



## CARNEGIE NORDIC MARKETS SUB FUND

QUARTERLY REPORT AS AT 31 DECEMBER 2009

Carnegie Nordic Markets is a Sub Fund of the CARNEGIE FUND, an unincorporated open-ended collective investment fund registered in Luxembourg under Part 1 of the Law of December 20, 2002.

The investment objective of the Sub Fund is to achieve long-term capital growth from a diversified portfolio of investments which consists principally of equities issued in the Nordic countries.

Investment Manager: Carnegie Asset Mgmt, Copenhagen  
 Launch date: 1 April, 1996  
 Base currency: USD  
 Price: USD 89.90  
 Size: USD 74.11 million  
 Minimum investment: USD 1,000 or equivalent  
 Management fee: 1.60% per annum  
 Dealing: Daily  
 Security Code (ISIN): LU0086738027

### COMMENTARY

During 2009, the Sub Fund's NAV/unit increased by 43.7%, while the Sub-fund's benchmark, the MSCI Nordic Countries Special (10/40), increased by 49.2%.

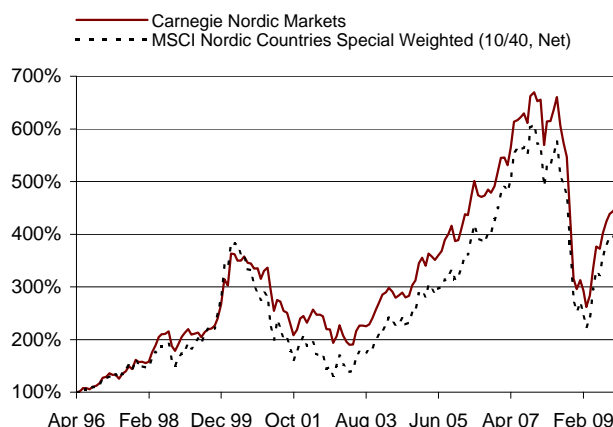
During the spring we became more convinced that the enormous stimulus packages would stabilise the economy. It seemed that the stock markets were levering out at a pretty low level, compared to the peak in mid 2007. Consequently, we took the decision to increase our cyclical exposure, and decided to buy into traditional cyclical, stocks such as Sandvik, SCA and Assa Abloy in Sweden; and DSV in Denmark. To finance these purchases we sold Meda and Getinge within the pharma and healthcare sectors.

The most recent changes to the portfolio were made in December, when we bought Norsk Hydro of Norway and AP Møller Maersk of Denmark. With these changes we closed the final part of our cyclical underweight, and started 2010 with a neutral exposure to cyclical stocks, compared to the benchmark.

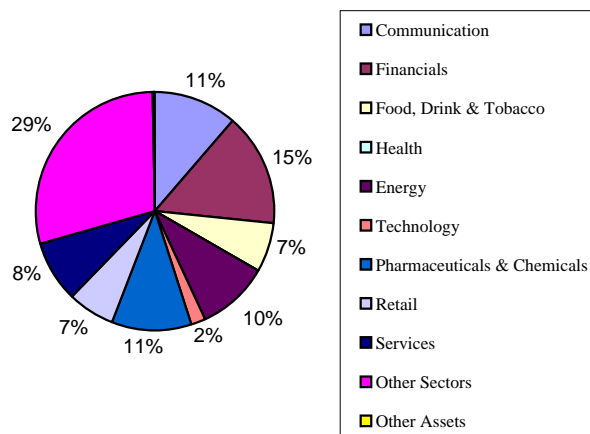
Carlsberg and Ericsson were used to finance these latest purchases. Carlsberg was sold after very good performance. Management is executing very well on the BBH acquisition, but we are increasingly worried that the political climate in Russia is turning frosty towards the alcohol industry.

Ericsson is still in the portfolio but with an underweight position. The reason for decreasing our position is because the company is facing harsh competition; shown by the latest deals within the mobile network sector, where Chinese companies like Huawei are offering very low prices.

### INVESTMENT PERFORMANCE GRAPH



### SECTOR ANALYSIS



### PERFORMANCE

% Returns	Nordic Markets	MSCI Nordic Countries Special (10/40, Net)
Last Quarter	2.45%	2.58%
Year to Date	43.66%	49.20%
1 Year	43.66%	49.20%
2 Years	-31.44%	-28.16%
3 Years	-17.50%	-15.30%
5 Years	26.44%	38.49%
Since Launch	349.50%	304.18%

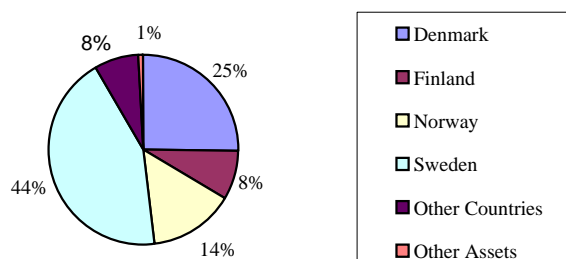
  

Risk Measures (Since Inception, month end prices)		
Standard Deviation	22.52%	25.61%
Tracking Error	8.92%	-
Alpha	2.82%	-
Beta	0.83	1.00
Information Ratio	0.19	-

### TOP TEN HOLDINGS

Novo Nordisk B	8.65%
Hennes & Mauritz B	6.52%
Atlas Copco A	5.60%
Nokia	5.54%
Swedish Match	5.06%
Statoil	4.38%
Yara International	4.29%
DSV	4.29%
Danske Bank	4.26%
Assa Abloy B	3.61%

### ASSET ALLOCATION



**Notes :** This report is for information only. This document is not to be used or considered as an offer to sell or solicitation of an offer to buy any securities. Carnegie Fund Management Company S.A. does not accept responsibility for any loss arising from the use hereof. Past performance is not necessarily a guide to future performance.

★ ★ ★  
**Morningstar Rating**

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