



CARNEGIE NORDIC MARKETS SUB FUND

QUARTERLY REPORT AS AT 30 JUNE 2010

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

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

Investment Manager: Carnegie Asset Mgmt, Copenhagen
 Launch date: 1 April, 1996
 Base currency: USD
 Price: USD 82.55
 Size: USD 62.36 million
 Minimum investment: USD 1,000 or equivalent
 Management fee: 1.60% per annum
 Dealing: Daily
 Security Code (ISIN): LU0086738027

COMMENTARY

During the second quarter the Sub-Fund's NAV/unit decreased by 12.99%, while the Sub-Fund's benchmark, the MSCI Nordic Countries Special (10/40), decreased by 13.27%.

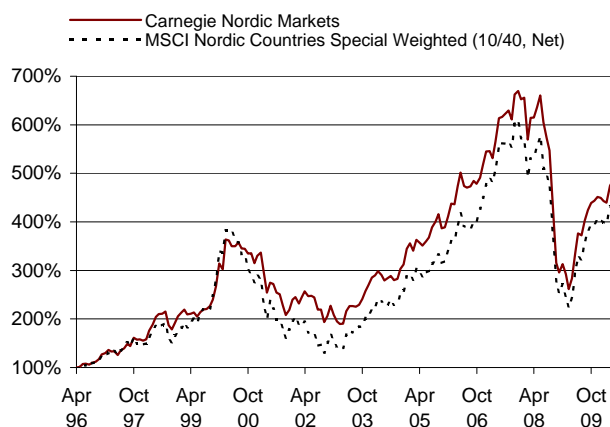
Positive contributions came from the overweight positions in the Danish and Swedish markets. In Denmark, however, we lost some relative performance due to our overweight position in Vestas. In Sweden, the overweight position in Volvo and the underweight position in Nordea contributed positively.

During the second quarter we sold the positions in Simcorp, Seadrill, Intrum Justitia and SEB; while we increased our positions in Vestas, Handelsbanken and DNB NOR.

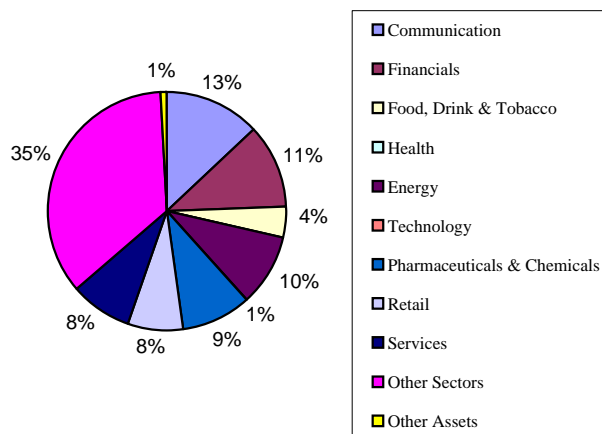
A new holding introduced was FLS, a Danish sub-supplier to the mining industry.

All in all, the portfolio has turned a bit more cyclical on behalf of financial stocks.

INVESTMENT PERFORMANCE GRAPH



SECTOR ANALYSIS



PERFORMANCE

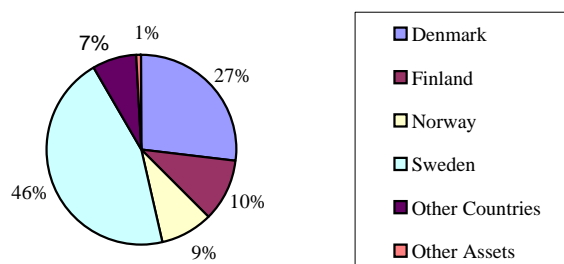
% Returns	Nordic Markets	MSCI Nordic Countries Special (10/40, Net)
Last Quarter	-12.99%	-13.27%
Year to Date	-8.18%	-7.43%
1 Year	10.91%	16.12%
2 Years	-31.78%	-26.76%
3 Years	-33.67%	-33.37%
5 Years	12.18%	24.73%
Since Launch	312.75%	274.16%

Risk Measures (Since Inception, month end prices)		
Standard Deviation	-	-
Tracking Error	-	-
Alpha	-	-
Beta	-	-
Information Ratio	-	-

TOP TEN HOLDINGS

Novo Nordisk B	8.34%
Hennes & Mauritz B	7.68%
Nokia	6.68%
Atlas Copco A	5.30%
Volvo B	5.05%
Vestas Wind Systems	5.02%
A.P. Moller - Maersk B	4.55%
Danske Bank	4.39%
Swedish Match	4.34%
Statoil	4.02%

ASSET ALLOCATION



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★ ★ ★
Morningstar Rating

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