	USD	5'014'900	0.64
Caelus Re II Ltd. Class A Series 2010	11'339'716	0	5'250'000	0	5'250'000	USD	5'383'392	0.69
Caelus Re Ltd. Class A Series 2008-1	4'348'742	11'800'000	7'000'000	0	18'800'000	USD	19'025'600	2.43
Calabash Re III Class B-1	10'249'611	1'700'000	0	0	1'700'000	USD	1'748'450	0.22
East Lane Re Ltd. II Series A 2008-I	3'903'924	8'700'000	0	0	8'700'000	USD	8'769'600	1.12
EOS Wind Ltd. Class A	11'336'441	0	3'000'000	0	3'000'000	USD	3'042'546	0.39
Foundation Re III - Class A	10'954'976	0	20'750'000	0	20'750'000	USD	21'323'883	2.73
Ianus Capital Ltd.	10'250'067	7'350'000	0	0	7'350'000	EUR	10'152'260	1.30
Ibis Re Ltd. Class A Ser. 2009	10'160'228	4'800'000	0	1'500'000	1'300'000	USD	1'404'000	0.18
Ibis Re Ltd. Class A Ser. 2010	11'253'912	0	2'000'000	0	2'000'000	USD	2'032'000	0.26
Kortis Capital Ltd. Class E Series 2010-I	12'201'374	0	3'000'000	0	3'000'000	USD	3'000'000	0.38
Lodestone Re Ltd. Class A Series 2010-1	11'272'530	0	5'000'000	0	5'000'000	USD	5'134'130	0.66
Lodestone Re Ltd. Class A-1 Series 2010-II	12'135'686	0	9'000'000	0	9'000'000	USD	9'000'000	1.15
Lodestone Re Ltd. Class A-2 Series 2010-II	12'135'872	0	13'000'000	0	13'000'000	USD	13'000'000	1.66
Lodestone Re Ltd. Class B Series 2010-1	11'272'605	0	9'000'000	0	9'000'000	USD	9'135'000	1.17
Montana Re Ltd. Cl. A Series 2009-I	10'772'956	6'000'000	0	0	6'000'000	USD	6'102'000	0.78
Mystic Re II Series 2009-1	10'029'420	13'550'000	0	7'050'000	6'500'000	USD	6'922'500	0.89
Residential Re 2008 Class 1	4'261'640	11'550'000	0	0	11'550'000	USD	11'730'977	1.50
Residential Re 2008 Class 4	4'261'608	4'800'000	2'000'000	0	9'800'000	USD	9'898'647	1.27
Residential Re 2009 Class 1	10'217'685	1'850'000	0	0	1'850'000	USD	2'017'669	0.26
Residential Re 2009 Class 4	10'217'630	1'850'000	0	0	1'850'000	USD	2'025'750	0.26
Residential Re 2010 -I- Class 1	11'363'838	0	7'000'000	0	7'000'000	USD	7'145'670	0.91
Residential Re 2010 -I- Class 2	11'363'835	0	4'000'000	0	4'000'000	USD	4'160'000	0.53
Residential Re 2010 -I- Class 4	11'363'806	0	3'000'000	0	3'000'000	USD	3'105'000	0.40
Residential Re 2010 -II- Class 1	12'061'976	0	6'500'000	0	6'500'000	USD	6'500'650	0.83
Residential Re 2010 -II- Class 2	12'055'442	0	1'000'000	0	1'000'000	USD	1'000'500	0.13
Successor X Ltd. Class III-R3 Series 2011-I	12'223'544	0	6'000'000	0	6'000'000	USD	6'000'000	0.77
Topiary Capital Ltd. Cl. A S. 2008-1	4'457'647	17'700'000	3'500'000	0	21'200'000	USD	21'364'279	2.73

Name of security	Security number	31.12.2009 Number/nominal	Purchases 1)	Sales 2)	31.12.2010 Number/nominal	Curr.	Market value USD	% of total fund assets
Valais Re Ltd. Class A Series 2008-1	4'269'516	11'350'000	0	500'000	10'850'000	USD	11'025'282	1.41
Valais Re Ltd. Class C Series 2008-1	4'269'119	9'750'000	0	0	9'750'000	USD	10'046'400	1.29
Vega Capital Ltd. Class A Series 2008-1	4'314'896	850'000	0	0	850'000	USD	856'630	0.11
Vega Capital Ltd. Class B Series 2008-1	4'315'025	3'100'000	0	0	3'100'000	USD	3'127'590	0.40
Vega Capital Ltd. Class C Series 2008-1	4'315'559	13'850'000	0	0	13'850'000	USD	14'104'840	1.80
Vega Capital Ltd. Class C Series 2010-1	12'149'149	0	5'000'000	0	5'000'000	USD	5'006'000	0.64
Vita Capital III Ltd. Class A Series 4	3'496'890	7'900'000	2'000'000	0	9'900'000	USD	9'900'000	1.27
Vita Capital III Ltd. Class A Series 7	4'340'762	0	3'500'000	0	3'500'000	EUR	4'648'940	0.59
Vita Capital III Ltd. Class B Series 3	3'719'325	1'000'000	0	0	1'000'000	EUR	1'341'550	0.17
Vita Capital III Ltd. Class B Series 6	2'930'745	1'000'000	0	0	1'000'000	USD	1'000'000	0.13
Vita Capital IV Ltd. Class E Series 2	11'363'857	0	7'500'000	0	7'500'000	USD	7'762'500	0.99
Vita Capital IV Ltd. Class E Series 3	11'905'948	0	10'000'000	0	10'000'000	USD	10'000'000	1.28
Vita Capital IV Ltd. Class E Series 4	11'918'446	0	4'250'000	0	4'250'000	USD	4'250'000	0.54
Vitality Re Ltd. Class A Series 2010-1	12'205'054	0	9'000'000	0	9'000'000	USD	9'000'000	1.15
Total							303'834'618	38.86
US Earthquakes California								
Lakeside Re II Ltd.	10'846'803	10'500'000	0	0	10'500'000	USD	10'941'000	1.40
Redwood Capital XI Ltd. Class E Ser. 09-1	10'836'569	2'100'000	11'250'000	0	13'350'000	USD	13'350'000	1.71
Total							24'291'000	3.11
US Earthquakes Midwest								
Merna Re. II Ltd.	11'183'402	0	18'000'000	0	18'000'000	USD	18'230'400	2.33
Total							18'230'400	2.33
US Hurricanes Northeast								
East Lane Re Ltd. Series A 2007-1	3'072'139	2'700'000	0	0	2'700'000	USD	2'731'120	0.35
East Lane Re Ltd. Series B 2007-1	3'072'070	2'250'000	3'250'000	0	5'500'000	USD	5'571'500	0.71
Longpoint Re II Ltd. Cl. A Series 2009-1	10'834'187	6'000'000	0	0	6'000'000	USD	6'078'000	0.78
Longpoint Re II Ltd. Cl. B Series 2009-1	10'834'228	10'000'000	0	0	10'000'000	USD	10'100'000	1.29
Parkton Re Ltd.	10'400'831	7'900'000	0	0	7'900'000	USD	8'100'186	1.04
Total							32'580'806	4.17
US Hurricanes Southeast								
East Lane Re Ltd. III Series A 2009-1	10'009'685	5'350'000	0	0	5'350'000	USD	5'569'350	0.71
Johnston Re Ltd. Class A Series 2010	11'281'519	0	2'000'000	0	2'000'000	USD	2'020'000	0.26
Johnston Re Ltd. Class B Series 2010	11'281'601	0	3'000'000	0	3'000'000	USD	3'030'000	0.39
Willow Re Ltd. Class D Series 2008-1	4'305'925	3'350'000	0	0	3'350'000	USD	3'368'787	0.43
Total							13'988'137	1.79
Total cat bonds traded on an exchange or other regulated market							630'853'661	80.69
Money market investments traded on an exchange or other regulated market								
ECP Niederlande 14.1.11	12'103'882	0	30'000'000	0	30'000'000	USD	29'996'730	3.84
Total							29'996'730	3.84
Total money market investments traded on an exchange or other regulated market							29'996'730	3.84
Hedge funds not traded on an exchange or other regulated market								
CL (Gue) ILS Plus Fund -I- USD	1'169'737	76	30	0	106	USD	32'015'404	4.10
Total							32'015'404	4.10
Total hedge funds not traded on an exchange or other regulated market							32'015'404	4.10
Structured products traded on an exchange or other regulated market								
Ct CL on USA Nat Perils Cat Der Trx Jun13	11'640'749	0	10'000'000	0	10'000'000	USD	10'710'000	1.38
Total							10'710'000	1.38
Total structured products traded on an exchange or other regulated market							10'710'000	1.38
Total securities							692'865'794	88.62

Name of security	Security number	31.12.2009 Number/nominal	Purchases 1)	Sales 2)	31.12.2010 Number/nominal	Curr.	Market value USD	% of total fund assets
Derivative financial instruments traded on an exchange or other regulated market								
Forward foreign exchange transactions								
Buy EUR / Sell USD Forward 31.01.2011					100'699'000	USD	1'666'563	0.21
Buy EUR / Sell USD Forward 31.01.2011					4'205'000	USD	69'593	0.01
Sell EUR / Buy USD Forward 31.01.2011					112'770'000	USD	-1'871'975	-0.24
Buy CHF / Sell USD Forward 31.01.2011					401'960'000	USD	6'303'578	0.81
Buy CHF / Sell USD Forward 31.01.2011					59'902'000	USD	939'389	0.12
Total							7'107'147	0.91
Total forward foreign exchange transactions							7'107'147	0.91
Total derivative financial instruments traded on an exchange or other regulated market							7'107'147	0.91
Bank assets								
Call deposits							77'695'573	9.94
Time deposits							0	0.00
Total bank assets							77'695'573	9.94
Other assets							4'140'735	0.53
Total assets at end of reporting period							781'809'250	100.00
Due to banks							-2'558	0.00
Other liabilities							-3'051'775	-0.38
Net assets at end of reporting period							778'754'917	99.61
Securities lent								
none							0	0.00
Total lent securities							0	0.00
Conversion rates								
Foreign currency / fund currency								
CHF / USD							0.93210000	
EUR / USD							0.74540647	

1) incl. name changes, splits, mergers, conversions, bonus securities, stock dividends

2) incl. name changes, mergers, conversions, cancellation as a result of expiry

Note to annual report: any discrepancies in the totals are due to rounding differences.

Transactions within the reporting period without an impact on the securities portfolio as at December 31, 2010

Name of security	Security number	31.12.2009 Number/nominal	Purchases 1)	Sales 2)	31.12.2010 Number/nominal	Curr.
Securities						
Cat bonds traded on an exchange or other regulated market						
Other						
Atlas Re III	2'854'697	15'400'000	0	15'400'000	0	EUR
Calabash Re II Class D-1	2'854'103	10'550'000	0	10'550'000	0	USD
Calabash Re II Class E-1	2'854'084	17'000'000	0	17'000'000	0	USD
Calabash Re III Class A-1	10'249'438	850'000	0	850'000	0	USD
ECP Caisse des Depots et Consignations 9.8.10	11'397'247	0	20'000'000	20'000'000	0	USD
Foundation Re - Series 2006-I - Class D	2'451'953	6'350'000	1'500'000	7'850'000	0	USD
Foundation Re II - Series 2006-I - Class A	2'789'834	0	5'400'000	5'400'000	0	USD
Fremantle Ltd. Class C Ser. 2007-1	3'203'015	14'100'000	0	14'100'000	0	USD
Kamp Re 2005	2'227'578	6'500'000	0	6'500'000	0	USD
Medquake Ltd. Class A Series 1	3'140'087	15'500'000	0	15'500'000	0	USD
Nelson Re Ltd. Class A Ser. 2007-1	3'190'314	1'850'000	0	1'850'000	0	USD
Newton Re Ltd. Class A Ser. 2007-1	3'636'142	5'200'000	0	5'200'000	0	USD
Newton Re Ltd. Class B Ser. 2007-1	3'636'143	3'500'000	2'500'000	6'000'000	0	USD
Osiris Capital B-2	2'780'442	1'500'000	0	1'500'000	0	EUR
Osiris Capital C-3	2'780'273	15'750'000	0	15'750'000	0	USD
Osiris Capital D-3	2'779'977	9'500'000	0	9'500'000	0	USD
Residential Re 2007 Class 1	3'117'525	19'300'000	0	19'300'000	0	USD
Residential Re 2007 Class 3	3'117'542	5'200'000	0	5'200'000	0	USD
Residential Re 2007 Class 4	3'117'554	1'900'000	6'000'000	7'900'000	0	USD
Residential Re 2007 Class 5	3'117'557	2'700'000	6'000'000	8'700'000	0	USD
Successor X Ltd. Cl. I-U1 Series 2009-I	10'775'924	3'750'000	0	3'750'000	0	USD
Vita Capital II Ltd. Class C	2'171'460	2'000'000	0	2'000'000	0	USD
Vita Capital II Ltd. Class D	2'649'754	9'200'000	0	9'200'000	0	USD
US Hurricanes Northeast						
Longpoint Re Ltd. Cl. A Series 2007	3'088'825	5'200'000	2'000'000	7'200'000	0	USD
US Hurricanes Southeast						
Blue Coast Ltd. Class A1	4'454'641	11'800'000	0	11'800'000	0	USD
Money market investments traded on an exchange or other regulated market						
Other						
ECP Landwirtschaftliche Rentenbank 7.9.10	11'397'121	0	20'000'000	20'000'000	0	USD
ECP Nederlandse Waterschapsbank NV 21.10.10	11'700'336	0	30'000'000	30'000'000	0	USD
ECP Nederlandse Waterschapsbank NV 30.11.10	11'914'482	0	30'000'000	30'000'000	0	USD
ECP SNCF 29.6.10	11'395'935	0	10'000'000	10'000'000	0	USD
ECP SNCF 29.7.10	11'481'079	0	10'000'000	10'000'000	0	USD
ECP SNCF 30.8.10	11'579'930	0	10'000'000	10'000'000	0	USD

1) incl. name changes, splits, mergers, conversions, bonus securities, stock dividends

2) incl. name changes, mergers, conversions, cancellation as a result of expiry

Note to annual report: any discrepancies in the totals are due to rounding differences.

Information on matters of particular economic or legal significance

On June 10, 2010, Swiss Investment Company SIC Ltd. as the fund management company informed investors in Clariden Leu (CH) Cat Bond Fund, a contractual investment fund under Swiss law (type: “other funds for traditional investments”), by way of notice in the official publication media of the fund that the issue of shares in all classes would be suspended with immediate effect pursuant to §17.4 of the Fund Contract, given that the investment demand had exceeded the investment opportunities and the investment objective could no longer be achieved in the event of further subscriptions. Subscription orders received by the custodian bank by 12 noon on May 20, 2010 were duly settled. The ordinary redemption of shares was not affected by this decision and remained possible as before.

On November 10, 2010, Swiss Investment Company SIC Ltd. as the fund management company informed investors in Clariden Leu (CH) Cat Bond Fund, a contractual investment fund under Swiss law (type: “other funds for traditional investments”), by way of notice in the official publication media of the fund that subscription orders would again be accepted with immediate effect and shares in all classes would again be issued pursuant to §17.1 of the Fund Contract. The investment demand can again be fully covered by the investment opportunities available.

Principles for valuation and calculation of the net asset value (excerpt from the Fund Contract)

1. The net asset value of the Fund and the proportions attributable to the individual Classes are calculated in the accounting currency at the market value as of the end of the financial year and on the last bank business day in Zurich each month.
2. Listed securities or securities traded on another regulated market open to the public are to be valued at the current prices paid on the main market. Other investments or investments for which no current market value is available are to be valued at the price which would probably be obtained in a diligent sale at the time of the valuation. In such cases, the Fund Management Company will use appropriate and recognized valuation models and principles to determine the market value.
3. For investments traded over the counter (OTC), the best bid price of a financial intermediary (in accordance with §8.4a) available to the Fund Management Company on the last bank business day of the current month will apply.
4. Open-ended collective investment schemes are valued at their redemption price/net asset value. If they are regularly traded on a stock exchange or another regulated market open to the public, the Fund Management Company may value them in accordance with Section 2.
5. The value of money market instruments not traded on an exchange or other regulated market open to the public is determined as follows: the valuation price of such investments is successively adjusted in line with the repayment price, taking the net purchase price as the basis and ensuring that the investment returns calculated in this manner are kept constant. If market conditions change significantly, the valuation basis for the individual investments is adjusted to reflect the new market rate of return. If no current market price exists, the basis taken will, as a rule, be the valuation of money market instruments with similar characteristics (issuer quality and place of domicile, issue currency, maturity).
6. Bank deposits are valued on the basis of the amount due plus accrued interest. If there are significant changes in market conditions or credit rating, the valuation principles for time deposits will be adjusted in line with the new circumstances.
7. The net asset value per unit of a given class is determined by the proportion of the market value of the Fund's assets attributable to that Share Class, minus any of the Fund's liabilities that are attributed to that Share Class, divided by the number of Shares of that Class in circulation. It is rounded to 1/100 of one unit of the reference currency of the Share Class concerned.
8. The proportion of the market value of the Fund's net assets (the Fund's assets minus its liabilities) attributable to the individual Share Classes is determined for the first time at the initial issue of more than one Class of Shares (if this occurs simultaneously) or the initial issue of a further Share Class. The calculation is made on the basis of the assets accruing to the Fund for each Share Class. The proportion is recalculated when one of the following events occurs:
 - a) when Shares are issued and redeemed;
 - b) on the pertinent date for distributions, provided that (i) such distributions are only made for individual Share Classes (distribution classes) or provided that (ii) the distributions of the various Share Classes differ when expressed as a percentage of the respective net asset values or provided that (iii) different commissions or costs are charged on the distributions of the various Share Classes when expressed as a percentage of the distribution;
 - c) when the net asset value is calculated, as part of the allocation of liabilities (including due or accrued costs and commissions) to the various Share Classes, provided that the liabilities of the various Share Classes are different when expressed as a percentage of the respective net asset value, especially if (i) different commission rates are applied for the various Share Classes or if (ii) class-specific costs are charged;
 - d) when the net asset value is calculated, as part of the allocation of income or capital gains to the various Share Classes, provided the income or capital gains stem from transactions made solely in the interests of one Share Class or in the interests of several Share Classes but disproportionately to their proportion of the net fund assets.

Notes to the Annual Report as at December 31, 2010

Note 1: Sales restrictions US.

Under US law, shares in the fund may not be offered, sold or delivered in the US. Investors who are US citizens or are otherwise subject to US income tax are therefore advised to consult a tax advisor prior to buying shares in the fund, as such investment may result in adverse consequences for such investors under US tax law.

Note 2: Facts and figures.

The facts and figures in this report are historical. They may not be understood as a guarantee of future performance.

Note 3: Use of derivative financial instruments.

The transactions in derivative financial instruments made in accordance with the provisions of the fund regulations are based in terms of their use, valuation, and recording on the guidelines of Swiss Investment Company SIC Ltd., as well as on the corresponding provisions of the CISA, the CISO and Articles 25 to 50 of FINMA's Ordinance on Collective Investment Schemes (CISO-FINMA).

Note 4: Information regarding the SFA's Guidelines on Transparency with Regard to Management Fees.

The fund management company may pay reimbursements from the distribution component of the management fees to the following institutional investors who, from the commercial perspective, hold fund shares for third parties:

- life insurance companies
- pension funds and other retirement provision institutions
- investment foundations
- Swiss fund management companies
- foreign fund management companies and providers
- investment companies

The fund management company may also pay trailer fees from the distribution component to the following distributors and sales partners:

- authorized distributors
- fund management companies, banks, securities dealers, Swiss Post and insurance companies
- sales partners who place fund shares exclusively with institutional investors with professional treasury facilities
- asset managers

Note 5: Key figures

Total Expense Ratio (TER)

The Total Expense Ratio (TER) represents the sum of all periodic costs and commissions charged to the net assets, calculated retroactively as a percentage of the net assets.

Portfolio Turnover Rate (PTR)

The PTR gives an indication of the trading activity of the fund (excluding purchases and sales due to subscriptions and redemptions) and is expressed as a percentage of the average fund assets over the past twelve months. The PTR is calculated in accordance with the SFA Guidelines.

Clariden Leu Ltd
Investment Funds
Bahnhofstrasse 32
CH-8070 Zurich
Tel. +41 844 844 001
funds@claridenleu.com
www.claridenleu.com