

**Audited annual report  
as at 31st December 2011**

**CARNEGIE Fonder Portfolio  
(formerly HQ Portfolio)**

Investment Company (SICAV), Luxembourg

R.C.S. Luxembourg B 33 101



#### Notice

The sole legally binding basis for the purchase of shares of the Company described in this report is the latest valid sales prospectus with its terms of contract.

**CARNEGIE Fonder Portfolio (formerly HQ Portfolio)**

**Contents**

**Organisation.....2**

**General information .....4**

**Report from the Investment Manager.....5**

**Audit report.....8**

**Consolidated statement of net assets .....10**

**Consolidated statement of operations and other changes in net assets .....11**

**CARNEGIE Fonder Portfolio - CARNEGIE Strategy Fund (formerly HQ Portfolio - HQ Strategy Fund).....12**

    Statement of net assets .....12

    Statement of operations and other changes in net assets .....13

    Statistical information .....14

    Statement of investments and other net assets .....15

    Industrial and geographical classification of investments .....17

**CARNEGIE Fonder Portfolio - CARNEGIE Corporate Bond (formerly HQ Portfolio - HQ Corporate Bond) .....18**

    Statement of net assets .....18

    Statement of operations and other changes in net assets .....19

    Statistical information .....20

    Statement of investments and other net assets .....21

    Industrial and geographical classification of investments .....23

**CARNEGIE Fonder Portfolio - CARNEGIE Global Property (formerly HQ Portfolio - HQ Global Property) .....24**

    Statement of operations and other changes in net assets .....24

    Statistical information .....25

**Notes to the financial statements .....26**

## **CARNEGIE Fonder Portfolio (formerly HQ Portfolio)**

### **Organisation**

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<b>SICAV</b>	CARNEGIE Fonder Portfolio (formerly HQ Portfolio) 6a, Circuit de la Foire Internationale L-1347 Luxembourg
<b>Management Company and Central Administration</b>	SEB Fund Services S.A. 6a, Circuit de la Foire Internationale L-1347 Luxembourg
<b>Board of Directors of the SICAV</b>	<b>Chairman</b> Andreas Uller Managing Director Carnegie Fonder AB, Sweden (until 21st April 2011)  Hans Hedström Chief Executive Officer Carnegie Fonder AB, Sweden (since 21st April 2011)  <b>Directors</b> Ann-Charlotte Lawyer Managing Director and Head of SEB Fund Services S.A., Luxembourg  Björn Petersson Head of Administration Carnegie Fonder AB, Sweden
<b>Custodian Bank</b>	Skandinaviska Enskilda Banken S.A. 6a, Circuit de la Foire Internationale L-1347 Luxembourg
<b>Sub-Administrator including Registrar and Transfer Agent</b>	European Fund Administration S.A. 2, Rue d'Alsace L-1122 Luxembourg
<b>Promoter and Investment Manager</b>	Carnegie Fonder AB Regeringsgatan 56 SE-103 38 Stockholm
<b>Distributors and Paying Agents</b>	<b>In Sweden</b> Carnegie Fonder AB Regeringsgatan 56 SE-103 38 Stockholm

## **CARNEGIE Fonder Portfolio (formerly HQ Portfolio)**

### **Organisation (continued)**

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#### **In Luxembourg**

Skandinaviska Enskilda Banken S.A.  
6a, Circuit de la Foire Internationale  
L-1347 Luxembourg

#### **Auditor**

PricewaterhouseCoopers S.à r.l.  
400, Route d'Esch  
L-1471 Luxembourg

## CARNEGIE Fonder Portfolio (formerly HQ Portfolio)

### General information

CARNEGIE Fonder Portfolio (formerly HQ Portfolio) (hereafter the "Company") was incorporated in the Grand-Duchy of Luxembourg on 2nd March 1990 under the name of FÖRSTA FONDER. It is organised as an open-ended investment company with a variable capital ("*Société d'investissement à capital variable*" - "SICAV") under Part I of the modified Law of 20th December 2002 (hereafter the "Law 2002") until 30th June 2011 and by Part I of the law of 17th December 2010 (hereafter the "Law 2010") relating to Undertakings for Collective Investment since 1st July 2011. It is established for an undetermined duration from the date of incorporation.

The registered office of the Company is at 6a, Circuit de la Foire Internationale, L-1347 Luxembourg. The articles of incorporation (the "Statutes") of the Company are published in the "*Mémorial, Recueil des Sociétés et Associations*", dated 17th April 1990. The Statutes, together with the mandatory Legal Notice have been deposited with the Luxembourg Trade Register where they are available for inspection and where copies thereof can be obtained. The Statutes were amended several times and the last amendment took place on 29th June 2011. As of 3rd March 1993, the Company's name was HAGSTRÖMER & QVIBERG, since 26th July 2000 it was HQ.SE Portfolio, since 23rd April 2003 it was HQ Portfolio and since 29th June 2011 it is CARNEGIE Fonder Portfolio.

Following the acquisition of HQ Fonder Sverige AB by the Carnegie Group, the Extraordinary General Meeting of Shareholders of the Company has resolved on 29th June 2011 to change the denomination of:

- the Company "HQ Portfolio" to "CARNEGIE Fonder Portfolio",
- the Sub-Fund "HQ Portfolio - HQ Strategy Fund" to "CARNEGIE Fonder Portfolio - CARNEGIE Strategy Fund",
- the Sub-Fund "HQ Portfolio - HQ Corporate Bond" to "CARNEGIE Fonder Portfolio - CARNEGIE Corporate Bond",
- the Sub-Fund "HQ Portfolio - HQ Global Property" to "CARNEGIE Fonder Portfolio - CARNEGIE Global Property".

At the date of the present report, two Sub-Funds are at the Shareholder's disposal:

- CARNEGIE Fonder Portfolio - CARNEGIE Strategy Fund in SEK,
- CARNEGIE Fonder Portfolio - CARNEGIE Corporate Bond in SEK.

The Board of Directors has decided to put the following Sub-Fund into liquidation:

- CARNEGIE Fonder Portfolio - CARNEGIE Global Property in SEK.  
(liquidated on 31st October 2011)

At the date of the present report, two classes of shares are in issue:

- Class A Shares: capitalisation shares available to all investors,
- Class D Shares: distribution shares available to all investors.

The Net Asset Value of each Sub-Fund and the issue and redemption prices are available at all times at the registered office of the Company and shall be published in a Swedish newspaper.

Financial reports of the Company are published annually and semi-annually. These reports, as well as the sales prospectus, the Statutes and all information concerning the Company are available for the Shareholders at the registered office of the Company, the Management Company, the Custodian Bank and the Paying Agent.

## **CARNEGIE Fonder Portfolio (formerly HQ Portfolio)**

### **Report from the Investment Manager**

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#### **CARNEGIE Fonder Portfolio - CARNEGIE Strategy Fund**

##### **Sub-Fund performance**

The value of the Sub-Fund declined during last year by 14% percent.

##### **Sub-Fund management**

During the year, large net purchases were made in Ericsson, Scania and Lundbergs. Large sales were made in Alfa Laval, Swedbank and ABB.

##### **Derivative trading**

The Sub-Fund has not traded in derivatives during the year. The existing margin requirement as per 31st December 2011 was SEK 0.

##### **Securities holdings**

As per 31st December 2011, 80 percent of the Sub-Fund's holdings were invested in equities, 5 percent in liquidity funds, 5 percent in bonds and 10 percent in cash. 2011 was chaotic, to say the least. From the earthquake in Japan to a lowering of US credit ratings and an ever-more serious euro crisis. On the bond market panic was palpable and at times made it feel like Lehman Brothers was just a gentle breeze. World stock markets fell, but thanks to a sharp rise towards the end of the year the decline was stemmed. We stirred up the portfolio quite a lot as the fierce movements created many opportunities. We built up a solid position in Ericsson, a share we have often not owned at all. But now the situation is different - Ericsson is actually being traded at around 12 times earnings (according to the forecasts we look at), the dividend yield is a good 4 percent and the company is also sitting on a large net cash position. Add to this the fact that they finally sold their mobile phones and the principal owners have greatly increased their stake, and this should be a good long term investment. We also bought into Scania, which we haven't held recently. This truck manufacturer has amazing historical profitability and high margins, its balance sheet is strong and a possible structural deal with German MAN should provide significant synergies. Another investment worth mentioning is the investment company Lundbergs. This company has very low debt and a decent discount, while it has holdings in undervalued assets such as Holmen, Hufvudstaden and Industrivärden. We sold all Alfa Laval shares after fantastic price performance, since the share simply became too expensive. The same was the case with ABB, although it is cheaper than Alfa Laval. We also sold all Swedbank shares after good price performance. In addition we sold our stakes in Hufvudstaden, Fabege and Klöver. Instead, we bought both banks and real estate through the corporate bond route.

##### **Outlook**

There is broad market consensus on that Europe will fall into recession this year, that the US will grow around 2-3 percent and that emerging markets will move onward, but at a leisurely pace. We are not so sure. We believe that the turnaround in the US will be delayed since real jobs are not being created and the addition of political crisis will make people uneasy. At the time of writing, the markets are fairly happy that the European Central Bank's (ECB) approach to lending cheap money has sparked a short-term warming in Europe and stock markets are rising. But even if the ECB works some magic, it must be remembered that the basic problems remain; much of the Western world is far too indebted. We need tax increases and cuts in government budgets and this will hit the consumer and eventually also companies. Growth will probably be pretty lean in coming years, but that does not mean that we will not continue to find cheap shares at decent risk.

## **Carnegie Fonder Portfolio (formerly HQ Portfolio)**

### **Report from the Investment Manager (continued)**

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#### **CARNEGIE Fonder Portfolio - CARNEGIE Corporate Bond**

##### **Sub-Fund performance**

The Sub-Fund rose in 2011 by 3.3 percent, divided into 3.6 percent in the first half and -0.3 percent in the second. The two halves of the year were really the opposite of each other. There were generally positive conditions during the first part, with uncertainty about the tsunami in Japan. Policy rates were increased, growth was good, corporate profits were solid. There were good flows to credit funds globally. But in the cold light of day there were signs that all was not quite right. The budget ceiling debacle in the US was the start of a troublesome autumn. The US was downgraded from its AAA rating at the beginning of August, which in itself was not unexpected but was a reason to focus on the West's underlying problems, namely debt-ridden states and their banks. The Sub-Fund lost 3.3 percent in August and September, but recovered all of this in the last quarter. The Sub-Fund has not experienced any defaults or the like during the autumn, and the NAV decline was due solely to investors selling off bonds in a panic over fears of another Lehman Brothers scenario. Credit indexes touched the same levels as at the Lehman crisis in autumn 2008. The Sub-Fund was able to recover relatively painlessly in the fourth quarter. Something that wasn't painless however was, and is, the management of the crisis by European politicians. There has been great reluctance, some wrong decisions and several summits, all without result. The debt write-down in Greece, which is still ongoing, is probably a mistake, even if on paper it seems reasonable. Significantly higher capital requirements on banks are also reasonable, but this has had unexpected consequences such as a halt on credit to small businesses in Europe, which is not good for growth. The list is long, but in the end, the banks were able to borrow from the ECB over three years, which has clearly improved risk-taking in Europe thereby reducing the bankruptcy risk of European banks for at least 2012. In the early part of the year, many analysts were convinced that government bonds would give poor returns because interest rates would rise. Bond yields declined in February and began to trend downward, continuing so throughout the year. Swedish ten-year government bonds started the year at 3.3 percent and closed at 1.6 percent, with a total return of almost 17 percent.

##### **Sub-Fund management**

The Sub-Fund invests in Nordic and Nordic-related corporate bonds.

##### **Derivative trading**

The Sub-Fund buys bonds issued in foreign currencies. In order to protect Sub-Fund shareholders against currency movements, the Sub-Fund hedges its positions. Furthermore, the Sub-Fund uses derivatives in its investment philosophy, partly to obtain or protect credit exposure, and partly to increase or decrease the average bond duration. The Sub-Fund exercised these opportunities in 2011. The existing margin requirement as per 31st December 2011 was approximately 0.38 percent of the Sub-Fund.

##### **Securities holdings**

Country exposure was 41 percent Sweden, 16 percent Finland, 8 percent Denmark, 15 percent Norway and 13 percent other countries. The Sub-Fund's bond duration was about 2 years and the average maturity was approximately 4 years. Cash assets were 7 percent. Sector allocation between bonds is broad, but with a slight emphasis towards banks as the Sub-Fund invests in mortgage bonds.



## **Carnegie Fonder Portfolio (formerly HQ Portfolio)**

### **Report from the Investment Manager (continued)**

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#### **Outlook**

Sovereign debt problems are not over, and will periodically resurface. There have been measures to support liquidity for three years, with further similar action in February. The outlook for Portugal is for example not positive and Italy needs to cut back or grow. Europe needs strong growth markets combined with determined politicians. We are planning for the worst but hoping for the best. We still believe that the price of oil and other energy sources is attractive. Nordic companies in which the Sub-Fund invests look attractive, with good margins and solid cash flows. Growth may be a little lower than expected, but this is not that significant from a credit perspective. Many company margins are at historically high levels, which should be considered in the future. Their creditworthiness may perhaps not quite return to old levels. The new bank regulations and more expensive financing will favour new issuers, whose bonds should provide a good return compared to government bonds. The trend of corporate bonds replacing bank financing is only in its infancy. This trend will persist for several years. We hope to deliver a return in excess of five percent in the next 12 months, but would still point out that road there is not straight.

#### **CARNEGIE Fonder Portfolio - CARNEGIE Global Property**

The Board of Directors of the Company decided with effect as of 31st October 2011 to put the Sub-Fund CARNEGIE Fonder Portfolio - CARNEGIE Global Property into liquidation.

The Sub-Fund has been put into liquidation due to its low level of assets under management that no longer allows for the Sub-Fund to be managed in a cost efficient manner whilst also allowing for performance sustainability in the context of uncertainty within the current financial markets.

Luxembourg, 7th February 2011

The Investment Manager

Note: The information in this report represents historical data and is not an indication of future results.



## Audit report

To the Shareholders of  
**CARNEGIE Fonder Portfolio (formerly HQ Portfolio)**

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We have audited the accompanying financial statements of CARNEGIE Fonder Portfolio (formerly HQ Portfolio) and of each of its Sub-Funds, which comprise the statement of net assets and the statement of investments and other net assets as at 31st December 2011 and the statement of operations and other changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

### *Responsibility of the Board of Directors of the SICAV for the financial statements*

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Responsibility of the "Réviseur d'entreprises agréé"*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.



**Audit report (continued)**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of CARNEGIE Fonder Portfolio (formerly HQ Portfolio) and of each of its Sub-Funds as of 31st December 2011, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

*Other matters*

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

PricewaterhouseCoopers S.à r.l.  
Represented by

Luxembourg, 28th March 2012

A handwritten signature in black ink, appearing to be 'Philippe Sergiel', written over a horizontal line. The signature is stylized and extends above and below the line.

Philippe Sergiel

## CARNEGIE Fonder Portfolio (formerly HQ Portfolio)

### Consolidated statement of net assets (in SEK)

as at 31st December 2011

#### Assets

Securities portfolio at market value	2,290,356,186.66
Deposits on futures contracts	3,865,454.85
Cash at banks	126,482,073.94
Other liquid assets	4,241,008.46
Receivable on issues of shares	44,033,891.78
Income receivable on portfolio	35,398,877.11
Other receivables	258,290.76
Prepaid expenses	96,942.49
Total assets	2,504,732,726.05

#### Liabilities

Bank liabilities	9,054,765.29
Other liquid liabilities	4,440,923.10
Payable on treasury transactions	85,959.97
Payable on redemptions of shares	4,269,847.81
Unrealised loss on futures contracts	215,610.77
Unrealised loss on forward foreign exchange contracts	47,844.91
Interest on bank liabilities and expenses payable	2,819,490.04
Total liabilities	20,934,441.89
Net assets at the end of the year	2,483,798,284.16

The accompanying notes are an integral part of these financial statements.

## CARNEGIE Fonder Portfolio (formerly HQ Portfolio)

### Consolidated statement of operations and other changes in net assets (in SEK)

from 1st January 2011 to 31st December 2011

#### Income

Dividends, net	12,279,578.09
Interest on bonds and other debt securities, net	114,925,823.82
Interest on bank accounts	1,892,725.44
Interest on swap contracts	154,474.47
Total income	129,252,601.82

#### Expenses

Management fees	24,230,360.96
Performance fees	12,392.00
Custodian fees	43,853.81
Banking charges and other fees	125,594.14
Transaction fees	638,040.29
Central administration costs	5,856,006.82
Professional fees	280,413.92
Other administration costs	227,657.22
Subscription duty ("taxe d'abonnement")	1,279,618.75
Other taxes	417,423.20
Interest paid on bank liabilities	102,389.71
Interest paid on swap contracts	91,383.09
Other expenses	43,115.41
Total expenses	33,348,249.32

Net investment income	95,904,352.50
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#### Net realised gain/(loss)

- on securities portfolio	19,697,064.87
- on futures contracts	-8,278,592.53
- on swap contracts	-6,497,767.20
- on forward foreign exchange contracts	-2,071,995.83
- on foreign exchange	-7,656,080.12
Realised result	91,096,981.69

#### Net variation of the unrealised gain/(loss)

- on securities portfolio	-121,803,210.75
- on futures contracts	104,059.23
- on forward foreign exchange contracts	-13,466,772.10
Result of operations	-44,068,941.93

Dividends paid	-7,049,835.90
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Subscriptions	2,478,959,361.46
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Redemptions	-1,792,344,734.87
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Total changes in net assets	635,495,848.76
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Total net assets at the beginning of the year	1,848,302,435.40
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Total net assets at the end of the year	2,483,798,284.16
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The accompanying notes are an integral part of these financial statements.

## CARNEGIE Fonder Portfolio - CARNEGIE Strategy Fund

### Statement of net assets (in SEK)

as at 31st December 2011

#### Assets

Securities portfolio at market value	287,971,664.46
Cash at banks	34,818,287.27
Receivable on issues of shares	11,566.28
Income receivable on portfolio	93,559.13
Prepaid expenses	11,391.96
Total assets	322,906,469.10

#### Liabilities

Bank liabilities	7.39
Payable on redemptions of shares	407,651.63
Interest on bank liabilities and expenses payable	442,450.73
Total liabilities	850,109.75
Net assets at the end of the year	322,056,359.35

Number of Class A Shares outstanding	130,728.6136
Net asset value per Class A Share	2,463.5491

The accompanying notes are an integral part of these financial statements.

## CARNEGIE Fonder Portfolio - CARNEGIE Strategy Fund

### Statement of operations and other changes in net assets (in SEK)

from 1st January 2011 to 31st December 2011

#### **Income**

Dividends, net	9,696,830.02
Interest on bonds and other debt securities, net	135,612.69
Interest on bank accounts	357,058.34
Total income	10,189,501.05

#### **Expenses**

Management fees	4,150,560.28
Banking charges and other fees	12,339.70
Transaction fees	55,731.35
Central administration costs	940,793.62
Professional fees	94,455.75
Other administration costs	121,052.30
Subscription duty ("taxe d'abonnement")	179,132.41
Interest paid on bank liabilities	2,097.68
Other expenses	2,250.89
Total expenses	5,558,413.98

Net investment income	4,631,087.07
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#### **Net realised gain/(loss)**

- on securities portfolio	30,831,409.87
- on foreign exchange	-366,821.24
Realised result	35,095,675.70

#### **Net variation of the unrealised gain/(loss)**

- on securities portfolio	-92,644,948.92
Result of operations	-57,549,273.22

Dividends paid	-
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Subscriptions	5,188,877.99
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Redemptions	-59,555,636.05
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Total changes in net assets	-111,916,031.28
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Total net assets at the beginning of the year	433,972,390.63
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Total net assets at the end of the year	322,056,359.35
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The accompanying notes are an integral part of these financial statements.

## CARNEGIE Fonder Portfolio - CARNEGIE Strategy Fund

### Statistical information (in SEK)

as at 31st December 2011

#### Total net assets

- as at 31.12.2011	322,056,359.35
- as at 31.12.2010	433,972,390.63
- as at 31.12.2009	456,393,895.39

#### Number of Class A Shares

- outstanding at the beginning of the year	151,479.4575
- issued	1,955.4274
- redeemed	-22,706.2713
- outstanding at the end of the year	130,728.6136

#### Net asset value per Class A Share

- as at 31.12.2011	2,463.5491
- as at 31.12.2010	2,864.8927
- as at 31.12.2009	2,566.1574

The accompanying notes are an integral part of these financial statements.



## CARNEGIE Fonder Portfolio - CARNEGIE Strategy Fund

### Statement of investments and other net assets (in SEK) as at 31st December 2011

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing</u></b>					
<b>Shares</b>					
EUR	20,000	Fortum Oyj	3,442,110.67	2,937,389.42	0.91
EUR	15,099	Huhtamaki Oyj	1,217,231.77	1,231,840.66	0.38
			4,659,342.44	4,169,230.08	1.29
NOK	32,000	Orkla ASA A	1,601,050.59	1,642,376.47	0.51
NOK	9,000	Statoil ASA	1,543,630.52	1,588,006.09	0.49
NOK	139,000	Statoil Fuel & Retail ASA	7,499,063.01	7,124,486.15	2.21
			10,643,744.12	10,354,868.71	3.21
SEK	26,300	Alfa Laval AB	1,845,846.19	3,429,520.00	1.07
SEK	5,000	AstraZeneca Plc	1,549,065.00	1,580,000.00	0.49
SEK	90,000	Atrium Ljungberg AB B	6,174,248.00	6,592,500.00	2.05
SEK	31,666	Axfood AB	6,938,962.00	8,030,497.60	2.49
SEK	77,000	Elanders AB B	8,130,743.83	1,293,600.00	0.40
SEK	122,000	Electrolux AB B	20,444,238.70	13,383,400.00	4.16
SEK	820,193	Enquest Plc	9,862,679.81	8,324,958.95	2.59
SEK	70,000	Hennes & Mauritz AB B	13,162,142.50	15,491,000.00	4.81
SEK	53,000	Holmen AB B	10,853,068.00	10,478,100.00	3.25
SEK	80,000	ITAB Shop Concept AB	9,099,812.50	5,840,000.00	1.81
SEK	201,200	Intrum Justitia AB	17,267,874.00	21,679,300.00	6.73
SEK	117,100	Investor AB B	14,348,046.46	15,035,640.00	4.67
SEK	12,000	Kinnevik Investments AB B	1,594,798.00	1,609,200.00	0.50
SEK	16,550	Loomis AB	1,572,165.38	1,638,450.00	0.51
SEK	69,866	Lundbergforetagen AB B	15,611,571.70	14,182,798.00	4.40
SEK	11,000	SKF AB B	1,519,776.00	1,601,600.00	0.50
SEK	110,000	Scania AB B	13,648,390.00	11,220,000.00	3.48
SEK	424,735	Securitas AB B	27,297,749.67	25,229,259.00	7.83
SEK	73,000	Skanska AB B	5,294,736.08	8,322,000.00	2.58
SEK	56,300	Skistar AB B	2,737,347.07	4,602,525.00	1.43
SEK	160,300	Svenska Cellulosa SCA AB B	14,789,112.55	16,350,600.00	5.08
SEK	312,000	Telefon ABLM Ericsson B	25,508,213.60	21,964,800.00	6.82
SEK	357,000	TeliaSonera AB	15,459,225.94	16,696,890.00	5.19
SEK	115,000	Volvo AB B	8,995,574.00	8,659,500.00	2.69
			253,705,386.98	243,236,138.55	75.53
<b>Total shares</b>			269,008,473.54	257,760,237.34	80.03
<b>Bonds</b>					
SEK	15,000,000	Stadshypotek AB FRN EMTN Reg-S 10/ 03.05.13	15,080,250.00	15,091,950.00	4.69
<b>Total bonds</b>			15,080,250.00	15,091,950.00	4.69
<b><u>Other transferable securities</u></b>					
<b>Shares</b>					
USD	217	Viragen Intl Inc	636,642.72	0.00	0.00
<b>Total shares</b>			636,642.72	0.00	0.00

The accompanying notes are an integral part of these financial statements.

## CARNEGIE Fonder Portfolio - CARNEGIE Strategy Fund

### Statement of investments and other net assets (in SEK) (continued) as at 31st December 2011

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Open-ended investment funds</u></b>					
<b>Investment funds (UCITS)</b>					
SEK	13,188.691	Carnegie Likviditetsfond Units Dist	14,999,999.89	15,119,477.12	4.70
<b>Total investment funds (UCITS)</b>			<u>14,999,999.89</u>	<u>15,119,477.12</u>	<u>4.70</u>
Total investments in securities			<u>299,725,366.15</u>	<u>287,971,664.46</u>	<u>89.42</u>
Cash at banks				34,818,287.27	10.81
Bank liabilities				-7.39	0.00
Other net assets/ (liabilities)				-733,584.99	-0.23
Total				<u><u>322,056,359.35</u></u>	<u><u>100.00</u></u>

The accompanying notes are an integral part of these financial statements.

## CARNEGIE Fonder Portfolio - CARNEGIE Strategy Fund

### Industrial and geographical classification of investments

as at 31st December 2011

#### Industrial classification

(in percentage of net assets)

Consumer durables and apparel	10.78 %
Commercial services and supplies	7.83 %
Capital goods	7.63 %
Diversified financial services	7.24 %
Technology hardware and equipment	6.82 %
Real estate	6.45 %
Energy	5.29 %
Telecommunication services	5.19 %
Investment companies	5.17 %
Household and personal products	5.08 %
Investment funds	4.70 %
Banks	4.69 %
Materials	3.63 %
Automobiles and components	2.69 %
Food retailing, drugstores and pharmacies	2.49 %
Hotels, restaurants and leisure	1.43 %
Utilities	0.91 %
Food, beverage and tobacco	0.51 %
Pharmaceuticals and biotechnology	0.49 %
Media	0.40 %
Total	<u>89.42 %</u>

#### Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Sweden	81.84 %
Norway	3.21 %
United Kingdom	3.08 %
Finland	1.29 %
Total	<u>89.42 %</u>

The accompanying notes are an integral part of these financial statements.

## CARNEGIE Fonder Portfolio - CARNEGIE Corporate Bond

### Statement of net assets (in SEK)

as at 31st December 2011

#### Assets

Securities portfolio at market value	2,002,384,522.20
Deposits on futures contracts	3,865,454.85
Cash at banks	91,663,786.67
Other liquid assets	4,241,008.46
Receivable on issues of shares	44,022,325.50
Income receivable on portfolio	35,305,317.98
Other receivables	258,290.76
Prepaid expenses	85,550.53
	<hr/>
Total assets	2,181,826,256.95

#### Liabilities

Bank liabilities	9,054,757.90
Other liquid liabilities	4,440,923.10
Payable on treasury transactions	85,959.97
Payable on redemptions of shares	3,862,196.18
Unrealised loss on futures contracts	215,610.77
Unrealised loss on forward foreign exchange contracts	47,844.91
Interest on bank liabilities and expenses payable	2,377,039.31
	<hr/>
Total liabilities	20,084,332.14

Net assets at the end of the year	2,161,741,924.81
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Number of Class A Shares outstanding	6,227,904.3698
Net asset value per Class A Share	318.0819
Number of Class D Shares outstanding	1,766,864.6706
Net asset value per Class D Share	102.3044

The accompanying notes are an integral part of these financial statements.

## CARNEGIE Fonder Portfolio - CARNEGIE Corporate Bond

### Statement of operations and other changes in net assets (in SEK)

from 1st January 2011 to 31st December 2011

#### **Income**

Interest on bonds and other debt securities, net	114,790,211.13
Interest on bank accounts	1,483,362.18
Interest on swap contracts	154,474.47
Total income	116,428,047.78

#### **Expenses**

Management fees	18,886,704.02
Banking charges and other fees	113,254.44
Transaction fees	283,854.83
Central administration costs	4,569,699.88
Professional fees	94,465.62
Other administration costs	74,246.12
Subscription duty ("taxe d'abonnement")	1,076,456.68
Interest paid on bank liabilities	11,088.62
Interest paid on swap contracts	91,383.09
Other expenses	16,768.84
Total expenses	25,217,922.14

Net investment income	91,210,125.64
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#### **Net realised gain/(loss)**

- on securities portfolio	-3,071,687.91
- on futures contracts	-8,278,592.53
- on swap contracts	-6,497,767.20
- on forward foreign exchange contracts	-2,078,364.61
- on foreign exchange	-2,885,465.67

Realised result	68,398,247.72
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#### **Net variation of the unrealised gain/(loss)**

- on securities portfolio	-20,966,567.24
- on futures contracts	104,059.23
- on forward foreign exchange contracts	-13,466,772.10

Result of operations	34,068,967.61
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Dividends paid	-5,063,674.12
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Subscriptions	2,465,463,217.97
---------------	------------------

Redemptions	-1,586,157,103.72
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Total changes in net assets	908,311,407.74
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Total net assets at the beginning of the year	1,253,430,517.07
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Total net assets at the end of the year	2,161,741,924.81
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The accompanying notes are an integral part of these financial statements.

## CARNEGIE Fonder Portfolio - CARNEGIE Corporate Bond

### Statistical information (in SEK)

as at 31st December 2011

#### Total net assets

- as at 31.12.2011	2,161,741,924.81
- as at 31.12.2010	1,253,430,517.07
- as at 31.12.2009	561,643,254.95

#### Number of Class A Shares

- outstanding at the beginning of the year	3,827,478.7826
- issued	7,317,460.0942
- redeemed	-4,917,034.5070
- outstanding at the end of the year	6,227,904.3698

#### Net asset value per Class A Share

- as at 31.12.2011	318.0819
- as at 31.12.2010	307.8127
- as at 31.12.2009	285.5841

#### Number of Class D Shares

- outstanding at the beginning of the year	733,498.9038
- issued	1,417,565.4220
- redeemed	-384,199.6552
- outstanding at the end of the year	1,766,864.6706

#### Net asset value per Class D Share

- as at 31.12.2011	102.3044
- as at 31.12.2010	102.6367
- as at 31.12.2009	-

#### Dividends paid

Payment date	28.01.2011
Dividend per share	1.02
Shares outstanding at dividend date	736,409.0614

Payment date	28.04.2011
Dividend per share	1.02
Shares outstanding at dividend date	1,080,176.3480

Payment date	28.07.2011
Dividend per share	1.02
Shares outstanding at dividend date	1,606,990.1637

Payment date	27.10.2011
Dividend per share	1.02
Shares outstanding at dividend date	1,540,810.8275

The accompanying notes are an integral part of these financial statements.

## CARNEGIE Fonder Portfolio - CARNEGIE Corporate Bond

### Statement of investments and other net assets (in SEK) as at 31st December 2011

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Investments in securities</b>					
<b>Transferable securities admitted to an official stock exchange listing</b>					
<b>Bonds</b>					
EUR	6,850,000	Neste Oil Oyj 6% 09/ 14.09.16	68,143,156.09	65,420,781.43	3.03
EUR	9,050,000	Vestas Wind Systems A/ S 4.625% Sen 10/ 23.03.15	82,504,620.10	69,623,775.54	3.22
			150,647,776.19	135,044,556.97	6.25
GBP	8,300,000	Danske Bank A/ S VAR EMTN Ser 217 06/ 15.02.Perpetual	76,675,451.90	65,256,595.26	3.02
GBP	8,250,000	Swedbank AB VAR REGS Ser 5 Tr 1 05/ 31.12.Perpetual	77,278,634.62	78,706,449.95	3.64
GBP	3,200,000	UPM-Kymmene Corp 6.625% EMTN Sen 02/ 23.01.17	34,897,533.46	32,764,572.91	1.51
			188,851,619.98	176,727,618.12	8.17
NOK	50,000,000	DOF Subsea ASA FRN Sen 10/ 14.04.14	59,013,815.76	56,881,998.75	2.63
NOK	5,000,000	Det Norske Oljeselskap ASA FRN Sen 11/ 28.01.16	5,723,369.79	5,986,489.84	0.28
NOK	46,412,500	Havila Shipping ASA 8.6% Sen 11/ 30.03.17	52,874,152.35	48,831,458.79	2.26
NOK	36,000,000	Renewable Energy Corp AS FRN 11/ 03.05.16	41,288,230.35	30,649,034.78	1.42
NOK	50,000,000	Solstad Offshore Asa FRN Sen 11/ 25.02.16	56,160,616.36	54,640,513.51	2.53
NOK	50,000,000	Songa Offshore SE FRN Sen 11/ 17.11.16	56,193,532.37	57,042,925.91	2.64
NOK	58,000,000	Stolt-Nielsen Ltd FRN Sen 11/ 22.06.16	66,773,454.82	66,413,138.88	3.07
NOK	7,000,000	Storebrand Livsforsikring AS FRN 08/ 29.05.Perpetual	7,979,483.05	7,684,271.23	0.35
			346,006,654.85	328,129,831.69	15.18
SEK	49,000,000	Amer Sports Corp FRN Sen 11/ 13.04.16	49,000,000.00	48,514,410.00	2.24
SEK	45,000,000	Bactiguard AB 11% Ser 1 11/ 12.12.16	45,000,000.00	45,225,000.00	2.09
SEK	20,000,000	Bayport Mgt Ltd 13% 10/ 19.11.15	20,300,000.00	19,600,000.00	0.91
SEK	50,000,000	Black Earth Farming Ltd 10% Ser DMTN 10/ 01.07.14	50,937,945.66	48,625,000.00	2.25
SEK	10,000,000	Corem Property Gr AB FRN Sen 11/ 30.05.16	10,000,000.00	9,673,250.00	0.45
SEK	47,000,000	Edigaco Investments Plc 12.75% MTN Sen 11/ 29.12.13	44,650,000.00	44,885,000.00	2.08
SEK	50,000,000	Electrolux AB FRN Reg-S Ser 36 11/ 16.09.13	49,921,000.00	49,922,500.00	2.31
SEK	30,000,000	Ferronordic Machines AB 12% Sen 11/ 28.06.14	29,975,000.00	29,850,000.00	1.38
SEK	15,000,000	Fingrid Oyj FRN EMTN Ser STIB 11/ 18.10.16	15,041,550.00	14,902,800.00	0.69
SEK	50,000,000	Fortum Oyj FRN EMTN 10/ 14.09.15	49,825,500.00	49,922,250.00	2.31
SEK	70,000,000	Landshypotek AB 3.9% DMTN 10/ 22.11.16	68,794,600.00	73,069,850.00	3.38
SEK	110,000,000	Lansforsakringar Hypotek AB 4% Ser 508 10/ 15.03.16	110,605,600.00	115,016,550.00	5.32
SEK	45,000,000	Medstop AB 9% 11/ 15.05.16	45,262,500.00	42,913,350.00	1.98
SEK	50,000,000	Nordea Bank AB FRN Sen 11/ 03.11.16	50,000,000.00	49,785,000.00	2.30
SEK	50,000,000	Stadshypotek AB FRN EMTN 11/ 03.04.13	50,000,000.00	50,088,500.00	2.32
SEK	50,000,000	Svensk Fastighets Finansier AB FRN MTN 11/ 22.12.14	49,648,000.00	49,799,250.00	2.30
SEK	40,000,000	Swedish Covered Bond Corp 4% Ser 127 06/ 15.04.15	41,388,950.06	42,069,800.00	1.95
SEK	50,000,000	Volvo Treasury AB FRN T-Bills EMTN 11/ 08.12.16	50,000,000.00	50,449,500.00	2.33
			830,350,645.72	834,312,010.00	38.59
USD	6,000,000	Alliance Oil Co Ltd 9.875% REGS Sen 10/ 11.03.15	41,391,731.57	41,631,633.54	1.93
USD	5,500,000	Danske Bank A/ S FRN Sub Reg-S 04/ 16.12.Perpetual	34,685,356.14	31,686,732.09	1.46
USD	11,000,000	Eksportfinans ASA 5.5% 06/ 25.05.16	71,004,037.83	70,403,014.81	3.26
USD	5,500,000	Nordea Bank AB VAR EMTN 09/ 25.03.Perpetual	36,904,221.04	39,301,921.43	1.82
USD	11,000,000	Stora Enso Oyj 6.404% Reg-S Sen 06/ 15.04.16	75,276,000.50	74,242,767.73	3.43
USD	2,500,000	TCS Finance Ltd 11.5% Reg-S Sen 11/ 21.04.14	15,780,186.45	15,496,149.42	0.72
USD	8,925,000	UPM-Kymmene Corp 5.5% Ser14 Reg S 03/ 30.01.18	58,036,706.85	57,846,289.89	2.68
			333,078,240.38	330,608,508.91	15.30
<b>Total bonds</b>			1,848,934,937.12	1,804,822,525.69	83.49

The accompanying notes are an integral part of these financial statements.

## CARNEGIE Fonder Portfolio - CARNEGIE Corporate Bond

### Statement of investments and other net assets (in SEK) (continued) as at 31st December 2011

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Transferable securities dealt in on another regulated market</u></b>					
<b>Bonds</b>					
USD	12,400,000	Skandinaviska Enskilda Banken VAR Reg S 04/ 25.09.Perpetual	76,641,836.94	78,242,909.03	3.62
USD	9,800,000	Skandinaviska Enskilda Banken VAR Reg S 05/ 23.09.Perpetual	60,240,411.69	61,804,874.93	2.86
<b>Total bonds</b>			<u>136,882,248.63</u>	<u>140,047,783.96</u>	<u>6.48</u>
<b><u>Other transferable securities</u></b>					
<b>Bonds</b>					
NOK	50,000,000	Color Group ASA FRN 11/ 25.08.16	<u>58,696,534.09</u>	<u>57,514,212.55</u>	<u>2.66</u>
<b>Total bonds</b>			<u>58,696,534.09</u>	<u>57,514,212.55</u>	<u>2.66</u>
Total investments in securities			<u>2,044,513,719.84</u>	<u>2,002,384,522.20</u>	<u>92.63</u>
Cash at banks				91,663,786.67	4.24
Bank liabilities				-9,054,757.90	-0.42
Other net assets/ (liabilities)				76,748,373.84	3.55
Total				<u><u>2,161,741,924.81</u></u>	<u><u>100.00</u></u>

The accompanying notes are an integral part of these financial statements.



## CARNEGIE Fonder Portfolio - CARNEGIE Corporate Bond

### Industrial and geographical classification of investments

as at 31st December 2011

#### Industrial classification

(in percentage of net assets)

Banks	31.82 %
Diversified financial services	12.16 %
Materials	10.25 %
Energy	7.77 %
Transportation	7.56 %
Capital goods	6.29 %
Consumer durables and apparel	4.55 %
Utilities	2.31 %
Food, beverage and tobacco	2.25 %
Investment funds	2.09 %
Pharmaceuticals and biotechnology	1.98 %
Semiconductors and semiconductor equipment	1.42 %
Automobiles and components	1.38 %
Real estate	0.45 %
Insurance	0.35 %
Total	<u>92.63 %</u>

#### Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Sweden	40.96 %
Finland	15.89 %
Norway	15.39 %
Denmark	7.70 %
Bermuda	5.00 %
Cyprus	4.72 %
Jersey	2.25 %
Ireland	0.72 %
Total	<u>92.63 %</u>

The accompanying notes are an integral part of these financial statements.

## CARNEGIE Fonder Portfolio - CARNEGIE Global Property

### Statement of operations and other changes in net assets (in SEK)

from 1st January 2011 to 31st October 2011

#### **Income**

Dividends, net	2,582,748.07
Interest on bank accounts	52,304.92
Total income	<u>2,635,052.99</u>

#### **Expenses**

Management fees	1,193,096.66
Performance fees	12,392.00
Custodian fees	43,853.81
Transaction fees	298,454.11
Central administration costs	345,513.32
Professional fees	91,492.55
Other administration costs	32,358.80
Subscription duty ("taxe d'abonnement")	24,029.66
Other taxes	417,423.20
Interest paid on bank liabilities	89,203.41
Other expenses	24,095.68
Total expenses	<u>2,571,913.20</u>

Net investment income	63,139.79
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#### **Net realised gain/(loss)**

- on securities portfolio	-8,062,657.09
- on forward foreign exchange contracts	6,368.78
- on foreign exchange	-4,403,793.21
Realised result	<u>-12,396,941.73</u>

#### **Net variation of the unrealised gain/(loss)**

- on securities portfolio	<u>-8,191,694.59</u>
Result of operations	<u>-20,588,636.32</u>

Dividends paid	-1,986,161.78
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Subscriptions	8,307,265.50
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Redemptions	-146,631,995.10
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Total changes in net assets	<u>-160,899,527.70</u>
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Total net assets at the beginning of the year	160,899,527.70
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Total net assets at the end of the year	<u><u>0.00</u></u>
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The accompanying notes are an integral part of these financial statements.

## CARNEGIE Fonder Portfolio - CARNEGIE Global Property

### Statistical information (in SEK)

as at 31st December 2011

<b>Total net assets</b>	
- as at 31.12.2011	0.00
- as at 31.12.2010	160,899,527.70
<b>Number of Class A Shares</b>	
- outstanding at the beginning of the year	684,277.4413
- issued	43,298.3588
- redeemed	-727,575.8001
- outstanding at the end of the year	0.0000
<b>Net asset value per Class A Share</b>	
- as at 31.12.2011	0.0000
- as at 31.12.2010	104.4157
<b>Number of Class I Shares</b>	
- outstanding at the beginning of the year	95,844.2875
- issued	0.0000
- redeemed	-95,844.2875
- outstanding at the end of the year	0.0000
<b>Net asset value per Class I Share</b>	
- as at 31.12.2011	0.0000
- as at 31.12.2010	105.0717
<b>Number of Class ID Shares</b>	
- outstanding at the beginning of the year	755,481.3476
- issued	39,056.7145
- redeemed	-794,538.0621
- outstanding at the end of the year	0.0000
<b>Net asset value per Class ID Share</b>	
- as at 31.12.2011	0.0000
- as at 31.12.2010	105.0717
<b>Dividends paid</b>	
Payment date	30.03.2011
Dividend per share	1.50
Shares outstanding at dividend date	764,353.9930
Payment date	30.09.2011
Dividend per share	1.50
Shares outstanding at dividend date	559,753.8622

The accompanying notes are an integral part of these financial statements.

## CARNEGIE Fonder Portfolio (formerly HQ Portfolio)

### Notes to the financial statements

as at 31st December 2011

#### Note 1 - Significant accounting policies

##### a) Presentation of the financial statements

The financial statements of the Company are established in accordance with the Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment.

##### b) Valuation

- 1) Securities admitted to official listing on a stock exchange or which are traded on another regulated market which operates regularly and is recognised and open to the public within the EU or the OECD member states are valued on the base of the last known sales price. If the same security is quoted on different markets, the quotation of the main market for this security is used. If there is no relevant quotation or if the quotations are not representative of the fair value, the evaluation is done in good faith by the Board of Directors or its delegate with a view to establishing the probable sales prices for such securities;
- 2) non-listed securities are valued on the base of their probable sales price as determined in good faith by the Board of Directors and its delegate;
- 3) liquid assets are valued at their nominal value plus accrued interest;
- 4) Financial instruments which are not traded on the futures exchanges but on a regulated market are valued at their settlement value, as stipulated by the Company's Board of Directors in accordance with generally accepted principles, taking into consideration the principles of proper accounting, the customary practices in line with the market, and the interests of the Shareholders, provided that the above-mentioned principles correspond with generally accepted valuation regulations which can be verified by the independent auditors;
- 5) Swaps are valued on a marked-to-market basis;
- 6) Units or shares of UCI(TS) are valued at the last available Net Asset Value;
- 7) Forward foreign exchange contracts are valued at forward market rates for the remaining period from valuation date to the maturity of the contract. Unrealised gains and losses are recorded into the statement of net assets. Net variation of the unrealised gain/ (loss) and realised gain/ (loss) are recorded in the statement of operations and other changes in net assets;
- 8) Outstanding future contracts are valued at the closing date at the last available market price of the instruments. Unrealised gains or losses are recorded into the statements of net assets. Net variation of the unrealised gain/ (loss) and realised gain/ (loss) are recorded in the statement of operations and other changes in net assets.

In the event it is impossible or incorrect to carry out a valuation in accordance with the above rules owing to particular circumstances, such as hidden credit risk, the Board of the Directors is entitled to use other generally recognised valuation principles, which can be examined by an auditor, in order to reach a proper valuation of each Sub-Fund's total assets.

## CARNEGIE Fonder Portfolio (formerly HQ Portfolio)

### Notes to the financial statements (continued)

as at 31st December 2011

#### c) Net realised gain/ (loss) on sales of securities

The net realised gain/ (loss) on sales of securities is determined on the basis of the average cost of securities sold.

#### d) Cost of securities

The acquisition cost of a security denominated in a currency other than that of the Sub-Fund is converted to the Sub-Fund's currency at the exchange rate prevailing on the date of purchase.

#### e) Exchange translation

Bank balances, other assets and liabilities and the value of securities held that are denominated in other currencies than the Sub-Fund's currency are converted at the prevailing exchange rate of the closing day. Income and expenses incurred in currencies other than the Sub-Fund's currency are converted at the prevailing exchange rate of the day of each transaction. Exchange gains and losses are recorded in the statement of operations and other changes in net assets.

At the date of the report, the prevailing exchange rates on the closing day were as follows:

1	SEK	=	0.1422254	AUD	Australian Dollar
			0.2716589	BRL	Brazil Real
			0.1484268	CAD	Canadian Dollar
			0.1363398	CHF	Swiss Franc
			0.1122766	EUR	Euro
			0.0938028	GBP	Pound Sterling
			1.1323594	HKD	Hong Kong Dollar
			1,322.0625830	IDR	Indonesian Rupiah
			7.7297116	INR	Indian Rupee
			11.2194905	JPY	Japanese Yen
			0.8699589	NOK	Norwegian Krona
			6.3919750	PHP	Philippian Peso
			4.6823113	RUB	Russian Rouble
			0.1890619	SGD	Singapore Dollar
			4.6044382	THB	Thailand Bath
			0.1458023	USD	US Dollar
			1.1773540	ZAR	South African Rand

#### f) Consolidation

The consolidated financial statements of the Company are expressed in SEK and are equal to the sum of the corresponding captions in the financial statements of each Sub-Fund.

#### g) Formation expenses

Expenses incurred in connection with the establishment of the Company and the creation of the Sub-Funds were amortised over a period of up five years.

## CARNEGIE Fonder Portfolio (formerly HQ Portfolio)

### Notes to the financial statements (continued)

as at 31st December 2011

#### h) Investment income

Dividend income is recognised on an ex-dividend basis and is recorded net of withholding tax.

Interest income is accrued on a *pro rata temporis* basis, net of any withholding tax.

#### h) Receivable / payable on treasury transactions

The caption "Receivable on treasury transactions" comprises maturities of time deposits, new loans or foreign exchange transactions not yet recorded under the caption "Cash at banks".

The caption "Payable on treasury transactions" comprises new time deposits, maturities of loans or foreign exchange transactions not yet recorded under the caption "Cash at banks".

For a Sub-Fund possessing amounts "Receivable on treasury transactions" and amounts "Payable on treasury transactions" at the date of the report, only the net amount is disclosed in the statement of net assets.

#### i) Other liquid assets / Other liquid liabilities

The captions "Other liquid assets" and "Other liquid liabilities" are mainly composed of cash accounts held at brokers.

#### j) Transaction fees

Transaction fees incurred by the Fund relating to purchase or sale of securities are included in the transaction price used to calculate the realised and unrealised gain/ (loss) on securities.

They are mainly broker fees.

For the period from 1st July 2011 until 31st December 2011 these transaction costs amount to:

-	CARNEGIE Fonder Portfolio - CARNEGIE Strategy Fund	SEK	206,120.71
-	CARNEGIE Fonder Portfolio - CARNEGIE Corporate Bond	SEK	13,073.80

For the period from 1st July 2011 until 31st October 2011 these transaction costs amount to:

-	CARNEGIE Fonder Portfolio - Carnegie Global Property (liquidated on 31st October 2011)	SEK	474,853.08
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Other transaction fees are disclosed in the "Transaction fees" of the statement of operations and other changes in net assets. They are mainly composed of fees paid to the Custodian Bank and fees in relation with transactions on derivative instruments.

#### **Note 2 - Subscription, redemption and conversion fees**

A subscription fee of up to 3% of the Net Asset Value may be charged to investors upon subscribing for shares of the Company and revert to the principal distributor. Where shares are issued in countries where stamp duties or other charges apply, the issue price increases accordingly.

## **CARNEGIE Fonder Portfolio (formerly HQ Portfolio)**

### **Notes to the financial statements (continued)**

as at 31st December 2011

A redemption fee of up to 3% of the Net Asset Value may be charged to investors upon repurchase for shares in the Company and revert to the principal distributor. Where shares are redeemed in countries where stamp duties or other charges apply, the issue price decreases accordingly.

In case of switching between Sub-Funds, a conversion fee of maximum 1% of the Net Asset Value may be made payable to Carnegie Fonder AB.

#### **Note 3 - Management fee**

The Management Company is entitled to receive out of the Sub-Fund's assets a management fee calculated on the average net assets of the respective Sub-Fund. A twelfth of this rate is being payable at the end of each month by the Sub-Fund, based on the Sub-Fund's average net assets calculated on a daily basis during the relevant month.

At the date of the report, the annual fee applicable to each Sub-Fund is as follows:

- for CARNEGIE Fonder Portfolio - CARNEGIE Strategy Fund: 1.125% p.a.,
- for CARNEGIE Fonder Portfolio - CARNEGIE Corporate Bond:
  - 0.975% p.a. in relation to Class A Shares and
  - 0.625% p.a. in relation to Class D Shares
- for CARNEGIE Fonder Portfolio - CARNEGIE Global Property:  
(liquidated on 31st October 2011)
  - 1.500% p.a. in relation to Class A Shares and
  - 0.750% p.a. in relation to Class I and Class ID Shares

The Investment Manager, Carnegie Fonder AB., receives out of the management fee, a remuneration calculated on the average net assets of the respective Sub-Fund.

#### **Note 4 - Performance fee**

For the Sub-Fund CARNEGIE Fonder Portfolio - CARNEGIE Global Property (liquidated on 31st October 2011), the Investment Manager was entitled to receive a Performance fee. The Performance fee was calculated and accrued on a daily basis and paid out yearly in arrears at a maximum rate of 15% for the Class A, Class I and Class ID Shares relative to the benchmark index, FTSE EPRA/ NAREIT Global Estate NET TRI (the "Benchmark").

The calculation period was a financial year, unless it was extended.

At the beginning of a new calculation period, the Performance fee calculation was based on the last Net Asset Value per Share at the end of the calculation period in which a performance fee was charged and on the value of the benchmark at the same date.

A performance fee might have been paid to the Investment Manager even if the overall performance of the Sub-Fund during the calculation period was negative as long as the Sub-Fund had outperformed the Benchmark.

## CARNEGIE Fonder Portfolio (formerly HQ Portfolio)

### Notes to the financial statements (continued)

as at 31st December 2011

#### **Note 5 - Central administration costs**

Out of the Sub-Funds' assets the following Administration fee is payable to the Management Company monthly in arrears and based on the Sub-Funds' average net assets calculated daily:

- for CARNEGIE Fonder Portfolio - CARNEGIE Strategy Fund 0.255% p.a.,
- for CARNEGIE Fonder Portfolio - CARNEGIE Corporate Bond 0.230% p.a.,
- for CARNEGIE Fonder Portfolio - CARNEGIE Global Property (liquidated on 31st October 2011) a flat fee of EUR 31,000 p.a. plus a variable fee of 0.041% p.a. plus registrar fees

#### **Note 6 - Custodian fees**

For the Sub-Fund CARNEGIE Fonder Portfolio - CARNEGIE Global Property (liquidated on 31st October 2011) the Custodian Bank received a fee of 0.045% p.a. based on the assets under custody. The fee was accrued on daily basis and was paid monthly in arrears.

For the Sub-Funds CARNEGIE Fonder Portfolio - CARNEGIE Strategy Fund and CARNEGIE Fonder Portfolio - CARNEGIE Corporate Bond, the Administration fee includes the fee due to the Custodian Bank.

#### **Note 7 - Subscription duty ("*Taxe d'abonnement*")**

The Company is governed by Luxembourg law.

Pursuant to the legislation and regulations which are prevailing, the Company is subject to an annual subscription duty ("*taxe d'abonnement*") of 0.05% which is payable quarterly and calculated on the basis of the net assets of each Sub-Fund on the last day of each quarter.

According to Article 175 (a) of the law of 17th December 2010 the net assets invested in Undertakings for Collective Investments already subject to the "*taxe d'abonnement*" are exempt from this tax.

#### **Note 8 - Risk management**

In terms of risk management, the Board of Directors of the Company decided to adopt the commitment approach as a method of determining the global exposure.



## CARNEGIE Fonder Portfolio (formerly HQ Portfolio)

### Notes to the financial statements (continued)

as at 31st December 2011

#### Note 9 - Forward foreign exchange contracts

As at 31st December 2011, the following Sub-Fund of the Company is committed in the following forward foreign exchange contracts with Skandinaviska Enskilda Banken S.A., in Luxembourg:

#### **CARNEGIE Fonder Portfolio - CARNEGIE Corporate Bond (formerly HQ Portfolio - HQ Corporate Bond)**

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in SEK)
EUR	600,000.00	SEK	5,424,780.00	31.01.2012	-71,905.14
GBP	1,300,000.00	SEK	14,042,210.00	31.01.2012	-166,220.70
SEK	27,498,300.00	EUR	3,000,000.00	31.01.2012	733,925.69
SEK	20,704,400.00	GBP	2,000,000.00	31.01.2012	-643,275.85
SEK	101,972,700.00	NOK	87,000,000.00	31.01.2012	1,912,589.36
SEK	75,862,800.00	USD	12,000,000.00	31.01.2012	-6,563,256.18
SEK	22,084,480.00	USD	3,200,000.00	31.01.2012	104,198.35
SEK	6,890,100.00	USD	1,000,000.00	31.01.2012	21,261.99
SEK	6,750,300.00	USD	1,000,000.00	31.01.2012	-118,538.01
SEK	47,907,000.00	GBP	4,500,000.00	30.03.2012	-212,363.40
SEK	33,101,160.00	NOK	28,200,000.00	30.03.2012	660,951.88
SEK	55,201,500.00	NOK	47,000,000.00	30.03.2012	1,134,486.46
SEK	9,724,960.00	USD	1,400,000.00	30.03.2012	85,556.87
SEK	106,264,080.00	USD	15,600,000.00	30.03.2012	-1,146,411.97
SEK	106,515,840.00	EUR	11,600,000.00	27.04.2012	2,581,397.55
SEK	31,640,400.00	GBP	3,000,000.00	27.04.2012	-456,085.46
SEK	58,600,000.00	NOK	50,000,000.00	27.04.2012	1,083,271.55
SEK	63,882,000.00	NOK	54,000,000.00	27.04.2012	1,763,933.28
SEK	116,862,480.00	USD	17,700,000.00	27.04.2012	-5,107,889.57
SEK	14,887,040.00	EUR	1,600,000.00	25.05.2012	533,514.00
SEK	97,880,510.00	GBP	9,100,000.00	25.05.2012	473,129.62
SEK	97,940,000.00	NOK	83,000,000.00	25.05.2012	2,465,633.47
SEK	127,778,800.00	USD	18,400,000.00	25.05.2012	884,251.30
					<u>-47,844.91</u>

#### Note 10 - Futures Contracts

As at 31st December 2011, the following Sub-Fund of the Company is committed in the following futures contracts with Skandinaviska Enskilda Banken AB (publ.), in London:

#### **CARNEGIE Fonder Portfolio - CARNEGIE Corporate Bond (formerly HQ Portfolio - HQ Corporate Bond)**

	Number of contracts	Denomination	Currency	Market value (in SEK)	Unrealised result (in SEK)
Sale	200	Euro-BOBL 5 Years FUT 03/ 12 EUX	EUR	-222,860,394.36	-285,010.50
Sale	100	Euro-Schatz 6% 2 Years FUT 03/ 12 EUX	EUR	-98,275,181.50	26,719.73
Sale	200	Swedish Govt Bond 2 Years FUT 03/ 12 OMX	SEK	-220,698,000.00	260,100.00
Purchase	200	Swedish Govt Bond 2 Years FUT 03/ 12 OMX	SEK	220,698,000.00	-217,420.00
Sale	100	Swedish Notional Mortgage 5 Years FUT 12/ 11 OMX	SEK	-104,325,490.00	2,411,400.00
Purchase	100	Swedish Notional Mortgage 5 Years FUT 12/ 11 OMX	SEK	104,325,490.00	-2,411,400.00
					<u>-215,610.77</u>

The deposits on futures contracts are recorded in the statement of net assets.

## **CARNEGIE Fonder Portfolio (formerly HQ Portfolio)**

### **Notes to the financial statements (continued)**

as at 31st December 2011

#### **Note 11 - Pledged assets**

At the date of the report, the following security serves as pledged assets for potential commitment on OTC derivative instruments for the Sub-Fund CARNEGIE Fonder Portfolio - CARNEGIE Corporate Bond. The counterpart of the following position is Skandinaviska Enskilda Banken AB (publ) in Stockholm.

Description	Currency	Quantity	Market value (in SEK)
Stadshypotek AB FRN EMTN 11/ 03.04.13	SEK	50,000,000.00	50,088,500.00

#### **Note 12 - Changes in investments**

The statement of changes in investment portfolio for the period referring to the report is available free of charge upon request at the registered office of the Company.

#### **Note 13 - Events**

The Board of Directors of the Company decided with effect on 31st October 2011 to put the Sub-Fund CARNEGIE Fonder Portfolio - CARNEGIE Global Property into liquidation. The last net asset value per share, calculated on 31st October 2011, amounted to 87.3816 for the Class A Shares, 85.6186 for the Class ID Shares (all Class I Shares were redeemed on 8th August 2011).

The Sub-Fund has been put into liquidation due to its low level of assets under management that no longer allows for the Sub-Fund to be managed in a cost efficient manner whilst also allowing for performance sustainability in the context of uncertainty within the current financial markets.

The redemption of the last outstanding shares of the Sub-Fund settled on 4th November 2011.

#### **Note 14 - Subsequent event**

The registered office of the Fund will be transferred to 4, Rue Peternelchen, L-2370 Howald (municipality of Hesperange) with effective date on 1st April 2012.

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