

INVESTMENT STYLE

	Value	Blend	Growth
Large-Cap			
Mid-Cap			
Small-Cap			

Peer Group:

Emerging Markets EMEA
Fund Manager/Adviser:
Morten Springborg (since January 1999) / Team

Location:

Copenhagen

Launch Date: April 1998

Fund Size (August 2008):

US\$101m

Group Contact No:

+352 40 40 30 268

Website:

www.carnegieam.com

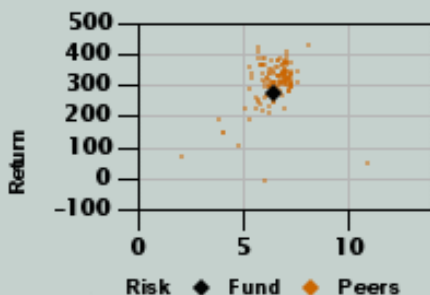
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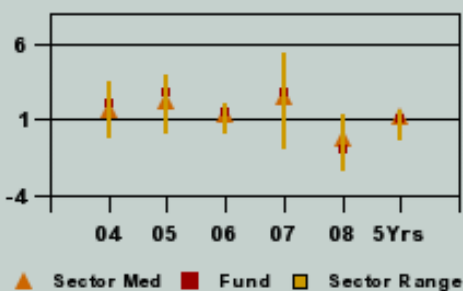
RISK RETURN (STD DEVIATION) OVER 5 YEARS



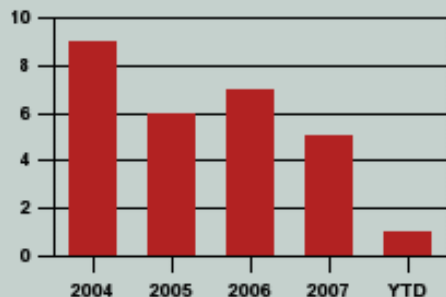
3 YEAR RISK CHARACTERISTICS

Maximum Drawdown (%)	Medium	-28.7
Volatility	Medium	24.8
Correlation	High	0.9
Beta	High	0.9

SHARPE RATIO VS PEER GROUP



CALENDAR YEAR DECILE RANKS



Decile ranking in discrete annual periods. 1st decile shown as rank 10, 2nd decile as rank 9, etc. to 10th decile as Rank 1.

Please see page 2 for required research analyst certification disclosure.

Further information on S&P's fund coverage can be found at

www.funds.standardandpoors.com

All statistical data on this report has been run to 31/07/2008 on NAV to NAV basis, with gross income reinvested, in US Dollars.

STANDARD & POOR'S OPINION (SEPTEMBER 2008)

This fund continues to be run in a concentrated thematic fashion by a small yet experienced team of like-minded individuals. Carnegie has a team of 11 managers, including three on Europe, under the leadership of Mikael Randel who set up this approach in 1986. Their view of the world makes little distinction between developed and emerging markets and looks to exploit thematic ideas through a number of fairly uncorrelated bets. Morten Springborg leads on this mandate. He has 14 years' experience and is knowledgeable about the region. He is responsible for building a portfolio of 25-35 long-term ideas with a one-in one-out policy and little reference to the benchmark.

The recent disappointing performance is largely a result of a number of positions being hit during the

recent flight to quality - which has favoured liquid names in stronger countries - and not providing the expected diversification benefits. The fund was also slow to reduce its exposure to financials and Turkey.

This is clearly the riskiest of the Carnegie funds rated by S&P both in terms of magnitude of bets in individual companies (Gazprom) and liquidity of the underlying holdings, as the other portfolios have a clear bias towards large- and mid-caps. The concentrated thematic approach tends to be at its best with mandates with a broader investable universe. We are nevertheless pleased to see that steps have been taken to carefully reduce the liquidity risk in the portfolio. Our regard for this team and its idiosyncratic approach justifies the retention of the S&P AA rating.

FACT FILE

Group: Carnegie, a leading Nordic investment bank, was listed on the Swedish Stock Exchange in 2001. At 31 December 2006, employees held 7% of the shares in issue.

Team: This is one of several mandates run by Carnegie's Copenhagen-based global equity team. The key individuals on European long-only products are Morten Springborg, Lars Wincentsen and Mattias Kolm.

Fund Manager: Despite working closely with the other two managers focusing on Europe, Morten

Springborg leads on this mandate. He has 14 years' experience and has focused on this fund since 1999.

Style: A concentrated unconstrained portfolio of 25-35 stocks selected among quality companies with strong cashflows. Idea generation is thematic.

Performance: Over the five years to 31/07/2008, the fund has returned 272.6%, compared with 318.2% for the sector median and 360.3% for the index, ranking 117/142.

FUND MANAGER & TEAM

Carnegie has a team of 11 experienced managers based in Copenhagen, including nine on global equities and two on fixed income. They all employ the same thematic concentrated approach, which was engineered by Mikael Randel. A team of three is responsible for European equities with no differentiation between developed and emerging markets. Each member has specific regional and sector research responsibilities.

Morten Springborg - MSc economics (Copenhagen University), MA investment and corporate finance (Exeter University), joined Carnegie in 1999 as an experienced fund manager through his work at Alfred Berg and Danske Capital.

Lars Wincentsen - diploma in business administration (Copenhagen Business School), worked as a portfolio manager at Danske Capital for eight years, before joining Carnegie in 1998.

Mattias Kolm - MSc economics (Lund University), financial studies (Stockholm School of Economics), began his career in the finance department of Svedala Industri, working on cashflow hedging. He moved to SEB Enskilda Bank as a portfolio manager in 2000 and joined Carnegie in 2002.

PORTFOLIO CHARACTERISTICS

No. of holdings	30
Turnover ratio (%)	N/A
% in top 10	50

TOP 10 HOLDINGS (01/08/08)

	%
Gazprom	10.2
Raspadskaya	5.2
Sberbank	4.9
Lukoil	4.8
East Capital Financials Fund	4.6
XXI Century Investments W/I	4.5
Baltic Property Trust Optima	4.2
CTC Media	4.1
Budimex	3.9
EOS Russia	3.9

* In top 10 holdings a year ago

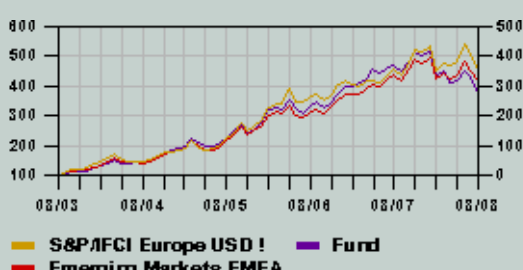
ALLOCATION BREAKDOWN (01/08/08)

	Fund %
Czech Republic	2.0
Hungary	2.0
Poland	6.0
Russia	57.0
Others	29.0
Cash	4.0

PERFORMANCE STATISTICS

	3 Years	5 Years
Fund	64.8%	272.6%
Standard & Poor's Peer Median	94.5%	318.2%
Index**	107.5%	360.3%
Fund Rank	151/169	117/142
Standard Deviation	24.8	-
Relative Standard Deviation	1.0	-
Volatility Adjusted Ranking	158/169	-

CUMULATIVE PERFORMANCE



CARNEGIE EAST EUROPEAN EUROPEAN FUND

Peer Group: Emerging Markets EMEA



MANAGEMENT STYLE

• This is an unconstrained portfolio managed in a thematic fashion and within an absolute return mindset. The MSCI Eastern Europe Special Weighted, with Russia capped at 50% and no Turkey exposure is only used for performance measurement and has no impact on portfolio construction. The fund can nevertheless invest in Turkey.

• Idea generation is largely top-down and tends to focus on global trends, which are then adapted to each mandate managed by the team.

• The investable universe includes East and SE Europe, and also Western European stocks with significant exposure to East Europe. The team mainly focuses on

companies with stable and growing free cashflow.

• A portfolio of 25-35 names is preferred, with new stocks entering the portfolio on a one-in one-out basis. The focus is on the long-term and themes tend to be played out over several years.

• Risk controls are largely self-imposed and target a broad diversification across and within themes. Up to 10% of the portfolio can be invested in fairly illiquid or even unlisted names.

• Annual turnover tends to average 20%. Currencies are not hedged.

PORTFOLIO REVIEW

Over the past 12 months, the overall shape of the portfolio has remained unchanged, in terms of number of holdings and top 10 concentration. The themes are also the same and include domestic consumption, commodities, real estate and Turkey. However, Springborg has been actively yet very carefully reducing the exposure to both real estate and Turkey. The former continues to be played through a number of investment vehicles, including some with relatively scarce liquidity such as XXI Century Investments or Open Investments. Immo East has been sold.

Exposure to Turkey has come down, on concerns over the country's weak current account.

Within resources, the preference is clearly for Gazprom, where the fund holds both the primary stock (at the maximum allowed weight), as well as Vostok Gas, which is 100% exposed to Gazprom. In contrast, Lukoil is held on valuation grounds.

Exposure to financials has been cut, by reducing Sberbank to meet some redemptions.

PERFORMANCE ANALYSIS (AUGUST 2008)

The track record of this fund is mixed. Strong returns until mid-2007 have been followed by a period of disappointing performance. This has resulted in the three-year cumulative ranking slipping from the top decile into the bottom quartile.

Over the past 12 months, the fund has been hit by a combination of negative events. A number of holdings have seen their liquidity drying up quickly (XXI Century Investments, Open Investments, A&D Pharma and Efes Breweries International). Furthermore, the off-

index bet in Turkey, in particular banks, has proved painful, as both stockmarket and currency have moved against it. More recently, returns have suffered by having a small holding in Bank of Georgia. Peter Hambro Mining has also significantly underperformed, as it has suffered from the worsening UK-Russia relations.

CEZ and North-West Siberia are examples of the fund's strong returns during the previous years, while Danubius Hotel and Spa and Efes Breweries International disappointed.

DISCRETE PERFORMANCE (CALENDAR YEARS)

	2004		2005		2006		2007		YTD 31/07/2008	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	52.5	23/149	44.3	67/159	44.0	66/184	31.1	115/190	-28.6	183/185
Index**	33.6		52.2		47.6		28.8		-14.0	
Median	40.3		42.1		40.9		32.0		-14.4	

** S&P/IFCI Europe USD !

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