



# CARNEGIE WORLDWIDE ETHICAL SUB FUND

QUARTERLY REPORT AS AT 30 JUNE 2010

Carnegie Worldwide Ethical 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 global equities. There is no pre-determined geographical distribution as the Sub Fund seeks to maximize returns by exploiting investment opportunities wherever they arise. The Sub Fund will specifically avoid investment in companies which operate in the production and distribution of alcohol, tobacco products, weapons or technology and software which is specifically designed to facilitate the production of weapons, any other goods and services which may be deemed by the Investment Manager to be of an unethical nature.

Investment Manager: Carnegie Asset Mgmt, Copenhagen  
 Launch date: 27 December, 2000  
 Base currency: EUR  
 Price: EUR 9.07  
 Size: EUR 386.15 million  
 Minimum investment: EUR 1,000 or equivalent  
 Management fee: 1.60% per annum  
 Dealing: Daily  
 Security Code (ISIN): LU0122292328

## COMMENTARY

During the first six months of the year the Sub-Fund's NAV/unit rose by 7.72%, while the benchmark, the MSCI World All Countries Index, rose by 6.26%.

The five most positive contributions came from: Novo Nordisk, Apple, HDFC, Standard Chartered and Nestlé.

The five most negative contributions came from: Nokia, Transocean, Google, E.ON and Synthes.

In January it was decided to sell the position in Exelon, and initiate a position in Samsung Electronics.

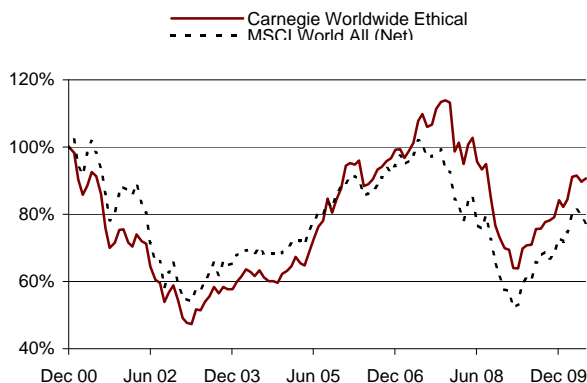
In February it was decided to add a position in China Life. China Life is the leading insurance company in China with a 40% market share. We believe that this state-controlled company can capitalise on the structural growth in the life insurance market over the coming 10 years. Furthermore, it was decided to reduce the exposure towards Novartis, Synthes and Companhia Vale do Rio Doce in order to raise funds for the China Life purchase.

In March it was decided to sell the positions in E.ON and Synthes, and initiate positions in Daimler and Nokia.

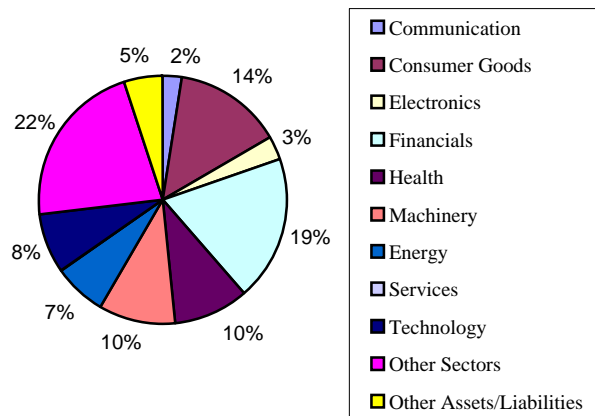
In June the positions in Transocean and Nokia were sold. Nokia was bought with the anticipation that it would grow significantly at the lower price points of the Smartphone market, as consumers switch from feature phones to Smartphones. Unfortunately, Nokia did not live up to our expectations, and is threatened by Apple in the high-end Smartphones segment and from Chinese producers in the low-end segment. The proceeds were used to create a new position in Newmont Mining.

Furthermore, we sold the positions in Samsung and Daimler due to a new screening process in which we have implemented a zero tolerance towards weapon related production. We used the proceeds to add new positions in Scania and Temenos.

## INVESTMENT PERFORMANCE GRAPH



## SECTOR ANALYSIS



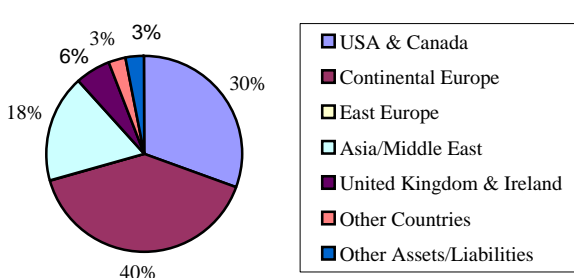
## PERFORMANCE

% Returns	Worldwide Ethical	MSCI World All (Net)
Last Quarter	-0.44%	-3.12%
Year to Date	7.72%	6.26%
1 Year	27.75%	27.19%
2 Years	-5.13%	0.61%
3 Years	-17.40%	-23.05%
5 Years	24.59%	-0.57%
Since Launch	-9.30%	-22.60%
<b>Risk Measures (Since Inception, month end prices)</b>		
Standard Deviation	16.32%	15.80%
Tracking Error	7.62%	-
Alpha	1.12%	-
Beta	0.92	1.00
Information Ratio	0.20	-

## TOP TEN HOLDINGS

Nestlé	7.98%
Housing Development Finance Corporation	6.60%
Holcim	4.87%
Praxair	4.50%
Google A	4.13%
Roche Holding Genusscheine	3.94%
Novo Nordisk B	3.84%
Scania B	3.69%
PepsiCo	3.65%
Cisco Systems	3.45%

## ASSET ALLOCATION



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

★★★★  
**Morningstar Rating**

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