

June 2010

Alfred Berg Rusland

Market and Economy

In June Russian equity market declined mainly due to the situation in Europe and US economy growth concerns. Local positive news failed to overcome the impact from international negative factors.

The Rosstat revised industrial production growth rates due to an improvement of the methodology. According to the new estimations, industrial production rose 10,2%(y-o-y) in January 2010 (7,8% previously), 8,4%(y-o-y) in February 2010(1,9% previously), 9,8% in March 2010 (5,7% previously). In May 2010 industrial production rose 12,6%(y-o-y). It is possible that after this upgrade the Rosstat will announce a better estimation of the GDP growth for 1Q 2010. Inflation continues to stay low and it looks like the Bank of Russia will maintain refinancing rate at the current level in the near future.

Financial services sector was the best performer largely due to Sberbank. According to IAS report, this bank 1Q 2010 profit was 43,5 bln rubles (USD1,6 bln) which is better than 0,6 bln rubles (USD20 mln) in the 1Q 2009. In February-May Sberbank increased consumer credits – positive turnaround in comparison with the beginning of 2010

Power utilities underperformed other sectors. IDGC Holding contributed a lot to this underperformance. Authorities are going to limit electricity prices growth by 15% annually in the coming years. Investors expected that with the RAB introduction tariffs growth for the companies from IDGS Holding would be significantly more than 15%. Around 80% of them still have not got approved RAB parameters, including tariffs growth rates. Hence there is a risk that these parameters will be lower than expected.

Portfolio Activity

Alfred Berg Rusland (DKK) portfolio declined by 3,1% (net of fees) in June in absolute terms and outperformed the MSCI Russia 10/40 Net Return benchmark by 0,70%. The outperformance was mainly due to underweight in Consumer Staples and overweight in Industrials. Underweight in Magnit had the most significant positive effect within Consumer Staples sector. Investors used negative tendency on the market as a trigger to take profit in this stocks after a strong growth since the beginning of 2010. We closed position in Magnit earlier this year due to a relatively high price compared to our fair value estimations.

Transactions with TMK and Norilsk Nickel were among largest trades. We increased exposure to TMK. There were reasons to assume that this company might benefit from Russia's pipeline projects growth (ESPO etc.). In addition its subsidiary IPSCO has a strong exposure to the developing shale gas sector growth. We continued to build up position in Norilsk Nickel. The idea was to get a larger exposure to the expected growth of platinum group metals and copper prices.

Outlook and Strategy

We would not be surprised if cheap valuations and expected economic recovery stimulate growth of Russian equities. Sharp economic turnaround of Russian economy might translate into over 70% EPS growth in 2010 and drive stocks prices. Russia has a long term exposure to growth in China/Asia. Asian economies need energy and raw materials for growth. Russia looks good as resources provider as it has 1/4 of World gas reserves, 1/5 of World coal reserves and significant reserves of oil/metals. Demand from Asian countries might help metal producers, oil and gas companies and coal producers to improve their operating results. At the same time local demand is likely to pick up, following a decline of interest rates, consumers confidence and income growth. This might have a positive effect on consumer staples and consumer discretionary industries. Moreover, Russian equity market remains one of the cheapest among emerging markets on multiples.

Main risk for Russia is external. European countries budget deficits/debts problems might affect negatively the World economy. In pessimistic case it is possible to see negative impact on Russian economy as well.

Alfred Berg Rusland invests in depositary receipts of Russian shares. The sub-fund's goal is to create a long-term excess return relative to benchmark.

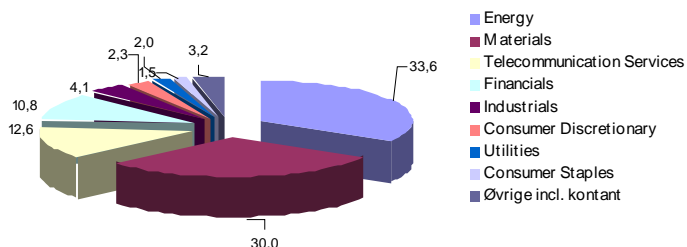
Much of the analytical work consists of assessing the macro factors influence on different sectors and industries in Russia because the Russian market is strongly influenced by its political and economic development. In parallel with macro-analysis, corporate analysis is carried out continuously with the aim to identify undervalued companies within each industry.

FUND FEATURES

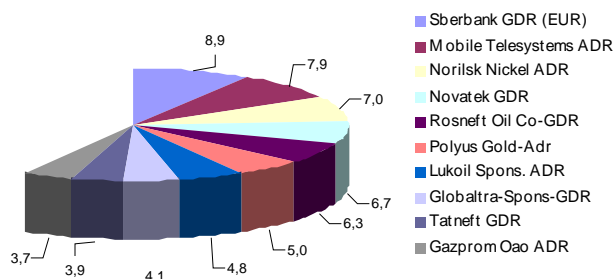
Inception:	December 9 1997
Benchmark:	MSCI RUSSIA 10/40 (DKK)
ISIN:	DK0010237809

PORTFOLIO COMPOSITION (30.06.2010)

Section breakdown

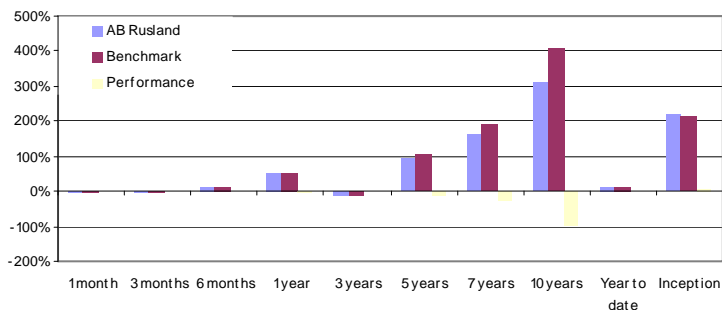


Ten largest holdings



PERFORMANCE IN DKK (30.06.2010)

Period	AB Rusland	Benchmark	Performance
1 month	-3,1%	-3,8%	0,7%
3 months	-6,3%	-6,6%	0,3%
6 months	9,8%	10,8%	-1,0%
1 year	51,1%	54,5%	-3,4%
3 years	-11,3%	-9,5%	-1,8%
5 years	93,2%	105,5%	-12,3%
7 years	160,3%	188,8%	-28,5%
10 years	310,1%	408,9%	-98,8%
Year to date	9,8%	10,8%	-1,0%
Inception	217,6%	210,7%	7,0%



RISK INDICATORS (30.06.210)

	Last 12M	Last 36M	Last 60M
Fund Volatility (%)	18,19	39,63	34,48
Benchmark Volatility (%)	19,86	43,81	38,41
Tracking Error (%)	11,44	11,63	11,32
Information Ratio	-0,30	-0,06	-0,13
Sharpe Ratio	2,75	-0,18	0,32

This document has been prepared solely for informational purposes and does not constitute 1) an offer to buy or sell or a solicitation of an offer to buy or sell any security or financial instrument mentioned in this document or 2) any investment advice. Any decision to invest in the securities described herein should be made after reviewing the prospectus, which can be obtained free of charge from Fortis Investments*. Prospective investors should conduct such investigations as the investor deems necessary and should seek their own legal, accounting and tax advice in order to make an independent determination of the suitability and consequences of an investment in the securities. Fortis Investments does not make any representation or warranty, express or implied, of any nature nor accepts any responsibility or liability of any kind with respect to the accuracy or completeness of the information contained herein. The information or opinions contained herein are subject to change without notice. Fortis Investments has no obligation to update or amend any information or opinions contained herein. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemptions of units.