

CARNEGIE INDIENFOND – the world's new well educated superpower



Why you should invest in India:

- High growth potential on a five to ten year horizon
- A very young demographic structure. Together with continued urbanisation this provides an increased need for consumption and stable domestic growth
- Privatisation of state-owned companies is financing infrastructure investment
- Around USD 350 billion, around 9 percent of India's GDP, will be invested in infrastructure in the coming five years

Overview

With a population of 1.1 billion, India is the world's second most populous country, beaten only by China. India is also the world's biggest democracy. Agriculture remains the basis of domestic demand, but industry continues to develop at an increasingly rapid rate. In addition, service industries such as banking and finance, and IT are a highly important part of India's economy.

Deregulation and economic reform

Until 1991 India had a socialist planned economy with a strong emphasis on import substitution, whereby India itself produced what Indians needed to consume within the country. There was no aim to further refine goods for export. The starting shot for the country's transformation into a modern emerging economy was gradual deregulation of protective duties and trade barriers as well as the opening up of India's capital markets to foreign investors. But development during the 1990s proceeded at a modest tempo. It is only in the past five years that growth in the economy has gained real momentum, with an annual rise in GDP of 6-8%.

The stock market

India has 100 years of stock market history with around 7,000 listed companies. The size of the stock market corresponds approximately to that in Stockholm. Until a couple of years ago there were 19 exchanges in India. These were consolidated into two: the Bombay Stock Exchange and the National Stock Exchange in New Delhi.

Information technology

India was early in building up an IT services industry during the 1990s. The availability of well educated, English speaking engineers with low wages makes India attractive for outsourcing of software development. Microsoft and many other multinational companies are today building important research and development centres in India.

Other important investment themes driving India's economy include private consumption, expansion of infrastructure, telecommunications and outsourcing of pharmaceuticals production.

Carnegie Indienfond

The Carnegie Indienfond fund offers exposure to one of the world's most exciting emerging markets. India has good prospects of continuing to grow in the coming five to ten years, although at a somewhat more modest pace than in the past three years. Growth in India's economy is driven primarily by domestic demand and by long-term structural themes such as rising domestic consumption, infrastructure investment, outsourcing of production and foreign direct investment.

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:

- expect good future economic growth in India and wish to participate in any success,
- have a long-term investment horizon, of at least five years,
- wish to broaden their savings from uniquely established markets to a market that is emerging,
- 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:	August 30, 2004
Opening price:	SEK 100
Price listing:	Daily
Entry fee:	0-1.0%
Exit fee:	0-1.0%
Management fee/year:	2.2%
Minimum lump-sum deposits:	SEK 0
Minimum deposit for monthly savings:	SEK 0
Risk level:	6 of 6
Fund manager:	Gunnar Pahlson
Benchmark index:	C&P CNX 500
Fund number PPM:	505 586
Bankgiro number:	5812-8125

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