

Named portfolio manager(s):

Team

Peer group: European Mainstream incl UK

Equities

Location: Copenhagen

Launch date: August 1999

Fund size (February 2010): €120m

Contact group: +352 404 030 268 or

www.carnegieam.com

Further information on S&P's fund coverage can be found at www.FundsInsights.com



Report date May 2010

Investment style

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

Performance statistics

	3 Years
Fund	-29.5%
Standard & Poor's peer median	-25.1%
Index**	-20.5%
Fund rank	1154/1598

Note: returns are cumulative

Three-year risk characteristics

Maximum drawdown (%)	-14.2
Volatility	6.1
Correlation	0.9
Beta	1

Calendar year decile ranks



Decile ranking in discrete annual periods. First decile shown as rank 10, second decile as rank nine, with tenth decile as rank one.

Performance Data Source - © 2010 Lipper Inc. All Rights Reserved. All statistical data on this report has been run to 31/03/2010 on NAV to NAV basis, with gross income reinvested, in euro.

Standard & Poor's opinion (April 2010)

The change in ownership of Carnegie Asset Management to two long-term private equity firms announced in November 2008 has not resulted in any team changes. A positive agreement has been made on the percentage of profits allocated to staff bonuses and discussions are ongoing regarding equity participation. The only concern is the likely greater emphasis on asset gathering than previously.

The fund continues to be managed in a highly consistent and disciplined process style that develops long-term macroeconomic themes and uses them to guide stock selection. The fund benefits from the input and experience of the 11-strong global equities team, which helps to guide themes. These themes are then implemented in European equity funds by Lars Wincentsen, Morten Springborg and Mattias Kolm. The three of them are highly experienced and have worked together for the past eight years. While the approach is long-term the team was more tactical in the second half of 2009, correctly identifying that government stimulus would help markets. The team invested more into companies, which indirectly benefited from emerging market exposure.

While the fund's relative performance since inception is still impressive, it has had two disappointing years in 2007 and 2008 and a median 2009. It now ranks third quartile over five years. The strong track record achieved from launch to 2006 mainly came from good stock selection. We are comforted that the team adapted their approach in the momentum driven markets in 2009. That, combined with an experienced team enables the fund to retain its AA rating.

Fund manager & team

Carnegie's European equity team (a sub-set of the 11-strong global equities team headed by Mikael Randel) comprises Wincentsen, Springborg and Kolm. They manage around €7bn globally and €150m in Europe. The team is responsible for managing a number of European long-only mandates and each member of the team has specific regional and sector research responsibilities. Stock ideas are discussed daily and then formally at the weekly global stockpicking meeting. Whenever appropriate, decisions are implemented across the range of funds. The team is making effective use of the two Nordic equity managers.

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.

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

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.

Management style

The investment process is bottom-up and targets absolute returns. The MSCI Europe index acts as a performance benchmark, but is not used in portfolio construction which is driven by stock specifics.

Portfolio construction is driven by stock selection, guided by broad top-down themes, often reflecting structural change, such as infrastructure, demographic change, oils and utilities. As a result deviation from the index may be significant.

The team actively monitors 60-70 stocks, of which 25-30 are held, with the rest forming a reserve list. Stocks are usually admitted to the portfolio on a one in, one out basis. The portfolio has two elements, a core of around 50% in stable growth stocks which are held for the long term (three to five years) and the balance in more tactical stocks or themes. Stock selection within these themes focuses on companies generating strong free cashflow - adjusted for option and pension liabilities - solid balance sheets and high-quality management.

Risk is controlled through diversification and individual stock-specific risk through in-depth knowledge of the company.

Cash is normally below 3%, but may reach 10%. Currency is unhedged.

CARNEGIE EUROPEAN EQUITY FUND

Sub-fund of Luxembourg domiciled Sicav - Part 1

Fund owner: Banque Carnegie

Fund manager: Carnegie Asset Management

STANDARD & POOR'S



Portfolio & performance analysis (February 2010)

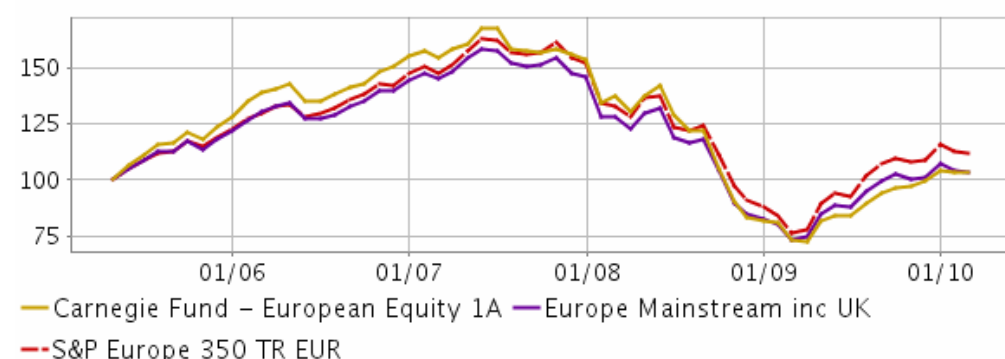
Following global government injections of liquidity into their economies and following the market bounce in March 2009, the team reassessed their approach and decided to tactically make the portfolio more aggressive. They targeted companies that had indirect or direct exposure to global emerging markets (est 30%). Additions included Prudential for its Asian exposure, Standard Chartered for its emerging markets exposure, Tullow Oil and ENRC. The team reduced exposure to defensive names including selling out of Synthes and reducing the weighting to Sampo. The fund is underweight banks in the belief that there will be further government bailouts and potential downgrades to sovereign debt. Zurich Financial Services was recently added as the team believes it is better capitalised than other insurance stocks. The core part of the portfolio, including consumer staples and healthcare, represents around 50% and comprises companies with steady sales growth, strong and visible cashflow and earnings.

While the fund's relative performance since inception is still impressive, it has had three disappointing years from 2007-2009. It now ranks third quartile over five years and bottom quartile over three years. The strong track record achieved from launch to 2006 principally came from good stock selection.

In 2007, performance suffered from the fund's exposure to emerging Europe, which offset strong returns from utilities (EDF and E.On) and mining (Rio Tinto). In the UK the fund held Enterprise Inns, which underperformed. In 2008, Eastern Europe continued to be a problem, together with materials (cement and Rio Tinto). Selling banks (UBS, RBS and Allied Irish) early helped mitigate some of the underperformance.

In 2009 median returns were achieved. The fund was hurt by switching from Unicredit (trebled) into Sampo (doubled) to reduce risk in March 2009. The rest of the portfolio performed well despite being more defensive in nature. Having indirect Asian and EM exposure helped.

Cumulative performance



Discrete performance (calendar years)

	2006		2007		2008		2009		YTD 31/03/2010	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	21.6	295/1307	-1.3	1127/1548	-46.9	1444/1836	28.2	1197/2056	7	184/2125
Index**	20		3.5		-42.2		31.2		4.1	
Median	18.6		0.8		-43.5		29.8		4	

** S&P Europe 350 EUR
 Fund benchmark: MSCI Europe

Share class information

	Initial charge	Exit charge	Annual charge	Expense ratio	Lump sum	Savings plan	ISIN
Ord	5.00	0	1.60	1.65	1000		LU0093943974
Registered for sale							Austria, Finland, Germany, Luxembourg, Netherlands, Sweden, United Kingdom

Portfolio characteristics

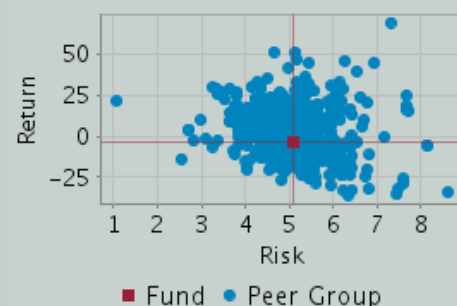
No. of holdings	25
Turnover ratio (%)	<50
% in top 10	49

Top 10 holdings (01/02/10)

British American Tobacco	6.8
Nestlé	6.4
Roche Holding Genussscheine	5.2
DSV	5.0
Swedish Match	4.7
Holcim (Registered)	4.3
Linde	4.3
Syngenta (registered)	4.2
Novo Nordisk B	4.1
Petropavlovsk	4.1

* In top 10 holdings a year ago

Risk return (standard deviation) over five years



STANDARD & POOR'S

S&P's fund management research reports are, based mainly on public information, we don't audit the information and we may rely on unaudited information when we prepare the reports which are for institutional use only. A report is not investment advice, a financial promotion, or a recommendation to purchase, hold, sell or trade any security. A report should not be relied on when making an investment decision as the report is for information purposes only and not tailored to a specific investor. Past fund performance is no guarantee of future performance and we accept no responsibility if, in reliance on a report you act or fail to act in a particular way. We are paid for our fund management reports normally by the fund issuer. Our fees are based upon the analysis and time involved in the research process and are not conditional on awarding a fund a rating. Fund companies select the funds they want us to rate and may elect not to have published the rating they are subsequently awarded. Our fund management reports are continuously monitored and updated reports are posted to www.fundsinsights.com. The funds described in this report are generally not available to US investors and are only available to US investors, if at all, who are "accredited investors" as that term is defined in Section 501 of Regulation D of the Securities Act of 1933, as amended or to investors who are deemed to be "qualified purchasers" as that term is used in Rule 2a51-1 under the Investment Company Act of 1940.

S&P and our affiliates provide a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services we rate, include in model portfolios, evaluate or otherwise address. The views expressed in a report reflect our committee's views and the committee's compensation is not related to specific rating or to the views expressed in a report. The trade marks of "Standard & Poor's" and "S&P" are the property of Standard & Poor's Financial Services LLC and are protected by registration in several countries. All rights in those marks are reserved. Copyright © 2010 The McGraw Hill Companies, Ltd 20 Canada Square, Canary Wharf, London, E14 5LH and all of its licensor sources. All rights reserved. No part of this publication shall be reproduced, stored in any retrieval system or transmitted in any form electronic or otherwise without the prior written consent of S&P. Any part of the publication by S&P of which this page is a part is made accessible subject to the terms and conditions which are accessible at the url address below ("S&P Terms") - by accessing and viewing this page and/or pages associated with or attached to it you accept the S&P Terms. Go to <http://www.funds-info.standardandpoors.com>. This report is issued subject to the laws of England and all matters arising from it or its use shall be subject to the exclusive jurisdiction of the Courts of England. Because of the possibility of human or mechanical error by our sources, S&P or others, we can't guarantee the accuracy of any information and are not responsible for any errors.

Performance Data Source - © 2010 Lipper Inc. All Rights Reserved. The performance information contained herein: (1) is proprietary to Lipper and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Lipper nor its content providers are responsible for any damages or losses arising from any use of this information.

Symbols and Definitions

Long-Only Fund Ratings

AAA The fund demonstrates the highest standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

AA The fund demonstrates very high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

A The fund demonstrates high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

Fund-of-Hedge-Fund Ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

Absolute Return Fund Ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

Specialist Fund Ratings

AAA

The fund demonstrates the highest standards of quality based on its investment process and management's consistency of performance relative to its own objectives.

AA

The fund demonstrates very high standards of quality based on its investment process and management's consistency of performance relative to its own objectives.

A

The fund demonstrates high standards of quality based on its investment process and management's consistency of performance relative to its own objectives.

All Fund Ratings

NR Funds designated as NR (Not Rated) currently do not meet the requisite performance standards and/or the minimum qualitative criteria.

UR Ratings are placed Under Review when significant management changes occur at the fund manager or fund management team level and Standard & Poor's Fund Services has not had the opportunity yet to evaluate their impact on the qualitative appraisal.

New Signifies where a major event has occurred for which there is no fund-specific track record available. This includes: funds recently launched, the implementation of a new investment process or mandate and may include structural changes within a fund team.

Tenure Review

The fund manager/team involved in the management of the fund does not currently have the minimum 12 months relevant investment management experience required to be eligible to be considered for a rating.

Long-term fund management rating The fund has been rated in the A/AA/AAA fund rating band for five consecutive years or more and continues to hold a rating.

Bond Fund Volatility Ratings

The bond fund volatility rating is our current opinion of a fund's sensitivity to changing market conditions. Volatility ratings evaluate the fund's sensitivity to interest rate movement, credit risk, investment diversification or concentration, liquidity, leverage and other factors. For V1-V4 categories, risk is considered relative to a portfolio composed of government securities and denominated in the base currency of the fund.

V1 Bond funds that possess low sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprised of government securities maturing within one to three years, and denominated in the base currency of the fund. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprised of the highest quality fixed-income instruments with an average maturity of 12 months or less. Within this category, certain funds are designated with a plus sign (+), indicating extremely low sensitivity to changing market conditions.

V2 Bond funds that possess low to moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within three to seven years, and denominated in the base currency of the fund.

V3 Bond funds that possess moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within seven to 10 years, and denominated in the base currency of the fund.

V4 Bond funds that possess moderate to high sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing beyond 10 years and denominated in the base currency of the fund.

V5 Bond funds that possess high sensitivity to changing market conditions. These funds may be exposed to a variety of significant risks including high concentration risks, high leverage, and investments in complex structured and/or less* liquid securities.

V6 Bond funds that possess the highest sensitivity to changing market conditions. These funds include those with highly speculative investment strategies with multiple forms of significant risks, with little or no diversification benefits.

Absolute Return Fund N Ratings

The N rating is Standard & Poor's indication of a fund's potential capital stability in normal markets. It is a qualitative rating but is based on annualised weekly downside deviation. N1 is the most stable and N9 the least.