

Fund and Class of Shares

ISIN:

Magna Eastern European Fund A Class Shares [^]	IE0032311536
Magna Eastern European Fund C Class Shares	IE0032812996
Magna Eastern European Fund D Class Shares [^]	IE00B06FZS13
Magna Eastern European Fund N Class Shares ^{^†}	IE00B3QWH106
Magna Eastern European Fund R Class Shares	IE00B3Q7LD52
Magna Russia Fund A Class Shares [^]	IE0032311312
Magna Russia Fund C Class Shares	IE0032311429
Magna Russia Fund D Class Shares [^]	IE00B06FZV42
Magna Russia Fund N Class Shares [^]	IE00B3QKLC38
Magna Russia Fund R Class Shares	IE00B3Q7B918
Magna Global Emerging Markets Fund A Class Shares [^]	IE0033224449
Magna Global Emerging Markets Fund B Class Shares [^]	IE00B06FZZ89
Magna Global Emerging Markets Fund C Class Shares	IE0033224555
Magna Global Emerging Markets Fund D Class Shares [^]	IE00B06G0015
Magna Global Emerging Markets Fund N Class Shares [^]	IE00B3RZ5K39
Magna Global Emerging Markets Fund R Class Shares	IE00B3RZ9J04
Magna Turkey Fund A Class Shares	IE00B04R3968
Magna Turkey Fund B Class Shares	IE00B06G0239
Magna Turkey Fund C Class Shares	IE00B04R3B82
Magna Turkey Fund N Class Shares	IE00B3QPKL09
Magna Turkey Fund R Class Shares	IE00B3NNLL45
Magna Latin American Fund A Class Shares [^]	IE00B04R3C99
Magna Latin American Fund C Class Shares	IE00B04R3D07
Magna Latin American Fund D Class Shares [^]	IE00B06G0569
Magna Latin American Fund N Class Shares [^]	IE00B3QJTL57
Magna Latin American Fund R Class Shares	IE00B3QHJ640
Magna Africa Fund A Class Shares	IE00B0TB5201
Magna Africa Fund B Class Shares	IE00BIY4QT50
Magna Africa Fund C Class Shares	IE00B0TB5318
Magna Africa Fund D Class Shares	IE00BIY4QV72
Magna Africa Fund N Class Shares	IE00B3NP9C76
Magna Africa Fund R Class Shares	IE00B3Q79R51
Magna Asia Fund A Class Shares [#]	IE00B15CF910
Magna Asia Fund C Class Shares [#]	IE00B15CFC41
Magna Asia Fund D Class Shares [#]	IE00B15CFD57
Magna Asia Fund N Class Shares [#]	IE00B3QLFT10
Magna Asia Fund R Class Shares [#]	IE00B3QPK872
Magna MENA Fund N Class Shares	IE00B3QPMN62 †
Magna MENA Fund R Class Shares	IE00B3NMJY03 †
Magna Undervalued Assets Fund N Class Shares	IE00B6821Z12
Magna Undervalued Assets Fund R Class Shares	IE00B3LZ5109
Magna Emerging Markets Dividend Fund N Accumulating Class Shares ("N Acc Class Shares")	IE00B3MQTC12
Magna Emerging Markets Dividend Fund N Distribution Class Shares ("N Dist Class Shares")	IE00B3PFZ055
Magna Emerging Markets Dividend Fund R Accumulating Class Shares ("R Acc Class Shares")	IE00B670Y570
Magna Emerging Markets Dividend Fund R Distribution Class Shares ("R Dist Class Shares")	IE00B671B485
Magna Emerging Markets Dividend Fund S Class Shares	IE00B66GRH95

^α Magna India Fund launched 21 December 2005 and subsequently fully redeemed on 30 April 2010. Its authorisation was revoked at the request of the Company by the Central Bank of Ireland on 23 August 2010.

[†] Magna MENA Fund launched 21 July 2008 and fully redeemed on 23 December 2008 and subsequently relaunched on 22 February 2011.

[^] Effective 31 December 2010 A, B, D and N share classes in Magna Eastern European Fund, Magna Russia Fund, Magna Global Emerging Markets Fund and Magna Latin American Fund were closed to further subscriptions.

[#] Magna Asia Fund was fully redeemed 15 October 2010.

[‡] Effective 6 December 2010 share class fully redeemed and delisted from the Irish Stock Exchange.

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Additional Information for Swiss Investors

The prospectus, simplified prospectus, articles of association, annual report and semi-annual report, and the list of the buying and selling transactions are available upon request from the office of the Swiss representative and the paying agent in Switzerland free of charge. All information available in Ireland is also available at the representative and paying agent in Switzerland.

Additional Information for German Investors

A copy of the complete and simplified prospectus as well as detailed portfolio information is available on request, free of charge, at the German Paying and Information Agent. All information available in Ireland is also available at the German paying agent and information agent.

Management and Administration

Directors

Mr Steven Bates (British) *
Mr Jonathan Bradley (British) *
Mr Fergus Sheridan (Irish) *
Mr David Shubotham (Irish) *
Mr Anderson Whamond (British)

* Independent Directors. All Directors are non-executive.

Investment Manager

Charlemagne Capital (IOM) Limited
St. Mary's Court, 20 Hill Street
Douglas
Isle of Man IM1 1EU
British Isles

Administrator and Registrar

BNY Mellon Investment Servicing (International) Limited††
Riverside Two
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

Sponsor

Charlemagne Capital (IOM) Limited
St. Mary's Court, 20 Hill Street
Douglas
Isle of Man IM1 1EU
British Isles

Paying & Information Agent – Germany

Marcard Stein and Co. AG
Ballindamm 36
20095 Hamburg
Germany

Paying Agent – Luxembourg

Banque de Luxembourg
Société Anonyme
14 Boulevard Royal
L-2449 Luxembourg

Paying Agent – Switzerland

Banque Cantonale de Genève
17, quai de l'Île
1204 Geneva
Switzerland

Paying Agent- Sweden ‡

SEB
ST- H1
Stockholm, SE- 10640
Sweden

Tax Representative – Germany

KPMG Deutsche Treuhand Gesellschaft
Aktiengesellschaft
Marie Curie Strasse 30
60439 Frankfurt am Main, Germany

Custodian

BNY Mellon International Bank Limited †
Riverside Two
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

Investment Adviser and Share Distributor

Charlemagne Capital (UK) Limited
39 St. James's Street
London SW1A 1JD
United Kingdom

Company Secretary

Tudor Trust Limited
33 Sir John Rogerson's Quay
Dublin 2
Ireland

Auditor

KPMG
Chartered Accountants
1 Harbourmaster Place, IFSC
Dublin 1
Ireland

Paying and Information Agent – Austria

Raiffeisen Bank International AG
Am Stadtpark 9
A-1030 Vienna
Austria

Representative – Switzerland

Carnegie Fund Services SA
11, rue du Général-Dufour
1204 Geneva
Switzerland

Tax Representative – Austria

KPMG Alpen-Treuhand GmbH
Wirtschaftsprüfungs-und Steuerberatungs Gellschaft
Porzellangasse 51
A-1090 Vienna
Austria

Representative – France

Société Générale Securities Services
52-56 rue de la Victoire
75009 Paris
France

Irish Regulatory Management

Bridge Consulting
33 Sir John Rogerson's Quay
Dublin 2
Ireland

Management and Administration continued

Sponsoring Broker

J & E Davy
Davy House
49 Dawson Street
Dublin 2
Ireland

Registered Office of the Company

Riverside Two
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

Registered Number

277318

Legal Advisers to the Company

In Ireland

Dillon Eustace
33 Sir John Rogerson's Quay
Dublin 2
Ireland

In Austria

Freshfields Bruckhaus Deringer LLP
Seilergasse 16
1010 Wien
Austria

In Germany

White & Case LLP‡
Bockenheimer Landstraße 20
60323 Frankfurt Am Main
Germany

In Luxembourg

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2, Place Winston Churchill
B.P. 425
L-2014 Luxembourg

In The Netherlands

De Brauw Blackstone Westbroek
The Rock
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1082 MD Amsterdam
The Netherlands

In Denmark

Kroman Reumert
Sund Krogsbade 5
2100 Copenhagen
Denmark

In United States (with respect to U.S. Legal Issues)

Dechart LLP*
160 Queen Victoria Street
London EC4V 4QQ
England

In Singapore

Drew & Napier LLC
10 Collyer Quay
No 10-01 Ocean Financial Centre
Singapore 049315

In France

Latham & Watkins LLP
53, quai d'Orsay
75007 Paris
France

In Italy

Galante & Associati Studio Legale
Via del Consolato, 6
I-00186 Roma
Italy

In England

Stephenson Harwood
One, St Paul's Churchyard
London EC4M 8SH
United Kingdom

In Sweden

Advokatfirman Vinge KB
Stallgatan 4
Box 1064
SE-251 20

In Finland

Asianajotoimisto Merilampi Oy
Lönrotinkatu 5
FI-00120 Helsinki
Finland

In Switzerland

Carnegie Fund Services SA
11 rue du Général-Dufour
1204 Geneva
Switzerland

Effective 1 February 2010, Fastnet Netherlands N.V. no longer acts as a representative of the Company.

† Effective 1 July 2010 PNC International Bank Limited changed its name to BNY Mellon International Bank Limited.

†† Effective 1 July 2010 PNC Global Investment Servicing (Europe) Limited changed its name to BNY Mellon Investment Servicing (International) Limited.

‡ Effective 1 June 2010 White & Case replaced Freshfields Bruckhaus Deringer LLP legal counsel in Germany.

‡ Effective 10 January 2011 SEB was appointed as paying agent in Sweden.

* Effective 1 January 2011 Dechart LLP replaced Seward & Kissel LLP as legal counsel in the United States.

Reports of the Directors

The Directors present to the Shareholders the Annual Report together with the audited financial statements for Magna Umbrella Fund plc (the “Company”) for the year 1 January 2010 to 31 December 2010.

Results, Activities and Future Developments

The results of operations are set out on in the Profit and Loss account. A detailed review of activities and future developments is contained in the Reports of the Investment Manager.

Umbrella Structure

The Company is an umbrella fund consisting of different funds (the “Funds”) comprising of one or more class of share. Each Fund’s share class ranks pari passu with each other in all respects although they may differ as to certain matters including currency of denomination, dividend policy, the level of fees and expenses to be charged, subscription or redemption procedures or the minimum subscription and minimum holding amount. The assets of each Fund are separate from one another and are invested separately in accordance with the investment objective and policies of each Fund. A separate portfolio of assets is not maintained for each share class. The investment objective and policies and other details in relation to each Fund are set out in the relevant supplement which forms part of and should be read in conjunction with the prospectus dated 27 October 2010, which is in accordance with the UCITS Directive. The Company is approved by the Central Bank of Ireland (formerly known as the Irish Financial Services Regulatory Authority) as a UCITS Investment vehicle. As at 31 December 2010 the Company has established ten Funds (2009: nine funds). Additional Funds in respect of which a supplement or supplements will be issued may be established by the Directors with the prior approval of the Central Bank of Ireland.

Changes in Directors

Listed below are the Directors who held office during the year 1 January 2010 to 31 December 2010. All Directors served for the entire year.

Mr Steven Bates (British)
Mr Jonathan Bradley (British)
Mr Fergus Sheridan (Irish)
Mr David Shubotham (Irish)
Mr Anderson Whamond (British)

Directors’ and Other Interests

Investors’ attention is drawn to note 5 of the Notes to the Financial Statements.

Dividend Policy

The N Dist, R Dist and S Class Shares are distributing Classes.

The B, C, N and R Class Shares of each Fund are classified as Reporting Funds under the United Kingdom Inland Revenue reporting fund regime. It is intended that any distribution made in respect of B, C, N and R Class Shares, if applicable, shall be declared in general meeting, which will typically be called within four months from the end of the relevant accountable period and shall be paid within six months from the end of the relevant accountable period. It is not intended that application will be made to obtain classification under the reporting fund regime for the S Share Class. Investors holding S Class Shares are advised however that income attributable to the S Share Class shall be the net income attributable to the S Class Shares after deduction of expenses in the same manner as income attributable to the, N Dist and R Dist Classes is calculated.

The N Dist, R Dist and S Class Shares shall, if applicable, pay distributions in respect of each Accounting Period and half-yearly accounting period as may from time to time be determined by the Directors, in their absolute discretion and such distributions in respect of the N Dist, R Dist and S Class Shares shall be paid within six months of the relevant Accounting Date or half-yearly accounting date as appropriate. The amount of the distribution (if any) for any Accounting Period or half-yearly accounting period as appropriate shall be determined by the Directors and any sums not distributed will be accumulated and reflected in the Net Asset Value of the B, C, N, N Dist, R, R Dist and S Class Shares as appropriate.

Any distributions, which remain unclaimed for six years from the date on which they become payable, shall be forfeited and shall become assets of the relevant Fund.

Books of Account

The Directors believe that they have complied with the requirements of section 202 of the Companies Act, 1990 with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account are kept at the offices of BNY Mellon Investment Servicing (International) Limited, Riverside Two, Sir John Rogerson’s Quay, Grand Canal Dock, Dublin 2, Ireland.

Report of the Directors continued

Irish Regulatory Management

The Directors have appointed Bridge Consulting, an independent outsourcing service for Irish UCITS funds and management companies as required by the Central Bank of Ireland. Bridge Consulting's oversight of the Company enables the Directors to receive additional assurance that operations are being conducted to a consistently high standard. Two members of Bridge Consulting staff, David Hammond and Tara Gordon, are approved by the Central Bank of Ireland to carry out the designated individual work on behalf of the Company.

Fair Value Regulations and Modernisation Directive

It is the opinion of the Board of Directors that the information required by the Modernisation Directive and Fair Value Directive and European Communities (Fair Value Accounting) Regulations 2004, is contained in the Reports of the Investment Manager and in note 13 to the financial statements.

Non-Disclosure Agreement

Shareholders are advised that they may request detailed portfolio information in respect of the Fund in which they are invested and that they will be furnished with such additional information in a standard format subject to the execution of a Non-Disclosure Agreement between the Shareholder and the Company. Pursuant to the terms of the Non-Disclosure Agreement, Shareholders will warrant to the Company that they will keep the portfolio information supplied confidential and will not disclose such information to any third party. The Directors confirm that this information is available to all Shareholders subject to the execution of a Non-Disclosure Agreement and that no Shareholder shall be disadvantaged by the provision of this information to any Shareholder.

Independent Auditors

KPMG, Chartered Accountants, have expressed their willingness to continue in office in accordance with Section 160(2) of the Companies Act, 1963.

Post Balance Sheet Events

Effective 21 February 2011 a revised prospectus was issued the main provision of which was the inclusion of a supplement establishing a new fund, Magna New Frontiers Fund. On 18 February 2011, updated Articles of Association of the Company were approved by shareholders at an extraordinary general meeting.

Magna MENA Fund re-launched with effect from 22 February 2011. Magna New Frontiers Fund launched on 16 March 2011.

There have been no other material events since 31 December 2010.

Corporate Governance Statement

Although there is no specific statutory corporate governance code applicable to Irish collective investment schemes whose shares are admitted to trading on the Irish Stock Exchange, the Company is subject to corporate governance practices imposed by:

1. The Irish Companies Acts 1963 to 2009 and the UCITS Regulations which are available for inspection at the registered office of the Company and may also be obtained at www.irishstatutebook.ie.
2. The Articles of Association of the Company which are available for inspection at the registered office of the Company and at the Companies Registration Office in Ireland.
3. The Central Bank of Ireland in its UCITS Notices and Guidance Notes which can be obtained from the Central Bank of Ireland's website at: www.financialregulator.ie and are available for inspection at the registered office of the Company.
4. The Irish Stock Exchange ("ISE") through the ISE Code of Listing Requirements and Procedures which can be obtained from the ISE's website at www.ise.ie.
5. The business plan in respect of the Company which is available for inspection at the registered office of the Company.

A corporate governance code ("the IFIA Code") was issued by the Irish Funds Industry Association in September 2010 that may be adopted on a voluntary basis by Irish authorized collective investment schemes. It should be noted that the IFIA Code reflects existing corporate governance practices imposed on Irish collective investment schemes, as noted above. The Board of Directors (the "Board") has put in place a framework for corporate governance which it believes is suitable for an investment company and which enables the Company to comply voluntarily with the main requirements of the IFIA Code, which sets out principles of good governance and a code of best practice.

The Company does not apply additional corporate governance requirements beyond those required by the above.

Report of the Directors continued

Financial Reporting Process – description of main features

The Company has appointed BNY Mellon Investment Servicing (International) Limited (the “Administrator”) as its administrator consistent with the regulatory framework applicable to investment fund companies such as the Company. The Board has delegated to the Administrator, the responsibility for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of error or fraud in achieving the Company’s financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Administrator is authorised and regulated by the Central Bank of Ireland and must comply with the rules imposed by the Central Bank of Ireland.

The Board has procedures in place to ensure all relevant books of account are properly maintained and are readily available, including the production of annual and half-yearly financial statements. The annual and half-yearly financial statements of the Company are required to be approved by the Board and the annual and half-yearly financial statements of the Company are required to be filed with the Central Bank of Ireland and the Irish Stock Exchange. The statutory financial statements are required to be audited by independent auditors who report annually to the Board of Directors on their findings. The Board, from time to time, examines and evaluates the Administrator’s financial accounting and reporting routines and monitors and evaluates the external auditors’ performance, qualifications, and independence.

The Board of Directors evaluates and discusses significant accounting and reporting issues as the need arises.

Monitoring

The Board receives regular presentations and reviews reports from the Custodian, Investment Manager and Administrator. The Board also has an annual process to ensure that appropriate measures are taken to consider and address any control weaknesses identified and measures recommended by the independent auditors.

Capital structure

No person has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the Company’s share capital. There are no restrictions on voting rights.

Composition and operation of the board of directors

For the appointment and replacement of Directors, the Company is governed by its Articles of Association. There are five Directors currently, all of whom are non-executive and four of whom are independent of the Investment Manager. None of the Directors have entered into an employment or service contract with the Company. All related party transactions during the year are detailed in note 5 to the financial statements. The Articles of Association do not provide for retirement of Directors by rotation.

However, the Directors may be removed by the shareholders by ordinary resolution in accordance with the Articles of Association. The Board meets at least four times a year. There are no subcommittees of the Board.

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. Subject to its supervision and direction the Board has delegated the day to day administration of the Company to the Administrator and the investment management and distribution functions to Charlemagne Capital (IOM) Limited as the Investment Manager. The Company has appointed BNY Mellon International Bank Limited as the Custodian to the Company with responsibility for the safekeeping of the assets of the Company.

Shareholder meetings

The convening and conduct of shareholders’ meetings are governed by the Articles of Association of the Company and the Companies Acts. Although the directors may convene an extraordinary general meeting of the Company at any time, the directors are required to convene an annual general meeting of the Company within fifteen months of the date of the previous Annual General Meeting. The Annual General Meeting of the Company will usually be held in Dublin, normally during the month of May or such other date as the Directors may determine. Notice convening the Annual General Meeting in each year at which the audited financial statements of the Company will be presented (together with the Directors’ and Auditors’ Reports of the Company) and will be sent to shareholders at their registered addresses not less than 21 days before the date fixed for the meeting. Other general meetings may be convened from time to time by the Directors in such manner as provided by Irish law.

At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands a poll is demanded by the chairman or by at least three Members present in person or by proxy or any Shareholder or Shareholders present in person or by proxy representing at least one tenth of the Shares in issue having the right to vote at the meeting. On a show of hands every Member present in person or by proxy shall be entitled to one vote. On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every holder of Non-Participating Shares shall

Report of the Directors continued

be entitled to one vote in respect of all Non-Participating Shares held by him. A Shareholder entitled to more than one vote need not cast all his votes, or cast all the votes he uses in the same way;

No business shall be transacted at any shareholder meeting unless a quorum is present. Two shareholders present either in person or by proxy shall be a quorum for a general meeting. If within half an hour after the time appointed for a meeting a quorum is not present, the meeting, if convened on the requisition of or by shareholders, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine. One shareholder present either in person or by proxy shall be a quorum for any such adjourned meeting.

Shareholders may resolve to sanction an ordinary resolution or special resolution at a shareholders' meeting. An ordinary resolution of the Company, or of the shareholders of a particular Sub-Fund or Share Class, requires a simple majority of the votes cast by the shareholders voting in person or by proxy at the meeting at which the resolution is proposed. A special resolution of the Company, or of the shareholders of a particular Sub-Fund or Share Class, requires a majority of not less than 75% of the shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles of Association.

On behalf of the Board of Directors:

Director:

Director:

Date: 29 March 2011

Report of the Investment Manager

Magna Eastern European Fund

Reporting Period: 1 January 2010 to 31 December 2010

Reporting Currency: EUR

Fund Return C Class Shares: 26.40%



(Chart rebased to 31 Dec 2009 = 100 Source: Charlemagne)

Magna Eastern European

As at 31 December 2010

Top 10 Holdings	Fund Weight
Lukoil OAO ADR	9.6%
Sberbank of Russian Federation	9.5%
Gazprom OAO ADR	8.4%
MMC Norilsk Nickel ADR	6.1%
Turkiye Garanti Bank AS	5.2%
PKO Bank Polski SA	4.5%
MOL Hungarian Oil and Gas PLC	3.8%
KGHM Polska Miedz SA	3.2%
Rosneft Oil Co GDR	2.7%
Bank Pekao SA	2.7%

Gains amongst Eastern European stockmarkets were biased towards the second half of the year after share prices suffered, particularly over the second quarter, on growing concerns for the financial position of the euro zone. Higher commodity prices and the strength of domestic economic activity were supporting factors. Turkey was especially vibrant though the stockmarket here succumbed to late profit taking. Share prices in Hungary and the Czech Republic were held back by austerity programmes necessary to restore public finances to stability.

The performance of the Fund was again primarily due to its stock selection. Several off-benchmark positions performed especially well. These included IBS, a Russian IT consultancy, which had suffered harshly in the market downturn but now recovered strongly, finding investor support as it increased the frequency of its investor updates and revealed revenues ahead of expectations together with a strong recovery in margins. The Turkish airports operator TAV, another off-benchmark position, also added significant value with its share price sharply higher as its flagship Istanbul Airport looked set to become the hub for the booming regional economy. The downside over the year was largely focused on the Oil & Gas sector, particularly in Russia. Share prices here generally failed to keep up with the rising price of crude oil, and were unusually volatile with the government at times suggesting tax concessions to promote the development of new oil fields and at other times hinting that taxes would rise to help fund its budget deficit. Gazprom, Rosneft and LUKOIL all saw their share prices fall over the year as a whole.

A number of changes were made to the Fund's portfolio over the period under review. Some of these followed initial public offerings, with the primary market in new share issues particularly buoyant and symptomatic of renewed investor confidence. New additions included the Hungarian-based energy group MOL, with its licence to explore Iraqi Kurdistan especially attractive, and the Russian retailer X5 which is set to benefit from the consolidation that is likely to occur within the currently highly fragmented retail sector. Divestments included two Russian telecommunication groups, VimpelCom and MTS after the former went ahead with plans to merge with Orascom Telecom of Egypt, a transaction of dubious value.

Prospects for Eastern Europe remain positive; economic activity is growing rapidly, political developments, to the extent that these can be anticipated, seem likely to be benign, whilst at the same time share price valuations remain reasonable.

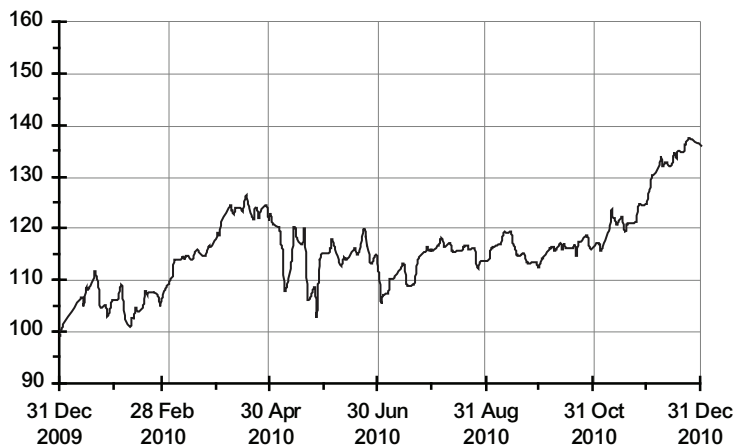
Report of the Investment Manager continued

Magna Russia Fund

Reporting Period: 1 January 2010 to 31 December 2010

Reporting Currency: EUR

Fund Return C Class Shares: 35.20%



Magna Russia

As at 31 December 2010

Top 10 Holdings	Fund Weight
Lukoil OAO ADR	9.6%
MMC Norilsk Nickel ADR	9.5%
Sberbank of Russian Federation	9.1%
Gazprom OAO ADR	8.8%
Rosneft oil Co GDR	4.7%
Mechel OAO ADR	4.5%
Polyus Gold OJSC ADR	3.1%
Severstal OAO GDR	3.1%
RusHydro ADR	3.0%
Uralkali GDR	2.8%

(Chart rebased to 31 Dec 2009 = 100 Source: Charlemagne)

The Russian stockmarket made significant gains over the year, initially helped by clear evidence of economic recovery and further interest rate cuts from the Bank of Russia and then receiving later support from the strength of commodity prices, with oil moving up towards USD 100 per barrel. Although the Russian stockmarket, in common with other world stockmarkets, came under some downward pressure from the deteriorating financial position of some euro zone countries, investor sentiment remained generally positive. This was illustrated by a recovery in the primary markets for raising capital with a number of successful initial public offerings as well as the government's first international eurobond issue since its 1998 default.

A number of the Fund's holdings added significant value over the period under review. These included the regional electricity generator OGK-4, with its share price rising sharply in the belief that its foreign management team would give it an advantage as the industry underwent a restructuring. With many of the larger companies having enjoyed a strong share price recovery in 2009, investors seemed to find better value elsewhere, to the benefit of some of the smaller companies held by the Fund, such as the IT consultant IBS and the regional bank, St Petersburg Bank, both of which made substantial gains. There were however a number of adverse stock-specific developments over the period under review. These included Rosneft, the state-controlled oil group, which came under downward pressure as the government hinted it would seek to raise additional tax from it.

The period under review saw an increase in the exposure to the Materials sector, reflecting a focus on the gold mining industry with a new holding in Highland Gold, amongst others. Exposure to consumer demand was also increased through holdings in the retailers X5 and O'KEY. Divestments included two telecommunication groups, VimpelCom and MTS after the former went ahead with plans to merge with Orascom Telecom of Egypt, a transaction of dubious value. MTS was sold given a full valuation and the possibility that it might also be tempted to chase similar mergers or acquisitions.

Despite the attractive return that Russian shares generated over 2010, the outlook for the Fund remains strongly positive. Economic activity continues to recover with interest rates remaining low and the government's reformist agenda on track. At the same time, share price valuations are still reasonable, in comparison to both the historic record and also markets elsewhere.

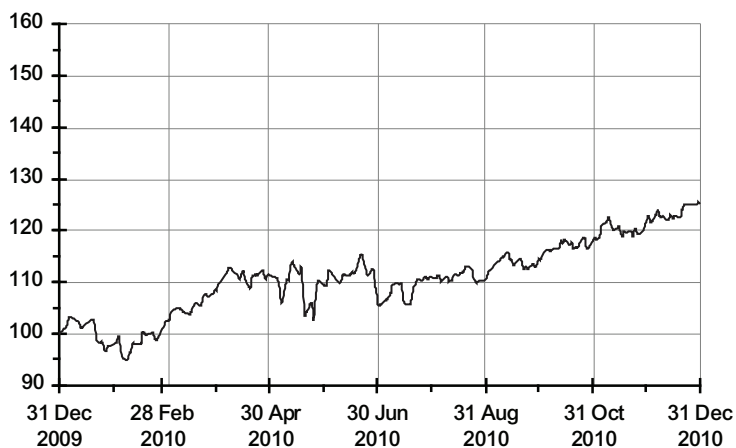
Report of the Investment Manager continued

Magna Global Emerging Markets Fund

Reporting Period: 1 January 2010 to 31 December 2010

Reporting Currency: EUR

Fund Return C Class Shares: 25.30%



(Chart rebased to 31 Dec 2009 = 100 Source: Charlemagne)

Magna Global Emerging Markets

As at 31 December 2010

Top 10 Holdings	Fund Weight
Bank of China Ltd	5.4%
Taiwan Semiconductor Manufacturing Co Ltd	5.2%
Cia Vale do Rio Doce ADR	4.6%
Aveng Ltd	3.8%
Hon Hai Precision Industry Co Ltd	3.7%
Kia Motors Corp	3.2%
OGX Petroleo e Gas Participacoes SA	2.7%
NTPC	2.7%
Itau Unibanco Holding SA	2.6%
MOL Hungarian Oil and Gas PLC	2.5%

Global emerging markets were stronger over the course of the year with share prices supported by investor inflows into the asset class given an improving outlook for the world economy on the back of the US Federal Reserve's commitment to a further round of quantitative easing. Higher commodity prices and a weaker US dollar were also positive for share prices. The EMEA region returned the strongest performance, with South Africa particularly impressive, thanks in part to the interest generated by the FIFA World Cup. Asia again tended to lag, though only marginally, with interest rates rising in many countries. In South America, Brazil was again the focus of attention given a change of president and a record USD 70 billion share issue from the oil group Petrobras.

The performance of the portfolio could be ascribed largely to its stock selection, with positive contributions arising from companies operating in a broad spread of countries and sectors. The portfolio has a significant exposure to the strength of consumer demand and this helped such companies as the Turkish holding group Koc and the Brazilian dental insurer OdontoPrev. The portfolio's holdings amongst commodity-related stocks also generated positive contributions with Grupo Mexico, which mines extensive copper deposits in Peru, and the Russian metals miner Norilsk Nickel adding significant value.

China provided most of the downside over the period, with a number of real estate companies within the portfolio detracting from performance as their share prices came under downward pressure given the prospect of further measures to prevent overheating in this sector of the economy. These included Renhe Commercial and Poly (Hong Kong). Certain consumer-related stocks also underperformed, including sportswear group China Dongxiang and the electronics company Skyworth Digital.

Amongst changes to the portfolio, new holdings included EcoRodovias, a Brazilian logistics company that operates a number of strategic toll roads and MOL, the Hungarian energy group which acquired a licence for Iraqi Kurdistan that has the potential to generate significant earnings, a prospect that was not reflected in its share price. Divestments were largely prompted by stocks reaching their price targets and included several large benchmark stocks such as Reliance Industries of India and Samsung Electronics of Korea. Such changes leave the Fund's portfolio well placed to benefit from the increasing interest in emerging markets amongst the investment community.

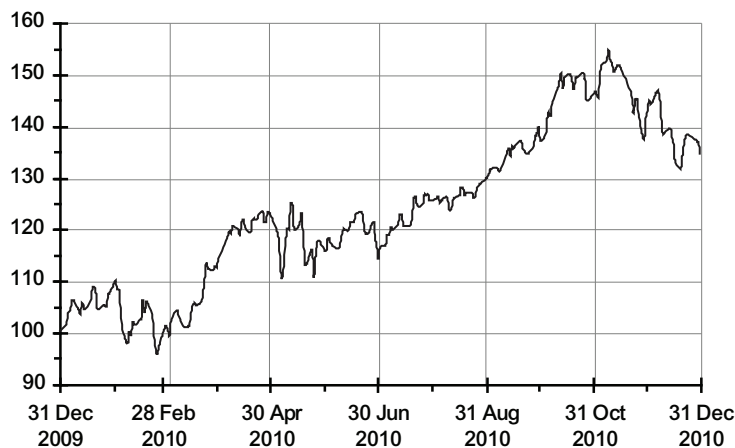
Report of the Investment Manager continued

Magna Turkey Fund

Reporting Period: 1 January 2010 to 31 December 2010

Reporting Currency: EUR

Fund Return C Class Shares: 34.80%



Magna Turkey

As at 31 December 2010

Top 10 Holdings	Fund Weight
Turkiye Is Bankasi	9.6%
Turkiye Garanti Bankasi AS	9.5%
Turk Telekomunikasyon AS	5.4%
KOC Holding AS	4.5%
Coca-Cola Icecek AS	4.3%
Turkiye Sinai Kalkinma Bankasi AS	4.0%
Yapive Kredi Bankasi AS	4.0%
Turkiye Sinai Kalkinma Bankasi AS	4.0%
Haci Omer Sabanci Sabanci Holdings AS	4.0%
Turkiye Vakiflas Bankasi Tao	3.5%

(Chart rebased to 31 Dec 2009 = 100 Source: Charlemagne)

The Istanbul stockmarket succumbed to profit taking towards the end of the year after a very strong performance over most of 2010. Share prices rose on the back of the strength of economic activity which is benefiting not just from stronger domestic demand but also from export orders, with Turkey reinforcing its position as a regional centre of manufacturing excellence. Turkey also benefited from a reduction in political risk as a referendum on constitutional reform resulted in an unexpectedly large vote in favour of the government's proposals. This was seen as a vote of confidence, suggesting that the AKP could win a majority at the 2011 parliamentary election thus paving the way for another four or five years of political stability.

The performance of the Fund was primarily due to its stock selection. Amongst those companies benefiting from the strength of domestic economic activity, the tractor group Turk Traktor performed particularly well, helped by a growing perception of global food shortages in addition to a strong corporate performance. Strongly positive contributions also came from the military and commercial vehicle manufacturer, Otokar, as well as the operator of Istanbul Airport, TAV Airports, both off-benchmark positions in the portfolio, with the share price appreciation of the latter reflecting not only the strength of the local economy but also Turkey's growing regional importance. The leading bank, Garanti, underperformed as General Electric sought to sell its 18.6% stake in the company. This stake was however bought by Spain's BBVA in November, allowing the Garanti share price to recover some performance through to the end of the year.

There were a number of changes to the portfolio over the year. These included new positions in Arcelik, a manufacturer of household appliances with an attractive international exposure, much of it in other emerging markets, and Anadolu Efes, a beer and soft drinks producer that sells into both Turkey and the surrounding area. Both companies were purchased on attractive valuations given strong growth prospects. The portfolio is now overweight the Consumer sectors, gaining further exposure to this area from the addition of the real estate developer Emlak Konut, which entered the portfolio following an IPO. Conversely, the Fund's exposure to the Industrials and Telecommunications Services sectors was reduced over the period under review.

Given the strength of economic activity, the relatively benign political situation and the reasonable valuations on offer, the outlook for the Istanbul stockmarket remains broadly positive.

Report of the Investment Manager continued

Magna Latin American Fund

Reporting Period: 1 January 2010 to 31 December 2010

Reporting Currency: EUR

Fund Return C Class Shares: 33.70%



Magna Latin American

As at 31 December 2010

Top 10 Holdings	Fund Weight
Itau Unibanco Holdings SA ADR	9.2%
Cia Vale do Rio Doce ADR	9.2%
Petrobras Brasileiro SA ADR	7.5%
America Movil SAB de CV ADR	7.4%
Banco do Brasil SA	3.9%
Grupo Mexico SAB de CV	3.6%
OGX Petroleo e Gas Participacors SA	3.5%
Formento Economico Mexicano SAB de CV	2.9%
Cia de bebidas das Americas ADR	2.5%
Hypermarcas SA	2.4%

(Chart rebased to 31 Dec 2009 = 100 Source: Charlemagne)

Latin American stockmarkets traded higher over the course of the year, supported by global economic recovery and strong internal demand across the region, though it was the peripheral markets of Chile, Columbia and Peru that took the lead with Brazil, and to a lesser extent Mexico, tending to lag. The Brazilian presidential election at the end of the year created some uncertainty which held back share prices on the Sao Paulo exchange, as did the threat of a massive share issue from the leading oil and gas group, Petrobras, though this was also resolved by the end of the year.

Despite the overall lacklustre return from the Brazilian stockmarket, the Fund secured most of its performance from its stock selections here with a number of off-benchmark positions, particularly amongst those companies keyed into the strength of the domestic economy, adding significant value. Notable gainers included the software group TOTVS and the fashion retailers Lojas Renner and Hering. Several companies were added to the Fund's portfolio to take advantage of this development. These included OdontoPrev, a dental insurance company, EcoRodovias, an operator of toll roads, and Estacio, a tertiary education provider. Elsewhere, Grupo Mexico, which mines extensive copper deposits in Peru, benefited from the strength of the copper price, which hit an all time high of close to USD 10,000 per tonne. The Mexican chemicals group Mexichem also made strong gains after an acquisition to make it one of the largest integrated producers of specialty fluorochemicals in the world.

A number of further changes were made to the portfolio over the period. In Mexico, following the first IPO in almost two years, a holding in the supermarket operator Chedraui was added to the portfolio at the expense of Walmex, its competitor. Chedraui was purchased at a significantly lower valuation than Walmex. The insurance broker Brasil Insurance was also added to the portfolio following an IPO. Unusually for Brazilian IPOs, the stock was attractively valued at less than ten times 2011 earnings and, in a fragmented market, looks set to lead some industry consolidation. Companies divested included Cielo, the Brazilian card services group, and the Brazilian stock exchange, BM&F BOVESPA, both sold as they reached their target prices.

The outlook for Latin American stockmarkets remains encouraging with the uncertainty that had been holding back Brazil now lifted. With the macroeconomic backdrop to the region continuing to improve, and share price valuations remaining reasonable, the Fund's strong performance looks set to endure.

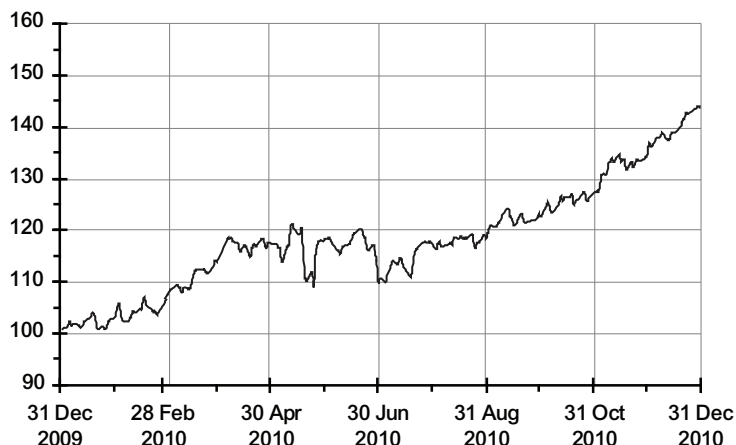
Report of the Investment Manager continued

Magna Africa Fund

Reporting Period: 1 January 2010 to 31 December 2010

Reporting Currency: EUR

Fund Return C Class Shares: 43.20%



Magna Africa

As at 31 December 2010

Top 10 Holdings	Fund Weight
MTN Group Ltd	7.2%
Naspers Ltd	5.8%
Impala Platinum Holdings Ltd	4.4%
Talaat Moustafa Group Holding Co	4.0%
ABSA Group Ltd	3.8%
Sasol Ltd	3.6%
Aveng Ltd	3.3%
Mvelaphanda Resources Ltd	2.8%
Guaranty Trust Bank PLC	2.8%
Commercial International Bank Egypt SAE	2.8%

(Chart rebased to 31 Dec 2009 = 100 Source: Charlemagne)

Africa was the strongest emerging market region over the course of 2010, led by the dominant South African stockmarket. Share prices performed well over the first quarter of the year but then found it difficult to make further progress given growing doubts over the sustainability of the global economic recovery. The FIFA World Cup, held in South Africa in June and July, served to reignite performance and against a backdrop of lower interest rates and growing evidence of the strength of local economies, share prices trended higher thereafter through to the end of the year.

A number of companies held by the Fund added value over the year. The investment in Kenmare Resources, the Mozambican titanium miner, proved to be especially successful on the back of stronger prices for titanium dioxide, with the move of its primary listing to the main market in London sealing the re-rating prompted by the successful installation of new capacity. Several other smaller mining companies also added value, illustrating the way in which the Fund benefits from holding a basket of such companies; for long periods nothing may happen but then a higher estimate of resource reserves or the prospect of a takeover causes a spike in the shares enabling profits to be booked. In South Africa, the mobile operator MTN saw its share price rise sharply after it finally abandoned any thoughts of a major acquisition and renewed its commitment to return cash to shareholders. On the downside, the Kenyan internet group AccessKenya was a drag on performance after adverse foreign exchange movements prompted a profit warning; it continues to have excellent prospects however.

A number of changes were made to the portfolio over the period under review. New additions included Mvelaphanda Resources, a South African miner that gives discounted access to Northam Platinum, one of the best value platinum miners in Africa. A holding in Zambeef was also added to the portfolio. The company is Zambia's leading agri-business, involved in the production and distribution of not just beef but also dairy products, poultry, edible oils and flour. It stands to benefit from growing demand for such foodstuffs as well as a greater emphasis on more formal distribution channels. Divestments included the oil and gas exploration company Bowleven, after a period of strong performance.

There continue to be interesting investment opportunities throughout Africa and given a robust economic performance and the potential for further development, prospects for the Fund are bright.

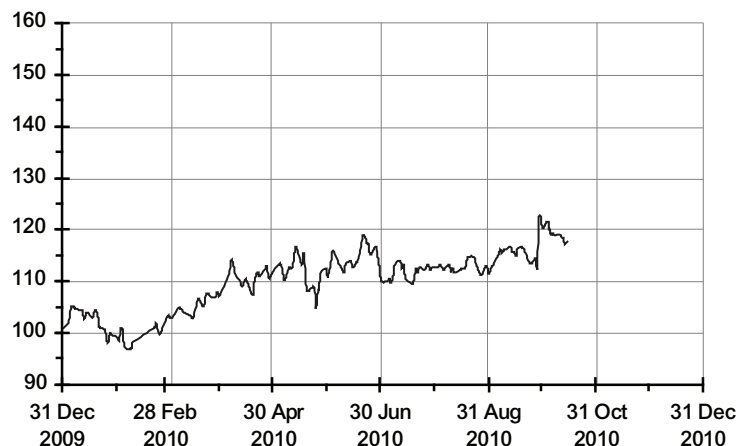
Report of the Investment Manager continued

Magna Asia Fund

Reporting Period: 1 January 2010 to 15 October 2010

Reporting Currency: EUR

Fund Return C Class Shares: 17.20%



Magna Asia

ceased trading 15 October 2010

(Chart rebased to 31 Dec 2009 = 100 Source: Charlemagne)

This report covers the period from 1 January 2010 to 15 October 2010, at which point a total redemption of shares was effected and the Fund terminated, the value of the assets of the Fund having fallen to a level such that it was no longer economically viable to continue to pursue its investment objective.

Asian stockmarkets made small net gains over the period under review as the relative weakness of China was balanced by strength in India and some of the more peripheral markets, particularly Indonesia. Chinese share prices were held back as the authorities began to tighten monetary policy and the banks took the opportunity to bolster their balance sheets by raising additional capital. Indian interest rates are also on the rise, but the markets here are instead focussing on the evident strength of economic activity. Currencies were also in the spotlight, with the Chinese authorities reverting to a more flexible exchange rate regime and permitting the renminbi to appreciate against the US dollar. The exporting economies of Korea and Taiwan were however held back towards the end of the period under review as doubts over the sustainability of the global economic recovery began to emerge.

Some of the strongest gains came in Thailand which, despite an uncertain political situation, is seeing increasing investor interest on the back of economic recovery. Here the Fund benefited from its position in the Thai bank Kasikorn, supported by its large low-cost deposit base and leading position amongst the SME segment, which should allow it to capture new loans at high margins. Other Fund holdings to fare well included the Indian private sector bank, Axis Bank, and the Korean manufactured materials group Cheil Industries. The downside was dominated by Chinese property companies, with both Poly (Hong Kong) and Yuexiu Property losing value. The Indian IT group Mastek was also relatively weak.

Companies added to the Fund included Woongjin Thinkbig, a Korean company that operates in educational services and should benefit from the forthcoming reform of the private education sector in Korea. The Fund also added a new holding in Unitech, one of the largest real estate developers in India with a land bank of almost 400 million square feet. The company has recently restructured its balance sheet and, after a period of underperformance, represents good value. Divestments included the Chinese sportswear group China Hongxing and Tata Steel of India.

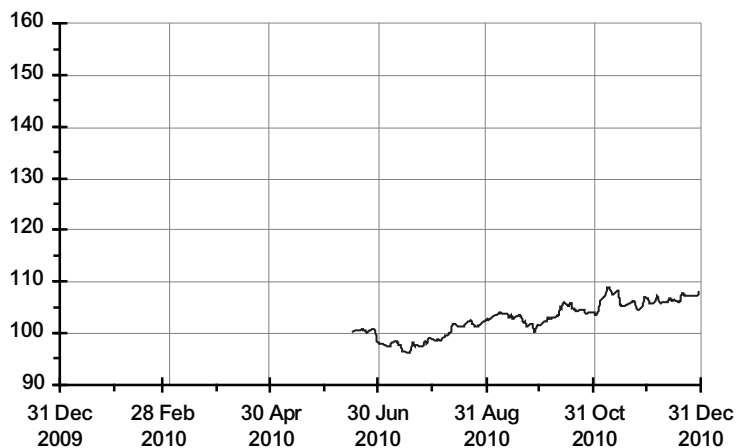
Report of the Investment Manager continued

Magna Undervalued Assets Fund

Reporting Period: 17 June 2010 to 31 December 2010

Reporting Currency: EUR

Fund Return N Class Shares (from 17 June 2010): 7.40%



Magna Undervalued Assets

As at 31 December 2010

Top 10 Holdings	Fund Weight
Aseana Properties Ltd	5.5%
Grupo Mexico SAB de CV	5.1%
Yuexiu Property Co Ltd	5.0%
Fondul Proprietatea P-Note Unicredito	
Bank Austria	5.0%
Macquarie International Infra Structure Fund Ltd	4.8%
MOL Hungarian Oil and Gas PLC	4.8%
Unitech Corporate Parks PLC	4.7%
DWS Vietnam Fund Ltd	4.5%
Unitech Corporate Parks PLC	4.2%
Renhe Commercial Holdings Co Ltd	4.2%

(Chart rebased to 17 June 2010 = 100 Source: Charlemagne)

The Magna Undervalued Assets Fund was launched on 17 June 2010 and, after an initial period during which the portfolio was populated, generated a positive return through to the end of the year.

The Fund is now more than 90% invested, with a diversified portfolio comprising holding in 27 companies. Each position is different in its investment thesis though all trade at a good discount to their estimated worth. In many cases there is a clear, identifiable catalyst. In terms of both sectors and geographical focus, the portfolio is well spread, although the opportunity set is currently greater in Asia than in other parts of the emerging world.

Positions in the Fund can be broadly divided into three categories: classic fund type structures; holding companies trading at a discount to a sum of their parts; and businesses that are clearly undervalued relative to their peers. The first includes assets such as ARC Capital, a portfolio of Chinese private equity businesses; Aseana Properties, a portfolio of real estate interests in Malaysia and Vietnam; Fondul Proprietatea, which holds stakes in a number of Romanian companies; and Tau Capital, which invests in Kazakhstan. The second features Grupo Mexico, whose main asset is a controlling stake in Southern Copper Corporation; and the Turkish Koza Anadolu Metal, the parent company of Koza Gold. In the third category are Indiabulls, a large Indian property company; and West China Cement.

Although the Fund takes a longer term view, performance over the short period in 2010 was encouraging. Commodity price strength saw strong gains for Grupo Mexico, Norilsk Nickel and Polyus Gold. Some property-related holdings also fared well, Yuexiu Property and Unitech Corporate Parks, for example, despite a generally adverse economic backdrop with interest rates tending to rise. Other holdings, with a greater sensitivity to the Chinese market, did however suffer with Renhe Commercial seeing its share price fall over the period, for example.

The investment objective of the Magna Undervalued Assets Fund is to provide shareholders with an attractive return, achieved primarily through long-term capital growth. The current portfolio is well placed to achieve this objective, with further investment opportunities under consideration.

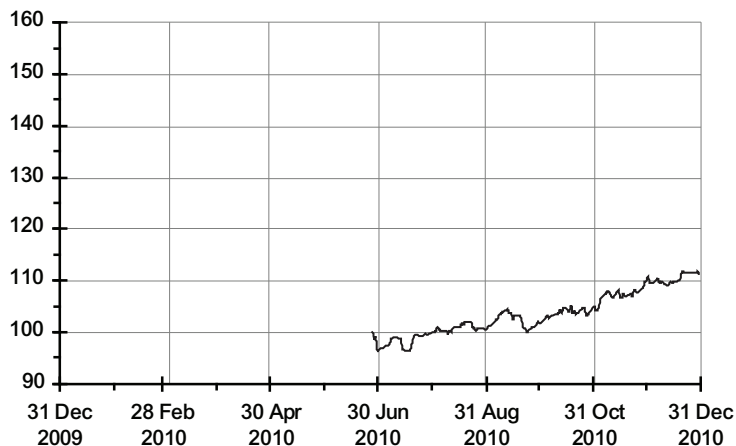
Report of the Investment Manager continued

Magna Emerging Markets Dividend Fund

Reporting Period: 28 June 2010 to 31 December 2010

Reporting Currency: EUR

Fund Return N Class Shares (from 28 June 2010): 11.1%



(Chart rebased to 28 June 2010 = 100 Source: Charlemagne)

Magna Emerging Markets Dividend

As at 31 December 2010

Top 10 Holdings	Fund Weight
Taiwan Semiconductor Manufacturing Co Ltd	7.0%
AES Tiete SA	6.3%
Telecom Egypt	6.3%
Mechel OAO	4.9%
Ford Otomotiv Sanayi AS	4.7%
SK Telecom Co Ltd	4.5%
Bank of China Ltd	4.2%
Sichuan Xinhua Winshare Chainstore Ltd	3.9%
Banco Santander Brasil ASA	3.6%
Raubex Group Ltd	3.6%

The Magna Emerging Markets Dividend Fund was launched on 28 June 2010 and, after an initial period during which the portfolio was populated, performed well through to the end of the year, illustrating the Fund's contention that capital appreciation and a high dividend pay-out are not necessarily mutually exclusive as both have their roots in high cash flow generation.

The Fund's portfolio is now broadly spread across regions and industries, helping to mitigate investment risk. In comparison to a global emerging markets strategy not explicitly income aware, the Fund has a relatively high exposure to Brazil and also to the Consumer Discretionary sector, in addition to the traditionally high yielding sectors of Telecommunication Services and Utilities.

Companies held by the Fund include Renhe Commercial, a Chinese developer of underground malls, and SulAmerica, a Brazilian insurance group. Renhe specializes in converting underground civil defence shelters for retail use; it has amongst the highest margins and return on equity of all listed Chinese property developers yet is inexpensively valued at just four times earnings. It yields around 7%. As the largest independent insurance group in Brazil, SulAmerica taps into the booming market for health insurance which is growing at 15% a year. It is again attractively valued, has excess capital on its balance sheet and yields more than 5%, having recently raised its payout ratio to 50%. Telecom Egypt, Egypt's incumbent fixed-line telecommunications operator, with a 45% stake the wireless Vodafone Egypt, is another holding. The company had suggested earlier in 2010 that it was looking to expand its mobile business, by buying an additional licence or perhaps taking a controlling stake in Vodafone Egypt, and it reduced its dividend payment at the time in order to conserve cash. The company has now shelved these plans and returned to its previous dividend policy. Multiplus is a Brazilian company that originally operated the national airline TAM's frequent flyer programme. It became independent from TAM in 2009 and now also runs a number of other customer loyalty schemes, offering a broad variety of rewards covering most of the consumer spectrum. With a potential yield as high as 15% it represents the best dividend exposure to the strength of Brazil's domestic economy.

It is estimated that the Fund's underlying portfolio will generate a gross yield of close to 6% in 2011, before the deduction of expenses, based on the portfolio as at the end of December 2010.

Charlemagne Capital (IOM) Limited

19 January 2011

Report of the Custodian

To the shareholders of

Magna Umbrella Fund plc (the “Company”)

We have enquired into the conduct of the Magna Umbrella Fund plc (the “Company”) for the year ended 31 December 2010, in our capacity as Custodian to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Central Bank of Ireland’s UCITS Notice 4, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Custodian

Our duties and responsibilities are outlined in the Central Bank of Ireland’s UCITS Notice 4. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period, in accordance with the provisions of the Company’s Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Company’s constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association and by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003, as amended, (the “UCITS Regulations”); and
- (ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association and the UCITS Regulations.

BNY Mellon International Bank Limited

Date: 29 March 2011

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Company's Annual Report and financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare company financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising of the applicable law and accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

The Company's financial statements are required by law to give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Company will continue in business.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Acts 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003, as amended. They are also responsible for safeguarding the assets of the Company. In this regard they have entrusted the assets of the Company to a custodian for safe-keeping. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities.

The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Acts.

On behalf of the Board of Directors:

Director:

Director:

Date: 29 March 2011

Independent Auditor's Report to the members of Magna Umbrella Fund plc (the "Company")

We have audited the English language version of the financial statements of the Company for the year 1 January 2010 to 31 December 2010, which comprise the Balance Sheet, Profit and Loss Account and Statement of Changes in Net Assets Attributable to holders of Redeemable Participating Shares, with the related notes and Schedules of Investments. These financial statements have been prepared in accordance with the accounting policies set out therein. This report is made solely to the Company's members, as a body, in accordance with section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The Directors' responsibility for preparing the Annual Report, including the annual Corporate Governance Statement and the financial statements in accordance with applicable law and accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the English language version of the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland and are properly prepared in accordance with the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003. We also report to you whether in our opinion proper books of account have been kept by the Company and whether the information given in the Directors' Report, including the annual Corporate Governance Statement, is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the Company's financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding Directors' remuneration and Directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report, including the annual Corporate Governance Statement, the Custodian's Report and the Reports of the Investment Manager. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Company's affairs as at 31 December 2010 and its increase in net assets attributable to redeemable participating shareholders for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003.

We have obtained all the information and explanations we considered necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company. The financial statements are in agreement with the books of account.

In our opinion, the information given in the Directors' Report is consistent with the financial statements.

KPMG

Chartered Accountants
Registered Auditor
1 Harbourmaster Place
International Financial Services Centre
Dublin 1, Ireland
29 March 2011

Balance Sheet

	Notes	Magna Eastern European Fund		Magna Russia Fund		Magna Global Emerging Markets Fund	
		31/12/2010 €	31/12/2009 €	31/12/2010 €	31/12/2009 €	31/12/2010 €	31/12/2009 €
Financial assets at fair value through profit or loss							
Transferable Securities		88,320,738	96,060,337	9,362,476	8,827,937	149,170,737	121,228,920
Total Financial assets at fair value through profit or loss	2.3	88,320,738	96,060,337	9,362,476	8,827,937	149,170,737	121,228,920
Other Current Assets:							
Cash	9	983,350	689,083	227,393	72,911	1,412,242	1,315,679
Dividends receivable		150,779	347,965	20,925	42,065	68,231	77,014
Receivable from issuance of Redeemable Participating Shares		9,780	1,218	3,233	8,698	3,980	3,116
Due from broker		412,381	40,379	61,217	6,753	104,539	77
Other receivables		33,435	23,811	2,007	10,695	63,050	28,350
Total Assets		89,910,463	97,162,793	9,677,251	8,969,059	150,822,779	122,653,156
Current Liabilities:							
Due to broker		(234,175)	–	(23,626)	–	(271,307)	–
Payable on Redemption of Redeemable Participating Shares		(204,172)	(133,763)	(109,795)	(6,050)	(562,201)	(7,840)
Performance fees payable		–	–	–	–	–	–
Other creditors	7	(228,247)	(257,721)	(70,607)	(69,451)	(292,531)	(399,124)
Total Liabilities (excluding Net Assets attributable to holders of Redeemable Participating Shares)		(666,594)	(391,484)	(204,028)	(75,501)	(1,126,039)	(406,964)
Net assets attributable to holders of Redeemable Participating Shares		89,243,869	96,771,309	9,473,223	8,893,558	149,696,740	122,246,192
Redeemable Participating Shares Outstanding:							
A Class		697,294	868,302	207,542	226,407	507,730	507,785
B Class		–	–	–	–	5,107	10,567
C Class		950,170	1,568,337	47,633	96,284	3,820,316	3,906,430
D Class		3,065,189	3,065,189	16,418	31,623	5,830,965	5,971,894
N Class		–	–	–	–	–	–
P Class		–	–	–	–	–	–
R Class		8,031	–	–	–	–	–
Net Asset Value per Share:							
A Class		€31.035	€24.591	€36.526	€27.908	€23.145	€18.567
B Class		–	–	–	–	£14.217	£11.800
C Class		€45.314	€35.722	€36.911	€27.117	€24.073	€19.199
D Class		\$10.666	\$9.070	\$10.867	\$8.637	\$10.518	\$9.044
N Class		–	–	–	–	–	–
P Class		–	–	–	–	–	–
R Class		€9.962	–	–	–	–	–

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

Balance Sheet continued

	Notes	Magna Global Turkey Fund		Magna Latin American Fund		Magna India Fund+	
		31/12/2010 €	31/12/2009 €	31/12/2010 €	31/12/2009 €	31/12/2010 €	31/12/2009 €
Financial assets at fair value through profit or loss							
Transferable Securities		20,803,683	11,516,733	71,052,162	48,686,701	–	5,111,615
Total Financial assets at fair value through profit or loss	2.3	20,803,683	11,516,733	71,052,162	48,686,701	–	5,111,615
Other Current Assets:							
Cash	9	1,460,084	195,203	1,740,394	448,364	–	127,480
Dividends receivable		–	–	127,012	115,787	–	2,919
Receivable from issuance of Redeemable Participating Shares		533,249	10,276	164,767	32,779	–	2,362
Due from broker		–	75,147	–	–	–	–
Other receivables		6,560	13,023	17,261	17,908	–	76,822
Total Assets		22,803,576	11,810,382	73,101,596	49,301,539	–	5,321,198
Current Liabilities:							
Due to broker		(226,756)	–	–	–	–	(25,861)
Payable on Redemption of Redeemable Participating Shares		(1,302,900)	(101,486)	(572,784)	(26,841)	–	(5,701)
Performance fees payable		(2,168)	–	(800,848)	–	–	–
Other creditors	7	(93,165)	(93,401)	(169,215)	(146,233)	–	(82,408)
Total Liabilities (excluding Net Assets attributable to holders of Redeemable Participating Shares)		(1,624,989)	(194,887)	(1,542,847)	(173,074)	–	(113,970)
Net assets attributable to holders of Redeemable Participating Shares		21,178,587	11,615,495	71,558,749	49,128,465	–	5,207,228
Redeemable Participating Shares Outstanding:							
A Class		681,700	597,079	617,145	478,273	–	395,620
B Class		33,134	20,503	–	–	–	46,983
C Class		194,628	58,514	226,550	211,817	–	141,842
D Class		–	–	2,437,346	2,365,211	–	11,408
N Class		–	–	–	–	–	–
R Class		–	–	8,777	–	–	–
Net Asset Value per Share:							
A Class		€23.145	€17.251	€36.236	€27.899	–	€8.498
B Class		£16.538	£12.776	–	–	–	£10.743
C Class		€23.521	€17.436	€38.183	€28.561	–	€8.442
D Class		–	–	\$22.030	\$18.023	–	\$9.929
N Class		–	–	–	–	–	–
R Class		–	–	€11.648	–	–	–

+ Magna India Fund terminated effective 30 April 2010 and its authorisation was subsequently revoked at the request of the Company by the Central Bank of Ireland on 23 August 2010.

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

Balance Sheet continued

	Notes	Magna Africa Fund		Magna Asia Fund [∞]		Magna Undervalued Assets Fund [‡]
		31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010
		€	€	€	€	€
Financial assets at fair value through profit or loss						
Transferable Securities		62,678,212	35,202,601	–	59,177,886	17,297,664
Total Financial assets at fair value through profit or loss	2.3	62,678,212	35,202,601	–	59,177,886	17,297,664
Other Current Assets:						
Cash	9	2,538,379	1,049,105	309,561	345,331	660,811
Dividends receivable		24,012	59,725	–	–	–
Receivable from issuance of Redeemable Participating Shares		268,750	565,904	–	–	872,741
Due from broker		419,404	128,218	–	132,743	–
Other receivables		10,673	20,453	–	110,815	87,554
Total Assets		65,939,430	37,026,006	309,561	59,766,775	18,918,770
Current Liabilities:						
Due to broker		(1,310,325)	–	–	(75,901)	(284,775)
Payable on Redemption of Redeemable Participating Shares		(462,502)	(687,993)	(258,818)	(1,403)	(53,241)
Performance fees payable		–	–	–	–	(81,392)
Other creditors	7	(155,172)	(148,639)	(50,743)	(184,855)	(55,829)
Total Liabilities (excluding Net Assets attributable to holders of Redeemable Participating Shares)		(1,927,999)	(836,632)	(309,561)	(262,159)	(475,237)
Net assets attributable to holders of Redeemable Participating Shares		64,011,431	36,189,374	–	59,504,616	18,443,533
Redeemable Participating Shares Outstanding:						
A Class		4,000,772	2,719,621	–	58,462	–
B Class		58,611	21,197	–	–	–
C Class		1,292,097	1,533,288	–	4,002,635	–
D Class		460,350	359,898	–	4,290,062	–
N Class		–	–	–	–	285,713
R Class		–	–	–	–	1,441,483
Net Asset Value per Share:						
A Class		€10.938	€7.651	–	€8.720	–
B Class		£11.466	£8.310	–	–	–
C Class		€12.513	€8.721	–	€6.989	–
D Class		\$9.580	\$7.214	–	\$10.366	–
N Class		–	–	–	–	€10.669
R Class		–	–	–	–	€10.680

[∞] Magna Asia Fund terminated effective 15 October 2010.

[‡] Magna Undervalued Assets Fund commenced trading 17 June 2010.

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

Balance Sheet continued

	Notes	Magna Emerging Markets Dividend Fund* 31/12/2010 €	Magna Umbrella Fund Plc 31/12/2010 €	31/12/2009 €
Financial assets at fair value through profit or loss				
Transferable Securities		15,540,439	434,226,111	385,812,730
Total Financial assets at fair value through profit or loss	2.3	15,540,439	434,226,111	385,812,730
Other Current Assets:				
Cash	9	339,782	9,671,996	4,243,156
Dividends receivable		35,255	426,214	645,475
Receivable from issuance of Redeemable Participating Shares		60,672	1,917,172	624,353
Due from broker		–	997,541	383,317
Other receivables		366	220,906	301,877
Total Assets		15,976,514	447,459,940	392,010,908
Current Liabilities:				
Due to broker		–	(2,350,964)	(101,762)
Payable on Redemption of Redeemable Participating Shares		(11,132)	(3,537,545)	(971,077)
Performance fees payable		–	(884,408)	–
Other creditors	7	(53,061)	(1,168,570)	(1,381,832)
Total Liabilities (excluding Net Assets attributable to holders of Redeemable Participating Shares)		(64,193)	(7,941,487)	(2,454,671)
Net assets attributable to holders of Redeemable Participating Shares		15,912,321	439,518,453	389,556,237
Redeemable Participating Shares Outstanding:				
N Acc Class		472,698	–	–
N Dist Class		256,067	–	–
R Acc Class		28,544	–	–
R Dist Class		681,737	–	–
S Class		–	–	–
Net Asset Value per Share:				
N Acc Class		€11.074	–	–
N Dist Class		€11.075	–	–
R Acc Class		€10.883	–	–
R Dist Class		€11.047	–	–
S Class		–	–	–

* Magna Emerging Markets Dividend Fund commenced trading 28 June 2010.

On behalf of the Board of Directors:

Director:

Director:

Date: 29 March 2011

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

Profit and Loss Account

	Notes	Magna Eastern European Fund		Magna Russia Fund		Magna Global Emerging Markets Fund	
		31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
		€	€	€	€	€	€
Income:*	2.6						
Dividend income		3,036,756	5,140,324	153,590	117,289	3,596,855	4,486,377
Interest income		–	116,246	–	941	–	156
Equalisation		–	–	–	–	–	–
Other income		5,769	159,562	25,429	–	35,896	64,482
		3,042,525	5,416,132	179,019	118,230	3,632,751	4,551,015
Net realised (loss)/gain on:							
– Investment transactions	2.5	23,720,569	(57,480,046)	2,216,025	(5,350,648)	20,239,373	(20,399,967)
– foreign currency transactions	2.8	(309,295)	222,517	(4,682)	(469)	(32,365)	(502,624)
Total realised gain/(loss)		23,411,274	(57,257,529)	2,211,343	(5,351,117)	20,207,008	(20,902,591)
Net movement in unrealised (depreciation)/appreciation on:							
– Investment transactions		(1,591,849)	105,214,314	827,106	11,602,446	10,178,085	70,934,221
– foreign currency transactions		1,712	(2,530)	(916)	(278)	(4,963)	62,665
Net movement in unrealised (depreciation)/appreciation on investments in securities and foreign currency transactions	2.5	(1,590,137)	105,211,784	826,190	11,602,168	10,173,122	70,996,886
Total Income		24,863,662	53,370,387	3,216,552	6,369,281	34,012,881	54,645,310
Expenses:							
Investment Manager:							
– Annual	4.1	(1,472,476)	(1,014,465)	(155,113)	(117,400)	(1,932,803)	(1,345,110)
– Performance	4.1	–	–	–	–	–	–
Transaction costs		(362,367)	(300,890)	(20,452)	(19,599)	(692,444)	(619,661)
Directors' fees and expenses	4.4	(31,060)	(25,643)	(5,475)	(3,840)	(40,915)	(37,582)
Audit fees		(22,363)	(22,679)	(20,075)	(19,377)	(22,630)	(22,325)
Administrator fees and expenses	4.3	(233,522)	(186,082)	(120,719)	(113,830)	(268,049)	(203,833)
Custodian fees	4.2	(233,768)	(108,351)	(49,068)	(31,420)	(202,103)	(157,568)
Printing fees		(10,000)	(4,885)	(1,825)	(2,520)	(15,855)	(9,655)
Statutory, professional and legal expenses		(131,191)	(142,000)	(25,925)	(23,400)	(159,364)	(140,628)
Interest expense		–	(7,682)	–	(693)	–	(3,279)
Other expenses		(96,101)	(64,328)	(20,073)	(15,519)	(119,219)	(99,893)
Total Expenses before Taxation		(2,592,848)	(1,877,005)	(418,725)	(347,598)	(3,453,382)	(2,639,534)
Net Income from operations before Taxation		22,270,814	51,493,382	2,797,827	6,021,683	30,559,499	52,005,776
Taxation	6						
Withholding tax		(297,740)	(736,581)	(22,668)	(15,190)	(41,265)	(546,068)
Capital gains tax		–	–	–	–	66,658	(113,874)
Other taxation		–	–	–	–	(263,780)	(43,136)
Total Taxation		(297,740)	(736,581)	(22,668)	(15,190)	(238,387)	(703,078)
Increase/(Decrease) in Net Assets attributable to holders of Redeemable Participating Shares		21,973,074	50,756,801	2,775,159	6,006,493	30,321,112	51,302,698

There were no recognised gains and losses other than those dealt with in the Profit and Loss Account. Changes in net asset value have arisen solely from continuing operations.

* Dividend income received from equity securities designated at fair value through profit or loss and interest income received from financial assets that are not at fair value through profit or loss.

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

Profit and Loss Account continued

	Notes	Magna Turkey Fund		Magna Latin American Fund		Magna India Fund+	
		31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
		€	€	€	€	€	€
Income:*	2.6						
Dividend income		323,014	261,247	1,332,652	977,377	–	61,816
Interest income		–	531	–	36	–	8
Equalisation		–	–	–	–	–	–
Other income		18,373	5,999	559	59,145	–	–
		341,387	267,777	1,333,211	1,036,558	–	61,824
Net realised gain/(loss) on:							
– Investment transactions	2.5	5,594,650	(3,142,433)	5,798,273	(18,445,139)	–	(875,879)
– foreign currency transactions	2.8	(21,889)	(22,483)	44,748	(93,269)	–	(10,650)
Total realised gain/(loss)		5,572,761	(3,164,916)	5,843,021	(18,538,408)	–	(886,529)
Net movement in unrealised (depreciation)/appreciation on:							
– Investment transactions		(2,154,328)	8,834,626	11,058,172	40,948,588	–	3,632,512
– foreign currency transactions		(264)	552	(4,945)	14,550	–	83
Net movement in unrealised (depreciation)/appreciation on investments in securities and foreign currency transactions	2.5	(2,154,592)	8,835,178	11,053,227	40,963,138	–	3,632,595
Total Income		3,759,556	5,938,039	18,229,459	23,461,288	–	2,807,890
Expenses:							
Investment Manager:							
– Annual	4.1	(253,356)	(149,620)	(930,273)	(568,862)	–	(74,645)
– Performance	4.1	(2,168)	–	(800,848)	–	–	–
Transaction costs		(74,167)	(37,063)	(124,191)	(133,717)	–	(23,407)
Directors' fees and expenses	4.4	(5,475)	(4,285)	(14,690)	(15,962)	–	(3,300)
Audit fees		(22,630)	(21,675)	(22,630)	(22,374)	–	(19,362)
Administrator fees and expenses	4.3	(117,319)	(114,133)	(140,616)	(127,896)	–	(109,991)
Custodian fees	4.2	(56,566)	(43,684)	(62,681)	(52,631)	–	(40,778)
Printing fees		(1,825)	(3,330)	(3,650)	(3,650)	–	(2,665)
Statutory, professional and legal expenses		(22,803)	(18,892)	(67,416)	(54,155)	–	(17,485)
Interest expense		–	(30)	–	(1,843)	–	(162)
Other expenses		(13,664)	(14,872)	(51,150)	(33,860)	–	(12,254)
Total Expenses before Taxation		(569,973)	(407,584)	(2,218,145)	(1,014,950)	–	(304,049)
Net Income from operations before Taxation		3,189,583	5,530,455	16,011,314	22,446,338	–	2,503,841
Taxation	6						
Withholding tax		(41,665)	(21,852)	(114,025)	(76,487)	–	463
Capital gains tax		–	–	–	–	–	966
Other taxation		–	–	(271,386)	(53,802)	–	–
Total Taxation		(41,665)	(21,852)	(385,411)	(130,289)	–	1,429
Increase/(Decrease) in Net Assets attributable to holders of Redeemable Participating Shares		3,147,918	5,508,603	15,625,903	22,316,049	–	2,505,270

There were no recognised gains and losses other than those dealt with in the Profit and Loss Account. Changes in net asset value have arisen solely from continuing operations except for Magna India Fund which ceased operations with effect from 30 April 2010.

* Dividend income received from equity securities designated at fair value through profit or loss and interest income received from financial assets that are not at fair value through profit or loss.

+ Magna India Fund terminated effective 30 April 2010 and its authorisation was subsequently revoked at the request of the Company by the Central Bank of Ireland on 23 August 2010.

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

Profit and Loss Account continued

	Notes	Magna Africa Fund		Magna Asia Fund		Magna Undervalued Assets Fund‡
		31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010
		€	€	€	€	€
Income:*	2.6					
Dividend income		1,090,898	888,853	1,139,110	1,641,900	98,946
Interest income		–	45,519	–	388	–
Equalisation		–	–	–	–	–
Other income		27,711	1,812	6,220	–	132
		1,118,609	936,184	1,145,330	1,642,288	99,078
Net realised gain/(loss) on:						
– Investment transactions	2.5	7,431,138	(20,148,328)	10,642,912	(2,051,905)	395,807
– foreign currency transactions	2.8	(133,882)	(312,571)	105,039	(10,108)	(218,550)
Total realised gain/(loss)		7,297,256	(20,460,899)	10,747,951	(2,062,013)	177,257
Net movement in unrealised (depreciation)/appreciation on:						
– Investment transactions		10,281,234	35,076,061	(4,557,361)	25,213,782	804,834
– foreign currency transactions		(21,357)	(43,851)	(7,861)	(7,356)	(770)
Net movement in unrealised (depreciation)/appreciation on investments in securities and foreign currency transactions	2.5	10,259,877	35,032,210	(4,565,222)	25,206,426	804,064
Total Income		18,675,742	15,507,495	7,328,059	24,786,701	1,080,399
Expenses:						
Investment Manager:						
– Annual	4.1	(750,496)	(550,365)	(479,355)	(867,357)	(99,339)
– Performance	4.1	–	–	–	–	(81,392)
Transaction costs		(382,277)	(393,544)	–	(429,934)	(41,647)
Directors' fees and expenses	4.4	(14,327)	(11,785)	(12,471)	(24,708)	(2,077)
Audit fees		(22,630)	(22,463)	(15,098)	(22,788)	(11,390)
Administrator fees and expenses	4.3	(143,088)	(131,924)	(111,766)	(140,806)	(33,528)
Custodian fees	4.2	(103,491)	(88,141)	(68,899)	(97,293)	(9,689)
Printing fees		(3,650)	(3,870)	(2,670)	(8,891)	(392)
Statutory, professional and legal expenses		(64,435)	(67,163)	(86,510)	(69,561)	(9,320)
Interest expense		–	(1,143)	–	(3,483)	–
Other expenses		(38,351)	(43,049)	(40,495)	(70,343)	(19,885)
Total Expenses before Taxation		(1,522,745)	(1,313,447)	(817,264)	(1,735,164)	(308,659)
Net Income from operations before Taxation		17,152,997	14,194,048	6,510,795	23,051,537	771,740
Taxation	6					
Withholding tax		(35,212)	(14,797)	(150,883)	(207,312)	(7,721)
Capital gains tax		–	–	(100,173)	1,657	–
Other taxation		–	–	–	–	–
Total Taxation		(35,212)	(14,797)	(251,056)	(205,655)	(7,721)
Increase/(Decrease) in Net Assets attributable to holders of Redeemable Participating Shares		17,117,785	14,179,251	6,259,739	22,845,882	764,019

There were no recognised gains and losses other than those dealt with in the Profit and Loss Account. Changes in net asset value have arisen solely from continuing operations.

* Dividend income received from equity securities designated at fair value through profit or loss and interest income received from financial assets that are not at fair value through profit or loss.

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

Profit and Loss Account continued

	Notes	Magna Emerging Markets Dividend Fund*	Magna Umbrella Fund Plc	
		31/12/2010	31/12/2010	31/12/2009
		€	€	€
Income:*	2.6			
Dividend income		150,606	10,922,427	13,575,183
Interest income		–	–	163,825
Equalisation		62,362	62,362	–
Other income		109	120,198	291,000
		213,077	11,104,987	14,030,008
Net realised gain/(loss) on:				
– Investment transactions	2.5	120,236	76,158,983	(127,894,345)
– foreign currency transactions	2.8	13,467	(557,409)	(729,657)
Total realised gain/(loss)		133,703	75,601,574	(128,624,002)
Net movement in unrealised (depreciation)/appreciation on:				
– Investment transactions		1,073,030	25,918,923	301,456,550
– foreign currency transactions		(3,233)	(42,597)	23,835
Net movement in unrealised (depreciation)/appreciation on investments in securities and foreign currency transactions	2.5	1,069,797	25,876,326	301,480,385
Total Income		1,416,577	112,582,887	186,886,391
Expenses:				
Investment Manager:				
– Annual	4.1	(62,647)	(6,135,858)	(4,687,824)
– Performance	4.1	–	(884,408)	–
Transaction costs		(81,842)	(1,779,387)	(1,957,815)
Directors' fees and expenses	4.4	(1,207)	(127,697)	(127,105)
Audit fees		(11,190)	(170,636)	(173,043)
Administrator fees and expenses	4.3	(55,128)	(1,223,735)	(1,128,495)
Custodian fees	4.2	(13,566)	(799,831)	(619,866)
Printing fees		(372)	(40,239)	(39,466)
Statutory, professional and legal expenses		(7,230)	(574,194)	(533,284)
Interest expense		–	–	(18,315)
Other expenses		(11,660)	(410,598)	(354,118)
Total Expenses before Taxation		(244,842)	(12,146,583)	(9,639,331)
Net Income from operations before Taxation		1,171,735	100,436,304	177,247,060
Taxation	6			
Withholding tax		(13,760)	(724,939)	(1,617,824)
Capital gains tax		–	(33,515)	(111,251)
Other taxation		(52,838)	(588,004)	(96,938)
Total Taxation		(66,598)	(1,346,458)	(1,826,013)
Increase/(Decrease) in Net Assets attributable to holders of Redeemable Participating Shares		1,105,137	99,089,846	175,421,047

There were no recognised gains and losses other than those dealt with in the Profit and Loss Account. Changes in net asset value have arisen solely from continuing operations.

* Dividend income received from equity securities designated at fair value through profit or loss and interest income received from financial assets that are not at fair value through profit or loss.

On behalf of the Board of Directors:

Director:

Director:

Date: 29 March 2011

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

Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares

	Magna Eastern European Fund		Magna Russia Fund		Magna Global Emerging Markets Fund	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
	€	€	€	€	€	€
Net Increase in Net Assets attributable to holders of Redeemable Participating shares	21,973,074	50,756,801	2,775,159	6,006,493	30,321,112	51,302,698
Transactions in Redeemable Participating Shares						
Proceeds from shares issued	20,546,655	19,316,878	4,401,121	2,896,257	4,731,684	2,947,463
Payment on shares redeemed	(50,047,169)	(40,774,485)	(6,596,615)	(5,165,249)	(7,602,248)	(7,415,308)
Decrease in Net Assets from Redeemable Participating Share Transactions	(29,500,514)	(21,457,607)	(2,195,494)	(2,268,992)	(2,870,564)	(4,467,845)
Dilution/Anti-Dilution Levy	–	–	–	–	–	–
Increase/(Decrease) in Net Assets attributable to holders of Redeemable Participating Shares	(7,527,440)	29,299,194	579,665	3,737,501	27,450,548	46,834,853
Net Assets attributable to holders of Redeemable Participating Shares:						
At beginning of year	96,771,309	67,472,115	8,893,558	5,156,057	122,246,192	75,411,339
At end of year	89,243,869	96,771,309	9,473,223	8,893,558	149,696,740	122,246,192

	Magna Turkey Fund		Magna Latin American Fund		Magna India Fund	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
	€	€	€	€	€	€
Net Increase in Net Assets attributable to holders of Redeemable Participating shares	3,147,918	5,508,603	15,625,903	22,316,049	–	2,505,270
Transactions in Redeemable Participating Shares						
Proceeds from shares issued	19,399,076	4,872,756	12,777,855	12,853,443	–	1,252,597
Payment on shares redeemed	(12,983,902)	(5,702,174)	(5,973,474)	(24,092,698)	–	(2,428,641)
(Decrease) in Net Assets from Redeemable Participating Share Transactions	6,415,174	(829,418)	6,804,381	(11,239,255)	–	(1,176,044)
Dilution/Anti-Dilution Levy	–	–	–	–	–	–
Increase/(Decrease) in Net Assets attributable to holders of Redeemable Participating Shares	9,563,092	4,679,185	22,430,284	11,076,794	–	1,329,226
Net Assets attributable to holders of Redeemable Participating Shares:						
At beginning of year	11,615,495	6,936,310	49,128,465	38,051,671	–	3,878,002
At end of year	21,178,587	11,615,495	71,558,749	49,128,465	–	5,207,228

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

Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares continued

	Magna Africa Fund		Magna Asia Fund [∞]		Magna Undervalued Assets Fund
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010
	€	€	€	€	€
Net Increase in Net Assets attributable to holders of Redeemable Participating shares	17,117,785	14,179,251	6,259,739	22,845,882	764,019
Transactions in Redeemable Participating Shares					
Proceeds from shares issued	28,409,785	11,132,479	213,435	16,638	17,918,363
Payment on shares redeemed	(17,705,513)	(23,434,380)	(65,977,790)	(10,374,040)	(320,941)
(Decrease)/Increase in Net Assets from Redeemable Participating Share Transactions	10,704,272	(12,301,901)	(65,764,355)	(10,357,402)	17,597,422
Dilution/Anti-Dilution Levy	–	–	–	–	82,092
Increase/(Decrease) in Net Assets attributable to holders of Redeemable Participating Shares	27,822,057	1,877,350	(59,504,616)	12,488,480	18,443,533
Net Assets attributable to holders of Redeemable Participating Shares:					
At beginning of year	36,189,374	34,312,024	59,504,616	47,016,136	–
At end of year	64,011,431	36,189,374	–	59,504,616	18,443,533

	Magna Emerging Markets Dividend Fund	Magna Umbrella Fund plc	
	31/12/2010	31/12/2010	31/12/2009
	€	€	€
Net Increase in Net Assets attributable to holders of Redeemable Participating shares	1,105,137	99,089,846	175,421,047
Transactions in Redeemable Participating Shares			
Proceeds from shares issued	15,015,109	123,413,083	55,288,511
Payment on shares redeemed	(207,925)	(167,415,577)	(119,386,975)
(Decrease)/Increase in Net Assets from Redeemable Participating Share Transactions	14,807,184	(44,002,494)	(64,098,464)
Dilution/Anti-Dilution Levy	–	82,092	–
Increase/(Decrease) in Net Assets attributable to holders of Redeemable Participating Shares	15,912,321	55,169,444	111,322,583
Net Assets attributable to holders of Redeemable Participating Shares:			
At beginning of year	–	384,349,009	278,233,654
At end of year	15,912,321	439,518,453	389,556,237

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

Notes to the Financial Statements

1 General

The Company is an open-ended investment company with variable capital, incorporated as Regent Magna Europa Fund plc in Ireland on 15 December 1997 under the Companies Acts 1963 to 2009 with registration number 277318. The Company was renamed Magna Europa Fund plc by resolution of the Members on 9 July 2001.

The Company was, on 9 March 1998, authorised by the Central Bank of Ireland (formerly the Irish Financial Services Regulatory Authority) as an Undertaking for Collective Investment in Transferable Securities ("UCITS") in accordance with the provisions of the European Communities (UCITS) Regulations, 1989 (S.I. No. 78 of 1989).

The Company's Shares are listed on the Irish Stock Exchange ("ISE").

Conversion to an Umbrella Fund

In consultation with the Company's Shareholders and with the prior approval of the Central Bank of Ireland, Magna Europa Fund plc was converted to an umbrella fund – a company consisting of different funds each representing a separate portfolio of assets, comprising one or more classes of Share (a "Fund") – on 27 March 2003 (the "Conversion"). Pursuant to the Conversion the Company was renamed Magna Umbrella Fund plc (effective 24 March 2003) and amendments were effected to the Articles of Association and the prospectus, which was superseded and replaced in its entirety by the prospectus dated 27 March 2003. In accordance with the Conversion, Shareholders of Magna Europa Fund plc were issued Class C Shares of the Magna Eastern European Fund. Coincident with the Conversion the Directors established the Magna Russia Fund.

Changes to Funds during the period

Magna India Fund was fully redeemed on 30 April 2010 and its authorisation was subsequently revoked at the request of the Company by the Central Bank of Ireland on 23 August 2010.

Magna Asia Fund was fully redeemed on 15 October 2010.

Magna Undervalued Assets Fund and Magna Emerging Markets Dividend Fund were approved by the Central Bank of Ireland on 31 May 2010.

The Classes of Shares in each Fund rank *pari passu* with each other in all respects provided that they may differ as to certain matters including currency denomination, hedging strategies (if any) applied to the currency of a particular Class, dividend policy, the level of fees and expenses to be charged, subscription or redemption procedures or the minimum subscription and minimum holding applicable.

Segregated Liability between Funds

In accordance with the prospectus, the assets of each Fund are separate from one another and are invested separately in accordance with the investment objective and policies of each Fund. Due to local country regulations it is necessary to maintain omnibus bank accounts in the name of the Company for Taiwan Dollar and Indian Rupee. Whilst there is segregated liability between the Funds, a separate portfolio of assets is not maintained for each Class of Share.

Prospectus Updates during the period

On 7 January 2010 a new prospectus was issued to reflect the closure of all unlaunched Share Classes and to provide for two new Share Classes in each Fund, the N Class and R Class Shares and it was subsequently replaced by a further prospectus issued on 24 March 2010 which included updates required to meet Swiss filing requirements.

On 31 May 2010 a further prospectus was issued to reflect the launch of the Magna Undervalued Assets Fund and the Magna Emerging Markets Dividend Fund. This was subsequently replaced by a further prospectus issued on 28 June 2010 which was updated to reflect investment restrictions in place for the Magna Undervalued Assets Fund.

On 27 October 2010 a further prospectus was issued, the main provision of which was the removal of Magna India Fund and other general updates.

Simplified Prospectus

A simplified prospectus of the Company in compliance with UCITS III requirements is available from the Share Distributor and the local Representative in each jurisdiction.

Notes to the Financial Statements continued

Performance Index/Benchmarks

In accordance with the prospectus, certain Funds may be measured against a specified index or benchmark. The Company may at any time change that reference index where, for reasons outside its control, that index has been replaced, or another index or benchmark may reasonably be considered by the Company to have become the appropriate standard for the relevant exposure.

Details of the reference index for each Fund are as follows:

Fund	Indices
Magna Eastern European Fund	Morgan Stanley Capital International Emerging Europe 10/40 Index Net Total Return in Euro
Magna Russia Fund	Morgan Stanley Capital International Russia 10/40 Index Net Total Return in Euro
Magna Global Emerging Markets Fund	Morgan Stanley Capital International Emerging Markets Free Net Total Return Index in Euro
Magna Turkey Fund	Morgan Stanley Capital International Turkey 10/40 Net Total Return Index in Euro
Magna Latin American Fund	Market Capitalisation-weighted MSCI Indices from South Africa, Egypt and Morocco*
Magna Africa Fund	MSCI EFM Africa with South Africa capped at 50% Net Total Return*
Magna Asia Fund	Morgan Stanley Capital International Asia Free Net Total Return Index in Euro
Magna Undervalued Assets Fund	Morgan Stanley Capital International Emerging Markets Free Net Total Return Index in Euro
Magna Emerging Markets Dividend Fund	Morgan Stanley Capital International Emerging Markets Free Net Total Return Index in Euro
Magna MENA Fund	S&P Pan Arab Composite

*Effective February 2011, the reference index changed to Morgan Stanley Capital International Latin America Net Total Return Index in Euro.

Non-Disclosure Agreement

Shareholders are advised that they may request detailed portfolio information in respect of the Fund in which they are invested, and that they will be furnished with such additional information in a standard format subject to the execution of a Non-Disclosure Agreement between the Shareholder and the Company. Pursuant to the terms of the Non-Disclosure Agreement, Shareholders will warrant to the Company that they will keep the portfolio information supplied confidential and will not disclose such information to any third party. The Directors confirm that this information is available to all Shareholders subject to the execution of a Non-Disclosure Agreement and that no Shareholder shall be disadvantaged by the provision of this information to any Shareholder.

Notes to the Financial Statements continued

As at 31 December 2010, Magna Umbrella Fund plc had the following Share Classes:

Key:

MEEF	Magna Eastern European Fund	MAFF	Magna Africa Fund
MRF	Magna Russia Fund	MAF	Magna Asia Fund
MGEMF	Magna Global Emerging Markets Fund	MENA	Magna MENA Fund†
MTF	Magna Turkey Fund	MUAF	Magna Undervalued Assets Fund
MLAF	Magna Latin American Fund	MEMDF	Magna Emerging Markets Dividend Fund

Fund	Reporting Status effective date	Management Fee	ISIN	Currency	Minimum Subscription	Commence Trade Date	Date Listed on ISE
MEEF Class A ^	N/a	1.75%	IE0032311536	Euro	5,000	27/7/1998	28/7/1998
MEEF Class C	1/1/2010	1.25%	IE0032812996	Euro	1,000,000	31/3/2003	1/4/2003
MEEF Class D ^	N/a	1.75%	IE00B06FZS13	US Dollar	100,000	10/3/2006	13/3/2006
MEEF Class R	1/1/2010	1.95%	IE00B3Q7LD52	Euro	5,000	NYT	N/A
MRF Class A ^	N/a	1.75%	IE0032311312	Euro	5,000	31/3/2003	1/4/2003
MRF Class C	1/1/2010	1.25%	IE0032311429	Euro	1,000,000	31/3/2003	1/4/2003
MRF Class D ^	N/a	1.75%	IE00B06FZV42	US Dollar	100,000	03/7/2006	4/7/2006
MRF Class N ^	1/1/2010	1.25%	IE00B3QKLC38	Euro	1,000,000	NYT	N/A
MRF Class R	1/1/2010	1.95%	IE00B3Q7B918	Euro	5,000	NYT	N/A
MGEMF Class A ^	N/a	1.75%	IE0033224449	Euro	5,000	24/7/2003	25/7/2003
MGEMF Class B ^	1/1/2010	1.75%	IE00B06FZZ89	Sterling	10,000	16/9/2005	19/9/2005
MGEMF Class C	1/1/2010	1.25%	IE0033224555	Euro	1,000,000	24/7/2003	25/7/2003
MGEMF Class D ^	N/a	1.75%	IE00B06G0015	US Dollar	100,000	24/2/2006	27/2/2006
MGEMF Class N ^	1/1/2010	1.25%	IE00B3RZ5K39	Euro	1,000,000	NYT	N/A
MGEMF Class R	1/1/2010	1.95%	IE00B3RZ9J04	Euro	5,000	NYT	N/A
MTF Class A	N/a	1.75%	IE00B04R3968	Euro	5,000	15/12/2004	16/12/2004
MTF Class B	1/1/2010	1.75%	IE00B06G0239	Sterling	10,000	16/11/2005	17/11/2005
MTF Class C	1/1/2010	1.25%	IE00B04R3B82	Euro	1,000,000	15/12/2004	16/12/2004
MTF Class N	1/1/2010	1.25%	IE00B3QPKL09	Euro	1,000,000	NYT	N/A
MTF Class R	1/1/2010	1.95%	IE00B3NNLL45	Euro	5,000	NYT	N/A
MLAF Class A ^	N/a	1.75%	IE00B04R3C99	Euro	5,000	20/12/2004	21/12/2004
MLAF Class C	1/1/2010	1.25%	IE00B04R3D07	Euro	1,000,000	20/12/2004	21/12/2004
MLAF Class D ^	N/a	1.75%	IE00B06G0569	US Dollar	100,000	20/6/2006	21/6/2006
MLAF Class N ^	1/1/2010	1.25%	IE00B3QJTL57	Euro	1,000,000	NYT	N/A
MLAF Class R	1/1/2010	1.95%	IE00B3QHJ640	Euro	5,000	5/8/2010	5/8/2010
MAFF Class A	N/a	1.75%	IE00B0TB5201	Euro	5,000	10/4/2006	11/4/2006
MAFF Class B	1/1/2010	1.75%	IE00BIY4QT50	Sterling	10,000	25/9/2007	14/12/2007
MAFF Class C	1/1/2010	1.25%	IE00B0TB5318	Euro	1,000,000	29/12/2005	30/12/2005
MAFF Class D	N/a	1.75%	IE00BIY4QV72	US Dollar	100,000	31/5/2007	14/12/2007
MAFF Class N	1/1/2010	1.25%	IE00B3NP9C76	Euro	1,000,000	NYT	N/A
MAFF Class R	1/1/2010	1.95%	IE00B3Q79R51	Euro	5,000	NYT	N/A
MAF Class A∞	N/a	1.75%	IE00B15CF910	Euro	5,000	27/6/2006	28/6/2006
MAF Class C∞	N/a	1.25%	IE00B15CFC41	Euro	1,000,000	16/1/2007	16/1/2007
MAF Class D ∞	N/a	1.75%	IE00B15CFD57	US Dollar	100,000	13/6/2006	13/6/2006
MAF Class N∞	1/1/2010	1.25%	IE00B3QLFT10	Euro	1,000,000	NYT	N/A
MAF Class R∞	1/1/2010	1.95%	IE00B3QPK872	Euro	5,000	NYT	N/A
MENA Class N†	1/1/2010	1.25%	IE00B3QPMN62	Euro	1,000,000	NYT	N/A
MENA Class R†	1/1/2010	1.95%	IE00B3NMJY03	Euro	5,000	NYT	N/A
MUAF Class N	22/6/2010	1.25%	IE00B6821Z12	Euro	1,000,000	17/6/2010	18/6/2010
MUAF Class R	22/6/2010	1.75%	IE00B3LZ5109	Euro	5,000	17/6/2010	18/6/2010
MEMDF Class N Acc	22/6/2010	1.25%	IE00B3MQTC12	Euro	1,000,000	28/6/2010	28/6/2010
MEMDF Class N Dist	22/6/2010	1.25%	IE00B3PFZ055	Euro	1,000,000	28/6/2010	28/6/2010
MEMDF Class R Acc	22/6/2010	1.75%	IE00B670Y570	Euro	5,000	28/6/2010	28/6/2010
MEMDF Class R Dist	22/6/2010	1.75%	IE00B671B485	Euro	5,000	28/6/2010	28/6/2010
MEMDF Class S	N/a	1.75%	IE00B66GRH95	Swiss Franc	7,500	NYT	N/A

NYT – Not Yet Trading.

^ Effective 31 December 2010 A, B, D and N Share Classes in Magna Eastern European Fund, Magna Russia Fund, Magna Global Emerging Markets Fund and Magna Latin American Fund were closed to further subscriptions.

∞ Magna Asia Fund was fully redeemed on 15 October 2010.

† Magna MENA Fund launched 21 July 2008 and was listed on the Irish Stock Exchange on the same date. It subsequently fully redeemed on 23 December 2008. The Share Classes were de-listed from the official list of the Irish Stock Exchange on 30 December 2008.

1.1 Magna Eastern European Fund

The investment objective of Magna Eastern European Fund is to achieve capital growth by investment in a diversified portfolio consisting of Eastern European Securities.

The investment objective of the Fund is achieved mainly by investing in equities and to a limited extent debt securities issued by, or in relation to, the securities of companies in countries of Eastern Europe or companies carrying out business in Eastern Europe, all of which are listed or traded on recognised exchanges, as defined or listed in the prospectus (“Recognised Exchanges”). The Fund may also invest in financial derivative instruments either for the

Notes to the Financial Statements continued

purpose of investment or for the purpose of efficient portfolio management, within the conditions and limits laid down by the Central Bank of Ireland and the Regulations. It may also invest in low exercise price warrants or low strike price options or similar instruments.

1.2 Magna Russia Fund

The investment objective of the Fund is to achieve capital appreciation through investment in a portfolio consisting primarily of Russian Equity. The Fund may also invest in CIS Equity and Eastern European Securities. Further, the Fund will also have the ability to invest in Russian Debt, CIS Debt and Eastern European Debt.

The investment objective of the Fund is achieved mainly by investing in equities and to a limited extent debt securities issued by, or in relation to, companies located in Russia or countries of the Commonwealth of Independent States ("CIS") or whose business is carried out in Russia and the CIS and to a lesser extent in equities and debt securities of companies located in Eastern European countries or who carry out business in Eastern European countries all of which are listed or traded on Recognised Exchanges. The Fund may also invest in financial derivative instruments either for the purpose of investment or for the purpose of efficient portfolio management, within the conditions and limits laid down by the Central Bank of Ireland and the Regulations. It may also invest in low exercise price warrants or low strike price options or similar instruments.

1.3 Magna Global Emerging Markets Fund

The Investment Objective of the Magna Global Emerging Markets Fund is to achieve capital growth by investment in a diversified portfolio of Global Emerging Market Securities.

The investment objective of the Fund is achieved mainly by investing in equities and to a limited extent debt securities issued by, or in relation to, the equities and debt securities of companies in Global Emerging Countries or whose business is carried out in Global Emerging Countries which are listed or traded on Recognised Exchanges. Global Emerging Countries include any emerging market country where there is a Recognised Exchange, Hong Kong or any other country included in the Morgan Stanley Capital Emerging Markets Free Index. The Fund may also invest in financial derivative instruments either for the purpose of investment, hedging or for the purpose of efficient portfolio management, within the conditions and limits laid down by the Central Bank of Ireland and the Regulations. It may also invest in low exercise price warrants or low strike price options or similar instruments.

1.4 Magna Turkey Fund

The investment objective of the Fund is to achieve capital appreciation through investment in a portfolio consisting primarily of Turkish Securities.

The investment objective of the Fund is achieved mainly by investing in equities and to a limited extent debt securities issued by, or in relation to, the securities of companies in Turkey or whose business is carried out in Turkey, all of which are listed or traded on Recognised Exchanges. The Fund may also invest in financial derivative instruments either for the purpose of investment, hedging or for the purpose of efficient portfolio management, within the conditions and limits laid down by the Central Bank of Ireland and the Regulations. It may also invest in low exercise price warrants or low strike price options or similar instruments.

1.5 Magna Latin American Fund

The investment objective of the Fund is to achieve capital appreciation through investment in a portfolio consisting primarily of Latin American Securities.

The investment objective of the Fund is achieved by investing mainly in equities and debt securities issued by, or in relation to, the securities of companies in Latin America or companies whose business is carried out in Latin America, all of which are listed or traded on Recognised Exchanges. The Fund may also invest in financial derivative instruments either for the purpose of investment, hedging or for the purpose of efficient portfolio management, within the conditions and limits laid down by the Central Bank of Ireland and the Regulations. It may also invest in low exercise price warrants or low strike price options or similar instruments.

1.6 Magna Africa Fund

The investment objective of the Fund is to achieve capital appreciation through investment in a portfolio consisting primarily of African Securities.

The investment objective of the Fund is achieved mainly by investing in equities and to a limited extent debt securities issued by, or in relation to, the securities of companies in Africa and the companies located outside Africa who carry out business in Africa, all of which will be listed or traded on Recognised Exchanges. The countries included in Africa are South Africa, Egypt, Morocco, Nigeria, Kenya, Mauritius, Tunisia, Botswana, Cote d'Ivoire, Ghana, Namibia and Zimbabwe. The Fund may also invest in financial derivative instruments either for the purpose of investment, hedging or for the purpose of efficient portfolio management, within the conditions and limits laid down by the Central Bank of

Notes to the Financial Statements continued

Ireland and the Regulations. It may also invest in low exercise price warrants or low strike price options or similar instruments.

1.7 Magna Asia Fund (Fund fully redeemed effective 15 October 2010)

The investment objective of the Fund is to achieve capital appreciation through investment in a portfolio consisting primarily of Asian Securities.

The investment objective of the Fund is achieved mainly by investing in equities and to limited extent debt securities issued by, or in relation to, the securities of companies in Asia, all of which are listed or traded on Recognised Exchanges and the companies located outside Asia who carry out business in Asia, all of which will be listed or traded on Recognised Exchanges. The countries included in Asia are Hong Kong, China, South Korea, India, Indonesia, Malaysia, Pakistan, Philippines, Singapore, Sri Lanka, Taiwan, Thailand, Bangladesh, Vietnam, Cambodia and the countries of Central Asia. The Fund may also invest in financial derivative instruments either for the purpose of investment, hedging or for the purpose of efficient portfolio management, within the conditions and limits laid down by the Central Bank of Ireland and the Regulations. It may also invest in low exercise price warrants or low strike price options or similar instruments.

1.8 Magna MENA Fund

The investment objective of the Fund is to achieve capital appreciation through investment in a portfolio consisting primarily of MENA Securities. The investment objective of the Fund is achieved mainly by investing in equities and to a limited extent debt securities issued by, or in relation to, the securities of companies in the Middle East and North Africa (MENA), all of which will be listed or traded on Recognised Exchanges and the companies located outside MENA who carry out business in MENA, all of which will be listed or traded on Recognised Exchanges. The MENA countries include but are not limited to Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Tunisia and United Arab Emirates. The Fund may also invest in financial derivative instruments either for the purpose of investment, hedging or for the purpose of efficient portfolio management, within the conditions and limits laid down by the Central Bank of Ireland and the Regulations. It may also invest in low exercise price warrants or low strike price options or similar instruments.

The Magna MENA Fund ceased trading its existing shares on 23 December 2008. As of 22 February 2010, two new Share Classes the N Class and R Class Shares have been made available for issue.

1.9 Magna Undervalued Assets Fund

The investment objective of the Fund is to provide Shareholders with an attractive return to be achieved primarily through long-term capital growth.

In pursuit of its investment objective, the Fund will seek to take advantage of opportunities in Global Emerging Countries through investment in equities, debt securities, closed-ended and open-ended funds which trade at a discount relative to their net asset value and which may be listed or unlisted in accordance with the UCITS Regulations. The Fund may also invest in financial derivative instruments either for the purpose of investment, hedging or for the purpose of efficient portfolio management, within the conditions and limits laid down by the Financial Regulator and the Regulations. It may also invest in low exercise price warrants or low strike price options or similar instruments.

1.10 Magna Emerging Markets Dividend Fund

The Investment objective of the Fund is to achieve capital growth by investing in companies with high dividend yield plus capital growth.

The Fund aims to provide a combination of income and long term capital growth by investing in equities and debt securities issued by, or in relation to the securities of companies in Global Emerging Countries which will be listed or traded on Recognised Exchanges. Investment in debt securities shall not exceed 15% of the Fund's total assets. The Fund may invest in unlisted securities or in units of other collective investment schemes, subject to the requirements of the Central Bank of Ireland and the UCITS Regulations.

2 Significant Accounting Policies

The following is a summary of the significant accounting policies adopted by the Company:

2.1 Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2009 and all regulation to be construed as one with those Acts and the European Communities (Undertaking for Collective Investment of Transferable Securities) Regulations 2003, as amended. They are prepared on a fair value basis for financial assets and financial liabilities designated at fair value through profit or loss and derivative financial instruments in accordance with fair value regulations. Accounting

Notes to the Financial Statements continued

Standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those as promulgated by the Institute of Chartered Accountants in Ireland issued by the Accounting Standards Board.

The format and certain wording of the financial statements has been adapted from those contained in the Companies (Amendment) Act 1986 and FRS 3 "Reporting Financial Performance" so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business as an investment company.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all reporting periods presented.

All references to net assets throughout the financial statements refer to net assets attributable to holders of redeemable participating shares unless otherwise stated.

The Company has taken advantage of the exemption available to open-ended investment funds under FRS 1 "Cash Flow Statements" not to prepare a cash flow statement. The information required for Financial Reporting Standard No 3 "Reporting Financial Performance" to be included in a Statement of Total Recognised Gains and Losses and a reconciliation of movements in shareholders' funds is, in the opinion of the Directors, contained in the Profit and Loss Account and the Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares.

None of the sub funds have any direct exposure to structured securities or any credit derivative instruments linked to US sub prime mortgages. All investments held by the Funds are valued using market prices of the securities which are traded on a recognised exchange with the exception of the securities, as indicated in the Schedule of Investments, which were valued with care and in good faith by the Pricing Committee. Some of the sub funds use unleveraged instruments ('P Notes') to gain exposure to securities listed on a recognised exchange. These instruments are issued by European Union or European Economic Area credit institutions and are valued by reference to the price of the underlying security. P-Notes are an unsecured creditor of the counterparty as discussed in note 13.2 to these financial statements. All other assets of the Funds are listed or are valued with reference to the market price of the security on a recognised exchange.

2.2 Accounting convention

In the opinion of the Directors, the financial statements give the information required by the Companies Acts, 1963 to 2009. Transactions involving the Company are accounted for in accordance with their economic substance under Financial Reporting Standard No 5 "Reporting the Substance of Transactions" and accordingly, these financial statements reflect the activities of Magna Umbrella Fund plc as if all activities had been undertaken by Magna Umbrella Fund plc. As discussed in note 15 there were no forward currency contracts for the year ended 31 December 2010 or 31 December 2009. There has been no other off balance sheet financing.

2.3 Financial Instruments

Classification

In accordance with FRS 26 "Financial Instruments (as amended for the fair value option)" ("FRS 26") and FRS 29 "Financial Instrument Disclosure" ("FRS 29") the Company has designated its equity investments into the financial assets at fair value through profit or loss category.

The category of financial assets and financial liabilities at fair value through profit or loss comprises:

Designated at fair value through the profit and loss

The Company has classified all its equity instruments in the designated at fair value through profit or loss category as they form a group of financial assets and liabilities that are managed and evaluated on a fair value basis. A financial asset or financial liability at fair value through the profit or loss includes financial assets that are not held for trading purposes and that may be sold.

Financial assets or financial liabilities held for trading

Financial assets or financial liabilities held for trading are acquired or incurred principally for the purpose of selling or repurchasing in the short term. Derivatives and forward contracts are also categorised as held for trading.

Financial assets that are classified as loans and receivables include cash balances, dividends receivable, proceeds from redeemable participating shares, due from brokers and other receivables.

Financial liabilities that are not at fair value through profit or loss include bank overdrafts, balances due to brokers, other creditors and financial liabilities arising on redeemable shares.

Recognition and Derecognition

The Company recognises regular-way purchases and sales of financial assets and financial liabilities on the trade date, the date on which the Company commits to purchase or sell the asset. Gains and losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are included in the Profit and Loss Account

Notes to the Financial Statements continued

in the year in which they arise. Financial assets and financial liabilities are derecognised when the rights to receive cash flows from the financial assets and financial liabilities have expired or the Company has transferred substantially all risks and rewards of ownership.

Fair value measurement principles

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the balance sheet date without any deduction for estimated future selling costs. For the purpose of the Company's financial statements the quoted market price used for financial assets held by the Company is the current bid price in accordance with FRS 26.

The Company may from time to time invest in financial instruments that are not traded in an active market (for example in over-the-counter derivatives). The fair value is estimated by using valuation techniques. The Board of Directors has authorised a pricing committee convened by the Investment Manager and approved by the Custodian as the competent person (the "Pricing Committee") to establish the fair value for such unlisted securities. The Pricing Committee uses a variety of techniques and makes assumptions that are based on market conditions existing at each balance sheet date.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

When the Company holds derivatives with offsetting market risks it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies the bid or asking price to the net open position, as appropriate.

Measurement

Financial instruments are measured initially at fair value (transaction price), plus, in the case of financial assets or financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately, while on other financial instruments they may be amortised. Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their value recognised in the Profit and Loss Account. Financial liabilities arising from the redeemable shares issued by the Company are carried at the redemption amount representing the investor's right to a residual interest in the Company's assets.

As noted above for the purpose of the Company's financial statements, the current bid price is used for financial assets. However, the policy in the Company's prospectus provides for investments in listed securities to be valued at the mid market price at the close of the relevant market. A reconciliation of the Net Asset Value presented in the financial statements in accordance with the Financial Reporting Standards and the Net Asset Value in accordance with the prospectus is included in note 14 to the financial statements.

Investments in any unlisted securities are valued at the probable estimated value, which is estimated with care and good faith by the Pricing Committee selected by the Board of Directors and approved by the Custodian as the competent person. Unlisted securities valued in this manner at 31 December 2010 are indicated on the Schedule of Investments for Magna Eastern European Fund, Magna Russia Fund, Magna Latin America Fund, Magna Africa Fund and Magna Undervalued Assets Fund. The Board of Directors has authorised the Pricing Committee to establish the fair value for such unlisted securities. The Pricing Committee is convened by the Investment Manager and consists of a representative from each of the Investment Manager, its Compliance Department, and its Operations Department. A minimum of two members meet at least once every two months to review all unlisted securities and determine the valuation policy for these instruments. Minutes are taken by the secretary of all meetings which are circulated to the Board and the Administrator and are subsequently approved and ratified by the Board. As at 31 December 2010 six investments across five funds as detailed above are valued by the Pricing Committee (2009: three investments across three funds). The Pricing Committee applies models and broker quotes to determine an appropriate fair value of these investments.

As at year end the total value of securities valued by the Pricing Committee using valuation techniques was €4,194,417 (2009: €8,426,501). The balances of securities were valued using quoted market prices.

Financial assets classified as loans and receivables are carried at amortised cost using the effective interest rate method, less impairment losses if any.

Financial liabilities other than those at fair value through profit or loss are measured at amortised cost using the effective interest rate. Financial liabilities arising from redeemable shares issued by the Funds are carried at the redemption amount representing the investor's right to a residual interest in the Funds.

Notes to the Financial Statements continued

Identification and Measurement of Impairment

At each reporting date the Company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the assets, and that the loss event has an impact on the future cash flows of the assets that can be estimated reliably.

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or advance by the Company on terms that the Company would not otherwise consider, indications that a borrower or issuer will enter bankruptcy or other observable date relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on impaired assets continues to be recognised though the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

The Company writes off financial assets carried at amortised cost when they are determined to be uncollectible.

2.4 Accounting for financial instruments

Purchases and sales of financial instruments are accounted for on the day the transaction takes place, i.e. the trade date. Investments are initially recognised at fair value and all transaction costs incurred on securities which are classified as fair valued through profit or loss are expensed in the year in which they are incurred.

2.5 Gains and losses of investments

Realised gains and losses on sales of investments are calculated on a first in first out basis. Unrealised gains and losses on investments arising during the period are stated in the Profit and Loss Account in accordance with the EU Fair Value Regulations.

2.6 Income

Deposit interest and dividend income are recorded on an accruals basis. Dividend income is recognised as income on an ex-dividend date basis and shown gross of withholding taxes where applicable. In some cases, the Fund may receive or choose to receive dividends in the form of additional shares rather than cash. In such cases the Fund recognises the dividend income for the amount of the cash dividend alternative with the corresponding debit treated as an additional investment. A portion of other income for the year ended 31 December 2009 (31 December 2010: nil) related to a rebate of management fees in respect of Nowe Finanse Limited as discussed in note 5.

2.7 Dividend policy

The, N Dist, R Dist and S Class Shares are distributing Classes.

The B, C, N and R Class Shares of each Fund are classified as Reporting Funds under the United Kingdom Inland Revenue reporting fund regime. It is intended that any distribution made in respect of B, C, N and R Class Shares, if applicable, shall be declared in general meeting, which will typically be called within four months from the end of the relevant accountable period and shall be paid within six months from the end of the relevant accountable period. It is not intended that application will be made to obtain classification under the reporting fund regime for the S Share Class. Investors holding S Class Shares are advised however that income attributable to the S Share Class shall be the net income attributable to the S Class Shares after deduction of expenses in the same manner as income attributable to the, N Dist and R Dist Classes is calculated.

The N Dist, R Dist and S Class Shares shall, if applicable, pay distributions in respect of each Accounting Period and half-yearly accounting period as may from time to time be determined by the Directors, in their absolute discretion and such distributions in respect of the N Dist, R Dist and S Class Shares shall be paid within six months of the relevant Accounting Date or half-yearly accounting date as appropriate. The amount of the distribution (if any) for any Accounting Period or half-yearly accounting period as appropriate shall be determined by the Directors and any sums not distributed will be accumulated and reflected in the Net Asset Value of the, N Dist,, R Dist and S Class Shares as appropriate.

Any distributions, which remain unclaimed for six years from the date on which they become payable, shall be forfeited and shall become assets of the relevant Fund.

Notes to the Financial Statements continued

2.8 Foreign exchange

Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Euro at the foreign currency closing exchange rate ruling at the balance sheet date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the Profit and Loss Account. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Euro at the foreign currency exchange rates ruling at the dates that the values were determined.

Foreign currency exchange differences relating to investments at fair value through profit or loss and derivative financial instruments are included in gains and losses on investments and net gain/(loss) on foreign currency transactions under the category of held for trading, respectively. All other foreign currency exchange differences relating to monetary items, including cash and cash equivalents, are presented as net gain/(loss) on foreign currency transactions under the category of loans and receivables.

2.9 Functional and presentational currency

Transactions included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The functional currency is the Euro for all Funds. The Company had adopted the functional currency of each Fund as the presentation currency for these financial statements.

2.10 Net Asset Value per Share

The Net Asset Value per Share of the relevant class is calculated by dividing that proportion of the Net Asset Value of the relevant Fund which is attributable to the relevant class by the total number of Shares of the relevant class in issue at the relevant Valuation Point.

2.11 Expenses

Expenses are accounted for on an accruals basis.

2.12 Redeemable Participating shares

All redeemable shares issued by the Company provide the investors with the right to require redemption for cash at the value proportionate to the investor's share in the Company's net assets at the redemption date. In accordance with the prospectus, the Company is contractually obliged to redeem shares at mid-market prices.

The Investment Manager reserves the right to impose "an anti-dilution levy" representing a provision for market spreads (the difference between the prices at which assets are valued and/or bought or sold) and duties and charges and other dealing costs relating to the acquisition or disposal of assets in the event of receipt for processing of net subscription or redemption requests exceeding 1 per cent of the Net Asset Value of the Fund including as a result of requests for switching from one Fund (which shall for this purpose be treated as a redemption request) into another Fund (which shall for this purpose be treated as a subscription request). Such provision will be added to the price at which Shares will be issued in the case of net subscription requests exceeding 1 per cent of the Net Asset Value of the Fund and deducted from the price at which Shares will be redeemed in the case of net redemption requests exceeding 1 per cent of the Net Asset Value of the Fund.

The Investment Manager may in addition apply a provision for market spreads and duties and charges in any other case where it considers such a provision to be in the best interests of the Fund. Any such sum will be paid into the account of the relevant Fund.

2.13 Taxation

The Company incurs dividend withholding tax imposed by certain countries on investment income. Dividend withholding tax is accrued to the Funds on dividend ex-date. Withholding tax on dividends is charged on an accruals basis.

The Company also incurs capital gains tax on securities held in some emerging markets. A provision for capital gains tax is charged on an accruals basis. Please refer to note 6 for further detail with regard to the provision for capital gains tax during the period.

2.14 Equalisation

An equalisation account may be maintained so that the amount distributed is the same for all shares of the same type notwithstanding different dates of issue.

Notes to the Financial Statements continued

3 Share Capital

The authorised share capital of the Company is \$60,000 divided into 60,000 (Non Participating) Subscriber shares of a par value of \$1 each and 500,000,000,000 participating shares of no par value ("Redeemable Participating shares"). The participating shares are available for issue to shareholders. The issued subscriber share capital is 7 shares at \$1 per share. The subscriber shares carry no voting rights while the participating shares carry voting rights and are entitled to all dividend and capital surplus rights. The Balance Sheet and the Statement of Changes in Net Assets attributable to holders of Redeemable Participating shares deal only with the participating shares and do not include the subscriber shares.

4 Charges and Fees

Pursuant to the relevant service provider agreements the service providers to the Company are entitled to receive fees and expenses for services rendered to the Company. The fees and expenses paid to the major service providers during the year are as follows: -

4.1 Investment Manager Fees

Annual Fee

The Investment Manager is entitled to a fee equal to 1.75% per annum of the average daily Net Asset Value of each Fund for A Class Shares, B Class Shares, D Class Shares, R Acc Class, R Dist Class, R Class shares of Magna Undervalued Assets Fund and the S Class Shares; a fee equal to 1.25% per annum of the average daily Net Asset Value of each Fund for C Class Shares, N Class Shares, N Acc Shares, N Dist Shares; and a fee equal to 1.95% per annum of the average daily Net Asset Value of each Fund for all other R Class Shares excluding those of Magna Undervalued Assets Fund as mentioned above. This fee accrues daily and is paid quarterly in arrears.

For the year ended 31 December 2010 this fee amounted to €6,135,858 (2009: €4,687,824). The fees and expenses of the Investment Adviser are the responsibility of the Investment Manager.

Performance Fee

In addition the Investment Manager shall be entitled to a performance fee, accrued daily and payable after the end of each financial year for each Fund, in relation to A, B, C, and D Class Shares, where appropriate, equaling a rate of 20% of any excess of the net asset value per class of share over 110% (adjusted appropriately in respect of any period of more or less than 12 months) of the benchmark net asset value per class of share as at the last dealing day in the relevant accounting period, multiplied by the weighted average number of shares of each class in issue during the accounting period as at the last dealing day or, in the case of shares that are redeemed, the number of shares of each class being redeemed during the period by reference to which the fee is payable. The Funds have high watermarks. Until the Funds' high watermarks have been exceeded, no performance fees are paid. The Investment Manager shall also be entitled to a performance fee in relation to N and R Class Shares, where appropriate, equaling a rate of 20% of the N and R Class Share's return in excess of the percentage return on the benchmark rate subject to the benchmark net asset value per share.

Details of the appropriate benchmark for each Fund are detailed in Note 1 (the "Benchmark Rate"). Performance fees crystallise and are paid on 1 January each year, however, in the event of large redemptions the Company may choose to crystallise performance fees as and when they occur.

No performance fees are payable in respect of Magna Emerging Markets Dividend Fund. Effective 8 November 2010 any performance fee that may have applied in respect of the C and R share classes in Magna Eastern European Fund, Magna Russia Fund, Magna Global Emerging Markets Fund and Magna Latin American Fund was removed.

For the year ended 31 December 2010 the performance fee amounted to €884,408 (2009: €Nil).

4.2 Custodian Fees

The Custodian is entitled to a fee, payable monthly in arrears in relation to custodial services at a rate of 0.025% on the first US\$250 million of average Gross Assets and 0.020% on anything above per annum calculated daily and subject to an agreed minimum fee of US\$1,500 per month per Fund. The Custodian is also entitled to reimbursement of all reasonable out of pocket expenses properly incurred in the performance of its duties. The Custodian also charges each Fund for all safekeeping charges incurred by its sub-custodian plus transaction fees, stamp duties, scrip charges, registration fees and special taxes plus any ad hoc administration costs. For the year ended 31 December 2010 this fee amounted to €799,831 (2009: €619,866).

4.3 Administrator

The Administrator is entitled to a fee, payable monthly in arrears in relation to administration and accounting services at a rate of 0.15% per annum of the first US\$200 million of the average Net Asset Value, 0.12% per annum of the next US\$200 million of the average Net Asset Value, 0.10% per annum of the next US\$200 million of the average Net Asset

Notes to the Financial Statements continued

Value and 0.08% per annum of any remaining average Net Asset Value calculated daily and subject to an agreed minimum fee of US\$8,333 per month per Fund. For the year ended 31 December 2010 this fee amounted to €890,638 (2009: €822,280).

The Administrator is also entitled to receive a fee of US\$1,500 per share class per Fund for acting as Transfer Agent to the Funds and to reimbursement of transaction charges incurred in the performance of its duties. Such fees are calculated and payable monthly. For the year ended 31 December 2010 this fee amounted to €333,097 (2009: €306,215).

4.4 Directors

The Company shall pay the Directors such annual remuneration for acting as Directors of the Company as the Directors may from time to time agree, provided however that the annual remuneration of the Directors shall not, in aggregate, exceed €100,000. Such fees shall be payable quarterly in arrears and shall be apportioned pro rata amongst the Funds. The Directors shall also be entitled to reimbursement of any reasonable expenses incurred by them in the performance of their duties. For the year ended 31 December 2010 this fee amounted to €100,000 (2009: €100,000). For the year ended 31 December 2010 reimbursements of expenses and Value Added Tax in relation to the Irish Directors remuneration amounted to €27,697 (2009: €27,105).

4.5 Auditors' fees

Fees and expenses paid to the statutory auditors, KPMG, in respect of the financial year, entirely relate to the audit of the financial statements of the Company. There were no fees and expenses paid in respect of other assurance, tax advisory or non-audit services.

Independent auditors' fees charged over the year ending 31 December 2010 were €145,000 excluding VAT and expenses (2009: €134,000).

4.6 Establishment expenses

The Sponsor has agreed with the Company that it will be responsible for paying the expenses incidental to the establishment of any new Magna Fund (including legal expenses, the negotiation and preparation of the contracts (if any) of the various service providers, the costs of printing the relevant Supplement to the Prospectus and any disbursement expenses of its professional advisers and service providers). Such costs and expenses will be borne by the Sponsor and the Company and the Sponsor have agreed that the Sponsor will be reimbursed a pro rata amount equal to 0.2 per cent per annum of the average monthly Net Asset Value of each Fund, such fee to be accrued by each Fund daily and paid monthly in arrears, subject to the maximum payment not exceeding any estimated cost.

As at 31 December 2010 establishment expenses of €12,950 and €9,262 were accrued on Magna Undervalued Assets Fund and Magna Emerging Markets Dividend Fund respectively. As at 31 December 2009 no establishment expenses were accrued across the Funds.

5 Related Party Transactions

Anderson Whamond is a Director of Charlemagne Capital (IOM) Limited, the Investment Manager and Sponsor and a shareholder of Charlemagne Capital Limited ("CCL"). Jonathan Bradley is a Director of the Investment Advisor and Share Distributor.

Mr Whamond held no shares as at 31 December 2010 and 31 December 2009. As at 31 December 2010, a subsidiary of CCL, Charlemagne Capital (Investments) Limited held in the Company, 6,024 Class R Magna Eastern European Fund (2009: nil), held nil Class D shares of Magna Russia Fund (2009: 10,000), held 669 Class B shares of Magna Global Emerging Markets Fund (2009: 2,211), held 355 Class B shares of Magna Turkey Fund (2009: 355), held 6,024 Class R shares of Magna Latin American Fund (2009: nil) held 602 shares of Magna Africa Fund (2009: 1,074) and held 96,198 Class N Accumulating shares of Magna Emerging Markets Dividend Fund. As at 31 December 2010 no other Director held any interest in the Company.

Charlemagne Capital Limited is a company incorporated in the Cayman Islands. On 4 April 2006 CCL's shares were admitted to the official list of the Alternative Investment Market (AIM) of the London Stock Exchange.

Nowe Finanse Limited, a security in which an interest was held by Magna Eastern European Fund and Magna Global Emerging Markets Fund, was a closed ended fund managed by Charlemagne Capital (IOM) Limited and was listed on the Bermuda Stock Exchange. On 20 October 2009 Nowe Finanse Limited's shareholders voted to approve the compulsory redemption of shares and the return of assets to the shareholders in specie and/or in cash.

Magna Eastern European Fund and Magna Global Emerging Markets Fund elected to receive an in specie entitlement and held shares of PZU directly in these portfolios at 31 December 2009. The Investment Manager rebated the Management fee in respect of Nowe Finanse Limited to the relevant sub-funds. For the year ended 31 December 2009 the rebate amounted to €221,180. This rebate is included as part of other income in the Profit and Loss Account, details of the accounting policy for income is outlined in note 2.6.

Notes to the Financial Statements continued

6 Taxation

Pursuant to the Irish Finance Act, 2000, the Company will not be liable to Irish tax in respect of its income and gains, other than on the occurrence of a chargeable event.

A chargeable event does not include:

- (i) any transactions in relation to Shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- (ii) a transfer of Shares arising on the death of a Shareholder; or
- (iii) an exchange of Shares arising on a qualifying amalgamation or reconstruction of the Company with another Fund.

Capital gains, dividends and interest received may be subject to withholding taxes or other taxes at source imposed by the country of origin and such taxes may not be recoverable by the Company or its shareholders. The dividend withholding tax charge for the period ending 31 December 2010 was €724,939 (2009: €1,617,824). The net charge of taxation in respect of capital gains tax as at 31 December 2010 was €33,515 (2009: €111,251). For the year ended 31 December 2010 there was a credit of taxation in respect of capital gains tax of €66,658 (2009: charge of taxation of €113,874) for Magna Global Emerging Markets Fund and a charge of taxation of €100,173 for Magna Asia Fund (2009: credit of taxation of €1,657). In 2009 there was also a credit of taxation for Magna India Fund of €966 (2010: nil). Other taxation relates to Brazilian tax on foreign investments, as at 31 December 2010 the charge was €588,004 (2009: €96,938).

7 Other Creditors

	Magna Eastern European Fund 31/12/2010	Magna Russia Fund 31/12/2010	Magna Global Emerging Markets Fund 31/12/2010	Magna Turkey Fund 31/12/2010	Magna Latin American Fund 31/12/2010	Magna Africa Fund 31/12/2010	Magna Asia Fund 31/12/2010	Magna Undervalued Assets Fund 31/12/2010	Magna Emerging Markets Dividend Fund 31/12/10	Magna Umbrella Fund Plc 31/12/2010
	€	€	€	€	€	€	€	€	€	€
Investment Manager fees:										
Annual	115,065	8,990	183,062	32,784	101,013	84,950	–	24,169	19,222	569,255
Administrator fees:										
Administration	13,988	11,009	18,939	9,588	10,268	9,885	2,479	4,663	5,119	85,938
Transfer Agent	4,178	2,239	3,503	2,541	3,969	4,064	–	2,867	7,832	31,193
Custodian fees:										
Annual	2,125	2,085	3,582	1,415	1,624	1,576	–	709	430	13,546
Transaction fees	21,575	9,509	10,988	9,046	7,138	12,668	1,274	2,338	4,405	78,941
Directors' fees	9,720	1,517	6,676	1,149	3,568	2,146	1,386	1,264	690	28,116
Audit Fees	22,222	19,916	22,395	22,437	22,427	22,365	10,000	11,390	11,190	164,342
Legal Fees	714	2,934	1,279	2,158	3,028	1,747	15,161	2,215	748	29,984
Other	38,660	12,408	42,107	12,047	16,180	15,771	20,443	6,214	3,425	167,255
Total	228,247	70,607	292,531	93,165	169,215	155,172	50,743	55,829	53,061	1,168,570

	Magna Eastern European Fund 31/12/2009	Magna Russia Fund 31/12/2009	Magna Global Emerging Markets Fund 31/12/2009	Magna Turkey Fund 31/12/2009	Magna Latin American Fund 31/12/2009	Magna India Fund 31/12/2009	Magna Africa Fund 31/12/2009	Magna Asia Fund 31/12/2009	Magna Umbrella Fund Plc 31/12/2009
	€	€	€	€	€	€	€	€	€
Investment Manager fees:									
Annual	115,588	7,777	145,875	16,121	68,232	11,531	47,224	74,617	486,965
Administrator fees:									
Administration	13,250	5,329	15,735	6,624	8,270	5,951	7,168	6,426	68,753
Transfer Agent	4,052	1,441	3,579	3,591	5,806	2,235	3,375	3,360	27,439
Custodian fees:									
Annual	2,281	1,859	2,487	1,174	1,813	1,247	1,168	2,495	14,524
Transaction fees	65,926	13,300	56,200	16,591	20,366	16,897	42,272	44,508	276,060
Directors' fees	4,115	641	8,421	1,222	1,199	656	3,226	6,928	26,408
Audit Fees	22,946	20,320	22,685	22,688	22,691	20,404	22,681	23,051	177,466
Legal Fees	3,852	2,935	3,058	2,930	2,029	3,487	3,409	2,668	24,368
Other	25,711	15,849	141,084	22,460	15,827	20,000	18,116	20,802	279,849
Total	257,721	69,451	399,124	93,401	146,233	82,408	148,639	184,855	1,381,832

Notes to the Financial Statements continued

8 Net Asset Value

	Bid Adjusted Net Asset Value as at 31 December 2010	Bid Adjusted Net Asset Value Per Share as at 31 December 2010	Bid Adjusted Net Asset Value as at 31 December 2009	Bid Adjusted Net Asset Value Per Share as at 31 December 2009	Bid Adjusted Net Asset Value as at 31 December 2008	Bid Adjusted Net Asset Value Per Share as at 31 December 2008
Magna Eastern European Fund						
A Class	€21,640,337	€31.035	€21,352,443	€24.591	€14,352,694	€11.855
C Class	€43,055,733	€45.314	€56,024,604	€35.722	€47,802,454	€17.131
D Class	\$32,696,531	\$10.666	\$27,802,606	\$9.070	\$7,304,526	\$4.267
P Class	–	–	–	–	€89,116	€4.027
R Class	€80,003	€9.962	–	–	–	–
Magna Russia Fund						
A Class	€7,580,656	€36.526	€6,092,120	€26.908	€2,941,791	€11.892
C Class	€1,758,188	€36.911	€2,610,908	€27.117	€2,075,004	€11.951
D Class	\$178,407	\$10.867	\$273,134	\$8.637	\$194,581	\$3.710
Magna Global Emerging Markets Fund						
A Class	€11,751,330	€23.145	€9,428,185	€18.567	€6,175,373	€10.814
B Class	£72,608	£14.217	£124,690	£11.800	£85,050	£7.533
C Class	€91,967,248	€24.073	€74,999,913	€19.199	€47,214,613	€11.107
D Class	\$61,327,826	\$10.518	\$54,012,654	\$9.044	\$30,644,851	\$5.126
Magna Turkey Fund						
A Class	€15,961,492	€23.145	€10,300,115	€17.251	€5,992,719	€8.681
B Class	£547,969	£16.538	£261,952	£12.776	£173,700	£6.987
C Class	€4,577,772	€23.521	€1,020,236	€17.436	€699,120	€8.866
D Class	–	–	–	–	\$88,108	\$4.348
Magna Latin American Fund						
A Class	€22,363,008	€36.236	€13,343,212	€27.899	€6,645,795	€13.471
C Class	€8,650,333	€38.183	€6,049,801	€28.561	€19,687,128	€13.735
D Class	\$53,694,348	\$22.030	\$42,627,198	\$18.023	\$16,373,821	\$8.476
R Class	€102,232	€11.648	–	–	–	–
Magna Africa Fund						
A Class	€43,759,146	€10.938	€20,808,193	€7.651	€17,602,673	€4.961
B Class	£672,052	£11.466	£176,146	£8.310	£167,670	£5.886
C Class	€16,167,959	€12.513	€13,371,719	€8.721	€12,073,731	€5.629
D Class	\$4,410,132	\$9.580	\$2,596,150	\$7.214	\$6,232,366	\$4.600
Magna Asia Fund						
A Class	–	–	€509,771	€8.720	€550,209	€5.977
C Class	–	–	€27,972,434	€6.989	€18,604,415	€4.645
D Class	–	–	\$44,472,115	\$10.366	\$38,929,024	\$6.747
Magna Undervalued Assets Fund						
N Class	€3,048,411	€10.669	–	–	–	–
R Class	€15,395,122	€10.680	–	–	–	–
Magna Emerging Markets Dividend Fund						
R Acc Class	€310,646	€10.883	–	–	–	–
N Acc Class	€5,234,448	€11.074	–	–	–	–
N Dist Class	€2,835,906	€11.075	–	–	–	–
R Dist Class	€7,531,321	€11.047	–	–	–	–

9 Cash Balances

As at 31 December 2010 and 2009 all cash balances were held by BNY Mellon International Bank Limited, formerly PNC International Bank Limited, which holds a Standard & Poor's rating of A-1+ (2009: PNC International Bank Limited A+).

Notes to the Financial Statements continued

10 Commission Sharing Arrangements

There have been no commission sharing arrangements affecting the Company during the year ended 31 December 2010 and 2009.

11 Contingent Liabilities

There were no contingent liabilities as at 31 December 2010 and 2009.

12 Exchange Rates

Foreign exchange rates used at 31 December 2010 and 2009 were as follows:

		2010	2009
EUR 1 : AUD	Australian Dollar	1.3065	1.5959
EUR 1 : BRL	Brazilian Real	2.2183	2.4958
EUR 1 : GBP	British Pound	0.8571	0.8875
EUR 1 : CAD	Canadian Dollar	1.3287	1.4993
EUR 1 : CLP	Chilean Peso	625.3925	727.4539
EUR 1 : COP	Colombian Peso	2,551.0204	n/a
EUR 1 : CZK	Czech Koruna	25.0452	26.3429
EUR 1 : EGP	Egyptian Pound	7.7573	7.8627
EUR 1 : HKD	Hong Kong Dollar	10.3869	11.1149
EUR 1 : HUF	Hungarian Forint	278.0269	269.8746
EUR 1 : INR	Indian Rupee	59.7531	66.7102
EUR 1 : IDR	Indonesian Rupiah	12,040.1427	13,468.1824
EUR 1 : KES	Kenyan Shilling	107.9738	108.7346
EUR 1 : KRW	Korean Won	1,516.5769	1,669.3307
EUR 1 : MYR	Malaysian Ringgit	n/a	4.9085
EUR 1 : MUR	Mauritian Ruppee	40.2897	n/a
EUR 1 : MXP	Mexican Peso	16.5034	18.7537
EUR 1 : NGN	Nigerian Naira	203.1189	214.3154
EUR 1 : PEN	Peruvian Nuevo Sol	n/a	4.1422
EUR 1 : PHP	Philippine Peso	n/a	66.2729
EUR 1 : PLZ	Polish Zloty	3.9560	4.1047
EUR 1 : QAR	Qatar Riyal	4.8662	n/a
EUR 1 : RON	Romanian Leu	n/a	4.2362
EUR 1 : SGD	Singapore Dollar	1.7150	2.0139
EUR 1 : ZAR	South African Rand	8.8029	10.5796
EUR 1 : SEK	Swedish Krona	8.9665	10.2565
EUR 1 : CHF	Swiss Franc	1.2494	1.4829
EUR 1 : TWD	Taiwan Dollar	38.9621	45.8520
EUR 1 : THB	Thai Baht	40.2830	47.7945
EUR 1 : TRL	Turkish Lira	2.0633	2.1400
EUR 1 : USD	United States Dollar	1.3363	1.4335
EUR 1 : ZMK	Zambian Kwacha	6,414.2825	6,653.0957

13 Risks Arising from the Funds' Financial Instruments

13.1 Market risk

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk. The Funds' strategy on the management of investment risk is driven by the Funds' investment objective as disclosed in note 1. The performance of the Funds can decrease as well as increase.

a) Market Price Risk

Market price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The maximum price risk resulting from the ownership of financial instruments is determined by the fair value of financial instruments. The Investment Manager considers the asset allocation of the portfolios in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow each Fund's investment objectives as outlined in note 1 to these financial statements.

Risk is an integral part of the investment process. Risk is monitored by the Investment Manager, Charlemagne Capital (IOM) Limited, through its Risk Management team. A risk meeting is held on a regular basis. The Investment Manager uses an external risk management system to monitor and predict risk. This covers both statistical issues as well as

Notes to the Financial Statements continued

those of a more operational nature such as shareholder protection, corporate governance and administrative issues. Portfolios are managed within given risk parameters.

Portfolio construction applies risk analysis to those portfolio candidates with high return potential identified through the Charlemagne Capital research database. The risk management system is used to predict the effect of new additions or the restructuring of existing holdings on portfolio volatility, tracking error and beta. The intent is to ensure that risk is assessed as thoroughly as upside potential in deciding what size positions are appropriate for each stock: in effect, ensuring that risks are thoroughly understood and that position sizes match level of conviction.

Details of the nature of the Fund's investment portfolio at the balance sheet date are disclosed in the Schedule of Investments, the Schedule of Investments also provides detail of the securities valued with care and in good faith by the Pricing Committee as at 31 December 2010 (Total market value: €4,194,417) (31 December 2009 (Total market value : €3,426,501)). Details of the nature and terms of derivative financial instruments outstanding at the balance sheet date are set out in note 15 to these financial statements.

The following table sets out a sensitivity analysis in relation to market risk and its effect on the net asset value of the Funds. Given the nature of the markets that the Funds are invested in a 10% change in asset prices (both positive and negative) has been applied to the portfolio and the approximate change in net asset values for each Fund is detailed below:

As at 31 December 2010 Fund	Impact on Net Asset Value due to movement in Market Prices	
	Positive 10%	Negative 10%
Magna Eastern European Fund	8,843,550	(8,843,871)
Magna Russia Fund	929,798	(929,800)
Magna Global Emerging Markets Fund	14,948,845	(14,948,886)
Magna Turkey Fund	2,089,039	(2,089,045)
Magna Latin American Fund	7,117,614	(7,117,633)
Magna Africa Fund	6,294,359	(6,294,371)
Magna Undervalued Assets Fund	1,740,715	(1,740,719)
Magna Emerging Markets Dividend Fund	1,561,044	(1,561,048)

As at 31 December 2008 Fund	Impact on Net Asset Value due to movement in Market Prices	
	Positive 10%	Negative 10%
Magna Eastern European Fund	9,630,297	(9,630,333)
Magna Russia Fund	888,258	(888,261)
Magna Global Emerging Markets Fund	12,159,252	(12,159,299)
Magna Turkey Fund	1,156,593	(1,156,598)
Magna Latin American Fund	4,896,324	(4,896,343)
Magna Africa Fund	3,538,601	(3,538,613)
Magna Asia Fund	6,011,719	(6,011,743)

b) Foreign currency risk

Currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in the rate of exchange between the currency in which the financial asset or liability is denominated in and the functional currency of the Funds. A portion of the financial assets of the Funds is denominated in currencies other than the Euro (the "functional currency") with the effect that the balance sheet and total return can be significantly affected by currency movements. Each Fund's currency risk is managed on an ongoing basis by the Investment Manager in accordance with policies and procedures in place. Each Fund's overall currency positions and exposures are monitored by the Investment Manager. All of the financial assets and financial liabilities of the Fund are held at fair value (see note 2.3).

The following table sets out a sensitivity analysis in relation to foreign currency risk and its effect on the net asset value of the Funds. A snapshot of the underlying positions for all Funds was taken as at 31 December 2010 and 31 December 2009 as per the information held by the risk management team. The change in Net Asset Value was calculated at a position level for each holding in the portfolio. Exchange rates were appreciated/depreciated by +/- 10%; the corresponding impact was estimated for all equities, futures, foreign cash and foreign currency settlement positions. Accrued Expenses, Dividends, Tax Liabilities and Fees are assumed unchanged. All other market parameters are also assumed unchanged. Currency movements are assumed to affect the non-hedged equities and future positions simultaneously as if initially purchased at 31 December 2010 and 31 December 2009 in the fund; which is an unlikely possibility. The values reported in the tables represent the difference in portfolio value in either scenario relative to the actual portfolio value at the reporting date. 'Positive 10%' corresponds to an appreciation of the EUR exchange rate by 10% relative to other currencies.

Notes to the Financial Statements continued

As at 31 December 2010 Fund	Impact on Net Asset Value due to movement in Exchange Rates	
	Positive 10%	Negative 10%
Magna Eastern European Fund		
British Pound	(224,248)	224,248
Czech Koruna	(391,492)	391,492
Hungarian Forint	(335,881)	335,881
Polish Zloty	(1,051,906)	1,051,906
Turkish Lira	(1,684,860)	1,684,860
United States Dollar	(5,067,883)	5,067,883
Total	(8,756,270)	8,756,270
Magna Russia Fund		
British Pound	(12,515)	12,515
Swedish Krona	(9,676)	9,676
United States Dollar	(928,161)	928,161
Total	(950,352)	950,352
Magna Global Emerging Markets Fund		
Brazilian Real	(1,679,254)	1,679,254
British Pound	(1,650)	1,650
Czech Koruna	(194,386)	194,386
Egyptian Pound	(328,211)	328,211
Hong Kong Dollar	(2,044,074)	2,044,074
Hungarian Forint	(378,566)	378,566
Indian Rupee	(233,358)	233,358
Indonesian Rupiah	(167,555)	167,555
Mexican Peso	(577,171)	577,171
Polish Zloty	(167,836)	167,836
South African Rand	(1,304,354)	1,304,354
South Korean Won	(1,363,561)	1,363,561
Taiwan Dollar	(1,575,136)	1,575,136
Thai Baht	(157,559)	157,559
Turkish Lira	(731,141)	731,141
United States Dollar	(4,179,612)	4,179,612
Total	(15,083,424)	15,083,424
Magna Turkey Fund		
British Pound	(378)	378
Turkish Lira	(2,066,346)	2,066,346
United States Dollar	(235)	235
Total	(2,066,959)	2,066,959
Magna Latin American Fund		
Brazilian Real	(2,699,421)	2,699,421
British Pound	16	(16)
Chilean Peso	(105,227)	105,227
Colombian Peso	(131,951)	131,951
Mexican Peso	(771,600)	771,600
United States Dollar	(3,581,218)	3,581,218
Total	(7,289,401)	7,289,401

Notes to the Financial Statements continued

As at 31 December 2010 Fund	Impact on Net Asset Value due to movement in Exchange Rates	
	Positive 10%	Negative 10%
Magna Africa Fund		
Australian Dollar	(29,387)	29,387
British Pound	(461,656)	461,656
Canadian Dollar	(190,723)	190,723
Egyptian Pound	(806,157)	806,157
Kenyan Shillings	(279,827)	279,827
Nigerian Naira	(649,182)	649,182
Mauritian Rupee	(56,210)	56,210
South African Rand	(3,424,575)	3,424,575
Swiss Franc	(65,591)	65,591
Zambia Kwacha	(139,119)	139,119
United States Dollar	(203,975)	203,975
Total	(6,306,402)	6,306,402
Magna Undervalued Assets Fund		
British Pound	(76,964)	76,964
Hong Kong Dollar	(284,318)	284,318
Hungarian Forint	(98,777)	98,777
Mexican Peso	(94,779)	94,779
Singapore Dollar	(114,662)	114,662
Thai Baht	(66,102)	66,102
Turkish Lira	(73,358)	73,358
United States Dollar	(821,717)	821,717
Total	(1,630,677)	1,630,677
Magna Emerging Markets Dividend Fund		
Brazilian Real	(298,447)	298,447
British Pound	(5,313)	5,313
Chilean Peso	(19,910)	19,910
Czech Koruna	(15,871)	15,871
Egyptian Pound	(100,116)	100,116
Hong Kong Dollar	(238,843)	238,843
Indonesian Rupiah	(18,206)	18,206
Polish Zloty	(42,862)	42,862
Qatar Riyal	(21,576)	21,576
South African Rand	(57,196)	57,196
South Korean Won	(86,921)	86,921
Taiwan Dollar	(144,948)	144,948
Turkish Lira	(118,448)	118,448
United States Dollar	(423,441)	423,441
Total	(1,592,098)	1,592,098
Magna Eastern European Fund		
British Pound	(135,347)	135,347
Canadian Dollar	(11,871)	11,871
Czech Koruna	(513,895)	513,895
Hungarian Forint	(382,569)	382,569
Polish Zloty	(1,206,682)	1,206,682
Turkish Lira	(1,410,203)	1,410,203
United States Dollar	(6,042,791)	6,042,791
Total	(9,703,358)	9,703,358
Magna Russia Fund		
Canadian Dollar	(1,947)	1,947
Swedish Krona	(17,348)	17,348
United States Dollar	(876,491)	876,491
Total	(895,786)	895,786

Notes to the Financial Statements continued

As at 31 December 2010 Fund	Impact on Net Asset Value due to movement in Exchange Rates	
	Positive 10%	Negative 10%
Magna Global Emerging Markets Fund		
Brazilian Real	(747,623)	747,623
British Pound	(86,450)	86,450
Canadian Dollar	(211,108)	211,108
Chilean Peso	(170,404)	170,404
Czech Koruna	(118,129)	118,129
Egyptian Pound	(319,400)	319,400
Hong Kong Dollar	(1,935,908)	1,935,908
Indian Rupee	(191,740)	191,740
Mexican Peso	(242,811)	242,811
Polish Zloty	(354,559)	354,559
Singapore Dollar	(25,371)	25,371
South African Rand	(632,859)	632,859
South Korean Won	(972,436)	972,436
Taiwan Dollar	(1,188,678)	1,188,678
Thai Baht	(219,347)	219,347
Turkish Lira	(273,771)	273,771
United States Dollar	(4,556,150)	4,556,150
Total	(12,246,742)	12,246,742
Magna Turkey Fund		
British Pound	(724)	724
Turkish Lira	(1,164,104)	1,164,104
United States Dollar	(220)	220
Total	(1,165,047)	1,165,047
Magna Latin American Fund		
Brazilian Real	(1,346,221)	1,346,221
Chilean Peso	(70,005)	70,005
Mexican Peso	(462,675)	462,675
United States Dollar	(3,074,559)	3,074,559
Total	(4,953,461)	4,953,461
Magna Africa Fund		
Australian Dollar	(14,905)	14,905
British Pound	(125,508)	125,508
Canadian Dollar	(156,946)	156,946
Egyptian Pound	(635,597)	635,597
Kenyan Shillings	(228,811)	228,811
Nigerian Naira	(422,790)	422,790
South African Rand	(1,813,442)	1,813,442
Zambia Kwacha	(72,031)	72,031
United States Dollar	(163,923)	163,923
Total	(3,633,953)	3,633,953
Magna Asia Fund		
British Pound	(11)	11
Hong Kong Dollar	(2,104,755)	2,104,755
Indian Rupee	(375,694)	375,694
Indonesian Rupiah	(63,702)	63,702
Malaysian Ringgit	(152,545)	152,545
Singapore Dollar	(42,212)	42,212
South Korean Won	(1,459,720)	1,459,720
Taiwan Dollar	(1,193,915)	1,193,915
Thai Baht	(175,284)	175,284
United States Dollar	(485,754)	485,754
Total	(6,053,592)	6,053,592

Notes to the Financial Statements continued

c) Interest Rate Risk

Interest Rate Risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Funds which hold fixed interest rate debt securities and overdraft positions are exposed to interest rate risk where the value of these securities or loans may fluctuate as a result of a change in interest rates. The majority of the Funds' financial assets are non interest bearing. As a result, the Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. A Fund is exposed to interest rate risk principally through its holdings of interest earning cash deposits which are invested at short-term market interest rates. At the year end cash deposits less overdrafts amounted to €9,671,996 (2009: €4,243,156) The Funds' interest bearing financial assets and liabilities expose them to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial positions and cash flows.

Fluctuations in market interest rates will impact upon the level of interest received by a Fund. However, all interest earning assets held are subject to floating rates and therefore the level of fair value interest rate risk is limited. A sensitivity analysis has not been prepared as the majority of a Fund's assets are not interest bearing assets and therefore the risk is not sufficiently material.

The following table sets out the interest rate exposure at 31 December 2010:

Fund name	Investments in Non-Interest Bearing Assets' €	Investments in Interest Bearing Assets €	Investments in Non-Interest Bearing Liabilities €	Cash and Cash Equivalents €	Net Other Assets/ (Liabilities) €	Total Net Asset Value €
Magna Eastern European Fund	88,320,738	–	–	983,350	(60,219)	89,243,869
Magna Russia Fund	9,362,476	–	–	227,393	(115,646)	9,474,223
Magna Global Emerging Markets Fund	149,170,737	–	–	1,412,242	(886,239)	149,696,740
Magna Turkey Fund	20,803,683	–	–	1,460,084	(1,085,180)	21,178,587
Magna Latin American Fund	71,052,162	–	–	1,740,394	(1,233,807)	71,558,749
Magna Africa Fund	62,678,212	–	–	2,538,379	(1,205,160)	64,011,431
Magna Asia Fund	–	–	–	309,561	(309,561)	–
Magna Undervalued Assets Fund	17,297,664	–	–	660,811	485,058	18,443,533
Magna Emerging Markets Dividend Fund	15,540,439	–	–	339,782	32,100	15,912,321

Investments in non-interest bearing assets and liabilities represents investments in equities and warrants.

The following table sets out the interest rate exposure at 31 December 2009:

Fund name	Investments in Non-Interest Bearing Assets' €	Investments in Interest Bearing Assets €	Investments in Non-Interest Bearing Liabilities €	Cash and Cash Equivalents €	Net Other Assets/ (Liabilities) €	Total Net Asset Value €
Magna Eastern European Fund	96,060,337	–	–	689,083	21,889	96,771,309
Magna Russia Fund	8,827,937	–	–	72,911	(7,290)	8,893,558
Magna Global Emerging Markets Fund	121,228,920	–	–	1,315,679	(298,407)	122,246,192
Magna Turkey Fund	11,516,733	–	–	195,203	(96,441)	11,615,495
Magna Latin American Fund	48,686,701	–	–	448,364	(6,600)	49,128,465
Magna Africa Fund	35,202,601	–	–	1,049,105	(62,332)	36,189,374
Magna Asia Fund	59,177,886	–	–	345,331	(18,601)	59,504,616

Investments in non-interest bearing assets and liabilities represents investments in equities and warrants.

13.2 Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds. The Company will be exposed to credit risk on parties with whom it trades and will also bear the risk of settlement default. The Fund minimises concentrations of credit risk by undertaking transactions with a large number of counter-parties on recognised and reputable exchanges. All transactions in listed securities are settled using approved brokers, wherever possible settling trades against payment (dvp).

Notes to the Financial Statements continued

The Funds will be exposed to credit risk on the counterparties with which it trades in relation to options, futures, forward contracts, P-Notes and other derivative financial instruments that are not traded on a Recognised Exchange. Such instruments are not afforded the same protections as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. The Funds will be subject to the possibility of the insolvency, bankruptcy or default of a counterparty with which the Funds trade such instruments, which could result in substantial losses to the Funds and the relevant Fund. The Company monitors its risk by monitoring the credit quality and financial positions of the counterparties the Funds use.

All of the cash held by the Funds is held by BNY Mellon International Bank (formerly, PNC International Bank Limited) (the "Bank"). Bankruptcy or insolvency by the Bank may cause the Funds' rights with respect to the cash held by the Bank to be delayed or limited. The credit rating of the Bank is A1/A+. If the credit quality or financial position of the Bank deteriorates significantly the Investment Manager will move the cash holdings to another bank.

At 31 December 2010, balances due from brokers and other receivables were exposed to credit risk. The total amount of financial assets exposed to credit risk approximates to their carrying value in the Balance Sheet. At 31 December 2010 the Company does not consider anything to be impaired versus their carrying value in the Balance Sheet.

13.3 Liquidity risk

The Company's prospectus provides for daily creation and cancellation of shares and it is therefore exposed to the liquidity risk of meeting shareholder redemptions at any time.

The Fund's financial instruments include investments in unlisted equity investments, which are not traded on an organised public market and which generally may be illiquid. As a result, the Funds may not be able to quickly liquidate some of their investments in these instruments at an amount close to their fair value in order to meet its liquidity requirements. The Funds' listed securities are considered to be readily realisable.

The Funds liquidity risk is managed on a daily basis by the Investment Manager in accordance with policies and procedures in place. Liquidity analysis is performed pre and post significant fund redemptions and on an ad hoc basis when deemed necessary.

Details of residual contractual maturities of financial liabilities for each Fund are outlined below as at 31 December 2010:

	Less than 1 month €	1-3 months €	3 months- 1 year €	No stated maturity €	Total €
Magna Eastern European Fund					
Liabilities					
Due to broker	(234,175)	–	–	–	(234,175)
Payable on Redemption of Redeemable Participating Shares	(204,172)	–	–	–	(204,172)
Other creditors	(156,931)	–	(71,316)	–	(228,247)
Redeemable Participating Shares	(89,243,869)	–	–	–	(89,243,869)
Total Liabilities	(89,839,147)	–	(71,316)	–	(89,910,463)
Magna Russia Fund					
Liabilities					
Due to broker	(23,626)	–	–	–	(23,626)
Payable on Redemption of Redeemable Participating Shares	(109,795)	–	–	–	(109,795)
Other creditors	(33,832)	–	(36,775)	–	(70,607)
Redeemable Participating Shares	(9,473,223)	–	–	–	(9,473,223)
Total Liabilities	(9,640,476)	–	(36,775)	–	(9,677,251)
Magna Global Emerging Markets Fund					
Liabilities					
Due to broker	(271,307)	–	–	–	(271,307)
Payable on Redemption of Redeemable Participating Shares	(562,201)	–	–	–	(562,201)
Other creditors	(220,074)	–	(72,457)	–	(292,531)
Redeemable Participating Shares	(21,178,587)	–	–	–	(21,178,587)
Total Liabilities	(150,750,322)	–	(72,457)	–	(150,822,779)

Notes to the Financial Statements continued

	Less than 1 month €	1-3 months €	3 months- 1 year €	No stated maturity €	Total €
Magna Turkey Fund					
Liabilities					
Due to broker	(226,756)	–	–	–	(226,756)
Payable on Redemption of Redeemable Participating Shares	(1,302,900)	–	–	–	(1,302,900)
Performance fees payable	(2,168)	–	–	–	(2,168)
Other creditors	(55,374)	–	(37,791)	–	(93,165)
Redeemable Participating Shares	(21,178,587)	–	–	–	(21,178,587)
Total Liabilities	(22,765,785)	–	(37,791)	–	(22,803,576)
Magna Latin American Fund					
Liabilities					
Payable on Redemption of Redeemable Participating Shares	(572,784)	–	–	–	(572,784)
Performance fees payable	(800,848)	–	–	–	(800,848)
Other creditors	(124,012)	–	(45,203)	–	(169,215)
Redeemable Participating Shares	(71,558,749)	–	–	–	(71,558,749)
Total Liabilities	(73,056,393)	–	(45,203)	–	(73,101,596)
Magna Africa Fund					
Liabilities					
Due to broker	(1,310,325)	–	–	–	(1,310,325)
Payable on Redemption of Redeemable Participating Shares	(462,502)	–	–	–	(462,502)
Other creditors	(113,143)	–	(42,029)	–	(155,172)
Redeemable Participating Shares	(64,011,431)	–	–	–	(64,011,431)
Total Liabilities	(65,897,401)	–	(42,029)	–	(65,939,430)
Magna Asia Fund					
Liabilities					
Payable on Redemption of Redeemable Participating Shares	(258,818)	–	–	–	(258,818)
Other creditors	(3,753)	–	(46,990)	–	(50,743)
Total Liabilities	(262,571)	–	(46,990)	–	(309,561)
Magna Undervalued Assets Fund					
Liabilities					
Due to broker	(284,775)	–	–	–	(284,775)
Payable on Redemption of Redeemable Participating Shares	(53,241)	–	–	–	(53,241)
Performance fees payable	(81,392)	–	–	–	(81,392)
Other creditors	(34,746)	–	(21,083)	–	(55,829)
Redeemable Participating Shares	(18,443,533)	–	–	–	(18,443,533)
Total Liabilities	(18,897,687)	–	(21,083)	–	(18,918,770)
Magna Emerging Markets Dividend Fund					
Liabilities					
Payable on Redemption of Redeemable Participating Shares	(11,132)	–	–	–	(11,132)
Other creditors	(37,008)	–	(16,053)	–	(53,061)
Redeemable Participating Shares	(15,912,321)	–	–	–	(15,912,321)
Total Liabilities	(15,960,461)	–	(16,053)	–	(15,976,514)

Notes to the Financial Statements continued

Details of residual contractual maturities of financial liabilities for each Fund are outlined below as at 31 December 2009:

	Less than 1 month €	1-3 months €	3 months- 1 year €	No stated maturity €	Total €
Magna Eastern European Fund					
Liabilities					
Payable on Redemption of					
Redeemable Participating Shares	(133,763)	–	–	–	(133,763)
Other creditors	(201,097)	–	(56,624)	–	(257,721)
Redeemable Participating Shares	(96,771,309)	–	–	–	(96,771,309)
Total Liabilities	(97,106,169)	–	(56,624)	–	(97,162,793)
Magna Russia Fund					
Liabilities					
Payable on Redemption of					
Redeemable Participating Shares	(6,050)	–	–	–	(6,050)
Other creditors	(29,706)	–	(39,745)	–	(69,451)
Redeemable Participating Shares	(8,893,558)	–	–	–	(8,893,558)
Total Liabilities	(8,929,314)	–	(39,745)	–	(8,969,059)
Magna Global Emerging Markets Fund					
Liabilities					
Payable on Redemption of					
Redeemable Participating Shares	(7,840)	–	–	–	(7,840)
Other creditors	(223,876)	–	(175,248)	–	(399,124)
Redeemable Participating Shares	(122,246,192)	–	–	–	(122,246,192)
Total Liabilities	(122,477,908)	–	(175,248)	–	(122,653,156)
Magna Turkey Fund					
Liabilities					
Payable on Redemption of					
Redeemable Participating Shares	(101,486)	–	–	–	(101,486)
Other creditors	(44,101)	–	(49,300)	–	(93,401)
Redeemable Participating Shares	(11,615,495)	–	–	–	(11,615,495)
Total Liabilities	(11,761,082)	–	(49,300)	–	(11,810,382)
Magna Latin American Fund					
Liabilities					
Payable on Redemption of					
Redeemable Participating Shares	(26,841)	–	–	–	(26,841)
Other creditors	(104,487)	–	(41,746)	–	(146,233)
Redeemable Participating Shares	(49,128,465)	–	–	–	(49,128,465)
Total Liabilities	(49,259,793)	–	(41,746)	–	(49,301,539)
Magna Africa Fund					
Liabilities					
Payable on Redemption of					
Redeemable Participating Shares	(687,993)	–	–	–	(687,993)
Other creditors	(101,207)	–	(47,432)	–	(148,639)
Redeemable Participating Shares	(36,189,374)	–	–	–	(36,189,374)
Total Liabilities	(36,978,574)	–	(47,432)	–	(37,026,006)
Magna Asia Fund					
Liabilities					
Due to broker	(75,901)	–	–	–	(75,901)
Payable on Redemption of					
Redeemable Participating Shares	(1,403)	–	–	–	(1,403)
Other creditors	(131,406)	–	(53,449)	–	(184,855)
Redeemable Participating Shares	(59,504,616)	–	–	–	(59,504,616)
Total Liabilities	(59,713,326)	–	(53,449)	–	(59,766,775)

Fair Value estimation

The Funds adopted the amendment to FRS 29, which requires enhanced disclosures about financial instruments carried at fair value and liquidity risk.

Investments measured and reported at fair value are classified and disclosed in one of the following fair value hierarchy levels based on the significance of the inputs used in measuring its fair value:

Notes to the Financial Statements continued

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the valuation date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices in active markets included within Level 1 that are observable for the asset or liability, either directly or indirectly. Fair value is determined through the use of models, other valuation methodologies or where quoted prices are used but the market is not active. Level 2 inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.
- c. Inputs other than quoted prices that are observable for the asset or liability (e.g. interest rate and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks and default rates).
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs reflect the Fund's own assumptions about how market participants would be expected to value the asset or liability. Unobservable inputs are developed based on the best information available in the circumstances, other than market data obtained from sources independent of the Funds and might include the Fund's own data.

An investment is always categorised as level 1, 2 or 3 in its entirety. In certain cases, the fair value measurement for an investment may use a number of different inputs that fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and is specific to the investment.

The fair values of investments valued under Levels 1 to 3 are as follows:

31 December 2010

Magna Eastern European Fund	Level 1	Level 2	Level 3	Total
Assets				
Financial Assets at fair value through profit or loss				
– Common Stock	86,887,970	–	1,432,768	88,320,738
Total assets	86,887,970	–	1,432,768	88,320,738

Magna Russia Fund	Level 1	Level 2	Level 3	Total
Assets				
Financial Assets at fair value through profit or loss				
– Common Stock	9,093,352	–	–	9,093,352
– Preferred Stock	269,124	–	–	269,124
Total assets	9,362,476	–	–	9,362,476

Magna Global Emerging Markets Fund	Level 1	Level 2	Level 3	Total
Assets				
Financial Assets at fair value through profit or loss				
– Common Stock	149,170,737	–	–	149,170,737
Total assets	149,170,737	–	–	149,170,737

Magna Turkey Fund	Level 1	Level 2	Level 3	Total
Assets				
Financial Assets at fair value through profit or loss				
– Common Stock	20,803,683	–	–	20,803,683
Total assets	20,803,683	–	–	20,803,683

Notes to the Financial Statements continued

Magna Latin American Fund	Level 1	Level 2	Level 3	Total
Assets				
Financial Assets at fair value through profit or loss				
– Common Stock	60,052,499	–	867,644	60,920,143
– Preferred Stock	10,132,019	–	–	10,132,019
Total assets	70,184,518	–	867,644	71,052,162

Magna Africa Fund	Level 1	Level 2	Level 3	Total
Assets				
Financial Assets at fair value through profit or loss				
– Common Stock	61,688,086	–	979,981	62,668,067
– Warrants	10,145	–	–	10,145
Total assets	61,698,231	–	979,981	62,678,21

Magna Undervalued Asset Fund	Level 1	Level 2	Level 3	Total
Assets				
Financial Assets at fair value through profit or loss				
– Common Stock	16,383,640	–	914,024	17,297,664
Total assets	16,383,640	–	914,024	17,297,664

Magna Emerging Market Dividend Fund	Level 1	Level 2	Level 3	Total
Assets				
Financial Assets at fair value through profit or loss				
– Common Stock	14,765,145	–	–	14,765,145
– Preferred Stock	775,294	–	–	775,294
Total assets	15,540,439	–	–	15,540,439

Magna Umbrella Fund plc	Level 1	Level 2	Level 3	Total
Assets				
Financial Assets at fair value through profit or loss				
– Common Stock	418,845,112	–	4,194,417	423,039,529
– Preferred Stock	11,176,437	–	–	11,176,437
– Warrants	10,145	–	–	10,145
Total assets	430,031,694	–	4,194,417	434,226,111

31 December 2009:

Magna Eastern European Fund	Level 1	Level 2	Level 3	Total
Assets				
Financial Assets at fair value through profit or loss				
– Common Stock	86,230,468	–	4,801,860	91,032,328
– Preferred Stock	5,028,009	–	–	5,028,009
Total assets	91,258,477	–	4,801,860	96,060,337

Magna Russia Fund	Level 1	Level 2	Level 3	Total
Assets				
Financial Assets at fair value through profit or loss				
– Common Stock	8,405,959	–	18,492	8,424,451
– Preferred Stock	403,486	–	–	403,486
Total assets	8,809,445	–	18,492	8,827,937

Magna Global Emerging Markets Fund	Level 1	Level 2	Level 3	Total
Assets				
Financial Assets at fair value through profit or loss				
Financial Assets at Fair Value				
– Common Stock	117,622,771	–	3,606,149	121,228,920
Total assets	117,622,771	–	3,606,149	121,228,920

Notes to the Financial Statements continued

Magna Turkey Fund	Level 1	Level 2	Level 3	Total
Assets				
Financial Assets at fair value through profit or loss				
– Common Stock	11,516,733	–	–	11,516,733
Total assets	11,516,733	–	–	11,516,733
Magna Latin American Fund				
Assets				
Financial Assets at fair value through profit or loss				
– Common Stock	40,768,096	–	–	40,768,096
– Preferred Stock	7,918,605	–	–	7,918,605
Total assets	48,686,701	–	–	48,686,701
Magna India Fund				
Assets				
Financial Assets at fair value through profit or loss				
– Common Stock	5,111,615	–	–	5,111,615
Total assets	5,111,615	–	–	5,111,615
Magna Africa Fund				
Assets				
Financial Assets at fair value through profit or loss				
– Common Stock	35,195,036	–	–	35,195,036
– Warrants	7,565	–	–	7,565
Total assets	35,202,601	–	–	35,202,601
Magna Asia Fund				
Assets				
Financial Assets at fair value through profit or loss				
– Common Stock	59,177,886	–	–	59,177,886
Total assets	59,177,886	–	–	59,177,886
Magna Umbrella Fund plc				
Assets				
Financial Assets at fair value through profit or loss				
– Common Stock	364,028,564	–	8,426,501	372,455,065
– Preferred Stock	13,350,100	–	–	13,350,100
– Warrants	7,565	–	–	7,565
Total assets	377,386,229	–	8,426,501	385,812,730

There were no transfers between levels 1 and 2 during the year ended 31 December 2010. Transfers from level 3 were transfers into level 1.

Notes to the Financial Statements continued

The following table presents the movement in level 3 instruments for the year ended 31 December 2010 by class of financial instrument.

	Magna Eastern European Fund Common Stock	Magna Russia Fund Common Stock	Magna Global Emerging Markets Fund Common Stock	Magna Latin American Fund Common Stock	Magna Africa Fund Common Stock
Opening balance	4,801,860	18,492	3,606,149	–	–
Purchases	–	–	–	173,524	–
Sales	–	–	–	–	–
Transfers into level 3	1,409,280	(10,038)	–	549,059	941,176
Transfer from level 3	(5,045,467)	–	(3,801,952)	–	–
Movements in gains and losses recognised in the profit and loss account	267,095	(8,454)	195,803	145,061	38,805
Closing balance	1,432,786	–	–	867,644	979,981

	Magna Undervalued Assets Fund Common Stock	Magna Umbrella Fund plc Common Stock
Opening balance	–	8,426,501
Purchases	852,974	1,026,498
Sales	–	–
Transfers into level 3	–	2,899,515
Transfer from level 3	–	(8,857,457)
Movements in gains and losses recognised in the profit and loss account	61,050	699,360
Closing balance	914,024	4,194,417

The following table presents the movement in level 3 instruments for the year ended 31 December 2009 by class of financial instrument.

	Magna Eastern European Fund Common Stock	Magna Russia Fund Common Stock	Magna Global Emerging Markets Fund Common Stock	Magna Africa Fund Common Stock	Magna Umbrella Fund plc Common Stock
Opening balance	6,066,103	209,318	5,886,006	–	12,161,427
Purchases	(12,566,139)	(202,632)	(10,448,884)	(29,333)	(23,246,988)
Sales	8,444,091	–	5,549,176	–	13,993,267
Transfers into level 3	326,312	51,787	167,860	–	545,959
Movement in gains and losses recognised in the profit and loss account	2,531,494	(39,981)	2,451,991	29,333	4,972,836
Closing balance	4,801,860	18,492	3,606,149	–	8,426,501

14 Reconciliation of Net Asset Value

The published net asset value per share differs from that presented in these financial statements. This difference is between the prospectus policy adopted for valuation (at “mid prices”) (as noted in note 2.3) and the valuation method (at “bid prices”) required by the Financial Reporting Standards.

A reconciliation of the net asset value is as follows:

As at 31 December 2010	As per Valuation in accordance with Prospectus	Adjustment for bid pricing	Bid Valuation as per FRS 26	% of Net Assets
Magna Eastern European Fund	89,401,660	(157,791)	89,243,869	0.18%
Magna Russia Fund	9,496,624	(23,401)	9,473,223	0.25%
Magna Global Emerging Markets Fund	149,982,645	(285,905)	149,696,740	0.19%
Magna Turkey Fund	21,230,220	(51,633)	21,178,587	0.24%
Magna Latin American Fund	71,706,349	(147,600)	71,558,749	0.21%
Magna Africa Fund	64,431,204	(419,774)	64,011,431	0.65%
Magna Undervalued Assets Fund	18,556,724	(113,191)	18,443,533	0.61%
Magna Emerging Markets Dividend Fund	15,971,110	(58,789)	15,912,321	0.37%
Total	440,776,536	(1,258,084)	439,518,453	

Notes to the Financial Statements continued

As at 31 December 2009	As per Valuation in accordance with Prospectus	Adjustment for bid pricing	Bid Valuation as per FRS 26	% of Net Assets
Magna Eastern European Fund	97,284,145	(512,836)	96,771,309	0.53%
Magna Russia Fund	8,976,479	(82,921)	8,893,558	0.92%
Magna Global Emerging Markets Fund	122,601,846	(355,654)	122,246,192	0.29%
Magna Turkey Fund	11,655,932	(40,437)	11,615,495	0.35%
Magna Latin American Fund	49,222,771	(94,306)	49,128,465	0.19%
Magna India Fund	5,211,963	(4,735)	5,207,228	0.09%
Magna Africa Fund	36,509,297	(319,923)	36,189,374	0.88%
Magna Asia Fund	59,560,950	(56,334)	59,504,616	0.09%
Total	391,023,383	(1,467,146)	389,556,237	

15 Efficient Portfolio Management

Where considered appropriate the Company may also utilise instruments such as futures, options, and forward foreign currency exchange contracts for efficient portfolio management and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank of Ireland from time to time. A description of the main techniques and instruments that may be used for efficient portfolio management is set out below.

Futures transactions

The Funds may sell futures on currencies to provide an efficient, liquid and effective method for the management of risks by "locking in" gains and/or protecting against future declines in value. The Funds may also buy futures on currencies to provide a cost effective and efficient mechanism for taking positions in securities.

As at 31 December 2010 and 31 December 2009 there were no open futures contracts.

The Funds may enter into forward currency contracts to purchase or sell a specific currency at a future date at a price set at the time of the contract. The Funds may enter into these contracts to hedge against changes in currency exchange rates.

As at 31 December 2010 and 31 December 2009, there were no open forward currency contracts.

Use of Derivative Instruments

The Investment Manager makes use of derivative instruments available under UCITS III and may introduce, in certain circumstances, a derivatives overlay that will provide defined benefits for shareholders. The level of use of derivative instruments is within the scope permitted by the prospectus. The financial derivative instruments in which the Company has invested include forward currency contracts and futures transactions neither of which were held at 31 December 2010.

The Investment Manager believes that the overall portfolio construction process is, in certain circumstances, enhanced via the introduction of stock futures. The use of these instruments results in gross portfolio exposure in excess of net asset value, although gross exposure exceeding 125% of net asset value is not anticipated.

The objective of using derivative instruments is to bring market risk into line with the benchmark. It is not intended to introduce excessive leverage into returns.

16 Significant Events

Magna India Fund was fully redeemed on 30 April 2010 and its authorisation was subsequently revoked at the request of the Company by the Central Bank of Ireland on 23 August 2010.

Magna Asia Fund was fully redeemed on 15 October 2010.

On 27 October 2010 a further prospectus was issued, the main provision of which was the removal of Magna India Fund and other general updates.

Effective 8 November 2010 any performance fee that may have applied in respect of the C and R Share Classes in Magna Eastern European Fund, Magna Russia Fund, Magna Global Emerging Markets Fund and Magna Latin American Fund was removed.

Effective 31 December 2010 A, B, D and N Share Classes in Magna Eastern European Fund, Magna Russia Fund, Magna Global Emerging Markets Fund and Magna Latin American Fund were closed to further subscription.

Notes to the Financial Statements continued

17 Post Balance Sheet Events

Effective 21 February 2011 a revised prospectus was issued the main provision of which was the inclusion of a supplement establishing a new fund, Magna New Frontiers Fund. On 18 February 2011, updated Articles of Association of the Company were approved by shareholders at an extraordinary general meeting.

Magna MENA Fund re-launched with effect from 22 February 2011. Magna New Frontiers Fund launched with effect from 16 March 2011.

18 Approval of Financial Statements

The financial statements to 31 December 2010 were approved by the Board of Directors on 29 March 2011.

Schedule of Investments

Magna Eastern European Fund – 31 December 2010

Description	Shares	Fair Value €	% of Net Asset Value
COMMON STOCK – 98.97%			
Czech Republic			
Komerční Banka AS	10,020	1,774,342	1.99%
New World Resources NV	195,340	2,129,266	2.39%
		3,903,608	4.38%
Hungary			
MOL Hungarian Oil and Gas PLC	44,946	3,360,925	3.77%
		3,360,925	3.77%
Kazakhstan			
KazakhGold Group Ltd GDR	325,999	951,424	1.07%
KazMunaiGas Exploration Production GDR	129,890	1,919,711	2.15%
		2,871,135	3.22%
Poland			
Bank Pekao SA	53,873	2,437,625	2.73%
International Personal Finance PLC	379,279	1,695,256	1.90%
KGHM Polska Miedz SA	65,367	2,858,560	3.20%
PKO Bank Polski SA	364,571	3,994,974	4.47%
Warsaw Stock Exchange	100,830	1,248,903	1.40%
		12,235,318	13.70%
Romania			
Fondul Proprietatea P-Note Unicredito Bank Austria *	3,000	366,000	0.41%
Fondul Proprietatea P-Note Unicredito Bank Austria *	8,744,000	1,066,768	1.19%
		1,432,768	1.60%
Russia			
CTC Media Inc	49,919	875,248	0.98%
Eurasia Drilling Co Ltd GDR	28,417	681,340	0.77%
Gazprom OAO ADR	399,848	7,543,291	8.45%
Globaltrans Investment PLC GDR	64,806	824,437	0.92%
Highland Gold Mining Ltd	247,179	542,889	0.61%
IBS Group Holding Ltd GDR	50,554	954,133	1.07%
Lukoil OAO ADR	203,757	8,614,976	9.65%
Mechel OAO ADR	66,025	1,444,704	1.62%
MMC Norilsk Nickel ADR	309,986	5,490,772	6.15%
OGK-4 OJSC	11,814,802	844,351	0.95%
O'Key Group SA GDR	166,574	1,664,108	1.87%
Polymetal GDR	92,138	1,258,331	1.41%
Polyus Gold OJSC ADR	48,970	1,328,407	1.49%
Rosneft Oil Co	455,087	2,436,673	2.73%
Sberbank of Russian Federation	3,326,434	8,505,214	9.53%
Sistema JSFC GDR	78,602	1,459,330	1.63%
Synergy Co	19,159	687,506	0.77%
X 5 Retail Group NV GDR	48,618	1,671,767	1.87%
		46,827,477	52.47%
Turkey			
Emlak Konut Gayrimenkul Yatirim Ortakligi AS	1,340,307	1,279,724	1.43%
Haci Omer Sabanci Holding AS	370,057	1,291,359	1.45%
KOC Holding AS	491,752	1,787,530	2.00%
Koza Altin Isletmeleri AS	71,694	715,806	0.80%
Sinpas Gayrimenkul Yatirim Ortakligi AS	835,242	837,970	0.94%
TAV Havalimanlari Holding AS	480,255	1,731,772	1.94%
Tofas Turk Otomobil Fabrikasi AS	212,812	821,022	0.92%
Turk Telekomunikasyon AS	283,908	891,658	1.00%
Turk Traktor ve Ziraat Makineleri AS	79,682	905,626	1.02%
Turkiye Garanti Bankasi AS	1,236,635	4,675,004	5.24%
Turkiye Sinai Kalkinma Bankasi AS	1,465,916	1,854,366	2.08%
		16,791,837	18.82%

Schedule of Investments continued

Magna Eastern European Fund – 31 December 2010 continued

Description	Shares	Fair Value €	% of Net Asset Value
Ukraine			
MHP SA GDR	70,150	897,670	1.01%
		897,670	1.01%
Total Common Stock		88,320,738	98.97%
WARRANT – 0.00%			
Kazakhstan			
Orsu Metals Corp *	567,878	–	0.00%
		–	0.00%
Total Investments		88,320,738	98.97%
Other assets and liabilities		923,131	1.03%
Net Assets		89,243,869	100.00%

Analysis of Total Assets	% of Total Assets
Transferable securities dealt in on a Regulated Market or listed on a Recognised Stock Exchange	98.23%
Current Assets	1.77%
Total Assets	100.00%

* Securities valued in care and good faith by the Pricing Committee, as described in note 2.3 and note 13, representing 1.60% of Net Assets.

Schedule of Investments continued

Magna Russia Fund – 31 December 2010

Description	Shares	Fair Value €	% of Net Asset Value
COMMON STOCK – 95.99%			
Kazakhstan			
KazakhGold Group Ltd GDR	29,903	87,774	0.92%
Zhaikmunai LP GDR	7,150	61,886	0.65%
		149,660	1.57%
Russia			
Alliance Oil Co Ltd	8,183	96,829	1.02%
Bank St Petersburg OJSC	36,280	148,817	1.57%
CTC Media Inc	8,319	145,949	1.54%
Eurasia Drilling Co Ltd GDR	2,983	71,889	0.76%
Federal Grid Co Unified Energy System JSC	26,437,947	238,978	2.52%
Gazprom OAO ADR	43,729	837,616	8.84%
Globaltrans Investment PLC GDR	14,326	188,691	1.99%
Highland Gold Mining Ltd	49,381	106,893	1.13%
IBS Group Holding Ltd GDR	5,346	101,479	1.07%
IDGC Holding JSC	648,360	85,850	0.91%
Lukoil OAO ADR	21,368	913,481	9.64%
Magnitogorsk Iron & Steel Works GDR	8,919	97,336	1.03%
Mechel OAO ADR	7,125	157,230	1.66%
MMC Norilsk Nickel ADR	50,368	911,332	9.62%
NovaTek OAO GDR	2,733	246,836	2.61%
Novolipetsk Steel OJSC GDR	6,371	228,725	2.41%
OGK-4 OJSC	1,807,146	129,892	1.37%
O'Key Group SA GDR	21,953	231,318	2.44%
Polymetal GDR	16,974	236,727	2.50%
Polyus Gold OJSC ADR	10,786	289,893	3.06%
Rosneft Oil Co	83,413	451,074	4.76%
RusHydro ADR	64,207	261,920	2.77%
RusHydro	511,806	20,609	0.22%
Sberbank of Russian Federation	335,975	863,988	9.12%
Severstal OAO GDR	22,902	292,684	3.09%
Sistema JSFC GDR	13,662	253,774	2.68%
Synergy Co	2,940	106,107	1.12%
Tatneft ADR	7,525	188,032	1.99%
Uralkali GDR	9,608	262,137	2.77%
Vozrozhdenie Bank	4,469	151,135	1.60%
VTB Bank OJSC GDR	46,441	229,469	2.42%
X 5 Retail Group NV GDR	7,398	255,016	2.69%
		8,801,706	92.92%
Ukraine			
MHP SA GDR	11,000	141,986	1.50%
		141,986	1.50%
Total Common Stock			
		9,093,352	95.99%
PREFERRED STOCK – 2.84%			
Russia			
Mechel OAO	37,286	269,124	2.84%
		269,124	2.84%
WARRANT – 0.00%			
Kazakhstan			
Orsu Metals Corp *	179,924	–	0.00%
		–	0.00%
Total Investments			
		9,362,476	98.83%
Other assets and liabilities		110,747	1.17%
Net Assets			
		9,473,223	100.00%

Schedule of Investments continued

Magna Russia Fund – 31 December 2010 continued

Analysis of Total Assets	% of Total Assets
Transferable securities dealt in on a Regulated Market or listed on a Recognised Stock Exchange	96.75%
Current Assets	3.25%
Total Assets	100.00%

* Security valued in care and good faith by the Pricing Committee, as described in note 2.3 and note 13, representing 0.00% of Net Assets.

Schedule of Investments continued

Magna Global Emerging Markets Fund – 31 December 2010

Description	Shares	Fair Value €	% of Net Asset Value
COMMON STOCK – 99.47%			
Brazil			
Banco do Brasil SA	106,700	1,508,912	1.00%
Cia Vale do Rio Doce ADR	307,443	6,961,882	4.64%
EcoRodovias Infraestrutura e Logistica SA	356,503	2,044,256	1.36%
Estacio Participacoes SA	140,500	1,672,112	1.12%
Hypermarcas SA	169,431	1,720,071	1.14%
Itau Unibanco Holding SA	213,717	3,835,141	2.56%
Lojas Renner SA	70,797	1,796,835	1.20%
OGX Petroleo e Gas Participacoes SA	447,218	4,022,047	2.68%
PDG Realty SA Empreendimentos e Participacoes	446,066	2,041,034	1.36%
Totvs SA	22,100	1,678,716	1.12%
		27,281,006	18.18%
China			
Bank of China Ltd	20,625,096	8,101,619	5.40%
China Shenhua Energy Co Ltd	533,942	1,673,250	1.11%
Hidili Industry International Development Ltd	1,868,008	1,181,571	0.79%
New World Department Store China Ltd	886,258	541,813	0.36%
PetroChina Co Ltd ADR	15,649	1,539,829	1.03%
PetroChina Co Ltd	2,236,000	2,174,247	1.45%
Ping An Insurance (Group) Co of China Ltd			
P-Note Nomura International PLC	244,900	1,559,271	1.04%
Poly Hong Kong Investments Ltd	2,088,500	1,520,099	1.01%
Renhe Commercial Holdings Co Ltd	7,331,498	952,889	0.64%
Skyworth Digital Holdings Ltd	4,170,074	1,842,774	1.23%
West China Cement Ltd	3,390,000	926,902	0.62%
Yuexiu Property Co Ltd	7,372,039	1,469,175	0.98%
		23,483,439	15.66%
Czech Republic			
New World Resources NV	177,595	1,935,840	1.29%
		1,935,840	1.29%
Egypt			
Maridive & Oil Services SAE	572,597	1,508,289	1.01%
Orascom Construction Industries	33,758	1,216,912	0.81%
Talaat Moustafa Group Holding Co	1,860,889	2,048,657	1.37%
		4,773,858	3.19%
Hungary			
MOL Hungarian Oil and Gas PLC	50,658	3,788,050	2.53%
		3,788,050	2.53%
India			
Axis Bank Ltd	54,866	1,239,128	0.83%
Mahindra & Mahindra Ltd P-Note Deutsche Bank AG	136,481	1,777,921	1.18%
Mastek Ltd P-Note Goldman Sachs International	205,901	631,441	0.42%
NTPC Ltd P-Note Citigroup Global Markets	410,648	1,379,297	0.92%
NTPC Ltd P-Note JP Morgan	781,822	2,626,008	1.75%
Opto Circuits India Ltd	243,537	1,095,350	0.73%
Opto Circuits India Ltd P-Note Citigroup Global Markets	98,109	441,373	0.29%
Reliance Industries Ltd P-Note Citigroup Global Markets	97,952	1,735,204	1.16%
		10,925,722	7.28%
Indonesia			
Perusahaan Gas Negara PT	4,574,000	1,671,542	1.12%
		1,671,542	1.12%
Kazakhstan			
KazakhGold Group Ltd GDR	255,284	745,043	0.50%
KazMunaiGas Exploration Production GDR	101,828	1,504,969	1.00%
		2,250,012	1.50%

Schedule of Investments continued

Magna Global Emerging Markets Fund – 31 December 2010 continued

Description	Shares	Fair Value €	% of Net Asset Value
Mexico			
Grupo Mexico SAB de CV	1,159,593	3,569,402	2.38%
Mexichem SAB de CV	817,612	2,194,710	1.46%
		5,764,112	3.84%
Poland			
PKO Bank Polski SA	153,469	1,681,715	1.12%
		1,681,715	1.12%
Russia			
Lukoil OAO ADR	59,586	2,519,334	1.68%
MMC Norilsk Nickel ADR	196,665	3,483,521	2.33%
OGK-4 OJSC	10,362,281	740,546	0.49%
Polyus Gold OJSC ADR	71,904	1,950,537	1.30%
Sberbank of Russian Federation	1,190,268	3,043,344	2.03%
X 5 Retail Group NV GDR	68,360	2,350,611	1.57%
		14,087,893	9.40%
South Africa			
Aveng Ltd	1,164,745	5,657,715	3.77%
Massmart Holdings Ltd	94,294	1,571,400	1.05%
MTN Group Ltd	159,018	2,416,268	1.61%
Mvelaphanda Resources Ltd	333,885	1,875,201	1.25%
Naspers Ltd	35,120	1,536,028	1.03%
		13,056,612	8.71%
South Korea			
Daegu Bank Ltd	197,020	2,026,611	1.35%
Hyundai Marine & Fire Insurance Co Ltd	152,290	2,620,882	1.75%
Kia Motors Corp	140,350	4,673,469	3.11%
LG Display Co Ltd	68,650	1,799,340	1.20%
SK Telecom Co Ltd ADR	38,352	533,819	0.36%
SK Telecom Co Ltd	20,534	2,342,369	1.56%
		13,996,490	9.33%
Taiwan			
Chunghwa Telecom Co Ltd	369,497	702,727	0.47%
Hon Hai Precision Industry Co Ltd	1,837,920	5,519,125	3.68%
Silitech Technology Corp	666,000	1,543,547	1.03%
Taiwan Semiconductor Manufacturing Co Ltd	4,313,647	7,860,691	5.24%
		15,626,090	10.42%
Thailand			
Kasikornbank PCL NVDR	503,610	1,568,975	1.05%
		1,568,975	1.05%
Turkey			
KOC Holding AS	396,777	1,442,293	0.96%
Koza Anadolu Metal Madencilik Isletmeleri AS	659,652	1,473,878	0.98%
Sinpas Gayrimenkul Yatirim Ortakligi AS	1,538,364	1,543,389	1.03%
TAV Havalimanlari Holding AS	353,754	1,275,616	0.85%
Turkiye Garanti Bankasi AS	408,474	1,544,205	1.03%
		7,279,381	4.85%
Total Common Stock		149,170,737	99.47%
Total Investments		149,170,737	99.47%
Other assets and liabilities		799,003	0.53%
Net Assets		149,969,740	100.00%
Analysis of Total Assets			% of Total Assets
Transferable securities dealt in on a Regulated Market or listed on a Recognised Stock Exchange			98.90%
Current Assets			1.10%
Total Assets			100.00%

Schedule of Investments continued

Magna Turkey Fund – 31 December 2010

Description	Shares	Fair Value €	% of Net Asset Value
COMMON STOCK – 98.23%			
Turkey			
Akbank TAS	152,973	636,134	3.00%
Albaraka Turk Katilim Bankasi AS	207,546	269,585	1.27%
Anadolu Efes Biracilik Ve Malt Sanayii AS	37,700	407,467	1.92%
Arcelik AS	77,979	294,794	1.39%
BIM Birlesik Magazalar AS	24,187	612,511	2.89%
Cimsa Cimento Sanayi VE Tica	48,202	232,452	1.10%
Coca-Cola Icecek AS	92,003	914,117	4.32%
Emlak Konut Gayrimenkul Yatirim Ortakligi AS	650,716	621,303	2.93%
Enka Insaat ve Sanayi AS	145,605	405,074	1.91%
Eregli Demir ve Celik Fabrikalari TAS	276,490	680,753	3.22%
Ford Otomotiv Sanayi AS	32,996	208,698	0.99%
Haci Omer Sabanci Holding AS	240,734	840,070	3.96%
KOC Holding AS	262,687	954,875	4.51%
Koza Altin Isletmeleri AS	52,237	521,548	2.46%
Koza Anadolu Metal Madencilik Isletmeleri AS	92,091	205,761	0.97%
Otokar Otobus Karoseri Sanayi AS	23,420	242,343	1.14%
Sinpas Gayrimenkul Yatirim Ortakligi AS	634,793	636,866	3.01%
TAV Havalimanlari Holding AS	177,666	640,653	3.03%
Tofas Turk Otomobil Fabrikasi AS	133,532	515,163	2.43%
Tupras Turkiye Petrol Rafine	32,710	611,947	2.89%
Turcas Petrolculuk AS	142,411	266,426	1.26%
Turk Hava Yollari	245,577	640,347	3.03%
Turk Telekomunikasyon AS	364,288	1,144,105	5.40%
Turk Traktor ve Ziraat Makineleri AS	38,846	441,504	2.08%
Turkcell Iletisim Hizmet AS	102,717	522,730	2.47%
Turkiye Garanti Bankasi AS	531,418	2,008,985	9.49%
Turkiye Halk Bankasi AS	134,681	848,585	4.01%
Turkiye Is Bankasi AS	768,245	2,040,451	9.64%
Turkiye Sinai Kalkinma Bankasi AS	668,432	845,558	3.99%
Turkiye Vakiflar Bankasi Tao	393,613	745,919	3.52%
Yapi ve Kredi Bankasi AS	359,567	846,959	4.00%
		20,803,683	98.23%
Total Common Stock		20,803,683	98.23%
Total Investments		20,803,683	98.23%
Other assets and liabilities		374,904	1.77%
Net Assets		21,178,587	100.00%
Analysis of Total Assets			% of Total Assets
Transferable securities dealt in on a Regulated Market or listed on a Recognised Stock Exchange			91.23%
Current Assets			8.77%
Total Assets			100.00%

Schedule of Investments continued

Magna Latin American Fund – 31 December 2010

Description	Shares	Fair Value €	% of Net Asset Value
COMMON STOCK – 85.13%			
Brazil			
AES Tiete SA	113,000	1,081,036	1.51%
Banco do Brasil SA	195,100	2,774,923	3.88%
BR Malls Participacoes SA	127,400	987,745	1.38%
Brasil Insurance Participacoes e Administracao SA	1,700	1,464,474	2.05%
Cia de Bebidas das Americas ADR	76,800	1,799,978	2.51%
Cia Hering SA	77,991	942,722	1.32%
Cia Vale do Rio Doce ADR	290,633	6,551,326	9.16%
EcoRodovias Infraestrutura e Logistica SA	194,001	1,118,846	1.57%
Estacio Participacoes SA	120,300	1,439,954	2.01%
Gerdau SA ADR	95,064	989,523	1.38%
Hypermarcas SA	171,700	1,753,145	2.45%
lochpe-Maxion SA	67,128	709,151	0.99%
Lojas Renner SA	38,850	991,696	1.39%
Odontoprev SA	83,712	952,286	1.33%
OGX Petroleo e Gas Participacoes SA	280,000	2,532,679	3.54%
PDG Realty SA Empreendimentos e Participacoes	357,730	1,646,268	2.30%
Petroleo Brasileiro SA ADR	210,524	5,347,648	7.47%
Raia SA	91,200	1,033,746	1.44%
Totvs SA	14,000	1,069,565	1.49%
Tractebel Energia SA	88,900	1,098,367	1.54%
Usinas Siderurgicas de Minas Gerais SA	173,878	1,679,992	2.35%
		37,965,070	53.06%
Chile			
Banco Santander Chile SA ADR	14,033	985,205	1.38%
Empresa Nacional de Telecomunicaciones SA	80,476	1,065,632	1.49%
Enersis SA ADR	67,919	1,183,395	1.65%
		3,234,232	4.52%
Colombia			
Grupo de Inversiones Suramericana SA	90,368	1,326,993	1.85%
		1,326,993	1.85%
Mexico			
America Movil SAB de CV ADR	122,830	5,250,978	7.34%
Corporacion Geo SAB de CV	387,920	1,029,504	1.44%
Fomento Economico Mexicano SAB de CV	49,396	2,075,987	2.90%
Grupo Comercial Chedraui SA de CV	648,596	1,498,904	2.09%
Grupo Financiero Banorte SAB de CV	292,122	1,016,281	1.42%
Grupo Mexico SAB de CV	829,132	2,507,948	3.51%
Grupo Televisa SA ADR	88,043	1,717,581	2.40%
Mexichem SAB de CV	585,323	1,546,276	2.16%
		16,643,459	23.26%
Peru			
Credicorp Ltd	9,856	882,745	1.23%
		882,745	1.23%
Uruguay			
Union Agriculture Group *	524,000	867,644	1.21%
		867,644	1.21%
Total Common Stock		60,920,143	85.13%
PREFERRED STOCK – 14.16%			
Brazil			
Banco do Estado do Rio Grande do Sul SA	136,877	1,095,354	1.53%
Bradespar SA	64,507	1,260,559	1.76%
Itau Unibanco Holding SA ADR	368,760	6,661,047	9.31%
Ultrapar Participacoes SA	23,400	1,115,059	1.56%
		10,132,019	14.16%

Schedule of Investments continued

Magna Latin American Fund – 31 December 2010 continued

Description	Shares	Fair Value €	% of Net Asset Value
Total Preferred Stock		10,132,019	14.16%
Total Investments		71,052,162	99.29%
Other assets and liabilities		506,587	0.71%
Net Assets		71,558,749	100.00%
Analysis of Total Assets			% of Total Assets
Transferable securities dealt in on a Regulated Market or listed on a Recognised Stock Exchange			97.20%
Current Assets			2.80%
Total Assets			100.00%

* Security valued in care and good faith by the Pricing Committee, as described in note 2.3 and note 13, representing 1.21% of Net Assets.

Schedule of Investments continued

Magna Africa Fund – 31 December 2010

Description	Shares	Fair Value €	% of Net Asset Value
COMMON STOCK – 97.90%			
Egypt			
Circle Oil PLC	1,400,768	563,832	0.88%
Commercial International Bank Egypt SAE	294,287	1,726,509	2.70%
Ghabbour Auto	200,742	1,041,586	1.63%
Maridive & Oil Services SAE	457,473	1,205,040	1.88%
Orascom Construction Industries	40,670	1,466,076	2.29%
Orascom Development Holding AG	14,627	646,799	1.01%
Talaat Moustafa Group Holding Co	2,315,868	2,549,545	3.98%
Telecom Egypt	499,129	1,142,738	1.78%
		10,342,125	16.15%
Guinea			
Bellzone Mining PLC	461,238	443,960	0.69%
		443,960	0.69%
Kenya			
AccessKenya	5,861,400	732,853	1.15%
Equity Bank Ltd	4,100,280	949,370	1.48%
Safaricom Ltd	24,101,100	982,135	1.53%
		2,664,358	4.16%
Mauritius			
Mauritius Commercial Bank	156,852	642,362	1.01%
		642,362	1.01%
Mozambique			
Kenmare Resources PLC	892,260	339,266	0.53%
		339,266	0.53%
Namibia			
Kalahari Minerals PLC	128,495	371,419	0.58%
		371,419	0.58%
Nigeria			
Afren PLC	668,540	1,151,273	1.80%
Dangote Sugar Refinery PLC	8,263,588	648,902	1.02%
Guaranty Trust Bank PLC	20,336,081	1,780,117	2.78%
Oando PLC	2,568,619	834,755	1.31%
Sirius Petroleum PLC *	4,172,457	243,403	0.38%
Skye Bank PLC	19,478,671	806,501	1.26%
UAC of Nigeria PLC	1,485,765	275,766	0.43%
United Bank for Africa PLC	22,476,570	1,013,620	1.58%
Zenith Bank PLC	15,149,579	1,118,772	1.75%
		7,873,109	12.31%
South Africa			
ABSA Group Ltd	154,572	2,433,697	3.80%
African Bank Investments Ltd	367,120	1,614,789	2.52%
AngloGold Ashanti Ltd	47,067	1,743,572	2.72%
Aquarius Platinum Ltd	313,050	1,278,705	2.00%
Aveng Ltd	435,430	2,115,089	3.30%
Blue Label Telecoms Ltd	1,652,045	1,304,305	2.04%
Central Rand Gold Ltd	978,922	26,269	0.04%
Continental Coal Ltd.	5,377,606	292,234	0.46%
Discovery Holdings Ltd	271,071	1,213,870	1.90%
Great Basin Gold Ltd	184,881	409,087	0.64%
Group Five Ltd	315,601	1,305,005	2.04%
Harmony Gold Mining Co Ltd	181,591	1,705,974	2.67%
Impala Platinum Holdings Ltd	108,423	2,863,876	4.47%
Lewis Group Ltd	68,577	633,269	0.99%
Life Healthcare Group Holdings Ltd	758,423	1,276,827	1.99%
Massmart Holdings Ltd	46,703	778,301	1.21%
Mr Price Group Ltd	83,266	621,922	0.97%

Schedule of Investments continued

Magna Africa Fund – 31 December 2010 continued

Description	Shares	Fair Value €	% of Net Asset Value
MTN Group Ltd	304,031	4,619,730	7.22%
Murray & Roberts Holdings Ltd	114,752	522,599	0.82%
Mvelaphanda Resources Ltd	320,921	1,802,391	2.82%
Naspers Ltd	85,539	3,741,181	5.84%
Platmin Ltd	463,009	310,138	0.48%
Raubex Group Ltd	482,933	1,274,408	1.99%
Sasol Ltd	58,592	2,292,979	3.58%
Standard Bank Group Ltd	103,521	1,264,768	1.98%
		37,444,985	58.49%
Zambia			
Celtel Zambia Ltd *	6,654,395	736,578	1.15%
First Quantum Minerals Ltd	14,620	1,188,357	1.86%
Zambeef Products PLC	1,077,510	621,548	0.97%
		2,546,483	3.98%
Total Common Stock		62,668,067	97.90%
WARRANT – 0.02%			
Congo, Democratic Republic of			
PME African Infrastructure Opportunities PLC	677,810	10,145	0.02%
		10,145	0.02%
Total Investments		62,678,212	97.92%
Other assets and liabilities		1,333,219	2.08%
Net Assets		64,011,431	100.00%
Analysis of Total Assets			% of Total Assets
Transferable securities dealt in on a Regulated Market or listed on a Recognised Stock Exchange			95.05%
Current Assets			4.95%
Total Assets			100.00%

* Securities valued in care and good faith by the Pricing Committee, as described in note 2.3 and note 13, representing 1.53% of Net Assets.

Schedule of Investments continued

Magna Undervalued Assets Fund – 31 December 2010

Description	Shares	Fair Value €	% of Net Asset Value
COMMON STOCK – 93.79%			
China			
Arc Capital Holdings Ltd	778,059	736,540	3.99%
China Merchants China Direct Investments Ltd	458,000	748,719	4.06%
Leoch International Technology Ltd.	200,000	79,524	0.43%
Ping An Insurance (Group) Co of China Ltd			
P-Note Nomura International PLC	62,100	395,389	2.14%
Renhe Commercial Holdings Co Ltd	5,872,000	763,195	4.14%
Treasury China Trust	230,150	260,352	1.41%
West China Cement Ltd	236,600	64,692	0.35%
YGM Trading Ltd	173,000	331,448	1.80%
Yuexiu Property Co Ltd	4,593,800	915,499	4.97%
		4,295,358	23.29%
Global Investments			
Metage Special Emerging Markets Fund Ltd.	3,979	194,289	1.05%
		194,289	1.05%
Hungary			
MOL Hungarian Oil and Gas PLC	11,820	883,863	4.79%
		883,863	4.79%
India			
Bombay Dyeing & Manufacturing Co Ltd P-Note Deutsche Bank AG	73,326	641,961	3.48%
Indiabulls Real Estate Ltd P – Note Citigroup Global Markets	314,637	726,575	3.94%
Unitech Corporate Parks PLC	2,432,528	865,610	4.69%
Unitech Ltd P – Note Citigroup Global Markets	311,603	345,831	1.87%
Unitech Ltd P – Note Deutsche Bank AG	390,635	433,544	2.35%
		3,013,521	16.33%
Kazakhstan			
Zhaikmunai LP GDR	57,453	515,926	2.80%
		515,926	2.80%
Mexico			
Grupo Mexico SAB de CV	307,643	946,972	5.13%
		946,972	5.13%
Romania			
Fondul Proprietatea P-Note Unicredito Bank Austria *	7,492,000	914,024	4.96%
		914,024	4.96%
Russia			
MMC Norilsk Nickel ADR	34,638	613,542	3.33%
Polyus Gold OJSC ADR	27,212	738,179	4.00%
Tau Capital PLC	2,156,778	581,033	3.15%
		1,932,754	10.48%
Singapore			
Macquarie International Infrastructure Fund Ltd.	2,577,000	886,573	4.81%
		886,573	4.81%
Thailand			
Central Pattana PCL NVDR	997,900	656,464	3.56%
		656,464	3.56%
Turkey			
Koza Anadolu Metal Madencilik Isletmeleri AS	327,312	731,322	3.97%
		731,322	3.97%
Vietnam			
Aseana Properties Ltd.	2,588,873	1,021,942	5.54%
DWS Vietnam Fund Ltd	2,614,765	498,960	2.71%
PCA International Funds SPC – Vietnam Segregated Portfolio	224,304	805,696	4.37%
		2,326,598	12.62%
Total Common Stock		17,297,664	93.79%

Schedule of Investments continued

Magna Undervalued Assets Fund – 31 December 2010 continued

Description	Shares	Fair Value €	% of Net Asset Value
Total Investments		17,297,664	93.79%
Other assets and liabilities		1,145,869	6.21%
Net Assets		18,443,533	100.00%
Analysis of Total Assets			% of Total Assets
Transferable securities dealt in on a Regulated Market or listed on a Recognised Stock Exchange			91.43%
Current Assets			8.57%
Total Assets			100.00%

* Securities valued in care and good faith by the Pricing Committee, as described in note 2.3 and note 13, representing 4.96% of Net Assets.

Schedule of Investments continued

Magna Emerging Markets Dividend Fund – 31 December 2010

Description	Shares	Fair Value €	% of Net Asset Value
COMMON STOCK – 92.79%			
Brazil			
AES Tiete SA	103,700	986,384	6.20%
Banco Santander Brasil SA	56,600	575,611	3.62%
Cia de Bebidas das Americas	13,290	308,702	1.94%
Cielo SA	59,100	358,340	2.25%
Multipius SA	35,900	542,156	3.41%
Sul America SA	57,800	541,971	3.41%
Tractebel Energia SA	40,000	491,373	3.09%
		3,804,537	23.92%
Chile			
Empresa Nacional de Telecomunicaciones SA	15,227	200,454	1.26%
		200,454	1.26%
China			
Bank of China Ltd	1,710,000	671,695	4.22%
China Construction Bank Corp	850,650	570,001	3.58%
Renhe Commercial Holdings Co Ltd	1,558,000	202,496	1.27%
Sichuan Xinhua Winshare Chainstore Co Ltd	1,432,000	620,399	3.90%
YGM Trading Ltd	152,000	291,214	1.83%
		2,355,805	14.80%
Czech Republic			
Komerční Banka AS	895	158,487	1.00%
		158,487	1.00%
Egypt			
Maridive & Oil Services SAE	114,190	300,791	1.89%
Telecom Egypt	432,130	989,346	6.22%
		1,290,137	8.11%
India			
NTPC Ltd P-Note Citigroup Global Markets	137,605	462,192	2.90%
		462,192	2.90%
Indonesia			
Perusahaan Gas Negara PT	497,000	181,626	1.14%
		181,626	1.14%
Mexico			
Grupo Televisa SA ADR	8,108	157,269	0.99%
		157,269	0.99%
Poland			
Telekomunikacja Polska SA	103,916	429,480	2.70%
		429,480	2.70%
Qatar			
Commercial Bank of Qatar	11,440	215,345	1.35%
		215,345	1.35%
Russia			
Bashneft OAO	7,207	183,369	1.15%
Mobile Telesystems OJSC	77,707	488,464	3.07%
		671,833	4.22%
Saudi Arabia			
Etihad Etisalat Co P-Note Deutsche Bank AG	28,244	311,323	1.96%
		311,323	1.96%
South Africa			
Raubex Group Ltd	217,332	573,516	3.60%
		573,516	3.60%

Schedule of Investments continued

Magna Emerging Markets Dividend Fund – 31 December 2010 continued

Description	Shares	Fair Value €	% of Net Asset Value
South Korea			
KT&G Corp	5,582	237,770	1.49%
SK Telecom Co Ltd	2,156	245,941	1.55%
SK Telecom Co Ltd ADR	33,279	463,208	2.91%
Woongjin Thinkbig Co Ltd	26,050	374,455	2.35%
		1,321,374	8.30%
Taiwan			
Chunghwa Telecom Co Ltd	171,000	325,216	2.04%
Taiwan Semiconductor Manufacturing Co Ltd	617,000	1,124,349	7.07%
		1,449,565	9.11%
Turkey			
Ford Otomotiv Sanayi AS	117,544	743,459	4.67%
Turk Telekomunikasyon AS	84,149	264,283	1.66%
Turk Traktor ve Ziraat Makineleri AS	15,350	174,460	1.10%
		1,182,202	7.43%
Total Common Stock		14,765,145	92.79%
PREFERRED STOCK – 4.87%			
Russia			
Mechel OAO	108,485	775,294	4.87%
		775,294	4.87%
Total Investments		15,540,439	97.66%
Total Investments		15,540,439	97.66%
Other assets and liabilities		371,882	2.34%
Net Assets		15,912,321	100.00%
Analysis of Total Assets			% of Total Assets
Transferable securities dealt in on a Regulated Market or listed on a Recognised Stock Exchange			97.27%
Current Assets			2.73%
Total Assets			100.00%

Portfolio Movements (unaudited)

In accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003, as amended a statement of the largest changes in the composition of the Schedule of Investments during the year is provided to ensure that the shareholders can identify changes in the investments held by each Fund. These statements present the aggregate purchases and sales of an investment, exceeding 1% of the total value of purchases and sales for the year. At a minimum the largest 20 purchases and sales are listed. If a Fund enters into less than 20 purchases or sales during the year, then all transactions are presented.

Magna Eastern European Fund

Largest Purchases	Cost €
Sberbank of Russia	5,188,111
Turkiye Garanti Bankasi AS	4,747,797
Lukoil OAO	4,076,942
MOL Hungarian Oil and Gas PLC	3,603,247
Mechel OAO	3,310,572
Turkiye Is Bankasi	3,279,462
Mobile Telesystems OJSC	3,108,465
Bank Pekao SA Ord	2,700,850
Turkiye Sinai Kalkinma Bankasi AS	2,629,230
Gazprom OAO	2,492,973
Turkiye Halk Bankasi AS	2,253,143
Polymetal	2,234,310
New World Resources NV	1,907,366
MMC Norilsk Nickel	1,859,012
Kazakhmys PLC	1,805,255
Polska Grupa Energetyczna SA	1,796,247
Haci Omer Sabanci Holding AS	1,588,533
International Personal Finance PLC	1,574,161
O'Key Group S.A.	1,472,903
X 5 Retail Group NV	1,471,082
Kommerchni Banka AS	1,375,865
Asya Katilim Bankasi AS	1,357,647
Koza Altin Isletmeleri AS	1,347,349
Protek	1,333,018
Warsaw Stock Exchange	1,307,128
Emlak Konut Gayrimenkul Yatirim Ortakligi AS	1,251,318
Polyus Gold Co. ADR	1,163,327
KGHM Polska Miedz SA	1,132,404
Rosneft Oil Co	1,059,404
Tofas Turk Otomobil Fabrikasi AS	1,039,157
CTC Media Inc	1,019,142
Sinpas Gayrimenkul Yatirim Ortakligi AS	963,067
KazMunaiGas Exploration Production	953,178
Fondl Prop ING Pnote	939,905
Powszechna Kasa Oszczednosci Bank Polski SA	891,924
Mhp S.A.	874,459
Turk Traktor ve Ziraat Makineleri AS	847,105
Globaltrans Investment PLC	843,095
Eurasia Drilling Co Ltd	841,846
KOC Holding AS	828,942

Portfolio Movements (unaudited) continued

Magna Eastern European Fund continued

Largest Sales	Proceeds €
Sberbank of Russia	7,822,504
Powszechny Zaklad Ubezpieczen SA	5,969,714
Turkiye Halk Bankasi AS	5,492,945
Turkiye Garanti Bankasi AS	5,199,882
Mobile Telesystems OJSC	5,176,763
VimpelCom Ltd	4,510,738
Surgutneftegas	4,463,571
Gazprom OAO	4,187,555
Rosneft Oil Co	4,020,476
Lukoil OAO	3,849,280
Turkiye Is Bankasi	3,718,376
CEZ AS	3,664,834
MMC Norilsk Nickel	3,381,449
OTP Bank PLC	2,955,416
Mechel OAO	2,531,879
Magnitogorsk Iron & Steel Works	1,960,674
TAV Havalimanlari Holding AS	1,958,175
Komercni Banka AS	1,879,765
Polska Grupa Energetyczna SA	1,831,722
KOC Holding AS	1,796,086
Eurasia Drilling Co Ltd	1,751,753
Turkiye Sinai Kalkinma Bankasi AS	1,527,995
Kazakhmys PLC	1,460,706
Haci Omer Sabanci Holding AS	1,402,320
Petropavlovsk PLC	1,402,240
KazMunaiGas Exploration Production	1,367,270
Asya Katilim Bankasi AS	1,365,933
Sistema JSFC	1,334,423
Polymetal	1,325,729
Telekomunikacja Polska SA	1,296,860
Powszechna Kasa Oszczednosci Bank Polski SA	1,294,152
Comstar United Telesystems OJSC	1,223,624

Portfolio Movements (unaudited) continued

Magna Russia Fund

Largest Purchases	Cost €
Lukoil OAO	569,958
MMC Norilsk Nickel	480,015
Sberbank of Russia	379,510
Polyus Gold Co. ADR	291,624
Gazprom OAO	288,581
Mechel OAO	273,074
Rosneft Oil Co	268,045
Protek	267,444
Severstal OAO	261,221
Mechel Adr	222,776
O'Key Group S.A.	194,262
Globaltrans Investment PLC	193,486
CTC Media Inc	162,421
Polymetal	156,318
NovaTek OAO	150,575
Surgutneftegas	148,183
Mhp S.A.	137,121
Federal Grid Co Unified Energy System JSC	125,808
X 5 Retail Group NV	118,122
Highland Gold Mining Ltd.	106,816
Mosenergo OAO	100,360
VimpelCom Ltd	91,202
Novolipetsk Steel OJSC	87,566
Vozrozhdenie Bank	85,001
Eurasia Drilling Co Ltd	79,624
VTB Bank OJSC	69,377
Sistema JSFC	67,944
Zhaikmunai LP	61,575

Portfolio Movements (unaudited) continued

Magna Russia Fund

Largest Sales	Proceeds €
Sberbank of Russia	682,954
Mobile Telesystems OJSC	492,623
MMC Norilsk Nickel	480,322
Mechel OAO	457,674
VimpelCom Ltd	451,266
Magnitogorsk Iron & Steel Works	411,758
Rosneft Oil Co	382,346
Gazprom OAO	352,635
Polymetal	338,859
Lukoil OAO	318,925
NovaTek OAO	271,636
Surgutneftegas	260,197
Novolipetsk Steel OJSC	258,975
Protek	228,226
IDGC Holding JSC	191,798
Surgutneftegas	177,474
Pharmstandard	165,390
Eurasia Drilling Co Ltd	161,211
Federal Grid Co Unified Energy System JSC	151,360
Sistema JSFC	141,544
Comstar United Telesystems OJSC	136,944
Uralkali	132,456
VolgaTelecom	127,943
Alliance Oil Co Ltd	118,436
RusHydro	117,045
VTB Bank OJSC	114,409
Novorossiysk Commercial Sea Port PJSC	108,010
Enel OGK-5 OJSC	94,847
Mosenergo OAO	88,343
IBS Group Holding Ltd	86,878
Veropharm	85,997

Portfolio Movements (unaudited) continued**Magna Global Emerging Markets Fund**

Largest Purchases	Cost €
Hon Hai Precision Industry Co Ltd	5,129,475
Aveng Ltd	4,777,210
Bank of China Ltd	4,105,898
MOL Hungarian Oil and Gas PLC	3,983,000
OGX Petroleo e Gas Participacoes SA	3,850,909
Petroleo Brasileiro SA	3,311,991
Taiwan Semiconductor Manufacturing Co Ltd	3,292,243
Kia Motors Corp.	3,201,361
New World Resources NV	3,181,898
Polska Grupa Energetyczna SA	2,785,180
Lukoil OAO	2,589,751
Skyworth Digital Holdings Ltd.	2,473,828
Grupo Mexico SAB de CV	2,470,945
Turkiye Garanti Bankasi AS	2,405,581
Banco do Brasil SA	2,225,522
NTPC Ltd P-Note JP Morgan	2,119,676
Mobile Telesystems OJSC	2,048,125
X 5 Retail Group NV	1,958,729
Orascom Construction Industries	1,922,905
Daegu Bank Ltd.	1,874,992
TAV Havalimanlari Holding AS	1,859,296
Polyus Gold Co. ADR	1,782,815
Hidili Industry International Development Ltd.	1,776,628
MTN Group Ltd	1,774,251
Sinpas Gayrimenkul Yatirim Ortakligi AS	1,755,456
Mvelaphanda Resources Ltd.	1,707,370
Reliance Industries Ltd P-Note Citigroup Global Markets	1,650,719
China Shenhua Energy Co Ltd	1,636,464
Sberbank of Russia	1,635,672
Silitech Technology Corp.	1,587,143
EcoRodovias Infraestrutura e Logistica SA	1,566,476
Powszechna Kasa Oszczednosci Bank Polski SA	1,545,354
Murray & Roberts Holdings Ltd	1,465,410
Mechel	1,445,837
Delta Electronics Inc	1,441,520
Perusahaan Gas Negara PT	1,434,107
Estacio Participacoes S.A.	1,427,931
Massmart Holdings Ltd	1,427,770
Koza Anadolu Metal Madencilik Isletmeleri A/S	1,409,035
SK Telecom Co Ltd	1,394,355
First Quantum Minerals Ltd	1,382,389
Mahindra & Mahindra Ltd Pnote	1,375,958
MMC Norilsk Nickel	1,345,465
Ping An Insurance P Note	1,288,429

Portfolio Movements (unaudited) continued**Magna Global Emerging Markets Fund continued**

Largest Sales	Proceeds €
Petroleo Brasileiro SA	7,643,184
China Construction Bank Corp	4,719,302
Powszechny Zaklad Ubezpieczen S.A.	4,339,143
Samsung Electronics Co Ltd	3,703,786
HTC Corp	3,405,677
America Movil SAB de CV	3,163,876
Polska Grupa Energetyczna SA	2,855,790
Murray & Roberts Holdings Ltd	2,849,195
Turkiye Garanti Bankasi AS	2,697,772
Gazprom OAO	2,598,167
KT&G Corp	2,542,455
First Quantum Minerals Ltd	2,287,644
Orascom Construction Industries	2,287,384
Cheil Industries Inc	2,264,686
Shinsegae Co Ltd	2,247,457
Fomento Economico Mexicano SAB de CV	2,172,793
Vimpelcom Ltd	2,062,375
Rosneft Oil Co	2,019,095
Mobile Telesystems OJSC	1,983,306
Itau Unibanco Holding SA	1,971,362
MTN Group Ltd	1,966,139
China Dongxiang Group Co	1,940,993
New World Resources NV	1,920,655
Dena Bank P-Note Citigroup Global Markets	1,883,415
Empresa Nacional de Telecomunicaciones SA	1,800,600
Siliconware Precision Industries Co	1,759,676
Sberbank of Russian Federation	1,757,993
Grupo Televisa SA	1,743,294
PTT PCL	1,733,549
BM&F Bovespa SA	1,710,008
Hon Hai Precision Industry Co Ltd	1,685,357
Taiwan Cement Corp	1,673,042
Grupo Mexico SAB de CV	1,672,930
Delta Electronics, Inc.	1,610,224
Odontoprev SA	1,604,283
Mechel OAO	1,581,430
Great Basin Gold Ltd	1,534,418
China Zhongwang Holdings Ltd	1,427,574
Talaat Moustafa Group Holding	1,393,427
China Communications Construction Co Ltd	1,259,967

Portfolio Movements (unaudited) continued

Magna Turkey Fund

Largest Purchases	Cost €
Turkiye Garanti Bankasi AS	1,778,515
Turkiye Is Bankasi	1,678,032
Turkiye Halk Bankasi AS	1,155,462
Turkiye Sinai Kalkinma Bankasi AS	1,043,147
Coca-Cola Icecek AS	991,253
Turk Telekomunikasyon AS	988,936
Yapi ve Kredi Bankasi AS	838,847
Eregli Demir ve Celik Fabrikalari TAS	827,252
Haci Omer Sabanci Holding AS	825,170
Turk Hava Yollari	794,420
Sinpas Gayrimenkul Yatirim Ortakligi AS	764,421
Turkiye Vakiflar Bankasi Tao	733,220
Koza Altin Isletmeleri AS	713,340
Enka Insaat ve Sanayi AS	710,296
Emlak Konut Gayrimenkul Yatirim Ortakligi AS	673,567
KOC Holding AS	626,192
Turkcell Iletisim Hizmet AS	595,677
BIM Birlesik Magazalar AS	593,199
TAV Havalimanlari Holding AS	556,868
Akbank TAS	535,793
Tupras Turkiye Petrol Rafine	440,522
Turk Traktor ve Ziraat Makineleri AS	427,451
Tofas Turk Otomobil Fabrikasi AS	427,397
Anadolu Efes Biracilik Ve Malt Sanayii AS	425,122
Arcelik A/S	319,042
Dogan Sirketler Grubu Holdings AS	314,628
Turcas Petrolculuk AS	301,405
Albaraka Turk Katilim Bankasi AS	265,896
Koza Anadolu Metal Madencilik Isletmeleri AS	233,246

Portfolio Movements (unaudited) continued

Magna Turkey Fund continued

Largest Sales	Proceeds €
Turkiye Halk Bankasi AS	1,298,386
Turkiye Garanti Bankasi AS	1,061,221
Turk Telekomunikasyon AS	949,298
Turkiye Is Bankasi	916,750
Dogan Sirketler Grubu Holdings AS	743,179
BIM Birlesik Magazalar AS	740,544
Asya Katilim Bankasi AS	659,615
Enka Insaat ve Sanayi AS	659,463
Turkcell Iletisim Hizmet AS	636,733
Yapi ve Kredi Bankasi AS	555,149
Eregli Demir ve Celik Fabrikalari TAS	534,084
Yazicilar Holding AS	508,589
Haci Omer Sabanci Holding AS	508,574
TAV Havalimanlari Holding AS	464,571
KOC Holding AS	463,740
Turkiye Sinai Kalkinma Bankasi AS	403,520
Koza Altin Isletmeleri AS	402,899
Turkiye Vakiflar Bankasi Tao	396,621
Akbank TAS	351,523
Tupras Turkiye Petrol Rafine	292,427
Coca-Cola Icecek AS	282,351
Albaraka Turk Katilim Bankasi AS	267,963
Cimsa Cimento Sanayi VE Tica	258,475
Ford Otomotiv Sanayi AS	230,899
Tofas Turk Otomobil Fabrikasi AS	226,861
Turk Traktor ve Ziraat Makineleri AS	206,904
Anatolia Minerals Development Ltd.	202,474
Turk Hava Yollari	189,734
Aygaz AS	157,898

Portfolio Movements (unaudited) continued

Magna Latin American Fund

Largest Purchases	Cost €
Petroleo Brasileiro SA	2,817,730
Banco do Brasil SA	2,588,568
Itau Unibanco Holding SA	2,485,985
Grupo Comercial Chedraui SA de CV	1,497,868
Banco Bradesco SA	1,454,985
Grupo de Inversiones Suramericana SA	1,345,467
Brasil Insurance Participacoes e Administracao SA	1,195,676
Estacio Participacoes SA	1,178,693
Raia SA	1,104,615
Hypermarcas SA	1,074,735
Cia Vale do Rio Doce	1,000,881
Cia Hering SA	989,529
America Movil SAB de CV	928,689
Odontoprev SA	900,966
Fomento Economico Mexicano SAB de CV	833,771
AES Tiete SA	820,846
Ecorodovias Infraestrutura E Logistica S.A.	790,226
Union Agriculture Group	702,155
OGX Petroleo e Gas Participacoes SA	697,247
Itau Unibanco Holding SA	643,609
PDG Realty SA Empreendimentos e Participacoes	611,498
lochpe Maxion SA	502,785
Corporacion Geo SAB de CV	417,771
Grupo Mexico SAB de CV	389,339
Bradespar SA	360,610
Cia de Bebidas das Americas	336,560

Portfolio Movements (unaudited) continued

Magna Latin American Fund continued

Largest Sales	Proceeds €
Banco Bradesco SA	3,613,735
Itau Unibanco Holding SA	1,854,732
BM&F Bovespa SA	1,396,727
Wal-Mart de Mexico SAB de CV	1,357,751
Petroleo Brasileiro SA	1,112,915
Cia Energetica de Minas Gerais	1,038,833
America Movil SAB de CV	950,051
BRF - Brasil Foods SA	813,790
Dufry South America Ltd BDR	740,832
Cia Hering SA	709,414
Lojas Renner SA	700,763
Cemex SAB de CV	682,542
Odontoprev SA	618,386
Cia de Minas Buenaventura SA	600,882
Cielo SA	599,687
Grupo Mexico SAB de CV	582,592
Cia Vale do Rio Doce	569,206
Banco Santander Brasil SA	523,334
PDG Realty SA Empreendimentos e Participacoes	518,793
Grupo Televisa SA	431,950
Mexichem SAB de CV	421,502
Hypermarcas SA	382,429
Fomento Economico Mexicano SAB de CV	378,999
Desarrolladora Homex SAB de CV	355,683
Totvs SA	344,729
Usinas Siderurgicas de Minas Gerais SA	341,140
Banco Santander Chile SA	332,507
Banco do Brasil SA	306,504
Banco do Estado do Rio Grande do Sul SA	295,049
Brasil Insurance Participacoes e Administracao SA	261,291

Portfolio Movements (unaudited) continued

Magna Africa Fund

Largest Purchases	Cost €
MTN Group Ltd	2,381,009
Aquarius Platinum Ltd	1,627,849
Mvelaphanda Resources Ltd.	1,585,258
African Bank Investments Ltd	1,576,946
Ghabbour Auto	1,566,263
Naspers Ltd	1,505,342
Impala Platinum Holdings Ltd	1,408,778
Kenmare Resources PLC	1,320,763
Aveng Ltd	1,299,323
Afren PLC	1,243,325
United Bank for Africa PLC	1,153,075
Safaricom Ltd	1,149,931
Telecom Egypt	1,124,976
Life Healthcare Group Holdings Ltd.	1,116,651
AngloGold Ashanti Ltd	1,089,667
First Quantum Minerals Ltd	1,054,311
Orascom Telecom Holding SAE	1,043,619
Harmony Gold Mining Co Ltd	935,418
Oando PLC	862,015
Discovery Holdings Ltd	822,015
Access Bank Nigeria PLC	821,804
Skye Bank PLC	710,195
Massmart Holdings Ltd	707,162
Orascom Construction Industries	673,899
Zambeef Products PLC	667,666
Mr Price Group Ltd.	627,042
Talaat Moustafa Group Holding	603,240
Raubex Group Ltd	597,260
Blue Label Telecoms Ltd	584,658
Mauritius Commercial Bank	584,125
Orascom Development Holding AG	577,239
Circle Oil PLC	532,809
Zenith Bank PLC	523,020
Lewis Group Ltd.	495,226
Murray & Roberts Holdings Ltd	475,918

Portfolio Movements (unaudited) continued

Magna Africa Fund

Largest Sales	Proceeds €
Kenmare Resources PLC	3,139,559
MTN Group Ltd	2,665,575
Telecom Egypt	1,688,894
Gold Fields Ltd	1,651,588
Access Bank Nigeria PLC	1,538,457
Commercial International Bank Egypt SAE	1,509,210
Naspers Ltd	1,406,407
United Bank for Africa PLC	1,091,471
Safaricom Ltd	980,569
Impala Platinum Holdings Ltd	931,007
Great Basin Gold Ltd	922,217
First Quantum Minerals Ltd	846,369
Orascom Telecom Holding SAE	751,610
Talaat Moustafa Group Holding	744,373
Afren PLC	704,577
Equity Bank Ltd	641,495
Sasol Ltd	620,828
Ghabbour Auto	568,887
Murray & Roberts Holdings Ltd	559,636
Blue Label Telecoms Ltd	523,605
Aquarius Platinum Ltd	507,825
Celtel Zambia Ltd	477,198
Sundance Resources Ltd	444,346
Shs Due Orascom Oversubscription	402,254
Guaranty Trust Bank PLC	362,179
BowLeven PLC	321,155

Portfolio Movements (unaudited) continued

Magna Undervalued Assets Fund

Largest Purchases	Cost €
Yuexiu Property Co Ltd	963,135
Aseana Properties Ltd	951,735
Renhe Commercial Holdings Co Ltd	902,656
MOL Hungarian Oil and Gas PLC	874,119
Fondul Proprietatea P-Note ING Bank	852,974
Indiabulls Real Estate Ltd P-Note Citigroup	850,397
PCA International Funds SPC - Vietnam Segregated Portfolio	838,876
Unitech Corp.orate Parks PLC	836,854
Macquarie International Infrastructure Fund Ltd	834,649
China Merchants China Direct Investments Ltd	760,762
Bombay Dyeing & Manufacturing Co Ltd	729,206
Koza Anadolu Metal Madencilik Isletmeleri AS	688,358
Grupo Mexico SAB de CV	647,279
ARC Capital Holdings Ltd	640,610
Central Pattana PCL	592,753
Tau Capital PLC	581,973
Polyus Gold Co ADR	523,825
Zhaikmunai LP	492,906
Unitech Ltd.	491,083
Dws Vietnam Fund Ltd	490,052
MMC Norilsk Nickel	462,319
Unitech Ltd	409,783
Ping An Insurance (Group) Co of China Ltd - P Note Nomura International AG	391,840
Evergreen International Holdings Ltd	365,595
YGM Trading Ltd	326,248
West China Cement Ltd	273,531
Treasury China Trust	220,584
West China Cement Ltd	208,764
Leoch International Technology Ltd	202,393
Metage Special Emerging Markets Fund Ltd	183,066

Portfolio Movements (unaudited) continued

Magna Undervalued Assets Fund continued

Largest Sales	Proceeds €
Evergreen International Holdings Ltd	446,200
West China Cement Ltd	428,587
West China Cement Ltd	261,025
Yuexiu Property Co Ltd	158,891
High River Gold Mines Ltd	158,310
Leoch International Technology Ltd	102,046
Central Pattana PCL	50,315

Portfolio Movements (unaudited) continued

Magna Emerging Markets Dividend Fund

Largest Purchases	Cost €
Telecom Egypt	971,301
Taiwan Semiconductor Manufacturing Co Ltd	929,847
AES Tiete SA	869,834
Ford Otomotiv Sanayi AS	720,620
Bank of China Ltd	694,367
Mechel	630,103
Sichuan Xinhua Winshare Chainstore Co Ltd	611,519
China Construction Bank Corp	566,375
Banco Santander Brasil SA	556,558
Raubex Group Ltd	493,487
Mobile Telesystems OJSC	473,942
Multiplus SA	468,143
NTPC Ltd P-Note Citigroup Global Markets	464,976
SK Telecom Co Ltd	444,855
Sul America SA	435,826
Telekomunikacja Polska SA	418,313
Tractebel Energia SA	411,354
Woongjin Thinkbig Co Ltd	407,136
Cielo SA	394,604
YGM Trading Ltd	307,574
Etihad Etisalat Co	304,305
Chunghwa Telecom Co Ltd	286,371
Turk Telekomunikasyon AS	261,506
Grupo Televisa SA	258,809
Maridive & Oil Services SAE	256,523
Cia De Bebidas Das Americas	255,358
Renhe Commercial Holdings Co Ltd	242,024
KT&G Corp	230,858
SK Telecom Co Ltd	226,102
Commercial Bank of Qatar	187,047
Empresa Nacional de Telecomunicaciones SA	175,784
Turk Traktor ve Ziraat Makineleri AS	174,066
VimpelCom Ltd	166,188
Perusahaan Gas Negara PT	162,780
Komercni Banka AS	160,925
Bashneft OAO	154,656

Portfolio Movements (unaudited) continued

Magna Emerging Markets Dividend Fund continued

Largest Sales	Proceeds €
Grupo Televisa SA	174,168
VimpelCom Ltd	150,576
Polska Grupa Energetyczna SA	139,899
Mobile Telesystems OJSC	135,018
Taiwan Cement Corp	130,425
Siliconware Precision Industries Co	103,743
Odontoprev SA	98,258

MAGNA UMBRELLA FUND plc

(an open-ended investment company with variable capital incorporated on 15 December 1997
with limited liability under the laws of Ireland with registered number 277318)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of MAGNA UMBRELLA FUND plc (the "Company") will be held at 33 Sir John Rogerson's Quay, Dublin 2, Ireland on 20 May 2011 at 10 a.m. for the purpose of considering and, if thought fit, passing the following Resolutions

ORDINARY RESOLUTIONS

1. THAT the Report of the Investment Manager, Report of the Directors, Auditors' Report and the Audited Financial Statements of the Company for the period to 31 December 2010 be received and adopted.
2. THAT KPMG be re-appointed the Auditors of the Company for the year ending 31 December 2011 at a fee to be approved by the Directors.
3. To authorise the Directors to fix the remuneration of the Auditors.

By Order of the Board

Tudor Trust Limited
Secretary

Date: 15 April 2011

Registered Office

Riverside Two
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

Notes:

- 1 A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him; a proxy need not be a member of the Company. In the case of joint holders, if more than one of such joint holder is present, only the person whose name stands first in the Register of Members in respect of the relevant joint holding will be entitled to vote, whether in person or by proxy.
- 2 A form of proxy accompanies this Notice. Completion and return of the form of proxy will not preclude a member from attending and voting at the Meeting if he so wishes. In the event that a member who has lodged a form of proxy attends the Meeting, his form of proxy will be deemed to have been revoked.
- 3 In order to be valid the form of proxy should be completed and deposited at Dillon Eustace, 33 Sir John Rogerson's Quay, Dublin 2, Ireland, Attn: Ms. Vivienne Feaheny, Fax No: (+353 1 667 0044) not later than 48 hours before the fixed time for the holding of the meeting together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority.

MAGNA UMBRELLA FUND plc

FORM OF PROXY

I/We⁽¹⁾

of

.....
being a member(s) of MAGNA UMBRELLA FUND plc (the "Company") hereby appoint the Chairman of the Meeting (2) or failing him Etain de Valera or failing her Sarah Hall or failing her Irene O'Connor each of 33 Sir John Rogerson's Quay, Dublin 2, Ireland or

.....
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of Shareholders of the Company to be held at 33 Sir John Rogerson's Quay, Dublin 2, Ireland at 10 a.m. on 20 May 2011 and at any adjournment thereof.

ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
1. THAT the Report of the Investment Manager, Report of the Directors, Auditors' Report and the Audited Financial Statements of the Company for the period to 31 December 2010 be received and adopted.			
2. THAT KPMG be re-appointed the Auditors of the Company for the period ending 31 December 2011 at a fee to be approved by the Directors.			
3. To authorize the Directors to fix the remuneration of the Auditors.			

Signed by: Date:

Notes:

- 1 Full name(s) and address(es) to be inserted in BLOCK CAPITALS. The name of all joint holders should be stated.
- 2 If you wish to appoint a person other than the Chairman of the Meeting as your proxy please delete the words "the Chairman of the Meeting" and print the name and address of the person you wish to appoint in the space provided.
- 3 Please indicate with an "X" in the appropriate space beside the resolution how you wish your proxy to vote on your behalf on a poll. Except as otherwise instructed, your proxy will exercise his discretion as to how he votes or whether he abstains from voting.
- 4 This form of proxy must be signed by the member or his attorney duly authorised in writing, or if the appointer is a corporation the form of proxy must be executed under the hand of an officer of the corporation duly authorised on their behalf.
- 5 A member entitled to attend and vote is entitled to appoint one or more parties to attend and, on a poll, to vote instead of him. A proxy need not also be a member. In the case of joint holders, if more than one such joint holder is present, only the person whose name stands first in the Register of Members in respect of the relevant joint holding will be entitled to vote, whether in person or by proxy.
- 6 In order to be valid the form of proxy should be completed and deposited at Dillon Eustace, 33 Sir John Rogerson's Quay, Dublin 2, Ireland, Attn: Ms. Vivienne Feaheny, Fax No: (+353 1 6670044) not later than 48 hours before the fixed time for the holding of the meeting together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority.

