

# CARNEGIE RYSSLANDSFOND – a land of opportunities



## Why you should invest in Russia:

- High level of long-term economic growth
- Large oil assets, one of the world's largest oil producers
- Low taxation (13% income tax and 20% corp-orate tax)
- Commodities exports to rapidly growing Asia
- Exposure to the energy sector, which is underrepresented on the Swedish stock market

## Overview

Russia is the world's biggest country by land mass, with an area 38 times greater than Sweden. The country stretches over twelve time zones and has around 140 million inhabitants. Russia owns enormous natural resources in the form of oil, gas, metals and forest, is one of the world's largest producers of oil and has long been the world's largest gas producer and a world leader in the production of metals.

## Economic growth

Russia has for many years been experiencing a high level of economic growth. This was previously driven by exports but is increasingly influenced by domestic forces, particularly domestic consumption and investment. Russia is among the group of countries that was hardest hit by the financial crisis, but also has good prospects of recovering quickly. The reason for this is its large financial reserve and commodities assets.

## The stock market

The Russian stock market was formed in the mid 1990s and has, following the financial crisis, developed into a market that can be compared with other emerging markets. Participation is increasing among private and institutional investors, both foreign and domestic. But the financial crisis has hit hard and the Russian stock market was among those to fall most sharply during the crisis.

## Oil & gas

Oil and gas are Russia's most important industries and make up a large part of the economy and the country's exports. The vigorous upturn in recent years can largely be explained by greater consumption, mainly in China and the rest of Asia, combined with greater geopolitical worries in major oil producing countries such as Iraq, Venezuela, Nigeria and Saudi Arabia. The gas sector is dominated by state-owned Gazprom, which accounts for about 90 percent of Russia's total gas production and has a monopoly on exports of gas from Russia.

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The Russian economy has the potential to demonstrate strong growth

for a long time. The stability achieved under the leadership of President Putin, and the high price of oil, have given Russia a unique opportunity to recover following the crisis in the late 1990s. With the help of a very strong balance sheet Russia also has a better chance than most emerging countries to recover from the financial crisis. With its energy assets, the country is again on track to become a world power, and revenues from energy exports are rapidly spreading to other sectors of the economy.

The price of oil is again relatively high and its future trend will be an important factor in the Russian economy in the coming years. As a consequence of the high prices of raw materials Russia now has one of the world's largest currency reserves. Russia also has a large oil fund to use in any crisis. As private investment and private consumption have declined in the financial crisis, the government has had a great opportunity to act as a buffer.

The Carnegie Rysslandsfond fund invests in equities listed mainly in Russia, but also in other parts of the former Soviet Union and the Baltic States. The fund may also invest in companies whose principal operating activities are located in Russia, but whose shares are listed outside the country. 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 growth in Russia and therefore want to participate in any success,
- have a long-term investment horizon, of at least five years,
- wish to broaden their investments 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:	October 27, 1997
Opening price:	SEK 10
Price listing:	Daily
Entry fee:	3%
Exit fee:	0%
Management fee/year:	2.5%
Minimum lump-sum deposit:	SEK 0
Minimum deposit for monthly savings:	SEK 0
Risk level	6 of 6
Fund manager:	Fredrik Colliander & Karin Fries
Benchmark index:	Russian Trading System (RTS)
Fund number PPM:	249 995
Bankgiro number:	5206-4656

## 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](http://www.carnegie.se/fonder)