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# CARNEGIE FUND

Collective Investment Fund

## PROSPECTUS

September 2011

### CARNEGIE FUND MANAGEMENT COMPANY S.A.

Subscriptions are only valid if made on the basis of the current complete prospectus and simplified prospectus of the fund accompanied by the latest annual and the latest semi-annual report if published thereafter.

In addition to the complete prospectus, Carnegie Fund Management Company S.A. has published a simplified prospectus containing fundamental information about CARNEGIE FUND, in particular information on the historical performance of each sub-fund of CARNEGIE FUND and information on the profile of a typical investor. The simplified prospectus is offered free of charge to each subscriber before conclusion of the subscription contract. It can be obtained, free of charge, at the registered office of Carnegie Fund Management Company S.A.

VISA 2011/78857-1790-0-PC

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité

Luxembourg, le 2011-10-06

Commission de Surveillance du Secteur Financier



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## 1. INTRODUCTION

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THIS PROSPECTUS IS IMPORTANT. If you are in any doubt about the contents of this prospectus of the Fund (the "Prospectus"), you should consult your bank manager, stockbroker, solicitor, accountant or other financial manager. This Prospectus and the simplified prospectus of the Fund (the "Simplified Prospectus") should be read and understood before an investment is made.

The distribution of this Prospectus and the offering of each Class/Sub-Class of Units may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Prospectus Form and any person wishing to make application for Units pursuant to this Prospectus and the Simplified Prospectus to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions including any applicable foreign exchange restrictions or exchange control regulations and possible taxation consequences in the countries of their respective citizenship, residence or domicile.

This Prospectus and the Simplified Prospectus do not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

The Classes/Sub-Classes of Units referred to in this Prospectus and in the Simplified Prospectus are offered solely on the basis of the information contained herein and in the reports referred to in this Prospectus.

In connection with the offer hereby made, no person is authorised to give any information or to make any representations other than those contained in this Prospectus and the Simplified Prospectus, and any purchase made by any person on the basis of the statements or representations not contained in or inconsistent with the information contained in this Prospectus and the Simplified Prospectus shall be solely at the risk of the purchaser.

Investors should remember that the capital value and the income from their investment in Units in any Class/Sub-Class may fluctuate and that changes in rates of exchange between currencies may have a separate effect, causing the value of their investment to decrease or to increase. Consequently, investors may, on redemption of their Units of any Class/Sub-Class, receive an amount greater than or lesser than the amount that they originally invested.

Further copies of this Prospectus, the Simplified Prospectus and the Application Form may, subject as referred to above, be obtained on the website [www.carnegieam.com](http://www.carnegieam.com) or in paper from:

Carnegie Fund Management Company S.A.  
C/o MDO Services S.A.  
19, rue de Bitbourg,  
L- 1273 Luxembourg, Grand Duchy of Luxembourg  
Telephone: +352 621 224 300,

and from other agents authorised thereto by Carnegie Fund Management Company S.A. ("Authorised Agents").

Applications must be made on the basis of the current Prospectus and Simplified Prospectus accompanied by the latest audited annual accounts and, if published thereafter, the latest half yearly report.

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## 2. MANAGEMENT AND ADMINISTRATION

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### REGISTERED OFFICE

CARNEGIE FUND MANAGEMENT COMPANY S.A.  
19, rue de Bitbourg  
L-1273 LUXEMBOURG

### BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Steinar LUNDSTRØM, Director, Carnegie Fund Management Company S.A.  
Chairman

Mattias KOLM, Director, Carnegie Fund Management Company S.A.  
Director

Rolf DOLANG, Director, Carnegie Fund Management Company S.A.  
Director

Bruno VANDERSCHULDEN, Director, Carnegie Fund Management Company S.A.  
Director

### MANAGERS

Henrik BRANDT, Manager, Carnegie Fund Management Company S.A.

Bruno VANDERSCHULDEN, Director, Carnegie Fund Management Company S.A.

### INVESTMENT MANAGER

CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S  
Dampfærgevej 26  
DK-2100 COPENHAGEN

**INVESTMENT MANAGER FOR CARNEGIE FUND - MEDICAL SUB-FUND,  
CARNEGIE FUND – SAFETY 90 EUROPE SUB-FUND, CARNEGIE FUND –  
SAFETY 90 SWEDEN SUB-FUND, CARNEGIE FUND – SAFETY 90 GLOBAL SUB-  
FUND and CARNEGIE FUND – SAFETY 90 BRIC SUB-FUND.**

CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S DENMARK,  
SWEDEN BRANCH  
Blasieholmsgatan 5  
S-10 394 STOCKHOLM

**RESEARCH ADVISOR FOR CARNEGIE FUND - MEDICAL SUB-FUND**

THE KAROLINSKA INSTITUTE  
S - 17177 STOCKHOLM

**CUSTODIAN**

BANQUE CARNEGIE LUXEMBOURG S.A.  
Centre Europe  
5 Place de la Gare  
L-1616 LUXEMBOURG

**CENTRAL ADMINISTRATION AGENT**

Carnegie Fund Services S.A.  
Centre Europe  
5 Place de la Gare  
L-1616 LUXEMBOURG

**PLACEMENT AGENTS**

CARNEGIE ASSET MANAGEMENT FONDSMÆGLERSELSKAB A/S DENMARK,  
SWEDEN BRANCH  
Blasieholmsgatan 5  
S-10 394 STOCKHOLM

CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S  
Dampfaergevej 26  
DK-2100 COPENHAGEN

BANQUE CARNEGIE LUXEMBOURG SA  
5, place de la Gare,  
L-1616 LUXEMBOURG

**AUDITOR**

PRICEWATERHOUSECOOPERS S.à r.l.  
400, Route d'Esch,  
L-1471 LUXEMBOURG

**LEGAL ADVISORS**

ARENDDT & MEDERNACH  
14, rue Erasme,  
L-2082 LUXEMBOURG

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### 3. LEGAL FORM

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CARNEGIE FUND (the “Fund”) is an unincorporated collective investment fund (“fonds commun de placement”) constituted in Luxembourg on December 6, 1995 governed by Luxembourg law and investing in transferable securities and other permitted assets. The Fund is an Undertaking for Collective Investment in Transferable Securities (a “UCITS”) registered under Part 1 of the 17<sup>th</sup> December, 2010 law on collective investment undertakings (the “Law”) and organised as described in the present Prospectus. The Management Regulations of the Fund (the “Management Regulations”) were deposited with the Registrar at the Luxembourg District Court where they may be inspected and where copies may be made. They were published in the Mémorial C, Recueil des Sociétés et Associations, of January 6, 1996. The Management Regulations were amended on February 27, 1998 and such amendment was published in the Mémorial C, Recueil des Sociétés et Associations of March 13, 1998. The Management Regulations were amended and restated on April 10, 2000 and the restated Management Regulations were published in the Mémorial C, Recueil des Sociétés et Associations of May 4, 2000. The restated Management Regulations were amended on October 10, 2000 and such amendments were published in the Mémorial C, Recueil des Sociétés et Associations of October 19, 2000. The restated Management Regulations were amended on October 15, 2005 and such amendments were published in the Mémorial C, Recueil des Sociétés et Associations of October 26, 2005. The Management Regulations were further amended on May 24, 2006 and such amendments were published in the Mémorial C, Recueil des Sociétés et Associations of June 22, 2006. A last amendment to the Management Regulations dated April 25, 2007 has been deposited with the Register of Commerce and Companies on April 30, 2007.

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### 4. STRUCTURE

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The Fund has been set up as a “multiple sub-fund investment fund” pursuant to the Law, which means that the Fund is composed of several Sub-Funds (described in Chapter 6), with each Sub-Fund constituting a separate pool of assets and liabilities. Each Sub-Fund employs a distinct investment strategy. Therefore the net asset value of its Units fluctuate according to the net assets to which they relate. The Board of Directors of Carnegie Fund Management Company S.A. (hereinafter the “Management Company”) may offer in each Sub-Fund different classes of Units based on specific criteria to be determined. See Chapter 5 below.

For the purposes of the relationship between Unitholders, each Sub-Fund is treated as a single entity and operates independently. Each Sub-Fund shall be liable for its own liabilities.

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### 5. THE ORGANISATION OF UNITS

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The Fund, organised by having its assets divided into separate Sub-Funds, has each Sub-Fund represented by its own classes of Units in the Fund.

The Units are freely transferable and, upon issue, are entitled to participate equally in the profits of the Sub-Fund to which they relate. All Units must be fully paid.

The Management Company may offer in each Sub-Fund different Classes of Units. The differences between the Classes of Units are different minimum initial subscription amounts and different level of commissions and corresponding management fees as more fully described below in this Chapter 5. The Management Company may also decide to reserve certain Classes of Units to certain specific categories of investors (e.g. institutional investors). The Management Company may furthermore issue Sub-Classes of Units within each Class: Capitalisation Sub-Classes (Sub-Class A) and/or Distribution Sub-Class (Sub-Class B). These Sub-Classes differ by their distribution policy, the Capitalisation Sub-Classes capitalise income, the Distribution Sub-Classes pay dividends.

At present, the Management Company issues five Classes of Units, Class 1, Class 2, Class 3, Class 4 and Class 5 which differ in their minimum initial investments, their minimum subsequent investments, their maximum subscription fees and their maximum management fees and issues two Sub-Classes of Units, the Sub-Class A (capitalization Sub-Class) and the Sub-Class B (distribution Sub-Class).

As from the launch of the Fund Class 1A Units have been issued in every Sub-Fund. As from May 22, 2000, Class 2A and or Class 3A Units are issued in some Sub-Funds as more fully described hereinbelow. As from July 10, 2003, Class 4 A Units are issued in one Sub-Fund as more fully described hereinbelow. As from June 14, 2004 Class 5B Units are issued in some Sub-Funds as more fully described below. As from [], 2011 Class 5A Units are issued in some Sub-Funds as more fully described below. In case other new classes of shares would be issued, the Prospectus and the Simplified Prospectus shall be updated accordingly.

The following table summarizes the structure of the Classes and Sub-Classes of Units currently created in each existing Sub-Fund:

#### CARNEGIE FUND - WORLDWIDE SUB-FUND:

Class	Sub-Class	Minimum Initial Investment (in USD)	Minimum Subsequent Investment (in USD)	Maximum Subscription Fee	Maximum Management Fee (p.a.)
1	A	1,000	none	5%	2.00%
2	A	25,000,000	none	3%	0.50%
3	A	75,000,000	none	1%	0.20%
4	A	3,000,000	3,000,000	1%	0.40%
5	A/B	125,000	none	5%	2.00%

Classes 2, 3, 4 and 5 are only available to institutional investors with classes 2, 3 and 4 being available only to Norwegian undertakings for collective investment

#### CARNEGIE FUND - NORDIC MARKETS SUB-FUND:

Class	Sub-Class	Minimum Initial Investment (in USD)	Maximum Subscription Fee	Maximum Management Fee (p.a.)
1	A	1,000	5%	2.00%
2	A	10,000,000	3%	0.50%
3	A	25,000,000	1%	0.80%
5	B	125,000	5%	2.00%

Classes 2 and 5 are only available to institutional investors with class 2 being available only to Norwegian undertakings for collective investment

**CARNEGIE FUND - EAST EUROPEAN SUB-FUND:**

Class	Sub-Class	Minimum Initial Investment (in USD)	Maximum Subscription Fee	Maximum Management Fee (p.a.)
1	A	1,000	5%	2.20%
2	A	25,000,000	3%	0.60%
3	A	75,000,000	1%	0.50%

Class 2 is only available to institutional investors, namely Norwegian undertakings for collective investment

**CARNEGIE FUND - MEDICAL SUB-FUND:**

Class	Sub-Class	Minimum Initial Investment (in EUR)	Maximum Subscription Fee	Maximum Management Fee (p.a.)
1	A	1,000	5%	2.00%
2	A	1,000,000	3%	1.50%
3	A	25,000,000	1%	0.80%

Class 2 is only available to institutional investors, namely Norwegian undertakings for collective investment

**CARNEGIE FUND - EUROPEAN EQUITY SUB-FUND:**

Class	Sub-Class	Minimum Initial Investment (in EUR)	Maximum Subscription Fee	Maximum Management Fee (p.a.)
1	A	1,000	5%	2.00%
2	A	100,000	3%	1.50%
3	A	250,000	1%	0.80%
5	A	150,000	5%	2.00%

Classes 2, 3 and 5 are only available to institutional investors with classes 2 and 3 being available only to Norwegian undertakings for collective investment

**CARNEGIE FUND - WORLDWIDE ETHICAL SUB-FUND:**

Class	Sub-Class	Minimum Initial Investment (in EUR)	Maximum Subscription Fee	Maximum Management Fee (p.a.)
1	A	1,000	5%	2.00%
2	A	1,000,000	3%	0.40%
3	A	5,000,000	1%	0.20%
5	B	125,000	5%	2.00%

Classes 2, 3 and 5 are only available to institutional investors, with classes 2 and 3 being available only to Norwegian undertakings for collective investment

**CARNEGIE FUND - SVENSK KORT RÄNTA SUB-FUND:**

Class	Sub-Class	Minimum Initial Investment (in SEK)	Maximum Subscription Fee	Maximum Management Fee (p.a.)
1	A	10,000	1%	0.50%
5	A	5,000,000	1%	0.25%
5	B	500,000	1%	0.50%

Classes 5A and 5B are only available to institutional investors.

**CARNEGIE FUND - SAFETY 90 EUROPE SUB-FUND:**

Class	Sub-Class	Minimum Initial Investment (in EUR)	Maximum Subscription Fee	Maximum Management Fee (p.a.)
1	A	1,000	5%	1.50%

**CARNEGIE FUND – SAFETY 90 SWEDEN SUB-FUND:**

Class	Sub-Class	Minimum Initial Investment (in SEK)	Maximum Subscription Fee	Maximum Management Fee (p.a.)
1	A	10,000	5%	1.50%

**CARNEGIE FUND – SAFETY 90 GLOBAL SUB-FUND**

Class	Sub-Class	Minimum Initial Investment (in SEK)	Maximum Subscription Fee	Maximum Management Fee (p.a.)
1	A	10,000	5%	1.50%

**CARNEGIE FUND – SAFETY 90 BRIC SUB-FUND**

Class	Sub-Class	Minimum Initial Investment (in SEK)	Maximum Subscription Fee	Maximum Management Fee (p.a.)
1	A	10,000	5%	2.50%
2	A	1,000,000	3%	1.25%
3	A	50,000,000	1%	0.625%

Classes 2 and 3 are only available to institutional investors, namely Norwegian undertakings for collective investment

In each Class/Sub-Class of Units, Units are issued under the form of registered Units, as non-certificated Units only. Ownership of non-certificated Units is evidenced by an entry in the register of the Units. Instead of certificates, Unitholders will receive written confirmations of unitholding. Units may be issued in fractions up to four decimal places. Rights attached to fractions of Units are exercised in proportion to the fraction of a Unit held, except for possible voting rights, which can only be exercised for whole Units.

A Unitholder may, at his own expense, at any time, request the Central Administration Agent to convert his Units from one Class/Sub-Class to another Class/Sub-Class based on the relative Net Asset Value of the Units to be converted and provided that the conditions of access to the Class of Units are fulfilled.

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## 6. OBJECTIVE AND INVESTMENT POLICY OF THE SUB-FUNDS

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The objective of the Fund is to give investors access to a world-wide selection of markets through a range of diversified and internationally invested Sub-Funds.

The investment policy of each Sub-Fund is determined by the Management Company in respect of the political, economical, financial or monetary situations prevailing in the Eligible Markets set out herein and into which the Sub-Fund may invest.

A large diversification of risk is achieved by a choice of transferable securities, money market instruments, and other liquid financial assets permitted under the Law, which shall not be (except for the restrictions outlined under Chapter 19 “Investment Restrictions”) geographically or economically limited, nor limited as to the type of transferable securities, money market instruments or liquid financial assets chosen.

**Notwithstanding the diversification of investments, the assets of the Sub-Funds are subject to market fluctuations and to the risks inherent in investments in transferable securities, money market instruments or liquid financial assets. Thus the attainment of the Sub-Fund’s objectives cannot be guaranteed and the value of Units may go up or down, according to the value of the underlying assets of the Sub-Funds concerned.**

Each Sub-Fund is denominated in a “reference currency”.

The Fund will seek to minimise exchange rate risks in the internationally invested Sub-Funds through the use of permitted hedging instruments as further described under Chapter 20 “Techniques and Investments relating to Transferable Securities”.

The Management Company issues classes of Units of the corresponding to the Sub-Funds described hereafter.

These Sub-Funds are designated by the name of the Fund and by the name of the Sub-Fund.

Particulars of each Sub-Fund are described hereafter.

CARNEGIE FUND Sub-Fund Particulars Sub-Fund 1: WORLDWIDE SUB-FUND
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<b>CARNEGIE FUND - WORLDWIDE SUB-FUND</b>
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***Investment objective and policy:***

The Carnegie Fund - Worldwide Sub-Fund aims to achieve long-term capital growth from a diversified portfolio of investments. It consists principally of equities issued in Eligible Markets (as defined in Chapter 19), although, in compliance with Chapter 19, convertible bonds, fixed income transferable securities may also be used, as investment conditions dictate. It may also hold ancillary liquid assets. There is no pre-determined geographical distribution as the Sub-Fund seeks to maximise returns by exploiting investment opportunities wherever they arise.

The investment policy is focused on investments in a limited portfolio with long-term attractive equities.

The Sub-Fund will typically invest in 25-35 companies, which makes it possible to gain a high knowledge of each investment.

***Typical Investor:***

Classes of this Sub-Fund are available to institutional and private investors. However, classes 2, 3, 4 and 5 are only available to institutional investors with classes 2, 3 and 4 being available only to Norwegian undertakings for collective investments.

***Investment Manager:***

CARNEGIE ASSET MANAGEMENT  
 FONDSMAEGLERSELSKAB A/S, Dampfærgevej 26, DK-2100  
 Copenhagen.

***Risk Warning:***

The performance realized in the past shall not be necessarily indicative for any performance realized in the future. The amount of an investment and the income from it can go down as well as up and you may not get back the amount invested.

From the long-term point of view the risk level in the Sub-Fund is expected to be at the same level as the risk level in the overall equity market. If it is considered suitable the Sub-Fund can in shorter or longer periods have a risk level below or above the risk level in the overall equity market.

Risk is very difficult to quantify, therefore quantitative risk models are not considered useful. The investments are made according to a principle that an essential part of the risk control is made due to good knowledge of the companies the Sub-Fund invests in. This work is easier done by having a smaller number of companies in the portfolio and then following these companies closely.

The Sub-Fund invests globally without sector and geographical limitations to secure maximum flexibility across sector and country limits which together with the limited number of companies in the portfolio give the opportunity to manage the absolute risk in the

portfolio.

Investors have to pay attention to the fact that the Sub-Fund's investments can be exposed to company specific, political, economic, market and adjustment risks, which can affect the value of the Sub-Fund. In addition to this other factors can affect the value of the Sub-Fund.

<b><i>Reference currency:</i></b>	USD (US Dollars)
<b><i>Dealing currencies:</i></b>	Upon request, the price per unit may be translated into SEK (Swedish Crowns), DKK (Danish Crowns), NOK (Norwegian Crowns), EUR (European Currency Units), or GBP (British Pounds) under the terms described in Chapter 8 and Chapter 9.
<b><i>Current offering price:</i></b>	Units are issued on each Valuation Day at the prevailing net asset value (the "NAV"), plus a subscription fee, calculated as a percentage of the Net Asset Value, as described under Chapter 5, payable to the selling agent.
<b><i>Valuation Day:</i></b>	Daily on a bank business day in Luxembourg
<b><i>Redemption fee:</i></b>	Up to maximum 1% of the NAV, payable to the selling agent.
<b><i>Management fee:</i></b>	Calculated on the net assets of the relevant Sub-Class of Units and accrued on each Valuation Day, payable monthly. For further details, see Chapter 5. The Management Company may decide from time to time to amend the management fee according to the Management Regulations, upon one month notice and upon updating of this Prospectus (via addendum). These fees will include all charges referred to under Chapter 12 of the Prospectus.

<p>CARNEGIE FUND  Sub-Fund Particulars  Sub-Fund 2: NORDIC MARKETS SUB-FUND</p>
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<p><b>CARNEGIE FUND – NORDIC MARKETS SUB-FUND</b></p>
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<b><i>Investment objective and policy:</i></b>	The Carnegie Fund - Nordic Markets Sub-Fund aims to achieve long-term capital growth from a diversified portfolio of investments. It consists principally of equities issued in the Nordic countries, (Denmark, Finland, Norway and Sweden), although, in compliance with Chapter 19, convertible bonds, fixed income transferable securities may also be used, as investment conditions dictate. It may also hold ancillary liquid assets.
<b><i>Typical Investor:</i></b>	Classes of this Sub-Fund are available to institutional and private investors. However, classes 2, and 5 are only available to institutional investors with class 2 being available only to Norwegian undertakings for collective investments.
<b><i>Investment Manager:</i></b>	CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S, Dampfærgevej 26, DK-2100 Copenhagen.
<b><i>Risk Warning:</i></b>	The amount of an investment and the income from it can go down as well as up and you may not get back the amount invested.
<b><i>Reference currency:</i></b>	USD (US Dollars)
<b><i>Dealing currencies:</i></b>	Upon request, the price per unit may be translated into SEK (Swedish Crowns), DKK (Danish Crowns), NOK (Norwegian Crowns), EUR (European Currency Units), or GBP (British Pounds) under the terms described in Chapter 8 and Chapter 9.
<b><i>Current offering price:</i></b>	Units are issued on each Valuation Day at the prevailing net asset value (the "NAV"), plus a subscription fee, calculated as a percentage of the Net Asset Value, as described under Chapter 5, payable to the selling agent.
<b><i>Valuation Day:</i></b>	Daily on a bank business day in Luxembourg
<b><i>Redemption fee:</i></b>	Up to maximum 1% of the NAV, payable to the selling agent.
<b><i>Management fee:</i></b>	Calculated on the net assets of the relevant Sub-Class of Units and accrued on each Valuation Day, payable monthly. For further details, see Chapter 5. The Management Company may decide from time to time to amend the management fee according to the Management Regulations, upon one month notice and upon updating of this Prospectus (via addendum). These fees will include all charges referred to under Chapter 12 of the Prospectus.

CARNEGIE FUND Sub-Fund Particulars Sub-Fund 3: EAST-EUROPEAN SUB-FUND
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<b>CARNEGIE FUND - EAST-EUROPEAN SUB-FUND</b>
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**DUE TO THE SIGNIFICANT RISKS ASSOCIATED WITH THIS SUB-FUND, INVESTMENT THEREIN IS SUITABLE ONLY FOR THOSE PERSONS WHO UNDERSTAND THE DEGREE OF RISKS INVOLVED AND BELIEVE THAT THE INVESTMENT IS SUITABLY BASED UPON THEIR INVESTMENT OBJECTIVES AND FINANCIAL NEEDS; IT IS THEREFORE RECOMMENDED THAT INVESTORS PLACE A LIMITED PART OF THEIR WEALTH IN THIS SUB-FUND.**

*Investment Objective and Policy:*

The CARNEGIE FUND – EAST-EUROPEAN SUB-FUND aims to achieve long-term capital growth from a portfolio of mostly equities or equity based securities of East European companies. The Sub-Fund can also invest in equities or equity based securities in other countries which are potential candidates to be admitted as members of the European Union.

The Sub-Fund will not invest more than 10% of its net assets in securities not admitted to a regulated market nor dealt with on another market which is regulated, operates regularly and is recognised and open to the public.

The investment policy is focused on investments in a limited portfolio with long-term attractive equities.

The Sub-Fund will typically invest in 20-30 companies, which makes it possible to gain a high knowledge of each investment.

The Sub-Fund may also hold ancillary liquid assets.

*Risk warning:*

The performance realized in the past shall not be necessarily indicative for any performance realized in the future. The amount of an investment and the income from it can go down as well as up and you may not get back the amount invested.

Even though the risk of investing in the Sub-Fund's investment universe has been decreasing the last years and today is evaluated to be at the same level as the risk of investing in equities globally, investors shall be aware that an investment in the Sub-Fund can involve a higher risk and higher volatility in the net asset value per unit than a traditional global equity fund.

Risk is very difficult to quantify, therefore quantitative risk models are not considered useful. The investments are made according to a principle that an essential part of the risk control is made due to good knowledge of the companies the Sub-Fund invests in. This work is easier done by having a smaller number of companies in the portfolio and then following these companies closely.

The Sub-Fund invests in Eastern Europe without sector and geographical limitations to secure maximum flexibility across sector and country limits which together with the limited number of companies in the portfolio give the opportunity to manage the absolute risk in the portfolio.

Investors have to pay attention to the fact that the Sub-Fund's investments can be exposed to company specific, political, economic, market and adjustment risks, which can affect the value of the Sub-Fund. In addition to this other factors can affect the value of the Sub-Fund.

Investors are advised to consider investment in the Sub-Fund as a limited supplement to their total portfolio of equity investments.

Investments in securities of companies located in countries with emerging securities markets may offer greater opportunities for capital growth than investments in securities traded in developed markets. However, securities traded in certain emerging markets may be subject to high risks due to political and economic reforms. Certain emerging markets countries are either comparatively undeveloped or are in the process of becoming developed and may consequently be subject to greater social, economic and political uncertainties or may be economically based on a relatively few or closely interdependent industries. In particular, countries with emerging markets may have relatively unstable governments, present the risk of nationalization of businesses, restrictions on foreign ownership or prohibition of repatriation of assets and may have less protection of property rights than more developed countries. The economies of countries with emerging markets may be predominantly based on only a few industries, may be highly vulnerable to changes in local or global trade conditions and may suffer from extreme and volatile debt burdens or inflation rates. Additionally, the inexperience of financial intermediaries, the lack of financial markets development, the lack of modern technology and the possibility of currency devaluation or of permanent or temporary termination of trading of securities may affect the Sub-Fund's performance. Furthermore, risks associated with the legal systems in emerging markets countries include the legal insecurity due to (i) the untested nature of the independence of the judiciary and the immunity from political influences (ii) the inconsistencies between and among laws, decrees or orders; (iii) the lack of guidance on interpreting the laws and (iv) the relative inexperience of judges. Investments of the Sub-Fund may also be negatively affected by alteration in the fiscal framework or by heavy taxes levied on the Sub-Fund's investments. All of these factors can make emerging market securities more volatile and potentially less liquid than other foreign securities. **CERTAIN EMERGING MARKETS MAY NOT QUALIFY AS ACCEPTABLE MARKETS UNDER ARTICLE 41(I) OF THE LAW OF 17th DECEMBER, 2010. INVESTMENTS IN SUCH MARKETS WILL BE DEEMED AS INVESTMENTS IN NON-LISTED SECURITIES AND MAY NOT EXCEED, TOGETHER WITH OTHER UNLISTED SECURITIES HELD BY THE SUB-FUND, 10% OF ITS TOTAL NET ASSETS.**

The Sub-Fund may invest in transferable securities denominated in local currencies whereas the reference currency of the Sub-Fund is the USD. Accordingly, a change in the value of any such currencies against the USD will affect the USD value of the Sub-Fund's assets. Most emerging countries' currencies are exchangeable into USD at prevailing market rates. With high rate of inflation which certain emerging countries have experienced in recent years there has been a continuous devaluation against the USD.

Although the Investment Manager is authorized to hedge against currency exchange or other risks, there is no guarantee that suitable hedging instruments will be available if it elects to hedge against such risks.

<i>Typical Investor:</i>	Classes of this Sub-Fund are available to institutional and private investors. However, class 2 is only available to institutional investors namely Norwegian undertakings for collective investments.
<i>Investment Manager:</i>	CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S, Dampfærgevej 26, DK-2100 Copenhagen.
<i>Reference currency:</i>	USD (US Dollars)
<i>Dealings currencies:</i>	Upon request, the price per unit may be translated into SEK (Swedish Crowns), DKK (Danish Crowns), NOK (Norwegian Crowns), EUR (European Currency Units), or GBP (British Pounds) under the terms described in Chapter 8 and Chapter 9 of the Prospectus.
<i>Current Offering Price:</i>	Units are issued on each Valuation Day at the prevailing net asset value (the "NAV"), plus a subscription fee as described under Chapter 5, payable to the selling agent.
<i>Valuation Day:</i>	Daily on a bank business day in Luxembourg.
<i>Redemption Fee:</i>	Up to maximum 1% of the NAV, payable to the selling agent.
<i>Management Fee:</i>	Calculated on the net assets of the relevant Sub-Class of Units and accrued on each Valuation Day, payable monthly. For further details, see Chapter 5. The Management Company may decide from time to time to amend the management fee according to the Management Regulations, upon one month notice and upon updating of this Prospectus (via addendum). These fees will include all charges referred to under Chapter 12 of the Prospectus.

<p>CARNEGIE FUND  Sub-Fund Particulars  Sub-Fund 4: MEDICAL SUB-FUND</p>
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<p><b>CARNEGIE FUND - MEDICAL SUB-FUND</b></p>
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*Investment objective and policy:*

The CARNEGIE FUND - MEDICAL SUB-FUND aims to achieve long-term capital through global investment in equities of companies operating in the pharmaceutical, biotechnology and medical technology sectors.

The Sub-Fund will focus particularly on large cap and mid cap companies, which will account for at least 75% of the Sub-Fund's value and also on small cap companies which may represent up to 25% of the Sub-Fund's value.

The Sub-Fund may also hold ancillary liquid assets.

*Typical Investor:*

Classes of this Sub-Fund are available to institutional and private investors. However class 2 is only available to institutional investors, namely Norwegian undertakings for collective investment.

*Investment Manager:*

CARNEGIE ASSET MANAGEMENT  
FONDSMAEGLERSELSKAB A/S DENMARK,  
SWEDEN BRANCH, Blasieholmsgatan 5, S-10394  
STOCKHOLM

*Research Advisor:*

THE KAROLINSKA INSTITUTE  
S - 17177 Stockholm  
Sweden

*Risk Warning:*

The amount of an investment and the income from it can go down as well as up and you may not get back the amount invested.

*Reference currency:*

EUR

*Dealing currencies:*

Upon request, the price per Unit may be translated into SEK (Swedish Crowns), DKK (Danish Crowns), NOK (Norwegian Crowns), USD (US Dollars) or GBP (British Pounds).

*Current offering price:*

Units are issued on each Valuation Day at the prevailing net asset value (the "NAV"), plus a subscription fee, calculated as a percentage of the Net Asset Value, as described under Chapter 5, payable to the selling agent.

*Valuation day:*

Daily, on a bank business day in Luxembourg.

*Redemption fee:*

Up to maximum 1% of the NAV, payable to the selling agent.

*Management fee:*

Calculated on the net assets of the relevant Sub-Class of Units and accrued on each Valuation Day, payable monthly. For further details, see Chapter 5. The Management Company may decide from time to time to amend the management fee according to the Management Regulations, upon one month notice and upon updating of this Prospectus (via Addendum). These fees include all charges referred to under Chapter 12 of the Prospectus.

<p>CARNEGIE FUND  Sub-Fund Particulars  Sub-Fund 5: EUROPEAN EQUITY SUB-FUND</p>
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<p><b>CARNEGIE FUND - EUROPEAN EQUITY SUB-FUND</b></p>
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*Investment objective  
and policy:*

The Carnegie Fund – European Equity Sub-fund aims to achieve long-term capital growth from a diversified portfolio of equities. The Sub-Fund will invest in transferable equity securities of issuers that are incorporated in or have their principal activities in the European countries including Eastern Europe and the former Soviet States (CIS) and Turkey.

The Sub-Fund will not invest more than 10% of its net assets in securities not admitted to a regulated market nor dealt with on another market which is regulated, operates regularly and is recognised and open to the public.

The investment policy is focused on investments in a limited portfolio with long-term attractive equities.

The Sub-Fund will typically invest in 25-35 companies, which makes it possible to gain a high knowledge of each investment.

The Sub-Fund may also hold ancillary liquid assets.

*Typical Investor:*

Classes of this Sub-Fund are available to institutional and private investors. However, classes 2, 3 and 5 are only available to institutional investors with classes 2 and 3 being available only to Norwegian undertakings for collective investments.

*Investment Manager:*

CARNEGIE ASSET MANAGEMENT  
FONDSMAEGLERSELSKAB A/S Dampfærgevej 26,  
DK-2100 Copenhagen

*Risk Warning:*

The performance realized in the past shall not be necessarily indicative for any performance to be realized in the future. The amount of an investment and the income from it can go down as well as up and you may not get back the amount invested.

From the long-term point of view the risk level in the Sub-Fund is expected to be at the same level as the risk level in the overall equity market. If it is considered suitable the Sub-Fund can in shorter or longer periods have a risk level below or above the risk level in the overall equity market.

Risk is very difficult to quantify, therefore quantitative risk models are not considered useful. The investments are

made according to a principle that an essential part of the risk control is made due to good knowledge of the companies the Sub-Fund invests in. This work is easier done by having a smaller number of companies in the portfolio and then following these companies closely.

Investors have to pay attention to the fact that the Sub-Fund's investments can be exposed to company specific, political, economic, market and adjustment risks, which can affect the value of the Sub-Fund. In addition to this other factors can affect the value of the Sub-Fund.

Investments in securities of companies located in countries with emerging securities markets may offer greater opportunities for capital growth than investments in securities traded in developed markets. However, securities traded in certain emerging markets may be subject to high risks due to political and economic reforms. Certain emerging markets countries are either comparatively undeveloped or are in the process of becoming developed and may consequently be subject to greater social, economic and political uncertainties or may be economically based on a relatively few or closely interdependent industries. In particular, countries with emerging markets may have relatively unstable governments, present the risk of nationalization of businesses, restrictions on foreign ownership or prohibition of repatriation of assets and may have less protection of property rights than more developed countries. The economies of countries with emerging markets may be predominantly based on only a few industries, may be highly vulnerable to changes in local or global trade conditions and may suffer from extreme and volatile debt burdens or inflation rates. Additionally, the inexperience of financial intermediaries, the lack of financial markets development, the lack of modern technology and the possibility of currency devaluation or of permanent or temporary termination of trading of securities may affect the Sub-Fund's performance. Furthermore, risks associated with the legal systems in emerging markets countries include the legal insecurity due to (i) the untested nature of the independence of the judiciary and the immunity from political influences (ii) the inconsistencies between and among laws, decrees or orders; (iii) the lack of guidance on interpreting the laws and (iv) the relative inexperience of judges. Investments of the Sub-Fund may also be negatively affected by alteration in the fiscal framework or by heavy taxes levied on the Sub-Fund's investments. All of these factors can make emerging market securities more volatile and potentially less liquid than other foreign securities.

**CERTAIN EMERGING MARKETS MAY NOT QUALIFY AS ACCEPTABLE MARKETS UNDER ARTICLE 41(I) OF THE LAW OF 17th DECEMBER, 2010. INVESTMENTS IN SUCH MARKETS WILL BE DEEMED AS INVESTMENTS IN NON-LISTED SECURITIES AND MAY NOT EXCEED, TOGETHER WITH OTHER UNLISTED**

**SECURITIES HELD BY THE SUB-FUND, 10% OF ITS TOTAL NET ASSETS.**

<i>Reference currency:</i>	EUR
<i>Dealing currencies:</i>	Upon request, the price per Unit may be translated into SEK (Swedish Crowns), DKK (Danish Crowns), NOK (Norwegian Crowns) or GBP (British Pounds) under the terms described in Chapter 8 and Chapter 9 of the Prospectus.
<i>Current offering price:</i>	Units are issued on each Valuation Day at the prevailing net asset value (the “NAV”), plus a subscription fee, calculated as a percentage of the Net Asset Value, as described under Chapter 5, payable to the selling agent.
<i>Valuation day:</i>	Daily, on a bank business day in Luxembourg.
<i>Redemption fee:</i>	Up to maximum 1% of the NAV, payable to the selling agent.
<i>Management fee:</i>	Calculated on the net assets of the relevant Sub-Class of Units and accrued on each Valuation Day, payable monthly. For further details, see Chapter 5. The Management Company may decide from time to time to amend the management fee according to the Management Regulations, upon one month notice and upon updating of this Prospectus (via Addendum). These fees include all charges referred to under Chapter 12 of the Prospectus.

<p>CARNEGIE FUND  Sub-Fund Particulars  Sub-Fund 6: WORLDWIDE ETHICAL SUB-FUND</p>
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<p><b>CARNEGIE FUND – WORLDWIDE ETHICAL SUB-FUND</b></p>
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***Investment objective and policy:***

The Carnegie Fund - Worldwide Ethical Sub-Fund aims to achieve long-term capital growth from a diversified portfolio of global equities. It consists principally of equities issued in Eligible Markets (as defined in Chapter 19 hereinbelow), although, in compliance with Chapter 19, convertible bonds, fixed income transferable securities may also be used, as investment conditions dictate. There is no pre-determined geographical distribution as the Sub-Fund seeks to maximise returns by exploiting investment opportunities wherever they arise. The Sub-Fund will specifically avoid investment in companies which operating in the following sectors:

- production and distribution of alcohol;
- production and distribution of tobacco products;
- production and distribution of weapons or technology and software which is specifically designed to facilitate the production of weapons;
- production and distribution of any other goods and services which may be deemed by the Investment Manager to be of an unethical nature.

The investment policy is focused on investments in a limited portfolio with long-term attractive equities.

The Sub-Fund will not invest more than 10% of its net assets in securities not admitted to a regulated market nor dealt with on another market which is regulated, operates regularly and is recognised and open to the public.

The Sub-Fund will typically invest in 25-35 companies, which makes it possible to gain a high knowledge of each investment.

The Sub-Fund may also hold ancillary liquid assets.

***Typical Investor:***

Classes of this Sub-Fund are available to institutional and private investors. However, classes 2, 3 and 5 are only available to institutional investors with classes 2 and 3 being available only to Norwegian undertakings for collective investments.

***Investment Manager:***

CARNEGIE ASSET MANAGEMENT  
FONDSMAEGLERSELSKAB A/S, Dampfærgevej 26, DK-2100  
Copenhagen

**Risk Warning:** The performance realized in the past shall not be necessarily indicative for any performance realized in the future. The amount of an investment and the income from it can go down as well as up and you may not get back the amount invested.

From the long-term point of view the risk level in the Sub-Fund is expected to be at the same level as the risk level in the overall equity market. If it is considered suitable the Sub-Fund can in shorter or longer periods have a risk level below or above the risk level in the overall equity market.

Risk is very difficult to quantify, therefore quantitative risk models are not considered useful. The investments are made according to a principle that an essential part of the risk control is made due to good knowledge of the companies the Sub-Fund invests in. This work is easier done by having a smaller number of companies in the portfolio and then following these companies closely.

The Sub-Fund invests globally without sector and geographical limitations to secure maximum flexibility across sector and country limits which together with the limited number of companies in the portfolio give the opportunity to manage the absolute risk in the portfolio.

Investors have to pay attention to the fact that the Sub-Fund's investments can be exposed to company specific, political, economic, market and adjustment risks, which can affect the value of the Sub-Fund. In addition to this other factors can affect the value of the Sub-Fund.

**Reference currency:** EUR

**Dealing currencies:** Upon request, the price per unit may be translated into SEK (Swedish Crowns), DKK (Danish Crowns), NOK (Norwegian Crowns), USD (US Dollars) or GBP (British Pounds) under the terms described in Chapter 8 and Chapter 9.

**Current offering price:** Units are issued on each Valuation Day at the prevailing net asset value (the "NAV"), plus a subscription fee, calculated as a percentage of the Net Asset Value, as described under Chapter 5, payable to the selling agent.

**Valuation Day:** Daily on a bank business day in Luxembourg

**Redemption fee:** Up to maximum 1% of the NAV, payable to the selling agent.

**Management fee:** Calculated on the net assets of the relevant Sub-Class of Units and accrued on each Valuation Day, payable monthly. For further details, see Chapter 5. The Management Company may decide from time to time to amend the management fee according to the Management Regulations, upon one month notice and upon updating of this Prospectus (via addendum). These fees will include all charges referred to under Chapter 12 of the Prospectus.

<p>CARNEGIE FUND  Sub-Fund Particulars  Sub-Fund 7: SVENSK KORT RÄNTA SUB-FUND</p>
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<p><b>CARNEGIE FUND –  SVENSK KORT RÄNTA SUB-FUND</b></p>
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<b><i>Investment objective and policy:</i></b>	The Carnegie Fund – Svensk Kort Ränta Sub-Fund aims to provide a stable yield through investment in short-term bonds. It shall invest exclusively in bonds and in money market instruments, although in compliance with Chapter 18, provided that, at the time of their acquisition, their initial or residual maturity does not exceed 12 months or, based upon the terms and conditions of their issue, the interest rate applicable thereto is adjusted at least annually on the basis of market conditions or the average residual maturity of the Sub-Fund’s portfolio does not exceed 12 months (for floating rate notes, calculation is done on the basis of the number of days until the next coupon date). It may also hold ancillary liquid assets.
<b><i>Typical Investor:</i></b>	Classes of this Sub-Fund are available to institutional and private investors. However, classes 5A and 5B are only available to institutional investors.
<b><i>Investment Manager:</i></b>	CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S, Dampfærgevej 26, DK-2100 Copenhagen
<b><i>Risk Warning:</i></b>	The amount of an investment and the income from it can go down as well as up and you may not get back the amount invested.
<b><i>Reference currency:</i></b>	SEK (Swedish Crowns)
<b><i>Dealing currencies:</i></b>	Upon request, the price per unit may be translated into USD (US Dollars), DKK (Danish Crowns), NOK (Norwegian Crowns), EUR (European Currency Units), or GBP (British Pounds) under the terms described in Chapter 8 and Chapter 9.
<b><i>Current offering price:</i></b>	Units are issued on each Valuation Day at the prevailing net asset value (the “NAV”), plus a subscription fee, calculated as a percentage of the Net Asset Value, as described under Chapter 5, payable to the selling agent.
<b><i>Valuation Day:</i></b>	Daily on a bank business day in Luxembourg
<b><i>Redemption fee:</i></b>	Up to maximum 1% of the NAV, payable to the selling agent.
<b><i>Management fee:</i></b>	Calculated on the net assets of the relevant Sub-Class of Units and accrued on each Valuation Day, payable monthly. For further details, see Chapter 5. The Management Company may decide from time to time to amend the management fee according to the Management Regulations, upon one month notice and upon updating of this Prospectus (via addendum). These fees will include all charges referred to under Chapter 12 of the Prospectus.

CARNEGIE FUND Sub-Fund Particulars Sub-Fund 8: SAFETY 90 EUROPE SUB-FUND
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<b>CARNEGIE FUND – SAFETY 90 EUROPE SUB-FUND</b>
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***Investment objective  
and policy:***

The Carnegie Fund – Safety 90 Europe Sub-Fund aims to achieve long-term capital growth through a dynamic and quantitative strategy with a moderate volatility by investing primarily in shares of companies domiciled in Europe and/or listed on a recognised European regulated market and/or international bonds and other short and long term fixed income securities such as treasury bills and treasury notes that are admitted to official listing on a stock exchange or that are traded on another regulated market within the OECD countries and in Singapore and Hong Kong.

In seeking to achieve the investment objective of the Sub-Fund the Investment Manager will use “Quantitative” strategies, mathematical and statistical strategies which aim to limit the likelihood of the net asset value falling below a reference level as defined hereafter. The quantitative strategies will determine the percentage of the total net assets of the Sub-Fund invested in equities. The percentage invested in equities may vary in a range from 0% to 100% of the total net assets of the Sub-Fund and may be readjusted on a daily basis. The Sub-Fund will start with a reference level of 90% of the initial subscription. This reference level will be applicable for a period of 250 trading days (a “trading day” is defined as a day on which banks are open for business in Luxembourg). Every 50 trading days a new reference level will start; this reference level will be calculated as 90% of the net asset value at the end of the previous 50 trading days period and will be applicable for a further period of 250 trading days, this reference will be active only if and when it is higher than any previous calculated reference level for the same period. If this reference level is lower than or the same as the previous reference level then the previous reference level will continue to apply until the end of the current 250 trading days period. The Investment Managers will seek to achieve a balanced performance for the Sub-Fund at least as high as the reference level for the applicable period. In order to reduce the risk in the Sub-Fund, the Investment Manager may also start an extra reference level in the interest of the unitholders at any time using the same methodologies as described above. **The statistical methodologies utilised by the Investment Manager to protect investments, do not, in any circumstances, constitute a guarantee of return, growth or capital protection.**

The Sub-Fund may also hold ancillary liquid assets and money market instruments within the limits prescribed by law.

***Typical Investor:***

Classes of this Sub-Fund are available to institutional and private investors.

<b><i>Investment Manager :</i></b>	CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S DENMARK, SWEDEN BRANCH, Blasieholmsgatan 5, S- 10 394 STOCKHOLM
<b><i>Risk Warning:</i></b>	The amount of an investment and the income from it can go down as well as up and you may not get back the amount invested.
<b><i>Reference currency:</i></b>	EUR (Euro)
<b><i>Dealing currencies:</i></b>	Upon request, the price per unit may be translated into USD (US Dollars), DKK (Danish Crowns), NOK (Norwegian Crowns), SEK (Swedish Crowns), or GBP (British Pounds) under the terms described in Chapter 8 and Chapter 9.
<b><i>Current offering price:</i></b>	Units are issued on each Valuation Day at the prevailing net asset value (the “NAV”), plus a subscription fee, calculated as a percentage of the Net Asset Value, as described under Chapter 5, payable to the selling agent.
<b><i>Valuation Day:</i></b>	Daily on a bank business day in Luxembourg
<b><i>Redemption fee:</i></b>	Up to maximum 1% of the NAV, payable to the selling agent.
<b><i>Management fee:</i></b>	Calculated on the net assets of the relevant Sub-Class of Units and accrued on each Valuation Day, payable monthly. For further details, see Chapter 5. The Management Company may decide from time to time to amend the management fee according to the Management Regulations, upon one month notice and upon updating of this Prospectus (via addendum). These fees will include all charges referred to under Chapter 12 of the Prospectus.

CARNEGIE FUND Sub-Fund Particulars Sub-Fund 9: SAFETY 90 SWEDEN SUB-FUND
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<b>CARNEGIE FUND – SAFETY 90 SWEDEN SUB-FUND</b>
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***Investment objective  
and policy:***

The Carnegie Fund – Safety 90 Sweden Sub-Fund aims to achieve long-term capital growth through a dynamic and quantitative strategy with a moderate volatility by investing primarily in shares of companies domiciled in Sweden and/or listed on a recognised Swedish regulated market and/or international bonds and other short and long term fixed income securities such as treasury bills and treasury notes that are admitted to official listing on a stock exchange or that are traded on another regulated market within the OECD countries and in Singapore and Hong Kong.

In seeking to achieve the investment objective of the Sub-Fund the Investment Manager will use “Quantitative” strategies, mathematical and statistical strategies which aim to limit the likelihood of the net asset value falling below a reference level as defined hereafter. The quantitative strategies will determine the percentage of the total net assets of the Sub-Fund invested in equities. The percentage invested in equities may vary in a range from 0% to 100% of the total net assets of the Sub-Fund and may be readjusted on a daily basis. The Sub-Fund will start with a reference level of 90% of the initial subscription. This reference level will be applicable for a period of 250 trading days (a “trading day” is defined as a day on which banks are open for business in Luxembourg). Every 50 trading days a new reference level will start; this reference level will be calculated as 90% of the net asset value at the end of the previous 50 trading days period and will be applicable for a further period of 250 trading days, this reference will be active only if and when it is higher than any previous calculated reference level for the same period. If this reference level is lower than or the same as the previous reference level then the previous reference level will continue to apply until the end of the current 250 trading day period. The Investment Managers will seek to achieve a balanced performance for the Sub-Fund at least as high as the reference level for the applicable period. In order to reduce the risk in the Sub-Fund, the Investment Manager may also start an extra reference level in the interest of the unitholders at any time using the same methodologies as described above. **The statistical methodologies utilised by the Investment Manager to protect investments, do not, in any circumstances, constitute a guarantee of return, growth or capital protection.**

The Sub-Fund may also hold ancillary liquid assets and money market instruments within the limits prescribed by law.

***Typical Investor:***

Classes of this Sub-Fund are available to institutional and private investors.

<b><i>Investment Manager:</i></b>	CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S DENMARK, SWEDEN BRANCH, Blasieholmsgatan 5, S-10 394 STOCKHOLM.
<b><i>Risk Warning:</i></b>	The amount of an investment and the income from it can go down as well as up and you may not get back the amount invested.
<b><i>Reference currency:</i></b>	SEK (Swedish Crowns)
<b><i>Dealing currencies:</i></b>	Upon request, the price per unit may be translated into USD (US Dollars), DKK (Danish Crowns), NOK (Norwegian Crowns), EUR (European Currency Units), or GBP (British Pounds) under the terms described in Chapter 8 and Chapter 9.
<b><i>Current offering price:</i></b>	Units are issued on each Valuation Day at the prevailing net asset value (the “NAV”), plus a subscription fee, calculated as a percentage of the Net Asset Value, as described under Chapter 5, payable to the selling agent.
<b><i>Valuation Day:</i></b>	Daily on a bank business day in Luxembourg
<b><i>Redemption fee:</i></b>	Up to maximum 1% of the NAV, payable to the selling agent.
<b><i>Management fee:</i></b>	Calculated on the net assets of the relevant Sub-Class of Units and accrued on each Valuation Day, payable monthly. For further details, see Chapter 5. The Management Company may decide from time to time to amend the management fee according to the Management Regulations, upon one month notice and upon updating of this Prospectus (via addendum). These fees will include all charges referred to under Chapter 12 of the Prospectus.

CARNEGIE FUND Sub-Fund Particulars Sub-Fund 10: SAFETY 90 GLOBAL SUB-FUND
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<b>CARNEGIE FUND – SAFETY 90 GLOBAL SUB-FUND</b>
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***Investment objective  
and policy:***

The Carnegie Fund –Safety 90 Global Sub-Fund aims to achieve long-term capital growth through a dynamic and quantitative strategy with a moderate volatility by investing primarily in shares admitted to official listing on a stock exchange or that are traded on another regulated market within the OECD countries or in Singapore and Hong Kong and/or international bonds and other short and long term fixed income securities such as treasury bills and treasury notes that are admitted to official listing on a stock exchange or that are traded on another regulated market within the OECD countries and in Singapore and Hong Kong.

In seeking to achieve the investment objective of the Sub-Fund the Investment Manager will use “Quantitative” strategies, mathematical and statistical strategies which aim to limit the likelihood of the net asset value falling below a reference level as defined hereafter. The quantitative strategies will determine the percentage of the total net assets of the Sub-Fund invested in equities. The percentage invested in equities may vary in a range from 0% to 100% of the total net assets of the Sub-Fund and may be readjusted on a daily basis. The Sub-Fund will start with a reference level of 90% of the initial subscription. This reference level will be applicable for a period of 250 trading days (a “trading day” is defined as a day on which banks are open for business in Luxembourg). Every 50 trading days a new reference level will start; this reference level will be calculated as 90% of the net asset value at the end of the previous 50 trading days period and will be applicable for a further period of 250 trading days, this reference will be active only if and when it is higher than any previous calculated reference level for the same period. If this reference level is lower than or the same as the previous reference level then the previous reference level will continue to apply until the end of the current 250 trading days period. The Investment Managers will seek to achieve a balanced performance for the Sub-Fund at least as high as the reference level for the applicable period. In order to reduce the risk in the Sub-Fund, the Investment Manager may also start an extra reference level in the interest of the unitholders at any time using the same methodologies as described above. **The statistical methodologies utilised by the Investment Manager to protect investments, do not, in any circumstances, constitute a guarantee of return, growth or capital protection.**

The Sub-Fund may also hold ancillary liquid assets and money market instruments within the limits prescribed by law.

***Typical Investor:***

Classes of this Sub-Fund are available to institutional and private investors.

- Risk Warning:*** The amount of an investment and the income from it can go down as well as up and you may not get back the amount invested.
- Investment Manager:*** CARNEGIE ASSET MANAGEMENT  
FONDSMAEGLERSELSKAB A/S DENMARK, SWEDEN  
BRANCH, Blasieholmsgatan 5, S-10 394 STOCKHOLM.
- Reference currency:*** SEK (Swedish Crowns)
- Dealing currencies:*** Upon request, the price per unit may be translated into USD (US Dollars), DKK (Danish Crowns), NOK (Norwegian Crowns), EUR (European Currency Units), or GBP (British Pounds) under the terms described in Chapter 8 and Chapter 9.
- Current offering price:*** Units are issued on each Valuation Day at the prevailing net asset value (the “NAV”), plus a subscription fee, calculated as a percentage of the Net Asset Value, as described under Chapter 5, payable to the selling agent.
- Valuation Day:*** Daily on a bank business day in Luxembourg
- Redemption fee:*** Up to maximum 1% of the NAV, payable to the selling agent.
- Management fee:*** Calculated on the net assets of the relevant Sub-Class of Units and accrued on each Valuation Day, payable monthly. For further details, see Chapter 5. The Management Company may decide from time to time to amend the management fee according to the Management Regulations, upon one month notice and upon updating of this Prospectus (via addendum). These fees will include all charges referred to under Chapter 12 of the Prospectus.

CARNEGIE FUND Sub-Fund Particulars Sub-Fund 11: SAFETY 90 BRIC SUB-FUND
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<b>CARNEGIE FUND – SAFETY 90 BRIC SUB-FUND</b>
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***Investment objective  
and policy:***

The Carnegie Fund – Safety 90 BRIC Sub-Fund aims to achieve long-term capital growth through a dynamic and quantitative strategy with a moderate volatility by investing primarily in shares of companies domiciled in Brazil, Russia, India, China, Hong-Kong and/or international bonds and other short and long term fixed income securities such as treasury bills and treasury notes provided that they are admitted to official listing on a stock exchange or traded on another Regulated Market as defined in article 5 of the Management Regulations.

In seeking to achieve the investment objective of the Sub-Fund the Investment Manager will use “Quantitative” strategies, mathematical and statistical strategies which aim to limit the likelihood of the net asset value falling below a reference level as defined hereafter. The quantitative strategies will determine the percentage of the total net assets of the Sub-Fund invested in equities. The percentage invested in equities may vary in a range from 0% to 100% of the total net assets of the Sub-Fund and may be readjusted on a daily basis. The Sub-Fund will start with a reference level of 90% of the initial subscription. This reference level will be applicable for a period of 250 trading days (a “trading day” is defined as a day on which banks are open for business in Luxembourg). Every 50 trading days the investment manager will have the possibility to start a new reference level; this reference level will be calculated as 90% of the net asset value at the end of the previous 50 trading days period and will be applicable for a further period of 250 trading days, this reference will be active only if and when it is higher than any previous calculated reference level for the same period. If this reference level is lower than or the same as the previous reference level then the previous reference level will continue to apply until the end of the current 250 trading day period. In order to reduce the risk in the sub-fund the investment manager may also start an extra reference level at any time using the same methodologies as described above. The Investment Managers will seek to achieve a balanced performance for the Sub-Fund at least as high as the reference level for the applicable period. **The statistical methodologies utilised by the Investment Manager to protect investments, do not, in any circumstances, constitute a guarantee of return, growth or capital protection. Brazil, Russia, India, China and Hong Kong may be subject to unexpected events which lead to total or partial closing of markets. This could affect the Sub-Fund’s performance and/or the reference level of the Sub-Fund.**

The Sub-Fund may also hold ancillary liquid assets and money market instruments within the limits prescribed by law.

**Typical Investor:** Classes of this Sub-Fund are available to institutional and private investors.

**Risk Warning:** Investments in securities of companies located in countries with emerging securities markets may offer greater opportunities for capital growth than investments in securities traded in developed markets. However, securities traded in certain emerging markets may be subject to high risks due to political and economic reforms. Certain emerging markets countries are either comparatively undeveloped or are in the process of becoming developed and may consequently be subject to greater social, economic and political uncertainties or may be economically based on a relatively few or closely interdependent industries. In particular, countries with emerging markets may have relatively unstable governments, present the risk of nationalization of businesses, restrictions on foreign ownership or prohibition of repatriation of assets and may have less protection of property rights than more developed countries. The economies of countries with emerging markets may be predominantly based on only a few industries, may be highly vulnerable to changes in local or global trade conditions and may suffer from extreme and volatile debt burdens or inflation rates. Additionally, the inexperience of financial intermediaries, the lack of financial markets development, the lack of modern technology and the possibility of currency devaluation or of permanent or temporary termination of trading of securities may affect the Sub-Fund's performance. Furthermore, risks associated with the legal systems in emerging markets countries include the legal insecurity due to (i) the untested nature of the independence of the judiciary and the immunity from political influences (ii) the inconsistencies between and among laws, decrees or orders; (iii) the lack of guidance on interpreting the laws and (iv) the relative inexperience of judges. Investments of the Sub-Fund may also be negatively affected by alteration in the fiscal framework or by heavy taxes levied on the Sub-Fund's investments. All of these factors can make emerging market securities more volatile and potentially less liquid than other foreign securities. **CERTAIN EMERGING MARKETS MAY NOT QUALIFY AS ACCEPTABLE MARKETS UNDER ARTICLE 41(I) OF THE LAW OF 17th DECEMBER, 2010. INVESTMENTS IN SUCH MARKETS WILL BE DEEMED AS INVESTMENTS IN NON-LISTED SECURITIES AND MAY NOT EXCEED, TOGETHER WITH OTHER UNLISTED SECURITIES HELD BY THE SUB-FUND, 10% OF ITS TOTAL NET ASSETS.**

The Sub-Fund may invest in transferable securities denominated in local currencies whereas the reference currency of the Sub-Fund is the SEK. Accordingly, a change in the value of any such currencies against the SEK will affect the SEK value of the Sub-Fund's assets. Most emerging countries' currencies are exchangeable only into major international currencies such as the USD at prevailing market rates. With high rate of inflation which certain emerging countries have experienced in recent years there has been a continuous devaluation against the USD amount of an investment and the income from it can go down as well as up and you may not get back the amount invested.

Although the Investment Manager is authorized to hedge against currency exchange or other risks, there is no guarantee that suitable

hedging instruments will be available if it elects to hedge against such risks.

<b><i>Investment Manager:</i></b>	CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S DENMARK, SWEDEN BRANCH, Blasieholmsgatan 5, S-10 394 STOCKHOLM.
<b><i>Reference currency:</i></b>	SEK (Swedish Crowns)
<b><i>Dealing currencies:</i></b>	Upon request, the price per unit may be translated into USD (US Dollars), DKK (Danish Crowns), NOK (Norwegian Crowns), EUR (European Currency Units), or GBP (British Pounds) under the terms described in Chapter 8 and Chapter 9.
<b><i>Current offering price:</i></b>	Units are issued on each Valuation Day at the prevailing net asset value (the “NAV”), plus a subscription fee, calculated as a percentage of the Net Asset Value, as described under Chapter 5, payable to the selling agent.
<b><i>Valuation Day:</i></b>	Daily on a bank business day in Luxembourg
<b><i>Redemption fee:</i></b>	Up to maximum 1% of the NAV, payable to the selling agent.
<b><i>Management fee:</i></b>	Calculated on the net assets of the relevant Sub-Class of Units and accrued on each Valuation Day, payable monthly. For further details, see Chapter 5. The Management Company may decide from time to time to amend the management fee according to the Management Regulations, upon one month notice and upon updating of this Prospectus (via addendum). These fees will include all charges referred to under Chapter 12 of the Prospectus.

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## 7. NET ASSET VALUE

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The net asset value of each Class/Sub-Class of Units of each Sub-Fund, expressed in the reference currency of that Sub-Fund, is calculated by the Central Administration Agent. This calculation is done on each Valuation Day as mentioned for each Sub-Fund under Chapter 6: “Objective and investment policy of the Sub-Funds”, or, if this day is not a bank business day (being a day on which banks are open for business in Luxembourg), on the immediately following bank business day. Such day of calculation being referred to herein as the “Valuation Day”.

For each Class/Sub-Class of Units of each Sub-Fund, the net asset of a Class/Sub-Class will be determined by dividing the value of the net asset value of that Class/Sub-Class by the total number of the relevant Class/Sub-Class of Units then outstanding in the relevant Sub-Fund.

If there has been, since the close of business of the relevant date, a material change in the quotations on the markets on which a substantial portion of the investments of the Sub-Fund are dealt or quoted, the Management Company or the Central Administration Agent may, in order to safeguard the interests of both the concerned Unitholders and the Sub-Fund, cancel the first valuation and carry out a second valuation. All subscriptions, redemption and conversion applications, without any exception, will be processed at the price of this second valuation.

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## 8. ISSUE OF UNITS

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### CURRENT OFFERING PERIOD

#### General Provisions

Units of the CARNEGIE FUND – SAFETY 90 EUROPE SUB-FUND are not yet available for sale but may be made available for sale on or after the date of this Prospectus; in such event the Prospectus and the Simplified Prospectus will be updated accordingly.

After the initial offering period, the issue price of the Class/Sub-Class of Units of a Sub-Fund will be based on their respective net asset value calculated on the relevant Valuation Day plus any subscription fee mentioned under Chapter 5.

Subscriptions are accepted by the Central Administration Agent, which will transmit the orders to the Custodian for execution.

### **Processing of the applications**

Each Class/Sub-Class of units is offered for sale on each Valuation Day except in case of suspension of the net asset value determination and of the issue of a Class/Sub-Class of Units as under Chapter 21.2.2. hereafter.

If a subscription order is to be carried out on a Valuation Day, a completed application form plus any other current opening documentation required by the Management Company, including any documents relating to the verification of the investor's identity (for initial subscriptions only), together with notification of cleared funds, must have reached the Central Administration Agent no later than 3.00 pm on that Valuation Day; otherwise the order will be executed on the next Valuation Day.

If an additional subscription order is to be carried out on a Valuation Day, clear written instructions, together with notification of cleared funds, must have reached the Central Administration Agent no later than 3.00 pm on that Valuation Day; otherwise the order will be executed on the next Valuation Day.

### **Payment and Confirmation**

The allotment of each Class/Sub-Class of Units is conditional upon receipt by the Central Administration Agent of notification of receipt of the full settlement amount. In the case of applications from approved investors or intermediaries authorized by the Management Company, the allocation of Units is conditional upon receipt of cleared funds within three business days from the relevant Valuation Day. If timely settlement is not made an application may lapse and be cancelled whereupon the subscription applicant shall be liable for any resulting costs incurred by the Fund or the Custodian.

Subscriptions may be paid in USD, EUR, SEK, NOK, GBP and DKK. Investors who wish to subscribe in other currencies as set forth in the Sub-Fund's particulars in Chapter 6 should contact the Central Administration Agent.

Confirmation of execution of a subscription is provided by a contract note specifying the number of Units, the Class and/or Sub-Class of Units, the currency and amount subscribed for and the name of the relevant Sub-Fund. The Units in each Class/Sub-Class are issued in non-certificated form.

The Management Company may accept securities as payment for each Class/Sub-Class of Units provided that the securities meet the investment policy criteria of the Sub-Fund concerned. In such case, a report of the Fund's auditor shall be necessary to value the contribution in kind. The expenses in connection with the establishment of such report shall be borne by the subscriber who has chosen this method of payment or, if so agreed, by the Management Company.

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## **9. REDEMPTION OF UNITS**

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### **GENERAL PROVISIONS**

Unitholders may request redemption of their Units in each Class/Sub-Class at any time. To do so, they must send an irrevocable request in writing for redemption to a selling agent, which will transmit the order to the Central Administration Agent.

## **PROCESSING OF THE REDEMPTION REQUESTS**

If a redemption request is to be executed at the redemption price ruling on a Valuation Day, the written application for the redemption of each Class/Sub-Class of Units must reach the Central Administration Agent no later than 3.00 pm on that Valuation Day for execution on that day.

All orders reaching the Central Administration Agent after that deadline will be held over until the next following Valuation Day for execution at the redemption price then ruling.

The redemption price of the Units in each Class/Sub-Class of a Sub-Fund is equal to the relevant net asset value per Unit in such Class/Sub-Class calculated on the relevant Valuation Day, deducted by any redemption charge as mentioned under Chapter 6: “Objective and Investment of the Sub-Funds”.

Confirmation of the execution of a redemption will be made by the dispatch to the Unitholder of a contract note.

Redemption proceeds will be dispatched by the Custodian, no later than five bank business days after the relevant Valuation Day.

The Custodian is only obliged to make payments for redemptions where legal provisions, particularly exchange control regulations or other cases of force majeure do not prohibit it from transferring or paying the redemption proceeds in the country where the redemption is requested.

The redemption proceeds will normally be paid in the currency of the original subscription or in the reference currency of the Sub-Fund, but investors may indicate the currency in which they wish to receive their redemption proceeds.

Where redemption proceeds are to be remitted in a currency other than the reference currency, the proceeds will be converted at normal banking rates, at the rate of exchange prevailing on the relevant Valuation Day, by the Custodian on behalf of the applicant, less any cost incurred in the foreign exchange transaction.

A redemption fee of maximum 1% in favour of the selling agent may apply in relation to all redemptions.

The Management Company may, in its discretion, satisfy redemption requests for any Class/Sub-Class of Units of any Sub-Fund in excess of an amount as designated by the Management Company from time to time, and disclosed to the Unitholders with adequate prior notice, by payment in kind by allocating to the Unitholder assets out of the Sub-Fund, equal in value, calculated in accordance with the provisions of the Management Regulations and of the Prospectus as at the Valuation Day by reference to which the redemption price of the Units is calculated, to the aggregate Net Asset Value of the Units being redeemed. The nature and type of assets to be transferred in any such case shall be determined by the Management Company, on a fair and equitable basis as confirmed by the auditor of the Fund. The fiscal, redemption and other costs of any such transfers shall be borne by the Unitholder benefiting from the redemption in kind. Redemptions in kind shall only be realized if the Unitholder agrees therewith and under the condition that such redemption in kind does not affect the equal treatment of the Unitholders and that no Unitholder is suffering any damage resulting therefrom.

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## 10. MARKET TIMING POLICY

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The Fund does not authorise the practices associated with Market Timing. Excessive trading into and out of the Sub-Funds can disrupt portfolio investment strategies and increase the Sub-Fund's operating expenses. The Sub-Funds are not designed to accommodate excessive trading practices. The Board of Directors of the Management Company reserves the right to restrict, reject or cancel purchase and conversion orders as described above, which represent excessive trading.

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## 11. DISTRIBUTION POLICY

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At present, Sub-Class A Units are issued and outstanding in all Sub-Funds. Sub-Class A Units (Capitalization Units) do not give rights to dividends.

Sub-Class B Units (Distribution Units) are currently available only in certain classes in certain Sub-Funds. If and where distribution is contemplated in other Sub-Funds or other classes, Sub-Class B Units will be available for subscription and this Prospectus and the Simplified Prospectus will be amended accordingly.

The Management Company may decide after closing of the annual accounts whether and to what extent net investment income and net realized capital gains will be distributed with respect to any Sub-Fund. Distributions other than annual distribution may be decided by the Management Company.

No distributions may be made as a result of which the total net assets of the Fund would become less than the equivalent of EUR 1,250,000.-.

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## 12. CHARGES AND EXPENSES

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The following costs are borne directly by the Fund:

1. The management fee mentioned under Chapter 5, calculated and accrued on each Valuation Day.
2. Standard brokerage and bank charges incurred by the Fund's transactions.
3. Any additional non-recurrent fees, including legal advice, incurred for exceptional steps taken in the interest of the Unitholders may be amortized over a 5 years period.
4. The annual 0.05%, respectively 0.01% when applicable, Luxembourg subscription tax referred to under Chapter 18, below, as well as any applicable V.A.T. payable on the Fund related expenses, whether charged directly or indirectly to the latter.

When the Fund incurs any of the above mentioned expenses which relate to any particular Sub-Fund or to any action taken in connection with a particular Sub-Fund, such expense shall be allocated to the relevant Sub-Fund.

In the case where any of the above mentioned expenses of the Fund cannot be considered as being attributable to a particular Sub-Fund, such expenses shall be allocated to all the Sub-Funds pro rata based on the number of Sub-Funds or on the net assets of such Sub-Funds, respectively if the amounts concerned so require.

The following costs are borne by the Management Company:

1. The custody fees that the Custodian receives, as well as the compensation for any other support services which will be agreed upon a case-by-case basis between the Management Company and the Custodian;
2. The fees to be received by the Central Administration Agent;
3. The expenses of establishing the Fund;
4. Other expenses incurred in the Fund's operations by the Management Company (including the investment management fees), audit fees for the Fund and the preparing and printing of semi-annual and annual reports.

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## **13. DUTIES AND RESPONSIBILITIES OF MANAGEMENT AND ADMINISTRATION**

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### **13.1. THE MANAGEMENT COMPANY**

CARNEGIE FUND MANAGEMENT COMPANY S.A. was incorporated as a corporation ("société anonyme") under the laws of Luxembourg on December 5, 1995. Its registered and administrative office is at MDO Services S.A., 19, rue de Bitbourg, L-1273 Luxembourg.

The Articles of the Management Company were published on January 6, 1996, in the Mémorial, Recueil des Sociétés et Associations of the Grand Duchy of Luxembourg and deposited with the Registrar at the Luxembourg District Court. They have been amended several times since and were amended and restated for the last time on October 28, 2005, effective as of November 1, 2005, following the merger of the Management Company with Carnegie Fund II Management Company S.A. and Carnegie Global Healthcare Fund Management Company S.A. Such amended and restated articles were published in the Mémorial on November 21, 2005. It is registered with the Register of Commerce of Luxembourg under Reference B.53.022.

The Management Company has been authorised by the CSSF as a management company pursuant to Chapter 15 of the Law. The Management Company is also the management company for the Luxembourg "fonds commun de placement", Carnegie Fund II and Carnegie Global Healthcare Fund.

The Management Company exists for an unlimited duration.

Its corporate capital is EUR 1,000,000 represented by 5,000 registered shares fully paid up, owned by CARNEGIE ASSET MANAGEMENT HOLDING DANMARK A/S.

The purpose of the Management Company is the collective management of Luxembourg and/or foreign UCITS that have been approved in accordance with Directive 2009/65/EC and other Luxembourg and/or foreign collective investment undertakings or funds that are not covered by this directive. The Management Company is entrusted with all the duties relating to the administration, management and promotion of the Fund, in compliance with article 3 of its Articles of Incorporation and with article 2 of the Management Regulations. The Management Company may delegate under its responsibility, its duties hereunder to the Investment Manager. Moreover, the Management Company has delegated under its responsibility, its duties in relation to the central administration to the Central Administration Agent.

The accounting year of the Management Company and of the Fund begins on 1<sup>st</sup> January and terminates on 31<sup>st</sup> December each year.

In accordance with the Law of December 17, 2010 and the applicable regulations of the CSSF, the Management Company has sufficient and appropriate organisational structures and internal audit mechanisms. It is in particular acting in the best interest of the Fund and the Sub-Funds respectively and ensures that conflicts of interests are avoided and that the compliance with decisions and procedures, a fair treatment of shareholders and the compliance with the defined risk management policies is ensured. It has and maintains effective and permanent compliance, internal audit and risk management functions which each are independent.

The Management Company also has adopted defined decision procedures, a clear organisational structure, appropriate internal audit mechanisms and internal reportings between all relevant levels of the Management Company. It further ensures an appropriate and systematic recording in relation to its operational activities and internal organisation. It takes all appropriate measures in order to achieve best results for the Fund and its Sub-Funds by taking into account the price, the costs, the time and probability of execution and settlement, the extent and the type of order and all other aspects relevant for the execution of the order (best execution). It ensures a prompt, fair and efficient execution of the portfolio transactions made for the Fund and the Sub-Funds respectively. In case of sub-delegation of functions to third parties it ensures that such third parties have taken all measures in relation to the compliance with all requirements regarding the organisation and the avoidance of conflicts of interests as defined by the applicable Luxembourg laws and regulations and are monitoring the compliance with such requirements. Furthermore it ensures that in no case the Fund, the Sub-Funds or the shareholders respectively are charged with excessive costs.

### **13.2. THE CUSTODIAN AND PAYING AGENT**

BANQUE CARNEGIE LUXEMBOURG S.A. has been appointed to act as the custodian of the fund's assets (the "Custodian") by the Management Company in compliance with the Management Regulations and pursuant to an agreement made on December 11, 1995 as amended and restated on November 1, 2005. This agreement may be amended by mutual consent of the parties. The Custodian has been appointed until December 31, 2012 but will continue to provide its services afterwards, if not terminated by the Custodian Bank or the Management Company.

Cash and other assets constituting the assets of the Fund shall be held by the Custodian on behalf of and for the exclusive interest of the Unitholders.

The Custodian may, with the agreement of the Management Company, entrust the safe-keeping of securities to other banks, to financial institutions or to securities clearing houses such as Clearstream Banking and Euroclear. This will, however, not affect the Custodian's liability.

The Custodian may dispose of the Fund's assets and make payments to third parties on behalf of the Fund pursuant to instructions from the Management Company complying always with the Management Regulations and the Law.

The Custodian performs all operations concerning the daily administration of the Fund's assets.

The Custodian further carries out the instructions of the Management Company and, complying with the instructions of the Management Company, settles any transaction relating to purchase or disposal of the Fund's assets.

The Custodian is entrusted moreover by the Management Company with the duty to:

- a) settle the securities purchased, to deliver the securities sold, to receive dividends and interest from securities and to exercise subscription and attribution rights attached to these;
- b) to issue contract notes to investors;
- c) to receive and to carry out redemption and conversion requests complying with articles 9 and 10 of the Management Regulations and to cancel written confirmations issued in respect of Units in each Class/Sub-Class redeemed or converted.

The Custodian must moreover ensure that:

- the sale, issue, redemption and cancellation of each Class/Sub-Class of Units is carried out in accordance with the Law and the Management Regulations;
- the value of Units in each Class/Sub-Class is calculated in accordance with the Law and the Management Regulations;
- the instructions of the Management Company, unless they conflict with the Law or the Management Regulations are carried out;
- in transactions involving the assets of the Fund, the consideration is remitted to it within the usual limits;
- the income of the Fund is applied in accordance with the Management Regulations.

The Custodian shall, in compliance with Luxembourg law, be liable to the Management Company and the Unitholders for any loss incurred by them and resulting from its failure to execute or from its wrongful execution of its duties.

BANQUE CARNEGIE LUXEMBOURG S.A. was incorporated on April 13, 1993 as a société anonyme, as a result of the "scission" of Nordbanken Luxembourg S.A., itself incorporated in Luxembourg under the name of "PKbanken International Luxembourg S.A." on August 6, 1976.

The "scission", in the meaning of articles 288 and 307 of the law of August 10, 1915 as amended by the law of September 7, 1987, consisted of the allocation of the universality of the assets and liabilities of Nordbanken Luxembourg S.A., without liquidation, to two new companies incorporated in Luxembourg, of which Banque Carnegie Luxembourg S.A. was one.

The “scission” was executed with effect from January 1, 1993 and under the terms and conditions of the “projet de scission” published on March 9, 1993, in Mémorial C number 106.

At the end of 2010, its capital and reserves amounted to Euro 22.8 million with total assets of over Euro 413 million.

### **13.3. LIABILITY OF THE MANAGEMENT COMPANY AND THE CUSTODIAN**

The Management Regulations provide that, subject to the provisions of article 19 of the Law, the Management Company and the Custodian shall use reasonable care in the exercise of their respective functions.

The Management Regulations provide that any legal disputes arising among or between the Unitholders, the Management Company, the Central Administration Agent and the Custodian be subject to the jurisdiction of the competent court in Luxembourg, provided that the Management Company may submit itself and the Fund to the competent courts of such other countries where required by regulations for the registration of Units for offer and sale to the public with respect to matters relating to subscription and redemption, or other claims related to their holding by residents in such country or which have evidently been solicited from such country.

### **13.4. CENTRAL ADMINISTRATION**

The Central Administration Agent carries out all administration, registrar and transfer agent relating to the Fund. In such capacity the Central Administration Agent furnishes certain administrative and clerical services, including registration and transfer agent services for the Units in each Class/Sub-Class in the Fund. It further assists in the preparation of and filing with the competent authorities of financial reports.

### **13.5. THE INVESTMENT MANAGER**

CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S has been appointed the investment manager of the Fund (the “Investment Manager”) by an agreement made on December 11, 1995 as amended and restated on November 1, 2005 with the duty to assist and advise the Management Company in the daily management of the Fund.

The Agreement entered into between the Management Company and CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S was entered into for an undetermined duration and may be terminated at any time by either party upon three months’ prior notice or unilaterally by the Management Company, in case of a grave fault on the part of the Investment Manager.

The Management Company has appointed CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S DENMARK, SWEDEN BRANCH which has its business office in Stockholm to provide it with investment management services in relation to CARNEGIE FUND - MEDICAL SUB-FUND, CARNEGIE FUND – SAFETY 90 EUROPE SUB-FUND, CARNEGIE FUND – SAFETY 90 SWEDEN SUB-FUND, CARNEGIE FUND – GLOBAL SUB-FUND and CARNEGIE FUND – SAFETY 90 BRIC SUB-FUND by an agreement entered into on November 2, 1999, as amended and restated on April 30, 2010.

The Agreement entered into between the Management Company and CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S DENMARK, SWEDEN BRANCH is entered into for an undetermined duration and may be terminated at any time by either party upon 90 days’ prior notice or unilaterally by the Management Company, in case of a grave fault on the part of the Investment Manager.

On its turn, CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S DENMARK, SWEDEN BRANCH has appointed, at its own expense, THE KAROLINSKA INSTITUTE, Stockholm as Research Advisor for the CARNEGIE FUND - MEDICAL SUB-FUND to provide it with scientific and technological research to assist it in the management of the Sub-Fund by an agreement entered into on October 18, 2006, as restated on 1 July, 2010, which agreement may be terminated by any party upon three months' prior written notice.

### **13.6. THE PLACEMENT AGENTS, FINANCIAL SERVICING AND REPRESENTATION**

The Management Company may appoint banks and financial institutions as placement agents. Different placement agents may be appointed to serve a particular geographical region. Such placement agents, can, with the approval of the Management Company, appoint authorised financial institutions as placement sub-agents for the purposes of distributing Units. Subject to local law in countries where Units are offered, such placement agents and placement sub-agents can, with the agreement of the Management Company and the respective Unitholders, agree to act as nominee for the investors.

In this capacity, the placement agent/ placement sub-agent shall, in its name but as nominee for the investor, purchase or sell Units for the investor and request registration of such operations in the Fund's register.

However, the investor may invest directly in the Fund without using the nominee service and if the investor does invest through a nominee he will still retain a direct claim to his Units subscribed through the nominee.

However, the provisions above are not applicable for Unitholders solicited in countries where the use of the services of a nominee is necessary or compulsory for legal, regulatory or compelling practical reasons.

The Management Company may, at any time, require placement agents and placement sub-agents to make representations to comply with applicable laws and requirements.

Financial Servicing for the Fund is provided by the Management Company in Luxembourg and by other financial institutions appointed from time to time by the Management Company in appropriate countries.

Pursuant to Luxembourg law and regulation relating to the fight against money laundering and the financing of terrorism, professional obligations have been outlined to prevent the use of Undertakings for Collective Investment in transferable securities for money laundering purposes.

As a result, the identity of Unitholders (a certified copy of the passport or the identification card) and/or the status of financial intermediaries (a recent original extract from the Trade Register and, where applicable or if requested, a certified copy of the business authorisation delivered by the competent local authorities) shall be disclosed to the Management Company or the Central Administration Agent.

Such information shall be collected for compliance reasons only and shall be covered by professional secrecy incumbent to the Management Company and its appointed agents in Luxembourg and banking secrecy.

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## 14. ACCOUNTING YEAR AND AUDIT

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The accounting year of the various Sub-Funds of the Fund and the corporate year end of the Management Company shall terminate as at December 31 in each year.

The audit of accounting information in respect of the Fund is entrusted to an auditor appointed by the Management Company.

The accounts and assets of the Management Company and of the Fund are audited in respect of each fiscal year by an auditor (réviseur d'entreprises), which is appointed by the Management Company.

These duties are entrusted to PricewaterhouseCoopers S.à r.l. "réviseur d'entreprises agréé".

Within four months after the end of each fiscal year, the Management Company prepares and includes as part of the annual report of the Fund the audited annual accounts of the Fund and the results of operations for each Sub-Fund.

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## 15. REPORTS

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The annual report, containing the audited consolidated financial accounts of the Fund expressed in USD and of each of the Sub-Funds reference currency, in respect of the preceding financial period will be sent to investors whose names appear in the register of Unitholders at their registered addresses and made available at the Fund's registered office within four months of the end of the relevant year.

In addition, unaudited semi-annual reports will be sent to investors at their registered addresses and will be made available at the above mentioned place. They will contain the consolidated accounts of the fund, the composition of the portfolio of each Sub-Fund, a statement of changes in the portfolio, the number of outstanding Units in each Class/Sub-Class and the number of Units in each Class/Sub-Class issued and redeemed since publication of the last report.

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## 16. AMENDMENT OF THE MANAGEMENT REGULATIONS

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The Management Company may, upon approval of the Custodian, amend the Management Regulations in whole or in part at any time.

Amendments will become effective on the day of their filing at the register of commerce and companies in Luxembourg. A mention of the filing will be published in the Mémorial Recueil des Sociétés et Associations.

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## 17. DURATION & LIQUIDATION & MERGER

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### DURATION

The Fund is established for an unlimited period. It may without prejudice to the interests of the Unitholders, be dissolved at any time by decision of the Management Company by mutual agreement with the Custodian, subject to a three months' previous notice.

### LIQUIDATION OF THE FUND

According to article 22 of the Law, the Fund must be dissolved in the following cases:

- (i) in the event of cessation of the duties of the Management Company or of the duties of the Custodian, if they have not been replaced within two months in accordance with the provisions of article 2 and article 3 of the Management Regulations;
- (ii) in the event of bankruptcy of the Management Company;
- (iii) if the net assets of the Fund have fallen for a continuous period of more than six months below the equivalent of one fourth of 1,250,000 EUR.

Notice of the event giving rise to liquidation shall be published without delay in the *Mémorial, Recueil des Sociétés et Associations* of Luxembourg and in at least two newspapers of adequate circulation of which at least one must be a Luxembourgish newspaper, to be determined jointly by the Management Company and the Custodian.

The Management Company shall liquidate the assets of the Fund in the best interest of Unitholders and shall give instructions to the Custodian to distribute the net liquidation proceeds, after deduction of expenses, amongst Unitholders, in proportion to their rights and to credit their accounts of the amounts so determined.

The monies and the securities attributable to each Class/Sub-Class of Units, the holders of which have not presented themselves at the closing of the liquidation procedures, shall be deposited with the Caisse des Consignations to the order of whom they shall pertain.

As soon as an event giving rise to liquidation of the Fund occurs, the issue of Units in each Class/Sub-Class shall be prohibited, on pain of nullity; the redemption of Units in each Class/Sub-Class shall remain possible provided that all Unitholders are treated equally.

The liquidation or the partition of the Fund may not be requested by a Unitholder, nor by his heirs or beneficiaries.

The liquidation of the Fund will be notified to the Unitholders by telecopy or by mail.

### DISSOLUTION AND LIQUIDATION OF SUB-FUNDS

The Management Company may decide to proceed to the compulsory redemption of all Units in each Class/Sub-Class outstanding of a specific Sub-Fund or to liquidate such

Sub-Fund. Such decision may arise in case the net assets of one Sub-Fund fall below USD 2.5 million or in any event the Management Company thinks it necessary for the interest of the Sub-Fund.

In such case, upon the decision to liquidate a Sub-Fund, the Management Company shall inform the Custodian and notify all Unitholders concerned thereof in writing, whereupon the following process will apply:

- a) No further subscriptions will be accepted from the date of the Management Company's decision to liquidate the Sub-Fund. Further redemptions up to the closing date may be permitted provided that all Unitholders are treated equally on the conditions fixed by the Management Company, after having adjusted the Net asset Value to take into account the closing and liquidation costs.
- b) The publication notice shall specify the procedure of possible redemption (notices, dealing days) and a date for the final closure of the Sub-Fund.
- c) The Management Company will effect the disposal of all investments once the liquidation decision has been made.
- d) All outstanding liabilities will be discharged and the remaining cash will be distributed to the Unitholders on the register at the closing date by transferring the proceeds to their accounts or by entrusting the nominee agents to do so, or by posting them a check at their address indicated in the Unit register.

## **MERGER**

The Management Company may, with the Custodian's agreement, decide to merge Sub-Funds of the Fund or to merge one Sub-Fund with another Luxembourg UCITS or sub-fund thereof. Such merger may arise in case the net assets of one Sub-Fund fall below USD 2.5 million or in any event the Management Company thinks it necessary for the interest of the Sub-Fund. The Management Regulations do not provide for the possibility to merge one or several Sub-Funds with non-Luxembourg funds.

In case of merger, the decision must be brought to the attention of the Unitholders (by telecopy or mail).

Notification shall:

- (i) provide for the condition of the merger, and
- (ii) indicate the date of implementation of merger which shall not be sooner than one month after the notification.

The implementation of the merger conditions must be reviewed by an auditor.

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## **18. TAXATION**

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The following summary is based on the law and practice currently in force in the Grand Duchy of Luxembourg and is subject to changes therein. Prospective investors should be aware that levels and bases of taxation are subject to change and that the value of any relief from taxation depends upon the individual circumstances of the taxpayer.

## TAXATION OF THE FUND

The Fund is not liable to any Luxembourg tax on profits or income, nor are any dividends paid by the Fund liable to any Luxembourg withholding tax except any withholding tax arising pursuant to the terms of the Tax Savings Directive (see below).

The Fund is, however, liable in Luxembourg to a tax of 0.05 per cent of its net asset value, such tax being payable quarterly on the basis of the value of the net assets of the Fund at the end of the relevant calendar quarter. Nevertheless, such taxation is reduced (i) with respect to the Classes exclusively reserved to institutional investors to 0.01% per annum of the net assets attributable to such Classes and (ii) with respect to Carnegie Fund – Svensk Kort Ränta Sub-Fund to 0.01% per annum. No stamp duty or other tax is payable in Luxembourg on the issue of Units.

No Luxembourg tax is payable on the realised or unrealised capital appreciation of the assets of the Fund. Income received by the Fund on its investments may be subject to non-recoverable withholding taxes in the countries of origin.

## TAXATION OF UNITHOLDERS

Investors are not subject to any capital gains, income, withholding, gift, estate, inheritance, or other tax in Luxembourg (except for investors domiciled, resident or having a permanent establishment in Luxembourg and except for certain former residents of Luxembourg or any Unitholder owning more than twenty five percent of the Units in the Fund).

On June 3, 2003 the European Union adopted Council Directive 2003/48/EC (the "Tax Savings Directive"). The Tax Savings Directive has been implemented in the Grand Duchy of Luxembourg with effect on July 1<sup>st</sup>, 2005. Pursuant to the Tax Savings Directive, Member States of the European Union are required to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent to an individual in another Member State, except that Austria and the Grand Duchy of Luxembourg will instead impose a withholding system for a transitional period unless during such period they elect otherwise. The ending of such transitional period depends on the conclusion of agreements relating to exchange of information with certain other countries. The withholding tax rate is 35%.

The Tax Savings Directive may potentially have an impact on the tax treatment of distributions and/or capital gains on redemptions made by some of the *Sub-Funds* at the unitholder taxation level, depending on the percentage of those *Sub-Funds*' assets invested in debt claims.

Prospective investors should ascertain from their professional advisers the consequences to them of acquiring, holding, redeeming, transferring, selling or converting Units under the relevant laws of the jurisdictions to which they are subject, including the tax consequences and any exchange control requirements.

These consequences (including the availability of, and the value of, tax reliefs to investors) will vary with the law and practice of an investor's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

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## 19. INVESTMENT RESTRICTIONS

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The following investment restrictions are applicable to the Fund as a whole, and therefore to any existing or future Sub-Fund.

- (I) The investments of the Fund shall consist solely of:
- (A) transferable securities and money market instruments admitted to or dealt in on a regulated market, as defined in item 14 of Article 4 of Directive 2004/39/EC;
  - (B) transferable securities and money market instruments dealt in on another market in an EU Member State which is regulated, operates regularly and is recognized and open to the public;
  - (C) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognized and open to the public, such stock exchange or market being located in a member state of the OECD and any country in Europe, Africa, Asia, Central America and South America (each an "Eligible State");
    - all of the markets mentioned under (A), (B), and (C) above hereafter are referred to as "Regulated Markets" -
  - (D) newly issued transferable securities and money market instruments, provided that:
    - the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market;
    - such admission is scheduled to be secured within one year of issue;
  - (E) units of UCITS authorised according to Directive 2009/65/EC and/or other undertakings for collective investments ("UCIs") within the meaning of the first and second indent of Article 1, paragraph (2) of Directive 2009/65/EC, whether situated in a Member State of the European Union or not, provided that:
    - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Commission de Surveillance du Secteur Financier (the "CSSF") to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;

- the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
  - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; and
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their fund rules or instruments of incorporation, be invested in aggregate in units of other UCITS or other UCIs.
- (F) deposits with credit institutions, which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State of the European Union or, if the registered office of the credit institutions is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- (G) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market referred to in subparagraphs (I) (A) (B) and (C) above, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of instruments covered by Article 41, paragraph (1) of the Law, financial indices, interest rates, foreign exchange rates or currencies, in which the UCITS may invest according to its investment objectives;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF, and
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Funds' initiative;
- (H) money market instruments other than those dealt in on a Regulated Market if the issue or issuer of such instruments are

themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued guaranteed by a central, regional or local authority or central bank of a EU Member, state, the European Central Bank, the European Union or the European Investment Bank, a non-EU Member State or, in the case of a Federal State by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
- issued by an undertaking any securities of which are dealt in on a Regulated Market referred to in subparagraphs (I) (A) (B) and (C) above, or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law, or
- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent of this paragraph (H) and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (10,000,000 EUR) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(I) The Fund will not invest more than 10% of its assets in transferable securities and money market instruments other than those referred to in (I) (A), (B), (C), (D) & (H) above.

(J) The Fund may hold ancillary liquid assets.

(II)

(A) The Fund will invest no more than 10% of the net assets of any or all Sub-Funds (as appropriate) in transferable securities and money market instruments issued by the same issuing body. Moreover, where the Fund holds, on behalf of a Sub-Fund, investments in transferable securities and money market instruments of any issuing

body which individually exceed 5% of the net assets of such Sub-Fund the total value of such transferable securities and money market instruments must not exceed 40% of the value of the Sub-Fund's total net assets, provided that this limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

- (B) The Fund may invest no more than 20% of the assets of a Sub-Fund in deposits made with the same body.
- (C) The risk exposure to a counter-party of the Fund in an OTC derivative transaction may not exceed 10% of the relevant Sub-Fund's assets when the counter-party is a credit institution referred to in (I) (F) above or 5% of the relevant Sub-Fund's assets in other cases.
- (D) Notwithstanding the individual limits laid down in (II) (A) to (C) above, the Fund may not, for each Sub-Fund, combine:
  - investments in transferable securities or money market instruments issued by a single body,
  - deposits made with a single body, and/or
  - exposures arising from OTC derivative transactions undertaken with a single body

in excess of 20% of the relevant Sub-Fund's net assets.

- (E) The limit of 10% laid down in paragraph (II) (A) above may be increased to a maximum of 35% in respect of transferable securities and money market instruments which are issued or guaranteed by an EU Member State, its local authorities, by a non-Member State or by public international bodies of which one or more Member States are members.
- (F) The limit of 10% referred to in paragraph (II) (A) above may be raised to maximum 25% for certain debt securities if they are issued by a credit institution which has its registered office in a Member State of the EU and is subject, by virtue of law to particular public supervision for the purpose of protecting the holders of such debt securities. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the debt securities and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest. If the Fund invests more than 5% of the net assets of a Sub-Fund in such debt securities, and issued by one issuer, the total value of such investments may not exceed 80% of the value of the net assets of the relevant Sub-Fund.
- (G) The transferable securities and money market instruments referred to in paragraphs (II) (E) and (F) above are not included in the calculation of the limit of 40% laid down in paragraph (II) (A) above.
- (H) The limits set out in the paragraphs (II) (A) to (F) may not be combined, and thus investments in transferable securities or money market instruments issued by the same body, in deposits or derivative

instruments made with this body carried out in accordance with paragraphs (II) (A) to (F) may not exceed a total of 35% of the net assets of any Sub-Fund. A Sub-Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group, such group being for purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognized international accounting rules, as regarded a single body for the purpose of calculating the limits contained in this Section (II).

- (I) Notwithstanding the limits set out in (II) (A) to (H), in accordance with Article 44 of the Law, each Sub-Fund is authorized to invest up to 20% of its net assets in shares and/or debt securities issued by the same body when such investment policy is to replicate the composition of a certain equity or debt securities index which is recognized by the CSSF, on the following basis:
- the composition of the index is sufficiently diversified;
  - the index represents an adequate benchmark for the market to which it refers; and
  - it is published in an appropriate manner.
- (J) The limit laid down in the previous paragraph (II) (I) can be raised to 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

**Notwithstanding (II) above, in accordance with article 45 of the Law, the Fund is authorised to invest up to 100% of the net assets of each Sub-Fund in transferable securities and money market instruments issued or guaranteed by an EU Member State, its local authorities, or by an OECD Member State or public international bodies of which one or more EU Member States are members on the condition that the respective Sub-Fund's net assets are diversified on a minimum of six separate issues, and each issue may not account for more than 30% of the total net asset value of the Sub-Fund.**

(III)

- (A) The Management Company may not acquire, on behalf of the Fund, shares carrying voting rights which would enable it to take legal or management control or to exercise significant influence over the management of the issuing body;
- (B) The Fund may acquire no more than (a) 10% of the non-voting shares of the same issuer or (b) 10% of the debt securities of the same issuer, or (c) 10% of the money market instruments of any single issuer, or (d) 25% of the units of the same collective investment undertaking provided that such limits laid down in (b), (c) and (d) may be disregarded at the time of acquisition if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated;
- (C) The limits laid down in paragraphs (III) (A) and (B) above are waived as regards:

- transferable securities and money market instruments issued or guaranteed by a Member State of the EU or its local authorities;
- transferable securities and money market instruments issued or guaranteed by a non-Member State of the EU;
- transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members; and
- shares held by the Fund in the capital of a company incorporated in a non-Member State of the European Union which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This derogation, however shall apply only if in its investment policy the company from a non-EU Member State complies with the limits laid down in Articles 43 and 46 and Article 48, paragraphs (1) and (2) of the Law;

## (IV)

- (A) The Fund may acquire the units of UCITS and/or other UCI referred to in (I)(E) above provided that, (i) unless otherwise specifically authorised in the objective and investment policy of the Sub-Fund investments made in units of UCITS and/or other UCI referred to in (I) (E) above may not in aggregate exceed 10% of the net assets of each Sub-Fund, and (ii) even if otherwise specifically authorised in the objective and investment policy of a Sub-Fund, no more than 20% of the net assets of each Sub-Fund are invested in the units of a single UCITS or other UCI. For the purpose of the application of this investment limit, each compartment of a UCI with multiple sub-funds is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various sub-funds vis-à-vis third parties is ensured.
- (B) Investments made in units of UCIS other than UCITS may not in aggregate exceed 30% of the net assets of each Sub-Fund. When the Fund has acquired UCITS and/or other UCIs the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits set out in (II) above.
- (C) When the Fund invests in the units of other UCITS and/or other UCIs that are managed directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Fund's investment in the units of such other UCITS and/or UCIs.
- (D) When a Sub-Fund invests a substantial proportion of its net assets in other UCITS and/or other UCIs linked to the Fund as indicated in (C)

above, the maximum level of the management fees that may be charged both to the Sub-Funds of the Fund itself and to the other UCITS and/or other UCIs in which it invests may not exceed 5% of each Sub-Fund's net assets. In its annual report the Fund shall indicate the maximum proportion of management fees charged both to the Sub-Funds of the Fund itself and to the UCITS and/or other UCIs in which it invests.

- (V) The Management Company will not on behalf of each Sub-Fund
- (A) make investments in, or enter into, transactions involving precious metal, commodities or certificates representing these;
  - (B) purchase or sell real estate or any option, right or interest therein, provided that the Management Company may invest in securities secured by real estate or interests therein, or issued by companies which invest in real estate or interests therein;
  - (C) borrow. However the Fund, may acquire foreign currency by means of a back-to-back loan and may borrow the equivalent of up to 10% of the net assets of each Sub-Fund provided that the borrowing is on temporary basis.
  - (D) grant loans to or act as guarantor for third parties. This shall not prevent the Fund from acquiring transferable securities or money market instruments or other financial instruments referred to in (I)(E), (G) and (H) above which are not fully paid.
  - (E) carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in (I)(E), (G) and (H) above.
- (VI) Risk management process:
- (A) The Fund will employ a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio;
  - (B) The Fund must employ a process for accurate and independent assessment of the value of OTC derivative instruments. It must communicate to the CSSF regularly and in accordance with the detailed rules the latter shall define, the types of derivative instrument, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in derivative instruments;
  - (C) The Fund shall ensure that each Sub-Fund's global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

In accordance with the Law of December 17, 2010 and the applicable regulations, in particular Circular CSSF 11/512, each Sub-Fund uses a risk-management process which enables it to assess the exposure of

such Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund.

As part of the risk management process, each Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the global exposure related to positions on derivatives and other efficient portfolio management techniques under consideration of netting and hedging effects which may not exceed the total net value of the portfolio of the relevant Sub-Fund.

Under the standard commitment approach, each derivative position is converted into the market value of an equivalent position in the underlying asset of that derivative.

The Fund may invest, as a part of its investment policy and within the limits laid down in (II) (H) above in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in (II) above. When the Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in (II) above. When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph (VI).

The Fund need not comply with the limits laid down above when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets. While ensuring the principle of risk-spreading, the Fund may derogate from restrictions (II) and (IV) above for a period of six months following the date of the authorisation of any new Sub-Fund.

If the limitations are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, the Fund must adopt, as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Unitholders.

To the extent an issuer is a legal entity with multiple compartments where the assets of a sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk-spreading rules set out in (II) and (IV).

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## 20. TECHNIQUES AND INSTRUMENTS RELATING TO TRANSFERABLE SECURITIES

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### 20.1. TECHNIQUES AND INSTRUMENTS RELATING TO SECURITIES

For the purpose of efficient portfolio management, the Management Company for each Sub-Fund may employ the following techniques and instruments relating to transferable securities and money market instruments:

- options,
- financial futures and related options,
- securities lending,
- "Réméré" transactions

A Options on transferable securities

Any Sub-Fund may buy and sell call and put options provided that these options are traded on a regulated market, operating regularly, recognised and open to the public or concluded by private agreement. Those over-the-counter (OTC) options can only be contracted with first class financial institutions which are specialised in this kind of transaction and which participate in the OTC option market. When entering into these transactions, the Sub-Fund must adhere to the following regulations:

(1) Regulations in respect of the acquisition of options

The total premiums paid for the acquisition of call and put options which are considered here may not, together with the total of the premiums paid for the acquisition of call and put options described under (B)(3), below, exceed 15% of the net asset value of the Sub-Fund concerned.

(2) Regulations to ensure the coverage of commitments arising from options transactions

At the conclusion of contracts for the sale of call options, any Sub-Fund must hold either the underlying securities, matching call options, or other instruments which provide sufficient coverage of the commitments resulting from the contracts in question (such as warrants). The underlying securities of a call option sold may not be disposed of as long as these options exist, unless they are covered by matching options or by other instruments, which can be used for the same purpose. The same regulations also apply to matching call options or other instruments that the Sub-Fund must hold when it does not have the underlying securities at the time of the sale of the relevant options.

As an exception to these regulations, the Sub-Fund may write uncovered call options on securities or money market instruments that it does not own at the conclusion of the option contract if the following conditions are met:

- (a) the exercise price of the call options sold in this way does not exceed 25% of the net asset value of the Sub-Fund concerned;
- (b) the Sub-Fund must at all times be able to cover the positions taken on these sales.

Where a put option is sold, any Sub-Fund must be covered for the full duration of the option contract by liquid assets sufficient to pay for the securities or money market instruments deliverable to it on the exercise of the option by the counterparty.

- (3) Conditions and limits for the sale of call and put options.

The total commitment arising on the sale of call and put options (excluding the sale of call options for which the Sub-Fund has adequate coverage) and the total commitment arising on transactions described under (B)(3), below, may at no time exceed the total net asset value of the Sub-Fund concerned.

In this context, the commitment on call and put options sold is equal to the total of the exercise prices of those options.

#### **B Transactions relating to futures and options on financial instruments**

Except for transactions by mutual agreement which are described under B-2 below and for OTC options which can only be contracted with counterparts such as presented under A, the transactions described herein may only relate to contracts which are dealt in on a regulated market, operating regularly, recognised and open to the public. Subject to the conditions defined below, such transactions may be undertaken for hedging or other purposes.

Subject to the conditions defined below, such transactions may be undertaken for hedging or other purposes.

- (1) Hedging operations relating to the risks attached to the general movement of stock markets

As a global hedge against the risk of unfavourable stock market movements, any Sub-Fund may sell futures on stock market indices. For the same purpose, a Sub-Fund may also sell call options or buy put options on stock market indices. The objective of these hedging operations assumes that a sufficient correlation exists between the composition of the index used and the Sub-Fund's corresponding portfolio.

In principle, the total commitment relating to futures and options contracts on stock market indices may not exceed the global valuation of securities held by the Sub-Fund in the markets corresponding to each index.

- (2) Transactions relating to interest rate hedging

As a global hedge against interest rate fluctuations, any Sub-Fund may sell interest rate futures contracts. For the same purpose, it can also sell call options or buy options on interest rates or make interest rate swaps on a mutual agreement basis with first class financial institutions specialising in this type of transaction.

In principle, the total commitment on financial futures, options contracts and interest rate swaps may not exceed the global valuation of the assets to be hedged and held by the Sub-Fund in the currency corresponding to these contracts.

- (3) Transactions which are undertaken for purposes other than hedging
- (a) Apart from option contracts on transferable securities or money market instruments and contracts relating to currencies, any Sub-Fund may for a purpose other than hedging, buy and sell futures and options contracts on any type of financial instrument, providing that the total commitment arising on these purchase and sale transactions together with the total commitment arising on the sale of call and put options on transferable securities at no time exceeds the net asset value of the Sub-Fund concerned.

Sales of call options on transferable securities or money market instruments for which the Sub-Fund has sufficient coverage are not included in the calculation of the total commitment referred to above.

In this context, the commitment arising on transactions, which do not relate to options on transferable securities or money market instruments is defined as follows:

- (a) the commitment arising on futures contracts is equal to the liquidation value of the net position of contracts relating to similar financial instruments (after netting between purchase and sale positions), without taking into account the respective maturities; and,
- (b) the commitment relating to options bought and sold is equal to the sum of the exercise prices of those options representing the net sold position in respect of the same underlying asset, without taking into account the respective maturities.

It should be remembered that the total of the premiums paid to acquire call and put options as described here, together with the total of the premiums paid to acquire call and put options on transferable securities or money market instruments as described under (A)(1) above, may not exceed 15% of the net assets of the Sub-Fund concerned.

## C Securities Lending

Any Sub-Fund may enter into securities lending transactions provided that these transactions comply with the regulations set forth in CSSF's Circular 08/356 concerning the rules applicable to undertakings for collective investment when they use certain techniques and instruments relating to transferable securities and money market instruments, as amended from time to time.

Each Sub-Fund may lend the securities included in its portfolio to a borrower either directly or through a standardized lending system organized by a recognized clearing institution or through a lending system organized by a financial institution subject to prudential supervision rules considered by the

CSSF as equivalent to those prescribed by Community law and specialized in this type of transactions. In all cases, the counterparty to the securities lending agreement (i.e. the borrower) must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law. In case the aforementioned financial institution acts on its own account, it is to be considered as counterparty in the securities lending agreement.

For each securities lending transaction, each Sub-Fund must receive, in principle, a guarantee the value of which is, during the lifetime of the lending agreement, at least equivalent to 90% of the global valuation (interests, dividends and other eventual rights included) of the securities lent.

The Fund must proceed on a daily basis to the valuation of the guarantee received.

The guarantee must normally take the form of:

(i) liquid assets which include not only cash and short term bank certificates, but also money market instruments such as defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions. A letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty are considered as equivalent to liquid assets;

(ii) bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;

(iii) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;

(iv) shares or units issued by UCITS investing in bonds/shares mentioned in (v) and (vi) below;

(v) bonds issued or guaranteed by first class issuers offering an adequate liquidity, or

shares admitted to or dealt in on a regulated market of a Member State of the OECD, on the condition that these shares are included in a main index.

Such guarantee is not required in case of a standardized securities lending system organized by a recognized clearing institution or in case of a lending system organized by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law and specialized in this type of transactions if the intermediary assures to the lender, through a guarantee or otherwise, the reimbursement of the value of the securities lent.

Each Sub-Fund must ensure that the volume of the securities lending transactions is kept at an appropriate level or that it is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardize the management of the Sub-Fund's assets in accordance with its investment policy.

Each Sub-Fund must make sure that it is able to claim its rights on the guarantee in case of the occurrence of an event requiring the execution thereof. Therefore, the guarantee must be available at all times, either directly or through the intermediary of a first class financial institution or a wholly-owned subsidiary of this institution, in such a manner that the Sub-Fund is able to appropriate or realize the assets given as guarantee, without delay, if the counterparty does not comply with its obligation to return the securities.

During the duration of the agreement, the guarantee cannot be sold or given as a security or pledged, except when the Sub-Fund has other means of coverage.

D Sale with right of repurchase transactions/Reverse repurchase and Repurchase agreement transactions

Each Sub-Fund may, acting as buyer, agree to purchase securities with a repurchase option (consisting of the purchase of securities with a clause reserving for the seller the right to repurchase the securities sold from the sub-fund at a price and time agreed between the two parties at the time when the contract is entered into) or, acting as seller, agree to sell securities with a repurchase option (consisting of the sale of securities with a clause reserving for the Sub-Fund the right to repurchase the securities from the purchaser at a price and at a time agreed between the two parties at the time when the contract is entered into); each Sub-Fund may also enter into reverse repurchase agreement transactions (which consist of a forward transaction at the maturity of which the seller - counterparty - has the obligation to repurchase the asset sold and the Sub-Fund the obligation to return the asset received under the transaction) and into repurchase agreement transactions (which consist of a forward transaction at the maturity of which the Sub-Fund has the obligation to repurchase the asset sold and the buyer - the counterparty - the obligation to return the asset received under the transaction).

The involvement of each Sub-Fund in such transactions is however subject to the regulations set forth in CSSF Circular 08/356 concerning the rules applicable to undertakings for collective investment when they use certain techniques and instruments relating to transferable securities and money market instruments, as amended from time to time.

Consequently, each Sub-Fund must comply with the following rules:

It may enter into these transactions only if the counterparties to these transactions are subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law.

During the duration of a purchase with a repurchase option agreement or of a reverse repurchase agreement, it may not sell or pledge/give as security the securities which are the subject of the contract, before the counterparty has exercised its option or until the deadline for the repurchase has expired, unless it has other means of coverage.

It must ensure that it is able, at all times, to meet its redemption obligations towards its shareholders.

Securities that are the subject of purchase with a repurchase option transaction or of reverse repurchase agreements are limited to:

- (i) short term bank certificates or money market instruments such as defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions ;
- (ii) bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope ;
- (iii) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent ;
- (iv) bonds issued by non-governmental issuers offering an adequate liquidity ;
- (v) shares quoted or negotiated on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

The securities purchased with a repurchase option or through a reverse repurchase agreement transaction must be in accordance with the Sub-Fund investment policy and must, together with the other securities that it holds in its portfolio, globally comply with its investment restrictions.

## **20.2 TECHNIQUES AND INSTRUMENTS AIMED AT HEDGING EXCHANGE RISKS TO WHICH ANY SUB-FUND IS EXPOSED IN THE MANAGEMENT OF ITS ASSETS AND LIABILITIES**

To protect assets against the fluctuation of currencies, any Sub-Fund may enter into transactions the purpose of which is the sale of forward foreign exchange contracts, sale of call options or the purchase of put options in respect of currencies. The transactions referred to here may only be entered into via contracts, which are dealt in on a regulated market, operating regularly, recognised and open to the public.

For the same purpose the Sub-Fund concerned may also sell currencies forward or exchange currencies on a mutual agreement basis or OTC options in respect of currencies on a private agreement basis, with first class institutions specialising in this type of transaction. For OTC options, those institutions must also participate in the OTC options market.

The hedging objective of the transactions referred to above pre-supposes the existence of a direct relationship between these transactions and the assets which are being hedged and implies that, in principle, transactions in a given currency cannot exceed the total valuation of assets denominated in that currency nor may the duration of these transactions exceed the period for which the respective assets are held.

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## 21. FURTHER INFORMATION

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### 21.1. Sub-Funds and Class/Sub-Class of Units

#### 21.1.1 Sub-Funds

- A The Management Regulations provide that the Management Company shall establish a portfolio of assets for each Sub-Fund in the following manner:
- (i) the proceeds from the allotment and issue of Units of each Class/Sub-Class of each Sub-Fund shall be applied in the books of the Fund to the Sub-Fund established for that Class/Sub-Class of Units, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Sub-Fund, subject to the provisions of the Management Regulations;
  - (ii) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Fund to the same Sub-Fund as the assets from which it was derived and on each valuation of an asset, the increase or diminution in value shall be applied to the relevant Sub-Fund;
  - (iii) where the Fund incurs a liability which relates to any asset of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such liability shall be allocated to the relevant Sub-Fund;
  - (iv) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular Sub-Fund, such asset or liability shall be allocated by the Management Company, after consultation with the auditors, in a way considered to be fair and reasonable having regard to all relevant circumstances.
- B For the purpose of valuation:
- (i) units of each Class/Sub-Class of the relevant Sub-Fund in respect of which the Management Company or the Central Administration Agent has issued a redemption notice or in respect of which a redemption request has been received, shall not be treated as existing and taken into account until immediately after the close of business on the relevant Valuation Day, and from such time and until paid, the redemption price therefore shall be deemed to be a liability of the Fund;
  - (ii) all investments, cash balances and other assets of any Sub-Fund expressed in currencies other than the reference currency in which the net asset value of the relevant Sub-Fund is calculated, shall be valued after taking into account

the market rate or rates of exchange in force at the date and time for determination of the net asset value of each Class/Sub-Class of Units;

- (iii) effect should be given on any Valuation Day to any purchases or sales of securities contracted for by the Fund on such Valuation Day, to the extent practicable, and
- (iv) where the Management Company is of the view that any conversion or redemption which is to be effected will have the result of requiring significant sales of assets in order to provide the required liquidity, the value may, at the discretion of the Management Company, be effected at the actual bid prices of the underlying assets and not the last available prices.

Similarly, should any purchase or conversion of Units in each Class/Sub-Class result in a significant purchase of assets in a Sub-Fund, the valuation may be done at the actual offer price of the underlying assets and not the last available price.

#### 21.1.2. Class/Sub-Class of Units

##### A Allotment of Units in each Class/Sub-Class

The Management Company is authorised without limitation to allot and issue Units in each Class/Sub-Class at any time at the relevant price per Unit of that Class/Sub-Class which is based on the relevant net asset value determined according to the Management Regulations without reserving preferential subscription rights to existing unitholders.

##### B Restrictions

- (i) The Management Company may impose or relax such restrictions (other than any restrictions on transfer of Units of each Class/Sub-Class) as it may think necessary to ensure that Units of each Class/Sub-Class are not acquired or held by or on behalf of
  - (a) any person in breach of the law or requirements of any country, governmental or regulatory authority; or
  - (b) any person in circumstances which in the opinion of the Management Company might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise have incurred or suffered.
- (ii) The Management Company may restrict or prevent the ownership of Units in each Class/Sub-Class by any person, firm or body corporate and without limitation by any citizen of the United States of America. For such purposes, the Management Company may decline to issue any Unit of whatever Class/Sub-Class where it appears to it that such registration would or might result in such Unit being directly or beneficially owned by a person who is precluded from holding Units in the Fund, or may, at any time, require a unitholder whose name is entered in the register of Unitholders to provide such information, as it may consider

necessary, supported by an affidavit to establish whether or not beneficial ownership of such Unitholders' Units rests in a person who is precluded from holding Units in the Fund.

- (iii) Where it appears to the Management Company that any person who is precluded from holding Units of whatever Class/Sub-Class in the Fund, either alone or with any other person, is a beneficial or registered owner of Units, it may compulsorily redeem such Units.

### 21.1.3 Conversions

#### A General provision

Unitholders are entitled to request, at any time conversion of the whole or part of their holding of Units of any Class/Sub-Class of any Sub-Fund into Units of the same or another Class/Sub-Class relating to the same or another Sub-Fund, provided that the conditions of access which apply to the said Classes are fulfilled.

Conversions between Sub-Funds are made at the prices ruling on the relevant Valuation Day in accordance with the formula set out hereafter.

Requests for conversions, once made, may not be withdrawn except in the event of suspension or deferral of the rights to redeem Units of the Class/Sub-Class of the Sub-Fund(s) from which conversion is to be made.

#### B Procedure

Instructions for the conversion may be made to the Central Administration Agent by fax, telex or in writing. To be executed on a given Valuation Date, the conversion order must have reached the Central Administration Agent by 3.00 p.m. on the day preceding the Valuation Date.

After conversion, the Unitholders will be informed by a contract note on the number of Units of the new Sub-Fund they received at conversion and their prices.

Conversion of Units held in any Sub-Fund for more than 12 months will be made free of charge. A conversion fee of up to 1% will applied in case of conversion requested for Units held for less than 12 months.

The proceeds of Units which are being converted will be reinvested in Units relating to the Sub-Funds into which conversion is made.

The Management Company or the Central Administration Agent is required to determine the number of Units of the Sub-Fund into which the Unitholder wishes to convert his existing Units in accordance with the following formula:

$$A = [(B \times C) - D] / E$$

Where:

- A is the number of Units relating to the new Sub-Fund to be attributed;
- B it is the number of Units relating to the former Sub-Fund

to be converted;

- C is the relevant net asset value per Unit relating to the former Sub-Fund;
- D is the conversion fee, if any, to be retained by the Management Company and which is equal to 1% of (B x C);
- E is the relevant net asset value per Unit relating to the new Sub-Fund determined on the relevant Valuation Day;

#### 21.1.4. Redemptions

##### A Deferral of Redemptions

The Management Company shall not on any Valuation Day or in any period of seven consecutive Valuation Days, be bound to redeem (or consequently effect a conversion of) more than 10 per cent of the number of Units in a Class/Sub-Class to any Sub-Fund then in issue. If on any Valuation Day, or in any period of seven consecutive Valuation Days, the Central Administration Agent receives requests for redemptions of a greater number of Units in a Class/Sub-Class, it may declare that such redemptions are deferred until a Valuation Day not more than seven Valuation days following such time. On such Valuation day, such requests for redemptions will be complied with, with priority over later requests.

##### B Minimum Unitholding

If a Unitholder's requests for redemption of some of his Units in a Class/Sub-Class results in a residual holding having a value of less than USD 500 or its equivalent in another currency (or such other amount or number of Units in that Class/Sub-Class as the Management Company may determine from time to time) the Management Company may compulsorily redeem all the remaining Units in that Class/Sub-Class held by such Unitholder.

#### 21.1.5. Transfers

The transfer of Registered Units in each Class/Sub-Class may normally be effected by delivery to the Management Company or the Central Administration Agent of an instrument of transfer in appropriate form along with other instruments and preconditions of transfer satisfactory to the Management Company or the Central Administration Agent.

## 21.2. VALUATIONS

### 21.2.1. Net Asset Value determination

The reporting currency of the Fund is USD. However, the financial statements of the Fund will be prepared in relation to each Sub-Fund in the reference currency of such Sub-Fund. The net asset value of Units of each Class/Sub-Class of each Sub-Fund will be expressed in the relevant currency of the Sub-Fund concerned and shall be determined on each Valuation Day by aggregating the value of securities and other assets of the Fund allocated to that Sub-Fund and deducting the liabilities of the Fund allocated to that Sub-Fund. The Management Company or the Central Administration Agent may operate equalisation arrangements.

- (1) The assets of the Fund attributable to the Sub-Fund(s) shall be deemed to include:
- (i) all cash in hand or receivable or on deposit including accrued interest;
  - (ii) all bills and notes payable on demand and any amounts due (including the proceeds of securities sold but not yet collected);
  - (iii) all securities, shares, bonds, debentures, options or subscription rights and any other investments and securities;
  - (iv) all dividends and contributions due in cash or in kind to the extent known to the Management Company provided that the Management Company may adjust the valuation for fluctuations in the market value of securities due to trading practices such as trading ex-dividend or ex-rights;
  - (v) all accrued interest on any interest bearing securities held except to the extent that such interest is comprised in the principal thereof;
  - (vi) the preliminary expenses insofar as the same have not been written off; and
  - (vii) all other permitted assets of any kind and nature including prepaid expenses.
- (2) The value of the assets shall be determined as follows:
- (i) the value of any cash in hand or on deposit, discount notes, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received, shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Management Company may consider appropriate in such case to reflect the true value thereof;
  - (ii) the value of the Sub-Fund securities and money market instruments which are listed on an official stock exchange or traded on any other organised market will be valued at the last available price on the principal market on which such securities and money market instruments are traded, as furnished by a pricing service approved by the Management Company. If such prices are not representative of the fair value, such securities and money market instruments as well as all other permitted assets, including securities and money market instruments which are not listed on a stock exchange or traded on a Regulated Market, will be valued at a fair value at which it is expected that they may be resold, as determined in good faith by and under direction of the Management Company;
  - (iii) units/shares of UCITS authorised according to Directive 2009/65/EC and/or other UCIs will be valued at the last available net asset value for such shares or units as of the relevant Valuation Date;
  - (iv) Futures and options are valued on the basis of their closing price on the concerned market on the preceding day. The prices used are the liquidation prices on the futures markets;
  - (v) Swaps are valued at their real value, which is based on the last known traded closing price of the underlying security.

(3) The liabilities of the Fund attributable to the Sub-Fund(s) shall be deemed to include:

- (i) all borrowings, bills and other amounts due;
- (ii) all administrative expenses due or accrued including the costs of its constitution and registration with regulatory authorities, as well as legal, audit, management, custodial, paying agency and corporate and central administration agency fees and expenses, the costs of legal publications, prospectuses, financial reports and other documents made available to Unitholders, translation expenses and generally any other expenses arising from the administration of the Fund;
- (iii) all known liabilities, due or not yet due including all matured contractual obligations for payments of money or property, including the amount of all dividends declared by the Sub-Fund for which no coupons have been presented and which therefore remain unpaid until the day these dividends revert to the Sub-Fund by prescription;
- (iv) an appropriate amount set aside for taxes due on the date of the valuation and any other provisions or reserves authorised and approved by the Management Company or the Central Administration Agent; and
- (v) any other liabilities of the Fund of whatever kind towards third parties.

For the purposes of valuation of its liabilities, the Management Company or the Central Administration Agent may duly take into account all administrative and other expenses of regular or periodical character by valuing them for the same entire year or any other period and by dividing the amount concerned proportionately for the relevant fractions of such period.

#### 21.2.2 Suspension of Calculation of the Net Asset Value, of the issue, the conversion and the redemption of Units

The Management Company may temporarily suspend the determination of the net asset value of any Sub-Fund and the issue, redemption and conversion of each Class/Sub-Class of Units relating to all or any of the Sub-Funds:

- A during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the Fund's investments of the relevant Sub-Fund for the time being are quoted, is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended; or
- B during the existence of any state of affairs which in the opinion of the Management Company constitutes a breach of the unitholders' interests or an emergency, as a result of which disposals or valuation of assets attributable to investments of the relevant Sub-Fund is impracticable; or
- C during any breakdown in, or restriction in the use of, the means of communication normally employed in determining the prices of any of the investments attributable to such Sub-Fund or the current prices or values on any market or stock exchange, or
- D during any period when remittance of monies which will or may be involved in the realisation of, or in the payment for, any of the Fund's investments is not possible.

The Management Company shall suspend the issue of Units in each Class/Sub-Class forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the Luxembourg supervisory authority; the redemption of Units in each Class/Sub-Class shall remain possible provided that all Unitholders are treated equally.

Unitholders having requested conversion or redemption of their Units in each Class/Sub-Class shall be notified of any such suspension within seven days of their requested and will be promptly notified of the termination of such suspension.

The suspension of any Sub-Fund will have no effect on the calculation of the net asset value and the issue, redemption and conversion of the Units of each Class/Sub-Class of any other Sub-Fund.

### **21.3. GENERAL**

A Any complaints regarding the operation of the Fund should be submitted in writing to the Management Company or to the Custodian for transmission to the Management Company.

B Documents available for Inspection

The following documents have been deposited and are available for inspection at the offices of the Management Company or the Central Administration Agent:

- (a) Management Regulations and amendment thereto;
- (b) Articles of Incorporation of the Management Company;
- (c) The Simplified Prospectus;
- (d) The last audited Annual Report and Semi-Annual Report of the Fund;
- (e) The Custodian Agreement between Banque Carnegie Luxembourg S.A., and the Management Company acting for the Fund;
- (f) The Investment Management Agreement between the Management Company, acting for the Fund and CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S as supplemented.
- (g) The Investment Management Agreement between the Management Company acting for the Fund and CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S DENMARK, SWEDEN BRANCH as supplemented as well as the Research Advisory Agreement between CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S DENMARK, SWEDEN BRANCH and THE KAROLINSKA INSTITUTE, Stockholm.
- (h) The Central Administration Agreement between the Management Company and Carnegie Fund Services S.A..
- (i) The Placement Agent Agreements entered into by the Management Company acting for the Fund.

The Agreements referred to above may be amended by mutual consent of the parties thereto. A copy of the current Prospectus, a copy of the Simplified Prospectus, a copy of the Management Regulations, of the most recent annual and semi-annual reports as well as, where required, translations of these documents into the language of the respective country concerned, may be obtained, as they become available, free of charge at the head office of the Management Company, at the office of the Central Administration Agent and at the office of the Fund's representative in the country or countries concerned.

C Representatives of the Fund

Where required by local laws or regulations, the Management Company may, in countries where Units are offered for sale to the public, appoint representatives of the Fund ("Representatives") from whom prices for all Sub-Funds Units may be obtained on each Valuation Day and from whom other authorised information in respect of the Fund may be obtained.