April 2010

Alfred Berg USA

Market Review

Not even the contagion of Greece's debt crisis could deter the continuing advance of the stock market in April. The MSCI USA Index recorded its third consecutive monthly gain, rising 3.2%.

The worsening debt problems of Greece spread to some of its European neighbors. Some economists and market strategists braced for a possible "catastrophic event" in Europe. In Greece, the yield on its two-year bonds soared to 20% in late April; its credit rating was reduced to below-investment-grade; and a $143-billion IMF-EU rescue package was readied. Subsequently, the credit ratings of Spain and Portugal were downgraded, the euro fell to its lowest level of the year against the dollar, and European stock markets tumbled. The fear was that the contagion could infect the global economy and the U.S. bull market.

The bad news from Europe, however, was offset by good economic and financial news from the U.S. that helped bolster the stock market:

Corporate earnings continued to beat expectations. The first quarter marked the fifth straight period that S&P 500 earnings in aggregate exceeded analysts' projections, following six straight quarters of negative surprises in 2007 and 2008. Even the most conservative analysts now expect earnings to rise at double digit rates in 2010 and 2011.

Concerns about U.S. companies' previously anemic top-line growth were dissipated somewhat by reports that first-quarter revenue increased at an 18.6% annual rate from the three prior quarters. In our judgment, improved top-line growth should enhance companies' operating margins going forward.

Three other domestic worries -- a still-high rate of unemployment, a weak housing market, and weak consumer spending -- eased. ISI, an economic-research firm, projected that 3 million new jobs would be added this year. The National Association of Realtors said that sales of existing homes in March rose 6.8%, which was above expectations. And March chain-store sales rose 8.9% year-over-year, indicating that formerly cautious consumers were beginning to buy apparel and other merchandise more freely.

The nation's gross domestic product grew at an annual rate of 3.2% in the first quarter, the Commerce Department announced.

Seven of nine sectors of the Russell 3000 Index were in positive territory in April. The two biggest gainers were the consumer-discretionary and producer-durables sectors, both up more than 4%, which we think reflects the market's acknowledgment of strong

Outlook

The philosophy and process of this fund remains disciplined and consistent. Our systematic fundamental screens focused on quality, valuation and momentum identify compelling opportunities and our research team then completes an exhaustive fundamental review focusing on the sustainable earnings growth potential of each company. The result is a portfolio that has very modest sector exposure, relative to the Russell 1000 Growth, but where individual stock selection will determine our success.

April brought news that US gross domestic product (GDP) had grown at an estimated 3.2% pace in the first quarter, indicating that the US economy continues to recover at a moderate pace. While some sectors (such as consumer spending, business investment, equipment and software and inventories) are providing strong momentum, other variables (including private nonresidential construction, international trade and state and local government spending) are acting as a drag. In all, the report confirms our view that the economy is transitioning from a government-aided recovery to a self-sustaining expansion. The key factor remains growth in private sector jobs, and we expect to see moderate growth in this area over the course of the year.

Alfred Berg USA focuses on creating a long-term return based on investments in highly liquid shares. The best investment themes in the US investment universe are selected, and the companies are weighted accordingly in an overall portfolio.

The focus is on growth and quality companies where growth potential is above average relative to competitors. Our portfolio managers selected around 35-40 companies with a convincing performance, which represents the best investment ideas at the current moment.

FUND FEATURES

Inception:	December 15 1994
Benchmark:	MSCI USA (DKK)
ISIN:	DK0015861652

Also in the news was the Federal Reserve's policy meeting, in which the central bank maintained its position on interest rates and left the accompanying commentary mostly unchanged. Attention is increasingly turning to when and how the Fed will move from its current emergency stance. As we have been saying for some time, we expect the Fed will begin signaling an increase in rates before too long, with higher rates perhaps by the end of the year.

Corporate earnings continue to be strong, with many companies beating expectations. At this point, it appears first-quarter earnings on the S&P 500 will be slightly above $20 per share. The improvements in earnings are a reflection both of cost cutting and increases in revenues.

As recent market activity shows, markets remain vulnerable to corrective forces. To date, the problems of the sovereign debt crisis, global policy tightening and regulatory restrictions have been outweighed by the broader improvements in the global economy and rising corporate profits. Given the low returns offered by cash and the still-reasonable valuations for stocks, we expect that this trend will continue.

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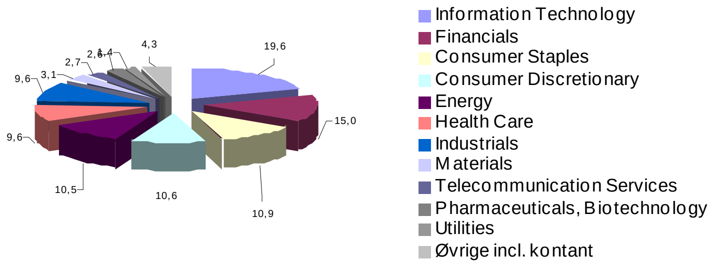
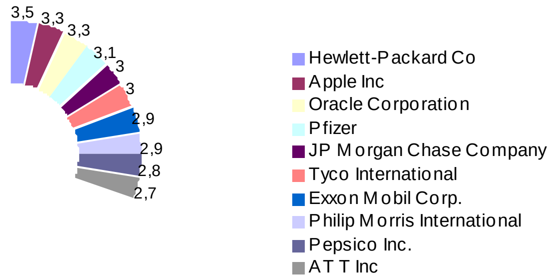
DKK

PORTFOLIO COMPOSITION (30.04.2010)

Section breakdown

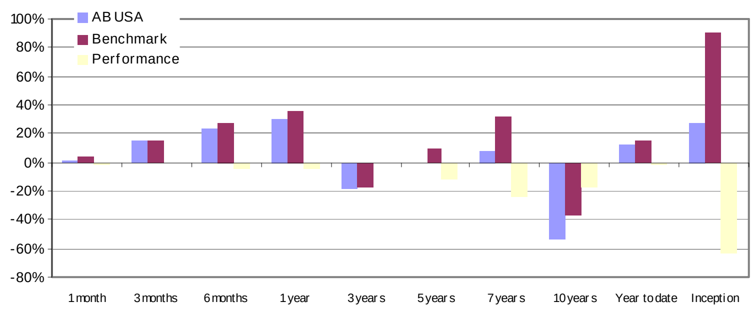


Ten largest holdings



PERFORMANCE IN DKK (30.04.2010)

Period	AB USA	Benchmark	Performance
1 month	1,3%	3,2%	-1,9%
3 months	14,7%	15,4%	-0,8%
6 months	22,7%	27,3%	-4,6%
1 year	30,8%	35,5%	-4,6%
3 years	-18,9%	-17,9%	-1,0%
5 years	-1,1%	9,9%	-11,0%
7 years	7,3%	31,2%	-23,9%
10 years	-54,2%	-36,7%	-17,5%
Year to date	12,6%	15,0%	-2,3%
Inception	27,7%	90,6%	-62,8%



RISK INDICATORS (30.04.210)

	Last 12M	Last 36M	Last 60M
Fund Volatility (%)	11,67	18,22	15,38
Benchmark Volatility (%)	10,94	18,13	15,32
Tracking Error (%)	3,14	3,52	3,01
Information Ratio	-1,47	-0,11	-0,7
Sharpe Ratio	2,53	-0,55	-0,21