



## Nordic Power Fund January 2009

### Monthly Performance (in EUR net of all fees)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Okt	Nov	Dec	Total
2009	2,69%												2,69%
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

Another month of down sliding energy commodities and the world stock markets can't shake of the doomsday feeling. Nordic Power came down until mid month, giving us some profits. We see a possible development of a range between 32 and 40 EUR/MWh in the most active contract. There is still plenty of time left for our spread positions to develop but the illiquid contracts continue to close at somewhat unfavourable prices. More to expect in other words.

The major theme is how much industrial consumption that is gone due to the economic recession. Preliminary figures from France and Germany point at 5-10 percent. The figure is very important as the power price is set on the margin. That means the last and most expensive power plant to run sets the price for the whole production. Since the supply price curve is very steep in the end with high priced production, a reduction of 5-10 percent in the demand has a very large impact. Nordic countries have seen several power intensive factories close down or reduce their output (i.e. consumption) substantially. However, there is the complicating fact that due to the process, most pulp and paper industries produce more power than they use. If they close down it actually lowers the supply. Against the consumption loss we have a continued low hydro balance with quite low levels, especially in the Swedish water reservoirs.

I remember when power trading was easy. Besides, I believe carbon emissions are over priced.

### Fund Information

Fund Currency	EUR	Custodian	SEB
Structure	Open End	Administrator	Wahsted Sageryd
High water mark	Yes	Auditors	PWC
NAV	101,80	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%		

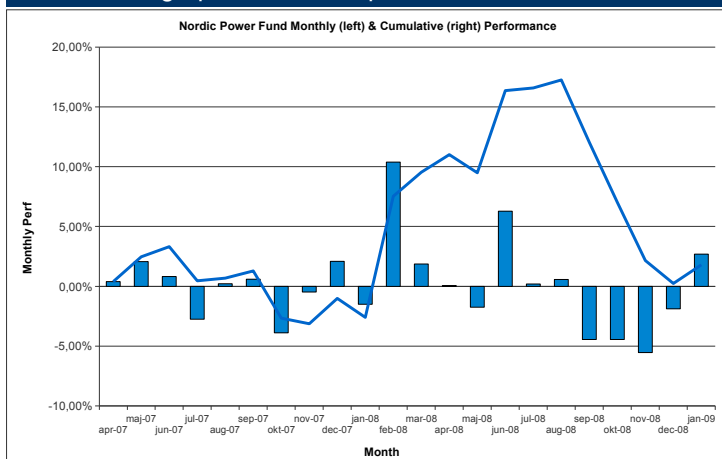
### Performance Statistics

Cumulative Return since inception	1.80%
Annualised Return (2009)	37.5%
Average Monthly Return (2009)	2.69%
Number of Months since Inception	22
% Months with Positive Return	59
Highest Monthly Return	10,38%
Lowest Monthly Return	-4.54%

### Risk Statistics

Standard Deviation	12,20%
Sharpe Ratio	-0,11*
Worst Quarter (Return)	-11,45%
Max. Drawdown (Period)	7 m
Max. Drawdown (Return)	-14,50%

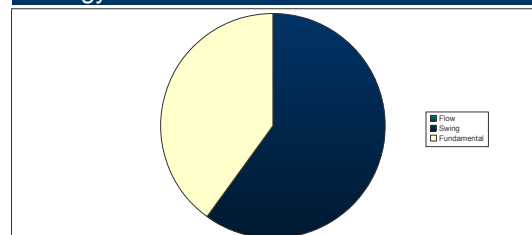
### Performance graph - Since Inception



### Fund Manager Contact Details

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### Strategy Allocation



\* Based on RFR@3.0%