

CARNEGIE AFRIKAFOND – Invest in an awakening continent



Why you should invest in Africa:

- High level of economic growth
- Good commodity assets and high commodity prices
- Greater economic stability in the form of improved budget balances, debt write-off and lower inflation
- Still relatively undiscovered stock markets
- Ongoing democratisation

Overview

Africa is almost 67 times bigger than Sweden in terms of land area, and has a population of around 952 million. Conditions vary greatly in terms of climate and natural environment across the continent. Measured in economic terms Africa is a poor continent today, but the economic conditions also vary, both between the different countries and within each country. Africa's great asset is its natural resources.

Economic growth

The process of democratisation and the large demand for raw materials mean that the opportunities for Africa to participate in the positive aspects of globalisation have increased markedly. The economies are strengthening in many places as a result of debt write-offs by the West. In the past decade economic growth has gained momentum, but from very low levels.

The stock markets

In recent years the African stock markets have generally performed well, although the different markets demonstrate varied patterns. This trend has mainly been driven by higher corporate earnings and falling interest rates. Privatisations, such as those of telecom companies, have led to rising interest in equity investments. There are stock markets in 18 of the 54 African countries. The dominant stock market is that in South Africa, followed by that in Egypt.

Commodities

Prices of commodities are today generally higher than they have been historically. It is not least growth in China and India that has contributed to an increase in demand. Africa has major reserves of important raw materials such as oil, gas and metals. The oil is found mainly in Nigeria and Angola, but also in North Africa.

Banking and finance

The banking and finance sector is one of the largest on the African stock markets. Among the banks are traditional names such as Barclays, but otherwise the South African banks are the biggest. Standard Bank and First Rand are examples of two major banks in Africa.

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In many ways Africa is very wealthy, with large assets in commodities that the rest of the world wants. This is generating new conditions for a continent that we are otherwise used to associating with problems and poverty. We are today seeing changes in several areas: Elected governments have in recent years tightened national budgets and brought both inflation and debt under control. At the same time, more companies are starting to take an interest in investment in those countries that have demonstrated improved economic stability. Carnegie Fonder has been investing in South Africa since 1996, through the Carnegie Emerging Markets fund. With the Carnegie Afrikafond fund we have broadened our field of investment to also include several other African countries.

The Carnegie Afrikafond fund invests in shares listed on the African stock markets. The fund may also invest in companies whose principal operating activities are located in Africa but whose shares are listed outside Africa. The aim of the fund is firstly to generate a stable return and secondly to outperform its benchmark index.

The fund is suitable for investors who:

- believe there will be good future economic performance in Africa and therefore want to participate in any success,
- have a long-term investment horizon, of at least five years,
- wish to broaden their savings from exclusively established markets to markets that are developing,
- are willing to partly assume a higher level of risk in exchange for the possibility of higher returns.

FACTS ABOUT THE FUND

Date of inception:	May 29, 2006
Opening price:	SEK 10
Price listing:	Daily
Entry fee:	3%
Exit fee: ¹	0-1,0%
Management fee/year:	2.5%
Minimum lump-sum deposit:	SEK 0
Minimum deposit for monthly savings:	SEK 0
Risk level	5 of 6
Fund managers:	Fredrik Colliander & Karin Fries
Benchmark index:	Standard & Poor African Index
Fund number PPM:	184 291
Bankgiro number:	5868-3947

¹ 1.0% if the fund units have been held for less than one year, subsequently 0%

RISK INFORMATION

An investment in the fund is associated with a high level of risk. Historical returns are no guarantee of future returns. Money invested in the fund may both increase or decrease in value and there is no guarantee that you will be repaid all of your invested capital. For more information please request the complete prospectus, fund statutes, simplified prospectus and annual report from the fund company by calling +46 8 696 18 60 or by visiting www.carnegie.se/fonder.