



Nordic Power Fund December 2008

Monthly Performance (in EUR net of all fees)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Okt	Nov	Dec	Total
2008	-1,50%	10,38%	1,88%	0,60%	-1,74%	6,28%	0,20%	0,57%	-4,46%	-4,46%	-4,54%	-1,88%	0,24%
2007	-	-	-	0,39%	2,07%	0,82%	-2,75%	0,22%	0,60%	-3,90%	-0,47%	2,08%	-1,11%

Objective

The goal is to reach a continuous and high risk adjusted return by trading electricity contracts on the Nordic Power market. The Fund aims to have a minimum correlation to traditional assets in order to offer a tool for diversification in a portfolio of stocks and bonds. Yearly return target is 15 to 25 percent, hence it is to be regarded as a medium risk fund. The goal is to reach this average return on a period of three years rolling or longer. The fund has the right to trade contracts where the underlying asset is a commodity that relate or affects the Nordic electricity price. Primarily this means futures on the Nordic power exchange Nord Pool but also German electricity contracts, emission rights as well as futures on coal, oil and gas.

Manager Commentary

Even though it felt like the market calmed down, the December chart looks like an old roller coaster; starting and ending around 38 EUR/MWh but with over 15% between tops and bottoms. Power continued to follow oil but finally Nordic power traders seemed to be sobering up a little, starting to look at important fundamentals like snow and water storages, temperature and precipitation forecasts. Trading volumes were low in December and obviously many books were closed in anticipation of 2009. A lot of wounds to lick after an autumn like this. On our side we decided to wait for a more stable oil market and look further out on the forward curve for trading opportunities. We entered some interesting spreads that we believe will be very profitable as we come closer to the second quarter of 2009. Those products were quite illiquid at year's end and they closed unfavourably against us. The position took back the losses on the first trading day of 2009. Looking back at our different strategies and analyzing the statistics I have decided to reduce the mandates for shorter term trading, i.e. our flow book. Gapping markets and extreme volatility have made flow trading quite difficult. We will focus on medium and longer term strategies and consequently do some changes in the management team. In an early summary of the year it is of course the crash in financial markets and most notably oil that stands out. After a strong result before autumn we underestimated the speed in the falling oil and coal prices and held on too long to the belief that low hydro storages and high German power prices should reduce the fall in Nordic power. Our disciplined risk management stood up well to this historical test though and we move into 2009 with great confidence.

Fund Information

Fund Currency	EUR	Custodian	SEB
Structure	Open End	Administrator	Wahlsted Sageryd
High water mark	Yes	Auditors	PWC
NAV	99,13	Domicile	Sweden
Regulated by	Swedish FSA		

Investment Information

Subscription Frequency	Monthly (5 bank days)		
Redemption Frequency	Monthly (5 bank days)		
Management fee	2%		
Performance fee	20%	Min. Subscription	EUR 5000
Subscription fee	3%	Min. Add. Subscr.	EUR 1000
Redemption fee	0%		

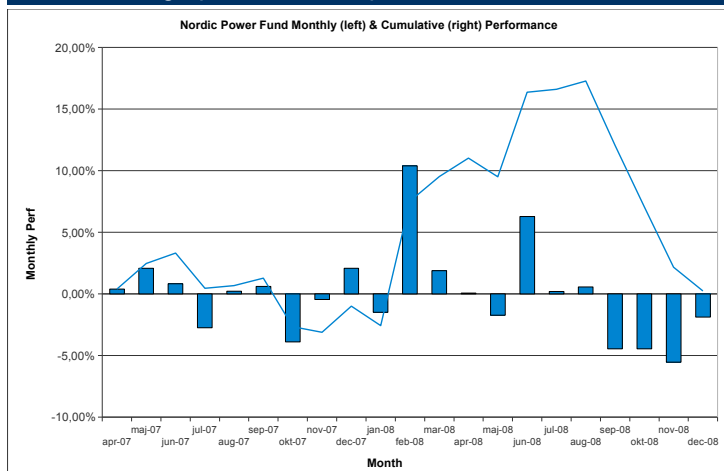
Performance Statistics

Cumulative Return since inception	-0.87%
Annualised Return (2008)	0.24%
Average Monthly Return (2008)	0.02%
Number of Months since Inception	21
% Months with Positive Return	57
Highest Monthly Return	10,38%
Lowest Monthly Return	-4.54%
Performance YTD in SEK	17.15%

Risk Statistics

Standard Deviation	12,33%
Sharpe Ratio	-0,26*
Worst Quarter (Return)	-11.45%
Max. Drawdown (Period)	7 m
Max. Drawdown (Return)	-17.02%

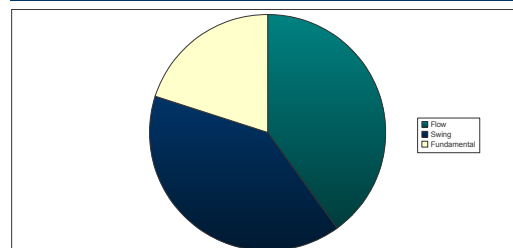
Performance graph - Since Inception



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Strategy Allocation



* Based on RFR@3.5%