

Peer Group:

Healthcare Equities

Fund Manager/Adviser:

Team

Location:

Stockholm

Launch Date: December 1998

Fund Size (June 2009):

€264m

Group Contact No:

+352 404 030 268

Website:

www.carnegieam.com

S&P ID Number: OS308179

Share class screened:

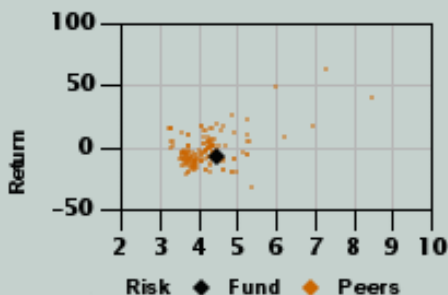
Ord



INVESTMENT STYLE

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

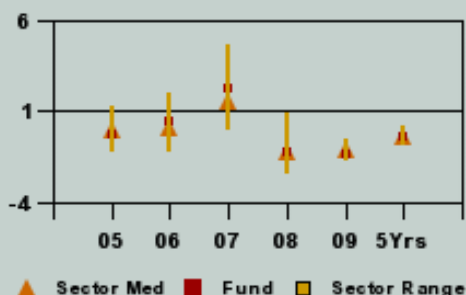
RISK RETURN (STD DEVIATION) OVER 5 YEARS



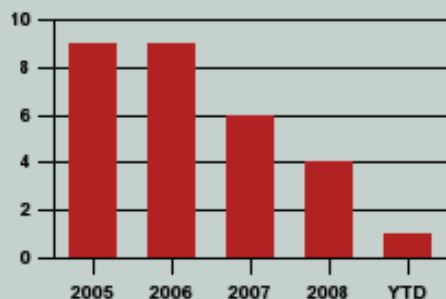
3 YEAR RISK CHARACTERISTICS

Maximum Drawdown (%)	Medium	-39.9
Volatility	Low	17.3
Correlation	High	0.9
Beta	Medium	1.1

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.FundsInsights.com

Performance Data Source - © 2009 Morningstar, Inc. All Rights Reserved. All statistical data on this report has been run to 29/05/2009 on NAV to NAV basis, with gross income reinvested, in US Dollars.

STANDARD & POOR'S OPINION (AUGUST 2009)

This fund is managed by Carnegie's specialist healthcare team in Stockholm. Led by Angelica Fatouros, the three manager/analysts display a depth of medical research and financial analysis expertise, but are relatively light on fund management experience compared to others in the peer group.

Each team member has research and stock selection responsibility for a specific area of expertise, looking for companies that will benefit from agreed long-term global trends. They are assisted in this from a medical standpoint by a group of nine leading professors at the Karolinska Institute.

Fatouros focuses on pharmaceuticals and the larger med-tech companies, taking over the latter when Viktor Rehnqvist left at the end of 2008. This is one of several team changes in recent years, each necessitating a shift in research responsibilities.

The investment approach, however, has not changed. Fatouros has stuck with the same approach as her predecessor, thus continuing the portfolio's historic bias towards biotechnology companies, offset by an underweight in pharmaceuticals.

Added value is gained through the cautious use of covered calls and by holding funds to gain diversified exposure to small-cap areas of the market.

We are concerned that the sector bias in the portfolio has resulted in some variability in returns relative to peers and benchmark, and that the current team has yet to demonstrate that it can reproduce the strong stockpicking that we have seen in the past. However, the team's experience and continuity of approach allow the fund to retain its S&P A rating.

FACT FILE

Group: In May 2009, the parent company of Carnegie Asset Management, Carnegie Investment Bank AB, was acquired by Altor Fund III (65%) and Bure Equity AB (35%). The asset management arm is set to become a separate corporate entity, with negotiations ongoing regarding to the final ownership structure.

Team: Carnegie's Stockholm-based healthcare and medical technology team of three portfolio managers is responsible for around €450m across a range of portfolios.

Fund Manager: Team head Fatouros has 12 years' investment experience. She began managing

portfolios in 2006, having moved from the Carnegie sell-side research team, which she joined in 2001.

Style: It is managed bottom-up with a bias towards large-/mid-cap growth companies in the global pharmaceutical, biotechnology and medical technology industries. Biotech is always near one-third of assets.

Performance: Over the five years to 29/05/2009, the fund has returned -7.6%, compared with -4.8% for the sector median and 2.3% for the index, ranking 101/168.

FUND MANAGER & TEAM

Carnegie's three-person healthcare fund group in Stockholm, led by Fatouros, manages around €450m in a range of funds covering the full healthcare spectrum. Consultant Bertil Hallsten, the Karolinska Institute and the group's global and Nordic equity teams provide additional input.

Angelica Fatouros - PhD pharmaceutical sciences (RSP Denmark), MSc biochemical engineering (RIT Stockholm), joined Carnegie's sell-side healthcare team in 2001 to cover Nordic biotech stocks, having had a similar role at Enskilda. She has 12 years' industry experience, including R&D at Pharmacia and the Swedish Defence agency. She began managing large-cap pharma funds in 2006 and biotech funds in 2007.

Mikael Svensson - MSc business & economics (Stockholm School of Economics), joined Carnegie from university as an analyst in 2000. He became senior portfolio manager in 2003, and covers specialty pharma and generics.

Ulf Arvidsson - PhD medicine (Karolinska), postdoc studies (Minnesota), associate professor neuroscience, was a sell-side analyst at Nordea from 1997 to 2000. He went back into medicine in 2003 and joined AMF as an analyst in 2004.

PORTFOLIO CHARACTERISTICS

No. of holdings	49
Turnover ratio (%)	114
% in top 10	46

TOP 10 HOLDINGS (01/06/09)

	%
Roche	5.6
Wyeth	5.6
Novartis	5.0
Carnegie Global Healthcare	4.8
Gilead Sciences	4.8
Baxter International	4.3
AstraZeneca	4.1
Biogen Idec	4.1
Celgene	4.0
Genzyme	3.5

* In top 10 holdings a year ago

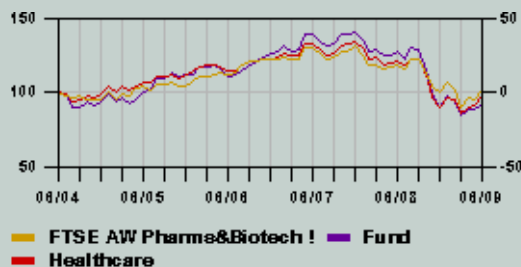
ALLOCATION BREAKDOWN (01/06/09)

	Fund %
Biotechnology	29.6
Cash	2.1
Food & staples retailing	2.5
Healthcare	0.0
Healthcare	3.9
Healthcare	18.7
Life sciences tools & services	3.3
Other	4.7
Pharmaceuticals	35.2

PERFORMANCE STATISTICS

	3 Years	5 Years
Fund	-16.8%	-7.6%
Standard & Poor's Peer Median	-16.1%	-4.8%
Index**	-9.1%	2.3%
Fund Rank	103/196	101/168
Standard Deviation	17.3	-
Relative Standard Deviation	1.1	-
Volatility Adjusted Ranking	93/196	-

CUMULATIVE PERFORMANCE



CARNEGIE MEDICAL FUND

Peer Group: Healthcare Equities



MANAGEMENT STYLE

- The fund is managed bottom-up, focusing on large-/mid-cap growth stocks in pharma, biotechnology and medtech sectors worldwide. Small-cap exposure is limited to 25%, with internal funds used for diversified coverage of higher-risk areas.
- Input is drawn from all team members, each having a sector specialism. Returns are usually generated from stock selection, with the key being a thorough understanding of new products that will drive earnings. In this area, the team benefits from good industry contacts and quarterly meetings with the Karolinska Institute, which provides scientific

assessments of new products. Positions are traded based on valuation and newsflow.

- Although benchmarked against the MSCI World Healthcare index, portfolio positioning is not formally constrained. Biotechnology exposure accounts for around one-third of the portfolio. Sector and geographical allocations tend to remain fairly stable, with 60-70% invested in the US.

- Risk is controlled through diversification and the team's stock and market knowledge. The manager targets 40-60 holdings with most positions below 5%. Stock options are used, mainly defensively, but the fund can be geared to 10% above NAV.

PORTFOLIO REVIEW

At the end of May there were 49 holdings, compared to 46 at last review. The portfolio has been focused since the start of 2008, when the team sold a number of small-cap positions. The structure of the portfolio (underweight in large-cap pharma (28% underweight), offset by a 20% overweight in biotech) was unchanged.

valuations. However, there were seven holdings including Pfizer and Amgen that were held for their low valuations and turnaround potential, even though the team has a negative view on fundamentals.

Three in-house funds were used, although the Biotechbridge fund (a venture capital fund) was being wound up.

The position in Biogen had been traded on newsflow relating to a takeover. Most portfolio companies were held for their growth potential (stable or strong/M&A) or long-term trends for which the team are willing to accept higher

No additional call options or warrants had been added and those held were out of the money.

PERFORMANCE ANALYSIS (JULY 2009)

The fund has fallen into the third quartile of the S&P healthcare peer group over three and five years following a disappointing 12 months of relative performance. This has not been helped by the overweight to smaller-cap biotech/underweight large cap pharma. Stock selection among US pharma companies hurt most, being underweight J&J (the largest index constituent) was a big detractor. The team were unable to exit the Carnegie Biotechbridge Fund and this cost some performance, while returns from call options were neutral.

On a calendar-year basis, this fund's performance has been volatile, reflecting its exposure to biotechnology and the use of call options. However, stock selection has not been as strong in the last two years as in the past, when contributions came from generics names and long-term thematic holdings, together with underweights to Glaxo, Astra and J&J. The warrants and options were positive and larger directly held biotech names were also strong contributors.

DISCRETE PERFORMANCE (CALENDAR YEARS)

	2005		2006		2007		2008		YTD 29/05/2009	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	14.1	28/175	13.7	35/187	6.2	97/204	-27.9	141/221	-6.0	226/234
Index**	7.7		12.9		2.0		-14.0		-4.7	
Median	8.0		8.0		5.9		-26.5		-0.5	

** FTSE AW Pharms&BioTech!

All of the views expressed in this research report accurately reflect our committee's views regarding any and all of the subject securities or issuers. No part of the committee's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report. © [2009] The McGraw-Hill Companies, Ltd trading as Standard & Poor's ("S&P") 20 Canada Square, Canary Wharf, London, E14 5LH Tel: +44 (0)20-7176 3800. 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> Performance Data Source - © 2009 Morningstar, Inc. All Rights Reserved. The performance information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.