

# PROSPECTUS CARNEGIE FUND II

## Sales Prospectus December 2011

CARNEGIE FUND II (the "Fund"), an unincorporated mutual investment fund (fonds commun de placement), is governed by Part II of the Luxembourg law of 17th December, 2010 (the "2010 Law").

The 2010 Law relating to undertakings for collective investment separates such undertakings for collective investment into two parts. As some of the Sub-Funds of the Fund shall be closed-ended, the Fund belongs to part II and does not qualify as a UCITS. Furthermore, the Management Company intends to create Sub-Funds having specific investment policies.

**VISA 2011/80997-2763-0-PC**

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité

Luxembourg, le 2011-12-19

Commission de Surveillance du Secteur Financier



No dealer, salesman or any other person is authorized to give any information or to make any representations other than those contained in the Prospectus and the other documents referred therein in connection with the offer made hereby, and, if given or made, such information or representations must not be relied upon as having been authorized by the Fund or representatives of the Fund.

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to whom it is unlawful to make such offer or solicitation.

Prospective purchasers of Units should inform themselves as to the legal requirements, exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

The Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund if the investor is registered himself and in his own name in the unitholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain unitholder rights directly against the Fund. Investors are advised to take advice on their rights.

**If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.**

Subscriptions are accepted on the basis of this Prospectus and, where legally required, of the latest available annual report of the Fund containing its audited accounts, and of the latest available semi-annual report (if later than such annual report).

**INVESTORS SHOULD NOTE THAT THE FUND'S, RESPECTIVELY SOME OF ITS SUB-FUNDS' INVESTMENTS WILL BE SUBJECT TO RISKS OF A NATURE AND DEGREE NOT NORMALLY ENCOUNTERED IN RELATION TO MORE DEVELOPED ECONOMIES AND ADDITIONAL TO THOSE INHERENT IN ANY EQUITY INVESTMENT, INVESTORS SHOULD IN PARTICULAR NOTE THAT AN INVESTMENT IN THE FUND IS LIKELY TO BE ILLIQUID (SEE "CONFLICTS OF INTEREST AND RISK FACTORS" HEREAFTER).**

**INVESTORS SHOULD ALSO NOTE THAT SOME OF THE SUB-FUNDS OF THE FUND ARE CLOSED-ENDED AND THAT THE UNITS OF SUCH SUB-FUNDS SHALL NOT BE REDEEMED AT THE REQUEST OF AN INVESTOR.**

**THE UNITS ARE SUITABLE ONLY FOR SOPHISTICATED PRIVATE AND INSTITUTIONAL INVESTORS WHO ARE NOT U.S. PERSONS WHO DO NOT REQUIRE IMMEDIATE LIQUIDITY FOR THEIR INVESTMENTS, FOR WHOM AN INVESTMENT IN THE FUND DOES NOT CONSTITUTE A COMPLETE INVESTMENT PROGRAM AND WHO FULLY UNDERSTAND AND ARE WILLING TO ASSUME THE RISKS INVOLVED IN THE FUND'S INVESTMENT POLICY AND OBJECTIVE. THE UNITS ARE FREELY TRANSFERABLE SUBJECT TO LIMITATIONS IMPOSED BY THIS PROSPECTUS.**

**IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. INVESTORS SHOULD READ AND CONSIDER THE RISK DISCUSSION BEFORE INVESTING IN THE FUND.**

The Units may not be and will not be offered for sale or sold in the United States of America, its territories or possessions or to the United States persons.

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**MANAGEMENT COMPANY**

CARNEGIE FUND MANAGEMENT COMPANY S.A.  
C/o MDO Services S.A.  
19, rue de Bitbourg  
L -1273 Luxembourg

**BOARD OF DIRECTORS OF THE  
MANAGEMENT COMPANY**

1. Steinar LUNDSTRØM  
Carnegie Fund Management Company S.A.  
Chairman
2. Mattias KOLM  
Carnegie Fund Management Company S.A.  
Director
3. Rolf DOLANG  
Carnegie Fund Management Company S.A.  
Director
4. Bruno VANDERSCHULDEN,  
Carnegie Fund Management Company S.A.  
Director

**CONDUCTING PERSONS OF THE  
MANAGEMENT COMPANY**

Bruno VANDERSCHULDEN  
Carnegie Fund Management Company S.A.  
Director

Henrik BRANDT  
Carnegie Fund Management Company S.A.  
Conducting Person

**CUSTODIAN BANK**

BANQUE CARNEGIE LUXEMBOURG S.A.  
Centre Europe  
5, Place de la Gare  
L -1616 Luxembourg

**CENTRAL ADMINISTRATION AGENT**

CARNEGIE FUND SERVICES S.A.  
Centre Europe  
5, Place de la Gare  
L -1616 Luxembourg

**AUDITOR OF THE FUND AND  
OF THE MANAGEMENT COMPANY**

PRICEWATERHOUSECOOPERS S.à r.l.  
400 Route d'Esch  
L -1471 Luxembourg

**INVESTMENT MANAGERS**

CARNEGIE INVESTMENT BANK AB  
Regeringsgatan 56  
S-10338 Stockholm

CARNEGIE ASSET MANAGEMENT  
FONDSMAEGLERSELSKAB A/S,  
SWEDEN BRANCH  
Blasieholmsgatan 5  
S-10394 Stockholm

**LEGAL ADVISORS**

ARENDT & MEDERNACH  
14, rue Erasme  
L-2082 Luxembourg

## The Fund

CARNEGIE FUND II (the "Fund") is an Investment Fund under Part II of the Law of December 17, 2010 on Collective Investment Undertakings (the "2010 Law"). The Fund was established in May 2000 by Carnegie Fund II Management Company S.A. but following the merger on October 28, 2005 (effective as of November 1, 2005) between Carnegie Fund II Management Company SA, Carnegie Global Healthcare Fund Management Company S.A. and Carnegie Fund Management Company S.A., the Fund is now managed on behalf of the unitholders by Carnegie Fund Management Company S.A. (the "Management Company"). CARNEGIE INVESTMENT BANK AB is Investment Manager of the CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL, CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND, CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND. CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S DENMARK, SWEDEN BRANCH is Investment Manager of the CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND, the CARNEGIE FUND II – SWEDISH LARGE CAP SUB-FUND and the CARNEGIE FUND II – SWEDISH SMALL CAP SUB-FUND. The duties of Custodian have been entrusted to BANQUE CARNEGIE LUXEMBOURG S.A. The Management Company offers investors under one single Investment Fund subscriptions to Sub-Funds ("umbrella construction") which invest in securities and other legally acceptable assets. The Sub-Funds may, accessorially, use derivative instruments for the purpose of efficient portfolio management. The entirety of the Sub-Funds forms the Fund.

At present, the Fund consists of six Sub-Funds: CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND (denominated in EURO), CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL (denominated in USD), CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND (denominated in EUR), CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND (denominated in EUR), CARNEGIE FUND II – SWEDISH LARGE CAP SUB-FUND (denominated in SEK) and CARNEGIE FUND II – SWEDISH SMALL CAP SUB-FUND (denominated in SEK).

The Management Company is empowered to establish new Sub-Funds and dissolve existing ones at any time by informing the Unitholders, except in the case CARNEGIE FUND II - PRIVATE EQUITY I SUB-FUND and CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND which have a defined period of existence (for further details please see below "Liquidation and Merger"). Upon the creation of new Sub-Funds or the dissolution of an existing Sub-Fund, an addendum to the Prospectus shall be issued.

Furthermore, in case of Sub-Funds created which are not yet opened for subscription, the Management Company is empowered to determine at any time the initial period of subscription and the initial subscription price; at the opening of a Sub-Fund, an addendum to the Prospectus shall be issued.

The Management Company may offer in each Sub-Fund different classes or sub-classes of Units based on specific criteria.

The assets of the Fund are managed as separate assets by CARNEGIE FUND MANAGEMENT COMPANY S.A., in the interest and for the account of the Unitholders. The Fund is unlimited in duration and shall have total net assets which may not be less than EUR 1,250,000 - or its equivalent in a foreign currency. Its financial year starts on January 1st and ends on the last day of December (the "Fiscal Year"). The Fund's accounts are audited by PRICEWATERHOUSECOOPERS S.à r.l., Luxembourg.

The entire assets of the Fund, which are separate from those of the Management Company, are the joint property of all Unitholders, who have equal rights in proportion to the number of Units they hold in the individual Sub-Funds. There is no provision in the Management Regulations for a meeting of the Unitholders. The subscription to or acquisition of Units in the Fund implies acceptance of the Management Regulations by the Unitholders.

Each Sub-Fund shall be treated as a separate entity whose assets constitute the joint co-proprietorship between its Unitholders. The Unitholders of the same Class/Sub-Class of each Sub-Fund are treated equally and have the same rights.

The Management Regulations for the CARNEGIE FUND II were stipulated by Carnegie Fund II Management Company S.A. on May 5, 2000. They were published in the Mémorial, Recueil des Sociétés et Associations (the "Mémorial") of June 5, 2000 and were deposited with the Register of the Tribunal d'Arrondissement of Luxembourg on May 9, 2000. The Management Regulations have been amended several times. The restated Management Regulations were amended on October 25, 2005 which amendments reflected the merger between Carnegie Fund II Management Company S.A., Carnegie Global Healthcare Management Company S.A. and the Management Company. Such amendments were filed with the Register of the Tribunal d'Arrondissement on October 31, 2005 and a mention of such filing has been published in the Mémorial. The last amendments to the Management Regulations dated September 25, 2009 have been deposited with the Register of Commerce and Companies on September 29, 2009. A mention of the deposit will be published in the Mémorial. The Management Regulations may be further amended by the Management Company in observance of the legal provisions. Any future amendments shall come into effect on the date of deposit of the amended Management Regulations with the Register of the Tribunal d'Arrondissement of Luxembourg. A mention of the deposit will be published in the Mémorial.

## The Organisation of Units

The Management Company may offer in each Sub-Fund different Classes of Units based on specific criteria. At the present the differences between the Classes of Units are different minimum initial subscription amounts and different levels of management fees.

The Management Company may also decide to reserve certain Classes of Units to certain specific categories of investors (e.g. institutional investors). The Management Company may furthermore issue Sub-Classes of Units within each Class: Capitalisation Sub-Classes (Sub-Class A) and/or Distribution Sub-Classes (Sub-Class B). These Sub-Classes differ by their distribution policy, the Capitalisation Sub-Classes capitalise income, the Distribution Sub-Classes pay dividends.

The following table summarizes the structure of the Classes and Sub-classes of Units currently created in CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL, CARNEGIE FUND II – SWEDISH LARGE CAP SUB-FUND and CARNEGIE FUND II – SWEDISH SMALL CAP SUB-FUND:

### CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL:

Class	Sub-Class	Minimum Initial Investment (in USD)	Maximum Management Fee (p.a.)
1	A	1,000	0.25%
1	B	1,000	0.25%

### CARNEGIE FUND II – SWEDISH LARGE CAP SUB-FUND:

Class	Sub-Class	Minimum Initial Investment (in SEK)	Maximum Management Fee (p.a.)
1	A	10,000	1.6%
5*	B	500,000	1.6%

\*Class 5 is only available to institutional investors.

## CARNEGIE FUND II – SWEDISH SMALL CAP SUB-FUND:

Class	Sub-Class	Minimum Initial Investment (in SEK)	Maximum Management Fee (p.a.)
1	A	10,000	1.6%
5*	B	500,000	1.6%

\*Class 5 is only available to institutional investors.

### Investment Objectives and Policies

The objective of the Fund is to achieve capital growth through a diversified range of Sub-Funds.

Each Sub-Fund shall be invested in particular categories of assets or securities according to investment style, geographical areas, industrial sectors and monetary zones, as the Management Company may determine.

There can be no assurance that the Fund will achieve its investment objective.

The Fund may also, under the conditions and within the limits laid down by law, regulation, administrative practice and the provisions of this Prospectus, employ techniques and instruments relating to transferable securities, provided that such techniques and instruments are used for the purpose of efficient portfolio management.

At present the Fund consists of six Sub-Funds: CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND, CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL, CARNEGIE FUND II - PRIVATE EQUITY I SUB-FUND, CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND, CARNEGIE FUND II – SWEDISH LARGE CAP SUB-FUND and CARNEGIE FUND II – SWEDISH SMALL CAP SUB-FUND.

CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND (denominated in EUR).

The Sub-Fund's investments will mainly focus on investments in equities of companies in the biotechnology/bioscience area, including companies with activities in the areas of drug delivery, drug discovery, therapeutics, enabling technology's and diagnostics.

## CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL (denominated in USD)

The objective of the Sub-Fund is to achieve long term capital growth by investing mainly in a portfolio of carefully selected equities investment funds, including investment funds of the Carnegie Group. The Sub-Fund may invest, on an ancillary basis in transferable securities such as, but not limited to, global equities, debt securities and liquid assets within the investment limitations set out below, denominated in any international currency and issued by issuers in developed countries. However, these ancillary investments will never in themselves constitute the main investment objective of the Sub-Fund.

Upon request the price per unit may be translated into SEK (Swedish Crowns) or EUR (European Currency Units).

## CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND (denominated in EUR)

The objective of the Sub-Fund is to achieve capital growth through investments in EQT V (N° 1) Limited Partnership and/or EQT V (N° 2) Limited Partnership (the “**EQT Fund**”), by way of contributing capital to the EQT Fund as a limited partner, pursuant to and in accordance with the terms and conditions of a limited partnership agreement between, *inter alia*, the general partner of the EQT Fund, the Sub-Fund and certain other limited partners (the “**Investment**”). The EQT Fund will make controlling equity and equity-related investments in medium to large sized companies primarily based in or connected to Northern Europe (i.e. Denmark, Finland, Norway, Sweden, Germany, Austria, Belgium, Netherlands, Luxembourg and Switzerland). The Sub-Fund will make no investments other than the Investment provided that the Sub-Fund shall be entitled to, as part of its liquidity management, make investments in governmental bonds or similar financial instruments of a risk free nature, which shall be included in the definition “Investment” as used herein.

### **EQT – General Description and historical performance**

*This Section comprises a summarized extract from the EQT V private placement memorandum, which information has not been independently verified by the Management Company.*

#### **Introduction**

EQT is a European private equity group with an industrial approach. Since its inception in 1994, EQT’s team has maintained a focus on making controlling investments in leading, high-quality companies in attractive industries. EQT actively drives growth initiatives and industrial acceleration in its portfolio companies by leveraging its industrial background and expertise, and by seeking to take advantage of growing industries.

With an established network of offices and professionals in Stockholm, Copenhagen, Helsinki and Munich, EQT has invested approximately €3.8 billion in 40 companies over the past twelve years. As of March 31, 2006, the EQT Funds collectively have realized approximately €5.8 billion. As of March 31, 2006, EQT has completed 23 full exits generating a fully realized gross internal rate of return (IRR) of 85% or 4.3x capital invested, and a total gross IRR of 52% or 2.7x on all investments.

EQT is now raising its fifth regional equity fund, EQT V. Historically, EQT invested in a wide range of industries from light engineering and communications, to consumer products and services. As with previous funds, EQT V will focus on attractive, growing business sectors where it has a specific industrial angle and where an investment can be used as a platform for developing leading local/niche champions into global/sector leaders over a three to five year period.

### **Industrial Approach**

EQT seeks to contribute far more than financial expertise and capital to its portfolio by applying industrial know-how to drive top-line growth and margin expansion in carefully selected companies. EQT serves as an active owner and many of its partners have extensive experience as managers in international companies. Furthermore, a key success factor in EQT's investment strategy is the active participation of a large group of senior industrialists who are former or active heads of global companies from commerce, finance and industry.

They are carefully chosen based on their relevant experience in a particular sector or their skill set and they provide a resource of knowledge that is used to identify investment opportunities, evaluate the operations and management of potential target companies, and assist in the development of portfolio companies through active board representation.

EQT is further distinguished by its affiliation with Investor AB. Investor AB is the founder and sponsor of EQT.

### **Experience and Proven Team**

The original group of founding partners remains largely intact. Today the investment team consists of 33 professionals, including 12 partners with extensive operating and deal experience across industries. Through disciplined reviews of thousands of potential investments, which resulted in 40 investments, 23 full realizations and 4 partial realizations to date, the team has proven its effectiveness.

### **Deal Sourcing**

EQT's strong reputation among high quality companies looking to drive growth, accelerate M&A, expedite internationalization, improve value

chain and focus on core competencies, means EQT is strongly positioned to gain access to many of Europe's leading corporations for deal flow opportunities.

### Investment Performance

EQT has generated a track record of consistently superior returns since its inception in 1994. As of March 31, 2006, EQT's portfolio consists of 40 investments of which 23 have been realized through full exits, and four have been partially realized. The EQT Funds collectively have realized approximately €5.8 billion. EQT has generated a fully realized gross IRR of 85% or 4.3x capital invested, and a total overall gross IRR of 52% or 2.7x capital invested. The valuation policy in respect of the unrealized portfolio historically has been conservative.

As of March 31, 2006 (€in millions)						
	Number of companies	Invested amount	Realized value	Unrealized value	Gross IRR	Multiple of Cost
<b>Fully Realized</b>	23	1,269	5,478	-	85%	4.3x
<b>Partially Realized</b>	4	195	299	303	24%	3.1x
<b>Unrealized &gt; 1 year</b>	9	1,248	-	1,283	1%	1.0x
<b>Total</b>	<b>36</b>	<b>2,712</b>	<b>5,777</b>	<b>1,587</b>	<b>52%</b>	<b>2.7x</b>
<b>Unrealized &lt; 1 year</b>	4	1,099	-	1,099	-	-

As of March 31, 2005, gross IRR and multiple of invested capital across the EQT Funds were as follows:

As of March 31, 2006						
	EQT I	EQT II	EQT Denmark	EQT Finland	EQT III	EQT IV
<b>Vintage Year</b>	1995	1998	1998	1999	2001	2004
<b>Fully Realized</b>	112% 6.8x	26% 2.8x	42% 3.1x	23% 2.5x	60% 4.7x	-
<b>Partially Realized</b>	- -	14% 2.2x	16% 1.9x	- -	48% 5.0x	- -
<b>Unrealized</b>	3% 1.3x	- -	2% 1.1x	- -	1 1.0x	0 1.0x
<b>Total</b>	88% 5.5x	24% 2.7x	20% 2.0x	23% 2.5x	30% 2.2x	0% 1.0x

None of EQT V (General Partner) LP, EQT V Limited, EQT V (UK) Limited or their associates (together the "EQT Entities") have assumed any responsibility for independently verifying information contained in

this Prospectus and accordingly the EQT Entities make no representation or warranty to any investor in Carnegie Fund II – Private Equity I Sub-Fund as to the accuracy, completeness or reasonableness of the information or opinions contained herein and no responsibility or liability is accepted for any such information or opinions. EQT Entities are not making any representation or warranty to an investor in the Carnegie Fund II – Private Equity I Sub-Fund regarding the legality of an investment in the Carnegie Fund II – Private Equity I Sub-Fund or the Fund by such investor or about the income or other tax consequences to it of an investment in Carnegie Fund II – Private Equity I Sub-Fund or the Fund. EQT V (General Partner) LP is under no obligation to accept Carnegie Fund II – Private Equity I Sub-Fund’s application for the interest in the EQT V Fund.

The board of directors of the Management Company has taken care that EQT V applies risk diversification rules equivalent to those applied by Luxembourg private equity funds falling under Part II of the 2010 Law and that EQT V uses a reputable custodian.

#### CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND (denominated in EUR)

The objective of the Sub-Fund is to achieve capital growth through investment in EQT Infrastructure (N° 1) Limited Partnership, by way of contributing capital to EQT Infrastructure Fund (“**EQT Infrastructure**”) as a limited partner and thereby gaining partnership interest in EQT Infrastructure, pursuant to and in accordance with the terms and conditions of a limited partnership agreement between, *inter alia*, the general partner of EQT Infrastructure, the Sub-Fund and certain other limited partners (the “**Investment**”).

EQT Infrastructure will seek to make controlling and co-controlling equity and equity-related investments in infrastructure and infrastructure related assets and businesses which demonstrate established and/or strong prospects for a positive cash flow profile. The intention of EQT Infrastructure is to invest a majority of the total commitments in investments which are primarily connected to, or which have their principal assets located in Northern Europe (Austria, Belgium, Denmark, Finland, Germany, Luxembourg, Netherlands, Norway, Sweden and Switzerland) and Eastern Europe (Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary; Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine).

The Sub-Fund will make no investments other than the Investment provided that the Sub-Fund shall be entitled to, as part of its liquidity management, make investments in governmental bonds or similar financial instruments of a risk free nature, which shall be included in the definition “Investment” as used herein.

## **EQT – General Description**

*This Section comprises a summarized extract from the EQT Infrastructure private placement memorandum. EQT Infrastructure is a closed-ended undertaking for collective investment regulated by the Guernsey Financial Services Commission.*

### **Introduction**

EQT is a leading Northern European private equity investor that has developed a distinct Industrial Acceleration approach since its inception in 1994. This approach leverages the firm's network and in-house knowledge to drive the full earnings and growth potential of each investment. Unique to EQT is an extensive global network of approximately 70 Senior Industrialists, former CEOs or senior executives of leading, global companies, who work alongside EQT professionals to drive change in each portfolio company. To date, EQT's fund's management business has over €11.5 billion under management across all funds. EQT Equity Funds have realized a total of €9.0 billion with a gross realized IRR of 76% or 4.0x capital invested as of June 30, 2007.

*Past investment performance does not illustrate future performance. The value of an investment may fall as well as rise and an investor may not be repaid the total amounts previously drawn down from it.*

### **Experienced Team**

The EQT Infrastructure team (the “**Team**”) will be headed by Lennart Blecher who has an accomplished track record of infrastructure transactions spanning over 20 years as well as a deep understanding of EQT and its investment approach. He will lead an experienced team that collectively has over 50 years of infrastructure transaction experience. Both Glen Matsumoto, formerly with Macquarie and ABB and Andreas Huber, formerly with HVB/Unicredit, have previously worked with Lennart at prior organizations. Lennart, Glen and Andreas have operated globally in various roles where they have accumulated experience in equity investments, project finance, and acquisition finance representing over €6 billion of commitments to over 135 infrastructure transactions with an aggregate transaction value of over €65 billion. Stefan Glevén, previously with ABB and EQT Equity, has also joined the Team. Stefan's experience with EQT Equity will help ensure that EQT's industrial approach to creating value in its portfolio companies is effectively applied to EQT Infrastructure's investments.

### **Deal Sourcing**

The Team's global sourcing ability has been proven over the last two decades. This ability, combined with EQT's strong reputation and its deep networks throughout the industrial and financial communities, will provide the Team with a strong advantage in gaining access to investment opportunities. The Team's relationships, which include

government officials, financial intermediaries and owners of infrastructure assets, M&A advisors, law firms, consultants and accountants, are expected to play an important role in generating proprietary deal flow. Furthermore, the Partners believe that the Senior Industrialists who have extensive experience as CEOs or senior executives in companies within the power, energy, transportation, construction and oil industries, offer a target company invaluable strategic and operating insight that make EQT Infrastructure an attractive partner. The broader team of EQT professionals working for the EQT Equity Funds, EQT Opportunity Fund, and EQT Expansion Capital Funds together with EQT's global Senior Industrialist network is also expected to be a source of transaction opportunities. In addition, Investor AB's network is also expected to be an important and differentiated source of deal flow. The Team is engaged in an active dialogue with local governments and other key participants in the infrastructure market regarding potentially attractive investment ideas and proposals. While the Team is not likely to finalize any investment opportunity prior to the Fund being established, the Team has identified and is reviewing a number of opportunities which will be actively pursued when EQT Infrastructure's investment period commences.

### **Investment Strategy**

EQT Infrastructure will seek to make controlling or co-controlling investments in order to build a diversified portfolio of infrastructure companies in compliance with the principle of risk diversification. Potential investment targets will generally provide an essential service to society.

These opportunities are expected to include:

- Regulated/market-based basic infrastructure
- Concession-based essential infrastructure
- Social infrastructure
- Infrastructure-related services

Targets will primarily be operating companies with limited development and construction risk with the following characteristics:

- Established or strong prospects for a strong reliable and protected cash flow profile
- Opportunities for value creation through accelerating growth and implementing operational improvements

EQT's in-house knowledge and regional expertise provide the Team with a distinct advantage in reviewing a potential target's market position, attracting top management talent, identifying strategic objectives and implementing business improvements to ensure that the full potential of each portfolio company is realized. The Team's deep infrastructure experience, the Senior Industrialists' capabilities and

access to the broader group of EQT professionals provide the Team with the resources to gain a deep understanding of, and fully develop the existing asset while minimising any downside risk.

EQT is known for driving Industrial Acceleration through its approach to managing investments and its clearly defined corporate governance model. The Team expects to drive asset performance and/or improve operations of Investments through active, hands-on ownership and in doing so, prepare them for onward sale to larger infrastructure funds, strategic buyers or via listing.

### **Exit strategy for EQT Infrastructure**

Prior to closing on an acquisition, EQT Infrastructure will establish a primary and secondary exit strategy for a particular investment. While it maintains a long term view on developing its investments, EQT Infrastructure will be focused on exit possibilities throughout the course of its ownership. Additionally, it will also consider recapitalizations to the extent operational improvements achieve higher levels of cash flow and the company is underleveraged. EQT Infrastructure will seek to exit an investment, after it has implemented its targeted operational value creation strategies to achieve higher level of long-term, reliable and protected cash flows from operations. For each target, the Team will monitor acquisition multiples and valuation discount rates for similar assets in the applicable infrastructure sub-sector. If market valuations begin to expand beyond historical norms for an infrastructure sub-sector, the Team will take this into account in determining the timing of a given exit. EQT Private Equity Funds have a strong track record of successfully exiting investments over their history.

Exit methods include:

- Sale to strategic buyer
- Sale to infrastructure/private equity buyout fund or institutional investor
- Public offering of individual portfolio companies
- Public offering of a combination of portfolio companies in a listed infrastructure vehicle.

None of EQT Infrastructure (General Partner) LP, EQT Infrastructure (UK) Limited, EQT Guernsey Limited or their associates (together the "**EQT Entities**") have assumed any responsibility for independently verifying information contained in this Prospectus and accordingly EQT Entities make no representation or warranty to any investor in Carnegie Fund II – Private Equity II Sub-Fund as to the accuracy, completeness or reasonableness of the information or opinions contained herein and no responsibility or liability is accepted for any such information or opinions. EQT Entities are not making any representation or warranty to an investor in the Carnegie Fund II – Private Equity II Sub-Fund regarding the legality of an investment in the Carnegie Fund II – Private

Equity II Sub-Fund or the Fund by such investor or about the income or other tax consequences to it of an investment in Carnegie Fund II – Private Equity II Sub-Fund or the Fund. EQT Infrastructure (General Partner) LP is under no obligation to accept Carnegie Fund II – Private Equity II Sub-Fund's application for the interest in EQT Infrastructure Fund.

The board of directors of the Management Company has taken care that EQT Infrastructure applies risk diversification rules equivalent to those applied by Luxembourg private equity funds falling under Part II of the 2010 Law (application of the investment limit of 20% of assets in the same issuer) and that EQT Infrastructure uses a reputable custodian.

#### CARNEGIE FUND II – SWEDISH LARGE CAP SUB-FUND (denominated in SEK)

The Sub-Fund aims to achieve long-term capital growth through a dynamic and analytical strategy. The Sub-Fund will focus on investing in shares, subscription rights and depository receipts listed in Sweden. The Sub-Fund may invest up to 10% of its net assets in shares, subscription rights and depository receipts listed in Denmark, Finland or Norway. The Sub-Fund shall invest at least 50% of its net assets in mid cap and large cap companies of which the market cap of the company at the time of the investment exceeds 1% of the total Swedish regulated markets<sup>1</sup>.

The Sub-Fund may also hold ancillary liquid assets and money market instruments.

#### CARNEGIE FUND II – SWEDISH SMALL CAP SUB-FUND (denominated in SEK)

The Sub-Fund aims to achieve long-term capital growth through a dynamic and analytical strategy. The Sub-Fund will focus on investing in shares, subscription rights and depository receipts listed in Sweden. The Sub-Fund may invest up to 10% of its net assets in shares, subscription rights and depository receipts listed in Denmark, Finland or Norway. Investments will be made in small cap and mid cap companies of which the market cap of the company at the time of the investment does not exceed 1% of the total Swedish regulated markets.

The Sub-Fund may also hold ancillary liquid assets and money market instruments.

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<sup>1</sup> Such investment policy shall apply with effect of 13 January 2012. Until 12 January 2012, Investments will be made in mid cap and large cap companies. The definition of mid cap and large cap companies refers to the terminology applied by the OMX Nordic Exchange

## **Investment Techniques and Instruments**

Investment techniques and instruments relating to transferable securities

The Fund may, under the conditions and within the limits laid down by law, regulation and administrative practice, employ techniques and instruments relating to transferable securities, provided that such techniques and instruments are used for the purpose of efficient portfolio management.

### **1. Options on Transferable Securities**

The Fund may purchase and sell call and put options on securities only if traded on a regulated market which operates regularly and is recognized and open to the public or traded over-the-counter with broker-dealers who make a market in these options and who are first-class financial institutions with a high rating, specializing in these types of transactions and are participants in the over-the-counter markets.

At the time of selling call options on securities, the Fund must hold in the relevant Sub-Fund either the underlying securities or equivalent call options or other instruments which may be used to adequately cover the liabilities arising therefrom, such as warrants. The securities underlying said call options sold may not be realized as long as the options thereon shall not have expired, unless these are covered by matching options or by other instruments which may be used to this effect. The same applies to matching call options or other instruments held by the Sub-Fund, if it does not hold the underlying securities at the time of selling the relevant options.

As an exception to this regulation, a Sub-Fund may write uncovered call options on securities that it does not own at the conclusion of the option contracts if the following conditions are met:

- the exercise price of the call options sold in this way does not exceed 25% of the Net Asset Value of the Sub-Fund.
- the Sub-Fund must at all times be able to cover the positions taken on these sales.

Where put options on securities are sold, they should be covered during the whole duration of the contract either by equivalent put options already purchased (closing sales), or by cash or liquid assets of an equivalent value.

The total commitment arising on the sale of call and put options (excluding the sale of call options for which the Fund has adequate coverage) and the total commitment arising from financial futures and from transactions undertaken for purposes other than hedging may at no time exceed the total net asset value of the relevant Sub-Fund.

## **2. Transactions Relating to Futures and Options on Financial Instruments**

Transactions relating to futures and options on financial instruments may only relate to contracts which are dealt in on a regulated market, operating regularly, recognized and open to the public or traded over-the-counter with broker-dealers who make market in these instruments and who are first-class financial institutions with a high rating specializing in these types of transactions and are participants in the over-the-counter markets.

### **Hedging operations relating to the risks attached to the general movement of stock markets**

As a global hedge against the risk of unfavorable stock market movements, the Fund may, to the extent permitted by all applicable laws, buy or sell futures on stock market indices or options on stock market indices, provided there exists in each case a sufficient correlation between the composition of the index used and the securities portfolio of the relevant Sub-Fund.

The total commitment relating to futures and option contracts on stock market indices may not exceed the global valuation of securities held by the relevant Sub-Fund in the market corresponding to each index.

### **Transactions relating to interest rate hedging**

The Fund may also deal in financial futures and in option contracts in order to protect the value of debt securities held by any Sub-Fund against interest rate risks.

As a global hedge against interest rate fluctuations, the Fund may sell interest rate futures contracts or sell call options or buy put options on interest rates or make interest rate swaps any of which may be on a mutual agreement basis with first class financial institutions which specialize in this type of transaction.

The total commitment on financial futures contracts, option contracts and interest rate swaps may not exceed the total value of the assets to be hedged, held by the relevant Sub-Fund and expressed in the currency corresponding to these contracts.

### **Transactions which are undertaken for purposes other than hedging**

Apart from option contracts on transferable securities and contracts relating to currencies, the Fund may, for a purpose other than hedging, buy and sell futures contracts and option contracts on any type of financial instrument, provided that the total commitment arising on these purchase and sale transactions together with the total commitment arising on the sale of call and put options on transferable securities at no time exceeds the net asset value of the relevant Sub-Fund.

Sales of call options on transferable securities for which the Sub-Fund has sufficient coverage are not included in the calculation of the total commitment referred to above.

The commitment arising on futures contracts is equal to the liquidation value of the net position of contracts relating to similar financial instruments (after netting between purchase and sale positions), without taking into account the respective maturities.

The commitment relating to options bought and sold is equal to the sum of the exercise prices of those options representing the net sold position in respect of the same underlying asset, without taking into account the respective maturities.

### **General**

The total of the premiums paid to acquire put and call options on transferable securities, together with the total of the premiums paid for the acquisition of call and put options for purposes other than hedging may not exceed 15% of the total net assets of the relevant Sub-Fund.

### **3. Lending of portfolio Securities**

The Fund may lend portfolio securities to third persons through a standardized securities lending system organized by Euroclear, Clearstream Banking S.A., or other recognized clearing institutions or through a first-class financial institution which specializes in this type of transaction, and will receive through such clearance agency collateral in accordance with the provisions of CSSF Circular 08/356 related to rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments. Such collateral will be maintained at all times in an amount equal to at least 90% of the total valuation of the securities, and for the duration of the loan.

### **4. Réméré Transactions**

The Fund may from time to time enter into "réméré" transactions which consist of the purchase and sale of securities with a clause reserving the seller the right to repurchase from the acquirer the securities sold at a price and term specified by the two parties in a contractual agreement.

The Fund can act either as purchaser or seller in "réméré" transactions. The involvement in such transactions is however subject to the following regulations:

- the Fund may not buy or sell securities using a "réméré" transaction unless the counterparties in such transactions are first-class financial institutions specializing in this type of transaction;

- during the life of a "réméré" purchase contract, the Fund cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or before the repurchase term has expired;
- it must take care to ensure that the level of its exposure to "réméré" purchase transactions is such that it is able, at all times, to meet its repurchase obligations.

### **Techniques and instruments to hedge exchange risks**

The Fund may further, under the conditions and within the limits laid down by law, regulations and administrative practice, employ techniques and instruments intended to provide protection against exchange risks in the context of the hedging of the Fund's assets and liabilities.

To this effect the Fund may enter into transactions the purpose of which is the sale of futures currency contracts, the sale of call options on currencies or the purchase of put options on currencies. These contracts and options are dealt in on a regulated market, operating regularly, recognized and open to the public or traded over-the-counter with broker-dealers who make a market in these contracts or options and who are first-class financial institutions with a high rating, specializing in these types of transactions and are participants in the over-the-counter markets. For the same purpose the Fund may also sell currencies forward or exchange currencies on a mutual agreement basis with first-class financial institutions specializing in this type of transaction.

The Fund will deal in foreign exchange transactions only to hedge against exchange risks and provided that the value of such contracts does not exceed the total value of the assets denominated in the currency of such contracts and for a duration which shall normally not exceed the period during which the relevant assets are held.

### **Investment Limitations**

The Fund may for the CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND:

- not invest more than 10% of the net assets of a Sub-Fund in securities not listed on a stock exchange nor dealt in on another regulated market which operates regularly and is recognized and open to the public. This restriction does not apply to securities issued or guaranteed by member countries of the Organization for Economic Cooperation and Development ("OECD") or governmental agencies or subdivisions thereof or by supranational community, regional or world institutions and organizations;
- not invest more than 10% of the net assets of a Sub-Fund in the securities issued by one single issuer. This restriction does not

apply to securities issued or guaranteed by member countries of the Organization for Economic Cooperation and Development ("OECD") or governmental agencies or subdivisions thereof or by supranational community, regional or world institutions and organizations;

- not invest more than 10% of the net assets of CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND in the shares/units of other investment funds of the open-ended type. The 10% limit may be exceeded on a short-term basis in order to facilitate a merger or reorganization. Such investment up to 10% is only permissible under the following conditions:

a) no issue or purchase commission may be charged to the Sub-Fund when investments are made in investment funds managed by the same promoter of the Fund;

b) no management or advisory fee may be charged on the portion of the assets so invested;

- not acquire more than 10% of the securities of a similar nature issued by any one issuer except that Carnegie Fund II – Biotechnology Sub-Fund may acquire up to 20% of the securities of a similar nature issued by any one issuer. The Fund will not however have as an objective to acquire interests in an investee company for purpose behind that of obtaining a capital gain, namely to secure influence or even control of the relevant investee company. This restriction does not apply to securities issued or guaranteed by OECD countries or governmental agencies or subdivisions thereof or by supranational community, regional or world institutions and organizations;
- hold liquid assets, on an accessory basis, in the form of short-term money market instruments issued or guaranteed by an EU Member State, by its local authorities, by a non-member State of the EU or by public international bodies of which one or more EU Member States are members and having a residual maturity of less than 12 months or, placed on deposits or invested up to a maximum of 10% of the net assets of any Sub-Fund in money markets funds.
- not enter into hostile transactions (i.e. without the consent of the Board of Directors of the Management Company or of a majority of the shareholders of the targeted company).
- CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND only, may borrow for the purpose of making investments up to 25% of its net assets.

The Fund may for CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL:

- not invest more than 10% of the net assets of the Sub-Fund in transferable securities that are not listed on a stock exchange nor traded on another regulated market which operates regularly and is recognized and open to the public and in undertakings for collective investment (UCIs) of the closed-ended type.
- not acquire more than 10% of securities of the same kind issued by a single issuer.
- not invest more than 10% of the net assets of the Sub-Fund in securities issued by a single issuer.

The restrictions outlined in sub-sections 1 to 3 hereof will not apply to securities issued or guaranteed by a sovereign state, which is a member of the OECD, by any such state's local government authorities, or by public international bodies.

- invest up to 100% of the net assets of the Sub-Fund in units of UCIs of the open-ended type subject to the following restrictions:
  - If a Sub-Fund invests more than 10% of its net assets in the same UCI of the open-ended type, such UCI must be subject to risk diversification requirements comparable to those applicable to UCIs subject to Part II of the Law of 20 December 2010 and the said UCIs must be situated in the European Union, Switzerland, U.S.A., Canada, Japan or Hong Kong;
  - Each Sub-Fund may acquire up to 40% of the units of a UCI of the open-ended type that fulfills the requirements set out in the indent 1. above.
  - Investing in other UCIs may not result in excessive concentration in one UCI.
- not invest more than 10% of the net assets of the Sub-Fund in the same UCI of the open-ended type which is established in a country other than those mentioned above and the Sub-Fund may not acquire more than 10% of the units of the same UCI of the open-ended type which is established in a country other than those mentioned above.
- not purchase more than 10% of the net assets of a UCI of the closed-ended type.

- not invest in UCIs that have as their prime investment objectives investments in other UCIs, options, futures or real estate.
- not invest in UCIs with an umbrella structure that do not apply the principal of segregation of assets and liabilities of each sub-fund of the umbrella.
- borrow with respect to the Sub-Fund a maximum of 25% of its net assets.
- not grant loans to any Unitholder.
- not carry out short sales transactions on transferable securities.
- not invest in precious metals or certificates representing the same.
- not invest in real estate, except where the Fund acquires immovable property considered essential to the proper performance of its business.
- not invest in certificates representing commodities.

The Fund may for CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND:

- make no investment other than the Investment, as defined above under “Investment Objectives and Policies”.
- except for the investment in EQT V, not invest more than 10% of the net assets of the Sub-Fund in transferable securities that are not listed on a stock exchange nor traded on another regulated market which operates regularly and is recognized and open to the public,
- not acquire more than 10% of securities of the same kind issued by a single issuer,
- except for the investment in EQT V, not invest more than 10% of the net assets of the Sub-Fund in securities issued by a single issuer,

(provided that the restrictions outlined in the three previous indents will not apply to securities issued or guaranteed by a sovereign state, which is a member of the OECD, by any such state's local government authorities, or by public international bodies)

- not borrow.
- not grant loans to any Unitholders.
- not carry out short sales transactions on transferable securities.

The Fund may for CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND:

- make no investment other than the Investment, as defined above under “Investment Objectives and Policies”.
- except for the investment in EQT Infrastructure, not invest more than 10% of the net assets of the Sub-Fund in transferable securities that are not listed on a stock exchange nor traded on another regulated market which operates regularly and is recognized and open to the public,
- not acquire more than 10% of securities of the same kind issued by a single issuer,
- except for the investment in EQT Infrastructure, not invest more than 10% of the net assets of the Sub-Fund in securities issued by a single issuer,

(provided that the restrictions outlined in the three previous indents will not apply to securities issued or guaranteed by a sovereign state, which is a member of the OECD, by any such state's local government authorities, or by public international bodies)

- not borrow.
- not grant loans to any Unitholders.
- not carry out short sales transactions on transferable securities.

The Fund may for each of the Carnegie Fund II – Swedish Large Cap Sub-Fund and Carnegie Fund II - Swedish Small Cap Sub-Fund:

- Not invest more than 10% of the net assets of the Sub-Fund in transferable securities that are not listed on a stock exchange nor traded on another regulated market which operates regularly and is recognized and open to the public.
- Not acquire more than 15% of securities of the same kind issued by a single issuer.
- Not invest more than 10% of the net assets of the Sub-Fund in securities issued by a single issuer.

- The restrictions outlined in sub-sections 1 to 3 hereof will not apply to securities issued or guaranteed by a sovereign state, which is a member of the OECD, by any such state's local government authorities, or by public international bodies.
- Not invest in Undertakings for Collective Investment.
- Borrow with respect to the Sub-Fund a maximum of 10% of its net assets.
- Not grant loans to any Unitholder.
- Not carry out short sales transactions on transferable securities.
- Not invest in precious metals or certificates representing the same.
- Not invest in real estate, except where the Fund acquires immovable property considered essential to the proper performance of its business.
- Not invest in certificates representing commodities.

## **Conflicts of Interest and Risk Factors**

### **Conflicts of Interest**

Any of the Directors of the Management Company, of the Investment Managers or of the Custodian Bank and their respective subsidiaries, affiliates, employees and agents (collectively, the "Parties") may hold Units (insofar as they are not prohibited by legislation to hold Units) and will not be prevented from dealing with the Fund, as principal or as agent, provided that any such transaction is consistent with the best interests of the Unitholders and is carried out as if effected on normal commercial terms negotiated at arm's length and:

- (i) a person approved by the Custodian Bank (or in case of a transaction involving the Custodian Bank, the Directors of the Management Company) as independent and competent certifies that the price at which the transaction is effected is fair; or
- (ii) the execution of the transaction is consistent with the best interests of the Unitholders and on best terms on organized investment exchanges under their rules; or
- (iii) where (i) and (ii) above are not practical, the transaction is executed on terms which the Custodian Bank is (or in the case of a transaction involving the Custodian Bank, the Directors of the Management Company are) satisfied conform to the principle that the

transaction is carried out as if effected on normal commercial terms negotiated at arm's length and is consistent with the best interests of Unitholders.

The Parties are or may be involved in other financial investment and professional activities which may on occasion cause conflicts of interest with the management of the Fund. These include management of other funds, purchases and sales of securities, investment, brokerage services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which the Fund may invest. Each of the Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they may have and that any conflict which may arise will be resolved fairly.

In particular, the Investment Managers will have conflicts of interest with the Fund by engaging in investment and trading activities related to those in which the Fund intends to engage. The Investment Managers intend to continue such investment activities, to discuss investments ideas with others and to purchase, sell or hold investments or enter into other transactions in respect of investments for its own account or for the account of others, regardless of the investment activities of the Fund. The Investment Managers also acts as investment adviser to other organizations which may have investment objectives similar or opposite to those of the Fund. As a result of the foregoing, the Investment Managers frequently purchase, sell or hold the same investments as those of the Fund, or because of different investment objectives and other factors, the Investment Managers may from time to time take different or opposite positions with respect to a particular investment from the position taken by the Fund. Similarly, the Investment Managers may individually from time to time take different or opposite positions with respect to a particular investment from the position taken by the Fund. In addition, the Investment Managers may from time to time effect securities trades for the Fund and may from time to time act as broker in connection with the purchase and sale of investments of the type to be held by, or considered for investment by, the Fund. The Investment Managers intend to allocate investment opportunities among the Fund, itself and other clients on a fair and equitable basis.

The Directors of the Management Company shall ensure that any conflict of interest involving any of the Parties shall be resolved fairly and in the best interests of Unitholders.

## **Risk Factors**

### **CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND**

Investment in CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND will involve various risks. Prospective investors should consider the following factors before making any decisions to invest.

- Investments which are not publicly listed can be difficult to realize. It is also difficult to value them and investors in companies the securities of which are not publicly traded are normally less well protected and informed than investors in companies the securities of which are more widely traded.
- The frequent price fluctuations of companies in the biotechnology sector are a consequence of the early stages of the development of this sector. The valuations of these companies are based on estimations for the future earnings and small changes can have a significant influence on the valuation of the security. Investing in this sector is only suitable for long term investors who are willing to accept greater short term fluctuations in the value of their investment however, with the expectations of earning an attractive return in the long term. As a consequence of a high return/risk it is advisable to use the Sub-Fund as a limited supplement to other equity investments.
- The companies in which the Sub-Fund intends to invest are newly organized or only recently organized and therefore will have no, or only a limited, operating history upon which the Investment Manager may base an evaluation of their likely performance.
- Some stock markets are volatile. Such volatility may adversely affect the liquidity of the Sub-Fund's investments which are, or become, listed on such stock exchange.
- The performance of the Sub-Fund may be adversely affected by exchange rate movements. Changes in exchange rates can affect the value of the Sub-Fund's investments, which will generally be denominated in local currencies.
- Tax legislation or its interpretation in relation to an investment in the Sub-Fund or made by the Sub-Fund, may change during the Sub-Fund's life.
- Although it is the intention of the Sub-Fund to invest in companies having strong management, there can be no assurance that any particular management team will succeed in managing such company in a manner that produces the desired returns for the Sub-Fund and its investors.
- The past performances of the companies in which the Sub-Fund invests are not an indication of the future performances of these companies.

- Within the Biotechnology sector there are many new or recently formed companies with very small capitalisation but some of these companies can grow rapidly and produce attractive returns for early stage investors. Because the Sub-Fund may acquire up to 20% of the securities of the same kind issued by the same issuer, the Sub-Fund may have a greater exposure to some micro cap stocks. The Investment Manager does not however intend that it or the Sub-Fund should seek to exercise control over the management of such companies and will avoid any form of representation on the board of directors or any involvement in the strategic or operational management of these companies.

#### CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL.

Investment in CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL will involve various risks. Since those Sub-Funds take the form of a fund of funds, Unitholders should be aware that investments in other UCIs will require the payment of fees and charges such as management and advisory fees, auditors fees, custodian fees, central administration fees, subscription and redemption fees. Such fees will be borne by the Fund. Consequently a double application of these fees takes place at the level of the Fund. However, investments in other UCIs of the Carnegie Group will not give rise to payment of subscription fees.

In addition, investments in other UCIs may give rise to possible restrictions regarding the subscription/redemption application of such UCIs (e.g. restrictions as to timing of applications).

The Sub-Fund may to a limited extent invest in UCIs commonly known as hedge funds. Since those hedge funds may use specific investment and trading techniques such as investment in options, use of futures or short sales, they may present a higher degree of risk.

Finally, Unitholders should be aware that risks may also be higher in the case of investments in UCIs domiciled in countries other than the European Union member states, Switzerland, U.S.A., Canada, Japan and Hong Kong due for instance to the absence of any supervisory authority comparable to the supervisory authorities of the countries named hereabove or to different clearance and settlement procedures.

#### CARNEGIE FUND II - PRIVATE EQUITY I SUB-FUND

##### **Risk Factors**

A Unitholder should be aware that an investment in the Sub-Fund involves a high degree of risk. In making a decision to invest in the Sub-Fund, a Unitholder must rely on its own examination and detailed review of the Sub-Fund and all final agreements in relation thereto. An investment in the Sub-Fund is only suitable for sophisticated private

investors who are aware of, fully understand and are prepared to accept the risks involved, the illiquidity/non-transferability of the investment and who have sufficient financial means to bear the loss of their invested capital. There can be no assurance that the Sub-Fund will meet its investment objective or that the investors will receive any return of capital from his or her investment in Units of the Sub-Fund.

An investment in the Sub-Fund, by way of subscribing for Units should be viewed as illiquid. There is no public market for the interests and one is not expected to develop. Units may, as a main rule, not be transferred unless approved by the Management Company in case of death or similar and in such case at a value equal to the Net Asset Value.

It should be noted that the Sub-Fund could face adverse effects, in worst case expulsion, should the Sub-Fund fail to fulfill its obligations vis-à-vis EQT V in general and timely pay its commitment to EQT V in particular.

Unitholders should be aware that investment in EQT V will require the payment of fees and charges such as management and advisory fees, auditors fees, valuation fees and bank fees. Such fees will be borne by the Sub-Fund. Consequently a double application of these fees takes place at the level of the Sub-Fund. With regard to the management fees, in no case shall management fees payable by the Sub-Fund to the Management Company and management fees payable by the Sub-Fund to EQT V exceed, in respect of a Unitholder's commitment, 2.5% of the Unitholder's commitment. This does not include any performance fee or establishment fees.

A Unitholder should also carefully consider the following risk factors in relation to the Sub-Fund and the Sub-Fund's investment in EQT V, as well as other risks inherent in any investment of the type proposed to be made by the Sub-Fund:

- Although EQT has been rather successful in executing its investment strategy in the past, there is no assurance that EQT will be able to do so in the future. Some private equity funds similar to EQT have been unable to make, manage and realize profits on such investments successfully. The success of EQT V will depend on its ability to enter, enhance and exit investments in the portfolio companies.
- EQT V will make investment decisions based on information and data made directly available by a portfolio companies, filings with regulatory agencies, and other sources, as appropriate. Although EQT V will evaluate all such information, and seek independent confirmation when deemed appropriate, EQT V will generally not be in a position to confirm its completeness, genuineness or accuracy.

- EQT V may be unable to realize its investments in the portfolio companies at attractive prices or may otherwise be unable to implement or complete any exit strategy, due to market conditions or other factors. In addition, the value of the investments in the portfolio companies may decline for reasons beyond EQT V's control, including changes in the market for the portfolio companies' products, services or sources of supply, scientific, political or technological changes, the availability of additional capital and other analogous events.
- On exit from a portfolio company, EQT V may be required to make representations about, and warranties concerning, the business and financial affairs of the relevant portfolio company. EQT V may also be required to provide indemnities to purchasers of shares in such companies. To the extent that any such representations are inaccurate, these arrangements may result in incurrence of contingent liabilities for which reserves or escrow accounts may be established, including indemnity obligations.
- In the event of an early termination of EQT V, the liquidator would be required to distribute to each partner, including the Sub-Fund, its pro rata interest in the assets of EQT V. At the time of such sale or distribution, certain or all investments in the relevant portfolio companies might be worth less than the initial cost of such investments, resulting in a loss to the Sub-Fund.
- The success of EQT V's investments in portfolio companies is dependent upon the skills and expertise of the management team and the other investment professionals employed or contracted by EQT. Each member of the management team's association with EQT throughout the life of EQT V cannot be assured. The loss or impairment of any of these individuals could have a significant adverse impact on the investments and management of the EQT V.
- The fact that the EQT V general partner's carried interest/profit-sharing is based on the performance of EQT V may create an incentive for such general partner to cause EQT V to make riskier and more speculative investments than would be the case in the absence of such a performance based arrangement.

## CARNEGIE FUND II - PRIVATE EQUITY II SUB-FUND

### **Risk Factors**

A Unitholder should be aware that an investment in the Sub-Fund involves a high degree of risk. In making a decision to invest in the Sub-Fund, a Unitholder must rely on its own examination and detailed review of the Sub-Fund and all final agreements in relation thereto. An investment in the Sub-Fund is only suitable for sophisticated private

investors who are aware of, fully understand and are prepared to accept the risks involved, the illiquidity/non-transferability of the investment and who have sufficient financial means to bear the loss of their invested capital. There can be no assurance that the Sub-Fund will meet its investment objective to achieve capital growth through investment in EQT Infrastructure or that the investors will receive any return of capital from his or her investment in Units of the Sub-Fund.

An investment in the Sub-Fund, by way of subscribing for Units should be viewed as illiquid. There is no public market for the interests and one is not expected to develop. Units may, as a main rule, not be transferred unless approved by the Management Company in case of death or similar and in such case at a value equal to the net asset value and not the market value of the Units.

It should be noted that the Sub-Fund could face adverse effects, in worst case expulsion, should the Sub-Fund fail to fulfill its obligations vis-à-vis EQT Infrastructure in general and timely pay its commitment to EQT Infrastructure in particular.

Unitholders should be aware that investment in EQT Infrastructure will require the payment of fees and charges such as management and advisory fees, auditors fees, valuation fees and bank fees. Such fees will be borne by the Sub-Fund. Consequently a double application of these fees takes place at the level of the Sub-Fund. With regard to the management fees, in no case shall management fees payable by the Sub-Fund to the Management Company and management fees payable by the Sub-Fund to EQT Infrastructure exceed, in respect of a Unitholder's commitment, 2.75% of the Unitholder's commitment. This does not include any performance fee or establishment fees.

A Unitholder should also carefully consider the following risk factors in relation to the Sub-Fund and the Sub-Fund's investment in EQT Infrastructure, as well as other risks inherent in any investment of the type proposed to be made by the Sub-Fund:

- Although EQT has been rather successful in executing its investment strategy in the past, there is no assurance that EQT will be able to do so in the future. Some private equity funds similar to EQT has been unable to make, manage and realize profits on such investments successfully. The success of EQT Infrastructure will depend on its ability to enter, enhance and exit investments in the portfolio companies.
- EQT Infrastructure will make investment decisions based on information and data made directly available by portfolio companies, filings with regulatory agencies, and other sources, as appropriate. Although EQT Infrastructure will evaluate all such information, and seek independent confirmation when deemed

appropriate, EQT Infrastructure will generally not be in a position to confirm its completeness, genuineness or accuracy.

- EQT Infrastructure may be unable to realize its investments in the portfolio companies at attractive prices or may otherwise be unable to implement or complete any exit strategy, due to market conditions or other factors. In addition, the value of the investments in the portfolio companies may decline for reasons beyond EQT Infrastructure's control, including changes in the market for the portfolio companies' products, services or sources of supply, scientific, political or technological changes, the availability of additional capital and other similar events.
- On exit from a portfolio company, EQT Infrastructure may be required to make representations about, and warranties concerning, the business and financial affairs of the relevant portfolio company. EQT Infrastructure may also be required to provide indemnities to purchasers of shares in such companies. To the extent that any such representations are inaccurate, these arrangements may result in incurrence of contingent liabilities for which reserves or escrow accounts may be established, including indemnity obligations.
- In the event of an early termination of EQT Infrastructure, the liquidator would be required to distribute to each partner, including the Sub-Fund, its pro rata interest in the assets of EQT Infrastructure. At the time of such sale or distribution, certain or all investments in the relevant portfolio companies might be worth less than the initial cost of such investments, resulting in a loss to the Sub-Fund.
- The success of EQT Infrastructure's investments in portfolio companies is dependent upon the skills and expertise of the management team, which has vast experience in general but limited experience of the private equity sector, and the other investment professionals employed or contracted by EQT. Each member of the management team's association with EQT throughout the life of EQT Infrastructure cannot be assured. The loss or impairment of any of these individuals could have a significant adverse impact on the investments and management of EQT Infrastructure.
- The fact that EQT Infrastructure General Partner's carried interest/profit-sharing is based on the performance of EQT Infrastructure may create an incentive for such General Partner to cause EQT Infrastructure to make riskier and more speculative investments than would be the case in the absence of such a performance based arrangement.

- The operation of EQT Infrastructure's investments may be affected by sovereign or political risk. Major disturbances such as wars, riots, strikes, blockades, acts of terrorism or outbreak of associated military or responsive action have the potential to adversely affect the costs or revenues of EQT Infrastructure's investments, which could have a material adverse effect on the earnings of EQT Infrastructure and its ability to make distributions.
- Infrastructure assets can have a narrow customer base. Should any of the investors fail to pay their contractual obligations, or a government reappropriates the underlying assets, significant revenues could cease and be irreplaceable. This would affect the profitability of the Sub-Fund.
- Infrastructure projects are generally dependent on the operator of the assets. There are a limited number of operators with the expertise necessary to successfully maintain and operate infrastructure projects. The loss of an operator of an infrastructure project of EQT Infrastructure could significantly harm the financial viability of the project and result in a material adverse effect on EQT Infrastructure's investment in the project. The insolvency of a lead contractor, a major subcontractor and/or a key equipment supplier could result in material delays, disruptions and costs that could significantly impair the financial viability of an infrastructure project of EQT Infrastructure and result in a material adverse effect on EQT Infrastructure's investment in the project.
- If EQT Infrastructure invests in new infrastructure projects, there is a risk that the project will not be completed within budget, within the agreed timeframe or to the agreed specification. This risk is often mitigated by provisions in the construction contract for payment of liquidated damages by the construction contractor. However, the Sub-Fund may be exposed to any losses not covered by such provisions or to the financial failure of the contractor.
- Large-scale infrastructure projects in which EQT Infrastructure may invest may have a major impact on their local environments, or be particularly susceptible to events or changes in those environments or to requirements of political or administrative authorities in respect of their environmental impact. An owner of an infrastructure assets may be liable for past and future damages caused by environmental pollutants located on or emitted from or otherwise attributable to the asset, as well as for the costs of remediation and in some circumstances, fines or other penalties.

## CARNEGIE FUND II – SWEDISH LARGE CAP SUB-FUND and CARNEGIE FUND II – SWEDISH SMALL CAP SUB-FUND

### **Risk Factors**

The performance realized in the past shall not be necessarily indicative for any performance to be realized in the future. The amount of an investment and the income from it can go down as well as up and you may not get back the amount invested. Investments in small cap companies tend to involve more risk and be more volatile than investments in larger companies. Small cap companies may be more susceptible to market declines because of their limited product lines, financial and management resources, markets and distribution channels. Their shares may be more difficult to sell at satisfactory prices during market declines.

### **The Offering**

#### **a) The Net Asset Value**

The Net Asset Value of the Units in each Sub-Fund or of each Class/Sub-Class of Units in the relevant Sub-Funds is based on the actual market price of the assets of the Sub-Fund, including accrued income less liabilities and provisions for accrued expenses. This is calculated on the basis of the last available prices on each Luxembourg business day for CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL, CARNEGIE FUND II – SWEDISH LARGE CAP SUB-FUND and CARNEGIE FUND II – SWEDISH SMALL CAP SUB-FUND, on the basis of the last available prices at the close of the last Luxembourg business day of each month for CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND, on the basis of the quarterly reporting from EQT V as of the end of each quarter for CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND, and on the basis of the quarterly reporting from EQT Infrastructure as of the end of each quarter for CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND (each the "Valuation Date") in Luxembourg by the Central Administration Agent. When the relevant Valuation Date for each Sub-Fund falls on a Luxembourg holiday, such Valuation Date will be the next business day which is not a holiday.

The Net Asset Value per Unit or per Class/Sub-Class of a Unit is expressed in the currency of the Sub-Fund and is calculated by the Central Administration Agent, by dividing the Net Asset Value of the Units or the Class/Sub-Class of the Units of the Sub-Fund by the number of its Units or Class/Sub-Class of its Units in circulation.

The total net assets of the Fund are expressed in Swedish Kronor (SEK) and correspond to the difference between the assets of the Fund and its total liabilities. For the purpose of this calculation, the net assets of each Sub-Fund, if denominated in another currency, are converted into SEK

at the prevailing exchange rate on the relevant Valuation Date for each Sub-Fund and added together.

The Net Asset Value as well as the issue price or the redemption price, if any, is available at the Management Company, the Central Administration Agent and the Custodian Bank on the business day following the relevant Valuation Date for each Sub-Fund.

The assets of each Sub-Fund shall be deemed to include:

- i) all cash in hand or receivable or on deposit including accrued interest;
- ii) all bills and notes payable on demand and any amounts due (including the proceeds of securities sold but not yet collected);
- iii) all securities, shares, bonds, debentures, options or subscription rights and any other investments and securities;
- iv) all dividends and distributions due in cash or in kind to the extent known to the Management Company provided that the Management Company may adjust the valuation for fluctuations in the market value of securities due to trading practices such as trading ex-dividend or ex-rights;
- v) all accrued interest on any interest bearing securities held except to the extent that such interest is comprised in the principal thereof;
- vi) the preliminary expenses insofar as the same have not been written off; and
- vii) all other permitted assets of any kind and nature including prepaid expenses.

The value of the assets held by each Sub-Fund is determined as follows:

- Securities listed or dealt on an official stock exchange or dealt on another regulated market which operates regularly and is recognized and open to the public are valued on the basis of the last known sales price. If the same security is quoted on different markets, the last known sales price of the main market for this security will be used.
- Non-listed securities, other permitted assets and securities which are listed on an official stock exchange or dealt on a regulated market but in respect of which the last sales price is not representative of the fair value, are valued on the basis of their respective sales price as determined by the Central Administration Agent in good faith and with

generally recognized valuation principles which can be examined by auditors. More particularly, in case of venture capital investments unlisted companies will be valued based on the realisation value which will be estimated by the Central Administration Agent with prudence and good faith. The Central Administration Agent will take into account the following guidelines and principles:

- Unlisted companies acquired in the 12 month period prior to the valuation date will be valued at cost unless the Central Administration Agent or the Management Company consider that there has been a material change in the financial position, or otherwise, of the company; in such a case, unlisted securities will be valued based on the estimation complying with the principles of prudence and good faith.
- Where a significant transaction which establishes an arm's length price has been effected, this transaction will form the basis of valuation.
- Otherwise, unlisted companies will normally be valued by reference to their profits and price/earnings multiples applicable to comparable listed companies less a suitable discount to reflect the lack of marketability of the shares. Profits for the purpose of the valuations will be those disclosed in the latest audited accounts taking into consideration subsequent management accounts.
- Consideration, if appropriate, will also be given to other factors including the asset backing, current year budgeted profits and any other short-term prospects of the sale of shares of the unlisted company.
- Valuation of unlisted companies will be reviewed at least twice a year.

The Management Company or the Central Administration Agent will endeavour, where possible, to apply the Fair Value methodology as set out in the guidelines provided by the European Private Equity and Venture Capital Association (EVCA). The Fair Value methodology can be summarized as follows:

- All unquoted investments should be valued at cost unless either:
  - A new financing round or partial sale, involving a material investment by a third party at arm's length, has taken place in which case the valuation should be based on the transaction price; or

- There has been a material and permanent diminution in the value of the investment below cost, in which case the investment should be written down by multiples of 25% only.
- Money market instruments and certificates of deposit are valued on the basis of their nominal value plus accrued interest thereon based on the number of business days which have elapsed in the contract period up to and including the business day on which the value of the relevant instrument is determined. In the case of a discount or premium fixed income instrument, the value of the instrument, based on the net acquisition cost, is gradually adjusted upward or downward, as the case may be, to the redemption price considering the business days within the period plus accrued interest, if any.

Investment funds are valued at the latest available net asset value. However, the net asset value so received may be adjusted if, in the reasonable opinion of the Management Company, such value does not reflect the reasonable value of the investment fund. With regard to CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND, investments in EQT V shall be valued on the basis of the quarterly reporting received from EQT V and with regard to CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND, investment in EQT Infrastructure shall be valued on the basis of the quarterly reporting received from EQT Infrastructure.

- Liquid assets are valued at their nominal value plus accrued interest.
- Whenever a foreign exchange rate is needed in order to determine the Net Asset Value of a Sub-Fund, the last known foreign exchange middle rate will be used.

The liabilities of the Fund shall be deemed to include:

- i) all borrowings, bills and other amounts due;
- ii) all administrative expenses due or accrued including the costs of its constitution and registration with regulatory authorities, as well as legal, audit, management, custodial, paying agency and corporate and central administration agency fees and expenses, the costs of legal publications, prospectuses, financial reports and other documents made available to Unitholders, translation expenses and generally any other expenses arising from the administration of the Fund;
- iii) all known liabilities, due or not yet due including all matured contractual obligations for payments of money or property, including the amount of all dividends declared for which no coupons have been presented and which therefore remain unpaid until the day these dividends revert to the Fund by prescription;

- iv) an appropriate amount set aside for taxes due on the date of the valuation and any other provisions or reserves authorized and approved by the Management Company; and
- v) any other liabilities of the Fund of whatever kind towards third parties.

For the purposes of valuation of its liabilities, the Management Company or the Central Administration Agent may duly take into account all administrative and other expenses of regular or periodical character by valuing them for the entire year or any other period and by dividing the amount concerned proportionately for the relevant fractions of such period.

The Management Company or the Central Administration Agent are authorized to apply other adequate valuation principles for the total assets of the Fund and the assets of an individual Sub-Fund if the aforementioned valuation criteria appear impossible or inappropriate, or due to extraordinary circumstances or events.

In the case of extraordinary circumstances, the Management Company or the Central Administration Agent may cancel a valuation and replace it with another valuation.

#### **b) Issue of Units**

Units shall be allotted in each Sub-Fund by the Management Company or the Central Administration Agent in Luxembourg after payment of the issue price to the Custodian Bank.

Units shall be subscribed during the initial subscription period or in the case of CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND AND CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND, after issue of a Draw Down Notice at a price such as determined by the Management Company.

For CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND, the initial subscription period was from October 12, 2000 to November 8, 2000 inclusive at the initial offering price of EUR 10 per Unit. The payment was made at the latest on November 13, 2000.

For CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL, the initial subscription period was from September 27, 2004 to September 30, 2004 inclusive at the initial offering price of USD 10 per Unit. Payment was to be made at the latest on October 5, 2004.

For CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND, the initial commitment period was from October 20, 2006 to October 31, 2006 (the “Initial Commitment Period”). During such period, Unitholders committed to invest in the Sub-Fund but Units will not be issued to such investors

until part of their Commitment (as defined below) is drawn down in accordance with the section “Commitments and Drawdowns” below. The Management Company issued an initial Drawdown Notice in respect of (i) 10% of each Unitholders Commitment, and (ii) the fee in relation to the establishment of the Sub-Fund (1% of total Commitments of Unitholders) and the first management fee to the Management Company as further described below. Payment in accordance with such initial Draw Down Notice was to be made at the latest on November 7, 2006 or such earlier or later date as decided by the Management Company in its sole discretion (the “First Closing Date”) to an account designated by the Management Company. Units issued pursuant to this first Draw Down Notice were issued at the initial price of EUR 100 per Unit and were fully paid up. After the expiry of the Initial Commitment Period CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND is closed for new subscriptions.

For CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND, the initial commitment period was from April 23, 2008 to May 9, 2008 (the “Initial Commitment Period”). During such period, Unitholders committed to invest in the Sub-Fund but Units will not be issued to such investors until part of their Commitment (as defined below) is drawn down in accordance with the section “Commitments and Drawdowns” below. The Management Company issues an initial Drawdown Notice in respect of (i) 10% of each Unitholder’s Commitment, and (ii) the fee in relation to the establishment of the Sub-Fund (1% of total Commitments of Unitholders) and the first management fee to the Management Company as further described below. Payment in accordance with such initial Draw Down Notice was to be made at the latest on May 9, 2008 or such earlier or later date as decided by the Management Company in its sole discretion (the “First Closing Date”) to an account designated by the Management Company. Units issued pursuant to this first Draw Down Notice are issued at the initial price of EUR 100 per Unit and are fully paid up. After the expiry of the Initial Commitment Period CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND is closed for new subscriptions.

After the initial offering period, Units of CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND, CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL, CARNEGIE FUND II – SWEDISH LARGE CAP SUB-FUND and CARNEGIE FUND II – SWEDISH SMALL CAP SUB-FUND are offered for sale on each relevant Valuation Date for these Sub-Funds, except in case of suspension of the Net Asset Value determination and of the issue of Units as under point e) hereafter. If a subscription order is to be carried out on a Valuation Date for these Sub-Funds, written instructions and a completed application form (for initial subscriptions only) must have reached the the Central Administration Agent no later than 3.00 pm on that Valuation Date for these Sub-Funds; otherwise the order will be executed on the next Valuation Date for these Sub-Funds.

The issue price of Units of CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND, CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL, CARNEGIE FUND II – SWEDISH LARGE CAP SUB-FUND and CARNEGIE FUND II – SWEDISH SMALL CAP SUB-FUND will be based on their respective Net Asset Value calculated on the relevant Valuation Date for those Sub-Funds.

Subscriptions are accepted by the Central Administration Agent, which will transmit the orders to the Custodian Bank for execution.

However, when Units of CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND are subscribed for during the course of a Fiscal Year ("Interim Period") or at the beginning of the Fiscal Year when there is a Loss Carryover<sup>2</sup>, certain adjustments are necessary. This is done so that (i) the Performance Fee paid to the Management Company is charged only to those Units which have appreciated in value since their acquisition, (ii) all Unitholders will have the same amount per Unit at risk and (iii) all Units will have the same Net Asset Value.

The number of Units to be purchased will be based on the offering price per Unit (the "Offering Price") as defined below. The Offering Price for each Unit is calculated in the following manner:

(1) For Units purchased at the beginning of the Fiscal Year ("Year Beginning"), the Offering Price is the Year Beginning Net Asset Value per Unit ("Beginning Value").

(2) For Interim Purchases:

When the Net Asset Value per Unit is more than the Beginning Value, the Offering Price is the sum of the Net Asset Value per Unit and the "Equalization Factor" as defined below. The Equalization Factor is an amount which the Units outstanding since Year Beginning should be charged (that is, 20% of the increase in Net Asset Value since Year Beginning), and which the Units subscribed for at the date of the Interim Purchase ("Interim Purchase Date") should not be charged. To the extent that the increase in value of the Units that cause the payment of the Equalization Factor is not lost in the current year, the Equalization Factor attributable to such increase becomes payable to the Unitholder at the end of the current year. To the extent that the increase in value of the Units that cause the payment of the Equalization Factor is lost in the year the Units are purchased but is recovered in a subsequent year, the Equalization Factor attributable to such recovery will become payable to the Unitholder at the end of the Year in which the recovery occurs. Upon

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<sup>2</sup> The Loss Carryover per unit at the beginning of any year shall be the Loss Carryover per unit at the beginning of the preceding year plus an amount equal to the decrease in the Net Asset Value per unit during the preceding year or minus an amount equal to the increase in Net Asset Value during the preceding year.

redemption by a Unitholder of his Unit, the same amount of the Equalization Factor will be paid to him as if the date of redemption were the last day of the Fiscal Year in which the Units are redeemed. Any Equalization Factor, or portion thereof, which is due to a Unitholder not redeeming his Units will be used to purchase additional full Units on behalf of such Unitholder as of the first day of the next succeeding Fiscal Year.

Certain adjustments are required at the end of the Fiscal Year if Units are purchased during a Fiscal Year at a time when the Net Asset Value per Unit is less than the Beginning Value or if Units are purchased at the beginning of the Fiscal Year when there is a Loss Carryover so that the purchasers of those Units will be charged a Performance Fee equal to 20% of the net profits allocable to those Units. These adjustments will be effected by redeeming a sufficient number of those Units at the end of the Fiscal Year so that the particular Unitholder will be charged the appropriate Performance Fee.

The following tables<sup>3</sup> have been provided to illustrate the manner in which the adjustments set forth above operate.

Table I illustrates the manner in which the adjustments described above operate with respect to Units subscribed for at the beginning and during a hypothetical Fiscal Year where there is no Loss Carryover at the beginning of the Year. Table II illustrates the manner in which the adjustments described above operate with respect to Units subscribed for prior to, at the beginning and during a hypothetical Fiscal Year where there is a Loss Carryover of EURO 20 per Unit at the end of the first year.

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The tables assume that the Hurdle has been satisfied at all times and, therefore, does not affect calculations.

TABLE I

<u>Unit- holder</u>	<u>Unitholder Subscribes for Units at</u>	<u>NAV on Date of Purchase</u>	<u>Equali- zation Factor Paid</u>	<u>Offering Price</u>	<u>NAV at Year End (before 20% Performance Fee)</u>	<u>Regular 20% Performance Fee Payable at Year End</u>	<u>Additional Performance Fee Payable</u>	<u>Equalization Factor Returned to Unitholder</u>	<u>NAV at Year End (after 20% Performance Fee)</u>	<u>Number of Units Held By Unitholder at Beginning of Year 2<sup>*</sup></u>
A	Year Beginning end January NAV = EUR 100	EUR 100	EUR 0	EUR 100	EUR 140	EUR 8	EUR 0	EUR 0	EUR 132	1.00
B	Interim Date end July NAV = EUR 80	80	0	80	140	8	4 <sup>**</sup>	0	132	128/132
C	Interim Purchase Date end October NAV = EUR 120 (before 20% Performance Fee)	116	4	120 <sup>***</sup>	140 <sup>***</sup>	8	0	4	132	136/132

\* Unitholder C's Equalization Factor returned and invested in additional Units.

\*\* Additional Performance Fee owed for increase in NAV from EUR80 to EUR100 (which is not charged to Unitholder A). Adjustment made by redeeming portion of Unitholder B's shares at year-end.

\*\*\* Includes Equalization Factor.

TABLE II

<u>Unit-holder</u>	<u>Unitholder Subscribes for Units at</u>	<u>NAV on Date of Purchase</u>	<u>Equalization Factor Paid</u>	<u>Offering Price</u>	<u>NAV at Year End (before 20% Performance Fee)</u>	<u>Regular 20% Performance Fee Payable at Year End</u>	<u>Additional Performance Fee Payable</u>	<u>Equalization Factor Returned to Unitholder</u>	<u>NAV at Year 2 End (after 20% Performance Fee)</u>	<u>Number of Units Held By Unitholder at Beginning of Year 3<sup>*</sup></u>
A	Beginning of Year 1 NAV = 100	EUR100	EUR 0	EUR 100	EUR 115	EUR 3	EUR 0	EUR 0	EUR 112	1.00
B	Beginning of Year 2 NAV = 80	80	0	80	115	3	4 <sup>**</sup>	0	112	108/112
C	Interim Purchase Date end October Year 2 NAV = 110 (before Performance Fee)	108	2	110 <sup>***</sup>	115 <sup>***</sup>	3	0	2	112	114/112

\* Unitholder C's Equalization Factor returned and invested in additional Units.

\*\* Additional Performance Fee owed for increase in NAV from EUR80 to EUR100 (which is not charged to Unitholder A). Adjustment made by redeeming portion of Unitholder B's shares at year-end.

\*\*\* Includes Equalization Factor.

Unitholder B in Table I, purchasing Units on an Interim Purchase Date when the Net Asset Value has decreased since Year Beginning, pays an Offering Price of EURO 80 per Unit. Since the Performance Fee which would accrue to his Units would be EURO 4 more than the Performance Fee which would accrue for Units purchased by Unitholder A at Year Beginning, EURO 4 in amount of Unitholder B's Units would be redeemed at the end of the Fiscal Year so that Unitholder B would pay the current amount of Performance Fee.

Unitholder C in Table I, purchasing Units on an Interim Purchase Date when the Net Asset Value has increased since Year Beginning, pays an Offering Price of EURO 120 per Unit. The Equalization Factor is returned to him at Year End and applied to the purchase of additional Units since the Performance Fee which would accrue to his Units would be EURO 4 less than the Performance Fee which would accrue to the Units purchased by Unitholder A.

Unitholder B in Table II, purchasing Units at the Beginning of Year 2 when the Net Asset Value has decreased since the Beginning of Year 1, pays an offering price of EURO 80 per Unit. Since the Performance Fee which would accrue to his Units would be EURO 4 more than the Performance Fee which would accrue for Units purchased by Unitholder A at Year 1, EURO 4 in amount of Unitholder B's Units would be redeemed at the end of the Fiscal Year so that Unitholder B would pay the current amount of Performance Fee.

Unitholder C in Table II, purchasing Units on an Interim Purchase Date during Year 2 when the Net Asset Value has increased since the beginning of Year 1, pays an Offering Price of EURO 110 per Unit (which includes an Equalization Factor of EURO 2) since the amount of funds he would otherwise have at risk would be EURO 2 less than the amount of funds at risk of Unitholder A. The Equalization Factor is returned to him and applied to the purchase of additional Units at the end of Year 2 since the Performance Fee which would accrue to his Units would be EURO 2 less than the Performance Fee which accrues to Unitholder A.

There shall be no issuing fee.

Subscription orders shall be irrevocable after they have been lodged with the Central Administration Agent, and may be withdrawn thereafter only if there is a suspension of the relevant Net Asset Value determination or if the Management Company has delayed or rejected their acceptance.

The Management Company is authorised without limitation to allot and issue Units at any time at the relevant price per Unit which is based on the Net Asset Value determined according to the Management Regulations without reserving preferential subscription rights to existing Unitholders.

Payments for the Units must be made within maximum 3 bank working days after the applicable Valuation Date for these Sub-Funds.

Units of the Sub-Funds may be purchased, subject to the relevant acceptance of the order, at the registered office of the Central Administration Agent or of the Custodian Bank. The Units are transferred to the investors immediately upon payment of the full issue price.

In all Sub-Funds, payment for Units shall be made in the Sub-Fund's currency; other currencies may be accepted but will be converted in the Sub-Fund's currency at the Unitholder's costs.

Units of all Sub-Funds are issued under the form of registered Units, as non-certificated Units. Ownership of Units is evidenced by an entry in the register of the Units. Instead of certificates, Unitholders will receive written confirmations of Unitholding.

Units may be issued in fractions up to four decimals. Rights attached to fractions of Units are exercised in proportion to the fraction of a Unit held.

Fractions of Units will participate in the distribution of dividends, if any, and in the liquidation proceeds.

The Units are freely transferable, having due regard to the consideration and application of Section (f) on Restriction of Ownership of Units to each specific case, and, upon issue, are entitled to participate equally in the profits of the Fund. All Units must be fully paid.

Any transfer of Units shall be established by an entry in the register of the Units.

The Management Company shall also determine the initial and subsequent minimum investments which minimum shall not be less than the equivalent in the Sub-Fund's currency of EUR 12.395.

Initial and subsequent minimum investments in CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND shall be EUR 15.000.-.

Initial and subsequent minimum investments in CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL shall be USD 1.000.-.

Minimum Commitments in CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND and CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND shall be EUR 100,000.

Minimum initial investments in CARNEGIE FUND II – SWEDISH LARGE CAP SUB-FUND and CARNEGIE FUND II – SWEDISH SMALL CAP SUB-FUND shall be SEK 10.000. For CARNEGIE FUND II – SWEDISH LARGE CAP SUB-FUND and CARNEGIE FUND II – SWEDISH SMALL CAP SUB-FUND there is no minimum subsequent investments.

For CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL subscriptions may be made USD, SEK and EUR.

### **c) Commitments and Drawdowns**

#### Subscription Commitments

Unitholders subscribing in CARNEGIE FUND II - PRIVATE EQUITY I SUB-FUND respectively in CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND shall commit to subscribe a certain amount (“Commitment”) during the Initial Commitment Period which Commitments shall cover CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND’s commitment to EQT V and CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND’s commitment to EQT Infrastructure. In addition to payment of the Commitment each Unitholder will be required to pay his/her pro rata proportion of the fees to the Management Company with respect to (i) the establishment of each Sub-Fund (ii) the management fee and (iii) the performance fee as described below. After October 31, 2006, as from which no further subscription commitments shall be made, CARNEGIE FUND II-PRIVATE EQUITY I SUB-FUND will be closed for further subscription commitments. After May 9, 2008, as from which no further subscription commitments shall be made, CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND will be closed for further subscription commitments.

Confirmations of accepted subscription commitments will be mailed to investors at their address indicated in the subscription agreement.

#### Drawdowns

Drawdowns in CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND and CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND will be determined by the Management Company and will be used to finance investments in EQT V respectively in EQT Infrastructure and to pay expenses and other

operating requirements of CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND respectively CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND. Drawdowns will be made on at least a quarterly basis.

Subscription commitments received from Unitholders may be drawn down over a period of 13 years from the date of establishment of CARNEGIE FUND II-PRIVATE EQUITY I SUB-FUND and over a period of 15 years from the date of establishment of CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND unless it has been agreed to extend the Sub-Fund in accordance with the section “Liquidation and Merger” below (the “**Drawdown Period**”) or such period is shortened by the Management Company in its sole discretion, acting reasonably.

In order to draw down funds from Unitholders the Management Company shall issue a notice in writing to Unitholders (the “**Draw Down Notice**”) requesting Unitholders to subscribe on the next Valuation Date (a “**Drawdown Date**”) for units in the Sub-Fund in accordance with their Commitment. The Unitholders will receive not less than ten business days prior notice of any Drawdown and the Draw Down Notice will specify the amount for which each Unitholder will need to subscribe units. The amount of the Drawdown for each Unitholder will be pro rata to his Commitment.

Units issued following the First Closing Date will be issued at the net asset value per Unit calculated on the Valuation Date corresponding to the relevant Drawdown Date. All Units issued pursuant to a Draw Down Notice shall be fully paid up.

After the applicable Drawdown Date confirmations shall be mailed to Unitholders indicating the number of Units issued to them.

#### Default

If any Unitholder fails to pay the issue price of any Unit on the Drawdown Date, the Management Company shall send to such Unitholder (the “Defaulting Unitholder”) a notice of default (a “Notice of Default”) in respect of such Units (the “Defaulting Units”). If such Defaulting Unitholder fails to pay the issue price by that day which is five days after the date of such Notice of Default, the Management Company may (but is not obliged to):

(a) charge interest from such Defaulting Unitholder in respect of such Defaulted Units at the rate equal to the average cost of debt for the Fund for the period from the Drawdown Date until the date on which such outstanding amount and the interest thereon shall have been paid in full; or

(b) cause the issue price of the Defaulting Units to be cancelled and to prohibit the Defaulting Unitholder from making any additional payments of its commitment to the Fund in respect of the Defaulted Units.

For the avoidance of doubt, failure by the Management Company to dispatch any notice of call to any Unitholder or the non-receipt of any such notice by a Unitholder shall not relieve such Unitholder of the liability to make any such payment, but no interest shall be charged to such Unitholder on account of the late payment of any call if and to the extent that the cause of such late payment was the failure of the Management Company to dispatch the relevant notice or the actual non-receipt by the relevant Unitholder of the relevant notice.

#### **d) Conversion of Units**

There shall be no possibility to convert Units from one Sub-Fund to another Sub-Fund.

A Unitholder may, at his own expense, at any time request the Central Administration Agent to convert his Units from one Class/Sub-Class to another Class/Sub-Class within the same Sub-Fund based on the relative Net Asset Value of the Units to be converted and provided that the conditions of access to the Class of Units are fulfilled.

Conversions between Classes/Sub-Classes are made at the prices ruling on the relevant Valuation Day in accordance with the formula set out hereafter.

Requests for conversions, once made, may not be withdrawn except in the event of suspension or deferral of the rights to redeem Units of the Class/Sub-Class of the Sub-Fund(s) from which conversion is to be made.

#### **Procedure**

Instructions for the conversion may be made to the Central Administration Agent by fax, telex or in writing the day before the Valuation Day to be executed on that Valuation Day.

After conversion, the Unitholders will be informed by a contract note on the number of Units of the new Class/Sub-Class they received at conversion and their prices.

Conversion of Units held in any Sub-Fund for more than 12 months will be made free of charge. A conversion fee of up to 1% will be applied in the case of a conversion requested for Units held for less than 12 months.

The proceeds of Units of the Class/Sub-Class which are being converted will be reinvested in Units relating to the Class/Sub-Class of the Sub-Fund into which conversion is made.

The Management Company or the Central Administration Agent or the Custodian on its behalf is required to determine the number of Units of the Class/Sub-Class of the Sub-Fund into which the Unitholder wishes to convert his existing Units in accordance with the following formula:

$$A = [(B \times C) - D] / E$$

Where:

A is the number of Units relating to the new Class/Sub-Class of the Sub-Fund to be attributed;

B it is the number of Units relating to the former Class/Sub-Class of the Sub-Fund to be converted;

C is the relevant net asset value per Unit relating to the former Class/Sub-Class of the Sub-Fund;

D is the conversion fee, if any, to be retained by the Management Company and which is equal to 1% of (B x C);

E is the relevant net asset value per Unit relating to the new Class/Sub-Class of the Sub-Fund determined on the relevant Valuation Day;

#### **d) Redemption of Units**

The Fund consists of some closed-ended Sub-Funds in which Units shall not be redeemed at the request of the Unitholder.

CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND and CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND are closed-ended Sub-Funds.

Units of CARNEGIE FUND II-PRIVATE EQUITY I SUB-FUND and CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND may be redeemed on a pro rata basis between unitholders, at the initiative of the Management Company, upon a return of the capital invested by the respective Sub-Fund in EQT V respectively in EQT Infrastructure, in order to return to Unitholders the capital they have invested in the Sub-Fund. Unitholders will be informed of such redemption by letter mailed to their address in the register of Unitholders.

Redemption proceeds will ordinarily be paid by cheque or bank transfer at the choice of the Unitholder.

Proceeds will be dispatched within five days after the relevant Valuation Date for this Sub-Fund and after receipt of the proper documentation.

CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND, CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL, CARNEGIE FUND II – SWEDISH LARGE CAP SUB-FUND and CARNEGIE FUND II – SWEDISH SMALL CAP SUB-FUND are open-ended Sub-Funds.

Unitholders of CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND, CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL, CARNEGIE FUND II – SWEDISH LARGE CAP SUB-FUND and CARNEGIE FUND II – SWEDISH SMALL CAP SUB-FUND may request redemption of their Units at any time. To do so, they must send an irrevocable request in writing for redemption to the registered office of the Central Administration Agent.

If a redemption request is to be executed at the redemption price ruling on a Valuation Date for CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND, CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL, CARNEGIE FUND II – SWEDISH LARGE CAP SUB-FUND and CARNEGIE FUND II – SWEDISH SMALL CAP SUB-FUND, the written application for the redemption of Units must reach the Central Administration Agent no later than 3.00 pm on that Valuation Date for these Sub-Funds for execution on that day. All orders reaching the Central Administration Agent after that deadline will be held over until the next following Valuation Date for these Sub-Funds for execution at the redemption price then ruling. The Central Administration Agent will redeem Units in the order they were first purchased by the Unitholders (that is, on a "first-in first-out basis").

The redemption price of the Units of CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL will be the Net Asset Value of the relevant Class/Sub- Class on the relevant Valuation Date.

The following redemption commissions may be applied by decision of the Management Company to redemptions of Units in CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL:

(i) Redemptions of units purchased during the twelve month period prior to the redemption date may be subject to a redemption commission of 1% of the redemption proceeds, payable to the Management Company.

(ii) Redemptions of units held for more than twelve months may be subject to a redemption commission of 0.25% of the redemption proceeds, payable to the Management Company.

There will be no redemption commission in CARNEGIE FUND II – SWEDISH LARGE CAP SUB-FUND and CARNEGIE FUND II – SWEDISH SMALL CAP SUB-FUND.

The redemption price of the Units of CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND will be (i) the Net Asset Value of the Unit on the relevant Valuation Date for this Sub-Fund, plus (ii) all or a portion of the Equalization Factor to the extent that the increase in value of the Unit that caused the payment of the Equalization Factor has not been lost or has not been paid previously to the redeeming Unitholder, all as more fully set forth in the section entitled “Issue of Units”, herein.

In the event of extensive redemption applications, (exceeding 10% of the Net Asset Value of a Sub-Fund) the Management Company may decide to delay the settlement of the redemption applications until it has sold the corresponding assets of the Sub-Fund without unnecessary delay.

Confirmation of the execution of a redemption will be made by the dispatch to the Unitholder of a contract note.

The Custodian Bank is only obliged to make payments for redemptions where legal provisions, particularly exchange control regulations or other cases of force majeure do not prohibit it from transferring or paying the redemption proceeds in the country where the redemption is requested.

The redemption proceeds will normally be paid by cheque or bank transfer at the choice of the Unitholder within three business days after the relevant Valuation Date for all Sub-Funds, after receipt of proper document, in the currency of the original subscription or in the reference currency of the Sub-Fund, but investors may indicate the currency in which they wish to receive their redemption proceeds.

Where redemption proceeds are to be remitted in a currency other than the reference currency, the proceeds will be converted at normal banking rates, at the rate of exchange prevailing on the relevant Valuation Date for these Sub-Funds, by the Custodian Bank on behalf of the applicant, less any cost incurred in the foreign exchange transaction.

The Management Company may, in its discretion, satisfy redemption requests for any Units of the Sub-Fund in excess of an amount as designated by the Management Company from time to time, and disclosed to the Unitholders with adequate prior notice, by payment in kind by allocating to the Unitholder assets out of the Sub-Fund, equal in value, calculated in accordance with the provisions of the Management Regulations and of the Prospectus as at the Valuation Date for this Sub-Fund by reference to which the redemption price of the Units is calculated, to the aggregate Net Asset Value of the Units being redeemed. The nature and type of assets to be transferred in any such case shall be determined by the Management Company, on a fair and equitable basis as confirmed by the auditor of the Fund. The fiscal, redemption and other costs of any such transfers shall be borne by the Unitholder benefitting from the redemption in kind. Redemptions in kind shall only be realized if the Unitholder agrees therewith and under the condition that such redemption in kind does not affect the equal treatment of the Unitholders and that no Unitholder is suffering any damage resulting there from.

In all Sub-Funds, Units redeemed by the Management Company or the Central Administration Agent shall be cancelled.

#### **f) Transferability of Units**

As a general rule, for CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND and CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND, Units will not be transferable. The Management Company may allow a transfer of Units (in such case all and not only part of Units held) in certain situations, as decided by the Management Company in its sole reasonable discretion, such as the death of a Unitholder. In case a transfer of Units is approved by the Management Company, (i) the Units will be sold at the Net Asset Value as at the last Valuation Date for the Sub-Fund, and (ii) the Units may only be transferred to (i) another Unitholder, as designated by the Management Company, or (ii) a bank hold such Units as security, and the transferring Unitholder's rights and obligations in relation to the Sub-Fund (including without limitation the commitment to the Sub-Fund) will be assigned to any such acquiring Unitholder or bank exercising its pledge, as the case may be, and (iii) the costs and expenses incurred (including without limitation costs and expenses of the Management Company) in relation to such transfer shall be paid by the transferring Unitholder.

#### **g) Suspension of the Valuation of the Total Net Assets of the Fund**

The Management Company may temporarily suspend the calculation of the total Net Asset Value as well as the issue price and redemption price, if any, for one or more Sub-Funds when:

- stock exchanges or markets which are the basis for the valuation of a major part of the applicable Sub-Fund's assets or foreign exchange markets for currencies in which the Net Asset Value or a considerable portion of its assets are denominated, are closed, except on regular public holidays, or when trading on such a market is limited or suspended or temporarily exposed to severe fluctuations;
- political, economic, military or other emergencies beyond the control, liability and influence of the Management Company render the disposal of such Sub-Fund's assets impossible under normal conditions or such disposal would be detrimental to the interests of the Unitholders;
- disruptions in the communications network or any other reason make it impossible to determine the value of a considerable part of such Sub-Fund's net assets;
- limitations on exchange operations or other transfers of assets render it impracticable for the Fund to execute business transactions, or where purchases and sales of the applicable Sub-Fund's assets cannot be effected at the normal conversion rates.

#### **h) Restriction on Ownership of Units**

The Management Company is permitted by the Management Regulations to discontinue temporarily, cease definitively or limit the issuance of Units at any time to persons or corporate entities resident or established in certain countries and territories. The Management Company may exclude certain persons or corporate entities from the acquisition of Units, if such action is necessary for the protection of the Unitholders and of the Fund, as a whole. In this connection, the Management Company may (a) reject, at its discretion, any subscription for Units; and (b) redeem at any time the Units held by Unitholders who are excluded from or limited as to purchasing or holding Units.

The Management Company and the Central Administration Agent do not authorize any practices associated with market timing and reserve the right to reject subscription and/or conversion orders coming from an investor whom the Management Company or the Central Administration Agent suspects to be engaging in such practices and to take, if need be, necessary measures for protecting the Fund's other unitholders.

The Management Regulations prohibit the Management Company, the Central Administration Agent, the Custodian Bank or any other person (including any individual, corporation, partnership, association or other entity) offering or selling any Units to any other person for reoffering or

resale, directly or indirectly to any United States Person or to any person in any country or any other jurisdiction where action or approval for that purpose is required, or shall directly or indirectly result in an offer or sale of any Units, or in the distribution or publication of any prospectus or other offering material in any country or other jurisdiction, except in conformity with the laws and regulations relating to the placement of securities in the jurisdiction where so made.

Financial servicing for the Fund is provided by the Management Company or the Central Administration Agent in Luxembourg in compliance with the laws and regulations regarding the fight against money laundering.

As a result, the identity of Unitholders (a certified copy of the passport or the identification card) and/or the status of financial intermediaries (a recent original extract of the Trade Register and, where applicable or if requested, a certified copy of the business authorization delivered by the competent local authorities) shall be disclosed to the Management Company and to the Central Administration Agent.

Such information shall be collected for compliance reasons only and shall be covered by professional secrecy incumbent to the Management Company and its appointed agents in Luxembourg and banking secrecy.

## **Distribution Policy**

In accordance with Article 14 of the Management Regulations, the Management Company may decide after closing of the annual accounts whether and to what extent net investment income and net realized capital gains will be distributed with respect to any Sub-Fund other than CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL, CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND and CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND.

Normally, there shall be no distribution and the net proceeds of each individual Sub-Fund shall be reinvested.

In the event of distributions being effected other than for CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL, CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND or CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND, these will take place within one month following the end of the financial year.

The Management Company may decide to make distributions other than annually within the limits laid down by Luxembourg law.

For CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND, distribution of proceeds, other than a return of invested capital, to the Unitholders will be made, net of fees (if any), when the Sub-Fund receives unconditional and irrevocable distributions of proceeds, other than return of invested capital, from EQT V (i.e. distributions which cannot be recalled by EQT V). Distributions to the Unitholders will be made on a pro rata basis on the ownership of Units.

For CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL, the Management Company may decide to make distributions to the Distribution Sub-Classes.

For CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND, distribution of proceeds, other than a return of invested capital, to the Unitholders will be made, net of fees (if any), when the Sub-Fund receives unconditional and irrevocable distributions of proceeds, other than return of invested capital, from EQT Infrastructure (i.e. distributions which cannot be recalled by EQT Infrastructure). Distributions to the Unitholders will be made on a pro rata basis on the ownership of Units.

No distributions may be made as a result of which the total net assets of the Fund would become less than the equivalent of EUR 1.250.000.

Claims for distributions and allocations not asserted within five years following due date are not valid any longer and the relevant amounts revert to the Sub-Fund concerned.

## **The Management Company**

**CARNEGIE FUND MANAGEMENT COMPANY S.A.** was established in Luxembourg on December 5, 1995 as a joint stock company under Luxembourg law for an undetermined period of time.

The initial articles of incorporation of the Management Company were published in the Mémorial on January 6, 1996.

On October 28, 2005 (effective as of November 1, 2005) the Management Company merged with Carnegie Fund II Management Company S.A. and Carnegie Global Healthcare Fund Management Company S.A. and amended its articles of incorporation. The amended and restated articles of incorporation were published in the Mémorial on November 21, 2005. The Management Company is approved by the CSSF pursuant to chapter 15 of the 2010 Law.

The Management Company is registered on the Luxembourg Commercial Register under No. B 53.022.

The objective of the Management Company is the collective management of Luxembourg and/or foreign UCITS that have been approved in accordance with Directive 2009/65/EC as amended and other Luxembourg and/or foreign collective investment undertakings that are not covered by this directive. In addition to the Fund, the Management Company is also the management company for the Luxembourg “fonds commun de placement”, Carnegie Fund and Carnegie Global Healthcare Fund and the Luxembourg “société d’investissement à capital variable” Carnegie Fund IV.

The Board of Directors of the Management Company undertakes all actions necessary to meet the Management Company's objectives.

In particular, it is responsible for the management of the Fund's assets and it has full power to act on behalf of the Management Company.

The Management Company has its registered office at 19, rue de Bitbourg, L-1273 Luxembourg. Its fully paid-in capital resources amount to EUR 1,000,000 and its sole shareholder is CARNEGIE ASSET MANAGEMENT HOLDING DANMARK A/S.

The auditor for the Management Company is PRICEWATERHOUSECOOPERS S.à r.l.

The Management Company will receive a fixed monthly management fee (the “Management Fee”) equal to the annual rate of 1.1% of the Net Asset Value of CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND computed as of the last Luxembourg business day of each month and paid monthly.

The Management Company shall receive an annual management fee equal to (i) 1% per annum of the total Commitments of all of the Unitholders in CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND until the sixth anniversary of the First Closing Date, or such earlier date when the commitment period in EQT V expires and (ii) following the sixth anniversary of the First Closing Date, or such earlier date when the commitment period in EQT V expires, until the liquidation of the Sub-Fund, 1% of the Net Asset Value of all Units in the Sub-Fund. The management fee shall be paid by the Unitholders on a pro rata basis based on ownership of Units in the Sub-Fund, quarterly in advance.

The Management Company shall receive an annual management fee equal to (i) 1% per annum of the total Commitments of all of the Unitholders in

CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND until the sixth anniversary of the First Closing Date, or such earlier date when the commitment period in EQT Infrastructure expires and (ii) following the sixth anniversary of the First Closing Date, or such earlier date when the commitment period in EQT Infrastructure expires, until the liquidation of the Sub-Fund, 1% of the Net Asset Value of all Units in the Sub-Fund. The management fee shall be paid by the Unitholders on a pro rata basis based on ownership of Units in the Sub-Fund, quarterly in advance.

The Management Company will receive a fixed monthly management fee (the "Management Fee") equal to the annual rate of 0.25 % of the Net Asset Value of CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL computed as of the last day of each month and paid monthly.

The Management Company will receive a fixed monthly management fee (the "Management Fee") equal to the annual rate of 1.60 % of the Net Asset Value of CARNEGIE FUND II – SWEDISH LARGE CAP SUB-FUND and CARNEGIE FUND II – SWEDISH SMALL CAP SUB-FUND computed as of the last day of each month and paid monthly.

An annual performance fee (the "Performance Fee") will accrue monthly and will be due from CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND's assets to the Management Company as of the end of each Fiscal Year.

The Performance Fee for any Fiscal Year is an amount equal to 20% of the net realized and unrealized appreciation, if any, in the Net Asset Value of the Units (adjusted for the sale and redemption of Units) during each Fiscal Year of CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND, but only in the event CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND's Net Asset Value has increased for that Fiscal Year and cumulatively since the issuance of the Units by at least 5% per annum (pro rated for a partial year) (the "Hurdle") after taking into account the annual Management Fee. For a description of the manner in which the Performance Fee is borne by each Unit, see the section entitled "OFFERING " and Tables I and II herein. If a Unit has a Net Loss (as defined below) allocable to it during any Fiscal Year and during a subsequent Fiscal Year there is a Net Profit allocable to the Unit there will be no Performance Fee payable with respect to the Unit until the amount of the Net Loss previously allocated to the Unit has been recouped.

If Units are redeemed on a Valuation Date other than the last Valuation Date for CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND of a year, a Performance Fee calculation with respect to the redeemed Units will be made on the Valuation Date for this Sub-Fund and if a Performance Fee

has accrued, it will be payable from the Fund's assets to the Management Company at the end of the Fiscal Year. The calculation of the Performance Fee for that Unit will be made as if the Valuation Date for this Sub-Fund was the end of the Fiscal Year.

For purposes of this Prospectus, "Net Profit" means, with respect to any Fiscal Year, the excess of (i) the aggregate revenue, income and gains (realized and unrealized) earned on an accrual basis by the Sub-Fund during the Fiscal Year from all sources and (ii) any reserves released during the Fiscal Year over (a) the expenses and losses (realized and unrealized) incurred on an accrual basis by the Sub-Fund during the Fiscal Year and (b) any reserves established by the Sub-Fund during the Fiscal Year.

For purposes of this Prospectus, "Net Losses" means, with respect to any Fiscal Year, the excess of (i) the expenses and losses (realized and unrealized) incurred on an accrual basis by the Sub-Fund during the Fiscal Year and (ii) any reserves established by the Sub-Fund during the Fiscal Year over (a) the aggregate revenue, income and gains (realized and unrealized) earned on an accrual basis by the Sub-fund during the Fiscal Year from all sources and (b) any reserves released during the Fiscal Year.

The Management Company will, if applicable, charge a Performance Fee in CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND and CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND equal to 8% of all proceeds received by the respective Sub-Fund following the point of time when the respective Sub-Fund has repaid the Unitholders all amounts drawn down from the Unitholders.

The Management Company may amend the Management Regulations in the interest of the Unitholders and with the consent of the Custodian Bank.

## **The Investment Managers**

In the management of the Sub-Fund's assets, the Management Company shall be assisted by Investment Managers appointed by the Management Company.

- The Investment Manager of CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND, CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND and CARNEGIE FUND II – FUND OF FUNDS INTERNATIONAL is CARNEGIE INVESTMENT BANK AB, a company formed under the laws of Sweden and which has its business office at 56, Regeringsgatan, S – 10338 Stockholm, Sweden.
- The Investment Manager of CARNEGIE FUND II – BIOTECHNOLOGY SUB-FUND, CARNEGIE FUND II – SWEDISH LARGE CAP SUB-FUND

and CARNEGIE FUND II – SWEDISH SMALL CAP SUB-FUND is CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S DENMARK, SWEDEN BRANCH which has its business office at Basieholmsgatan 5, S – 10 394 Stockholm, Sweden. CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S DENMARK, SWEDEN BRANCH is a branch of CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S.

The Management Company has entered or will enter into investment management agreements (the “Investment Management Agreements”) with the Investment Managers to manage the respective Sub-Funds’ portfolio of investments. Under the Investment Management Agreements, the Investment Manager have responsibility for investments of the respective Sub-Funds’ assets, subject to the policies, control and responsibility of the Management Company. The Investment Managers will initiate all orders for the purchase and sale of securities on behalf of the Management Company for the respective Sub-Funds, and select the brokers and dealers with and through whom the Investment Managers trade.

The Investment Management Agreement with CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S DENMARK, SWEDEN BRANCH dated April 30, 2010 will remain in effect as long as it is terminated by either of the parties thereto upon 90 days’ written notice prior to the end of any Fiscal Year of the Fund.

The Investment Management Agreement with CARNEGIE INVESTMENT BANK AB was concluded on May 12, 2000 and amended and restated in its entirety on November 1, 2005 and will remain in effect as long as it is terminated by either of the parties thereto upon 90 days’ written notice prior to the end of any Fiscal Year of the Fund.

Subject to the approval of the Board of Directors of the Management Company, the Investment Managers are entitled to sub-delegate their functions to third party or affiliated Investment Sub-Managers.

In such case, the present Prospectus shall be amended accordingly.

#### **The Custodian Bank**

BANQUE CARNEGIE LUXEMBOURG S.A. has been appointed to act as the Custodian of the Fund’s assets (the “Custodian Bank”) by the Management Company in compliance with the Management Regulations and pursuant to an agreement made on May 12, 2000 as amended and restated on November 1, 2005. This Agreement may be amended by mutual consent of the parties. The Custodian Bank has been appointed

until December 31, 2012 but will continue to provide its services afterwards, if not terminated by the Custodian Bank or the Management Company. The Custodian Bank's remuneration is described under "CHARGES OF THE FUND".

Cash and other assets constituting the assets of the Fund shall be held by the Custodian Bank on behalf of and for the exclusive interest of the Unitholders.

The Custodian Bank may under its responsibility, with the agreement of the Management Company, entrust the safe-keeping of securities to other banks, to financial institutions or to securities clearing houses such as Clearstream Banking S.A. and Euroclear. This will, however, not affect the Custodian Bank's liability.

The Custodian Bank may dispose of the Fund's assets and make payments to third parties on behalf of the Fund pursuant to instructions from the Management Company complying always with the Management Regulations and the 2010 Law.

To the extent the Fund borrows from the Custodian Bank, it borrows at rates that are comparable to those charged to the Custodian Bank's unaffiliated institutional clients of a similar size, level of activity and mix of business. The Custodian Bank performs all operations concerning the daily administration of the Fund's assets.

The Custodian Bank further carries out the instructions of the Management Company and, complying with the instructions of the Management Company, settles any transaction relating to purchase or disposal of the Fund's assets.

The Custodian Bank is entrusted moreover by the Management Company with the duty to settle the securities purchased, to deliver the securities sold, to receive dividends and interest from securities and to exercise subscription and attribution rights attached to these.

The Custodian Bank shall moreover:

- a) ensure that the sale, issue, redemption, (if any), conversion, (if any), and cancellation of Units effected for the account of the Fund or by the Management Company are carried out in accordance with the provisions of the law and the Management Regulations;

- b) carry out all instructions issued by the Management Company, provided these are not in violation of the law or the Management Regulations;
- c) ensure that, in transactions involving the Fund's assets, the consideration is remitted to it within the usual time limits;
- d) ensure that the Fund's income is applied in accordance with the Management Regulations.

The Custodian Bank shall, in compliance with Luxembourg law, be liable to the Management Company and the Unitholders for any loss incurred by them and resulting from its failure to execute or from its wrongful execution of its duties.

Pending its replacement, which must take place within two months from the time the notice shall have elapsed, the Custodian Bank shall take all necessary steps for the safe-keeping of the interest of the Unitholders.

BANQUE CARNEGIE LUXEMBOURG S.A. was incorporated on April 13, 1993 as a société anonyme, as the result of the "scission" of "Nordbanken Luxembourg S.A.", itself incorporated in Luxembourg under the name of "Pkbanken International (Luxembourg) S.A." on August 6, 1976.

The "scission", in the meaning of articles 288 and 307 of the law of August 10<sup>th</sup> 1915 as amended by the law of September 7<sup>th</sup>, 1987, considered of the allocation of the university of the assets and liabilities of Nordbanken Luxembourg S.A, without liquidation, to two companies incorporated in Luxembourg, of which BANQUE CARNEGIE LUXEMBOURG S.A. was one.

The "scission" was executed with effect from January 1, 1993 and under the terms and the conditions of the "projet de scission" published on March 9, 1993, in Mémorial C number 106.

At December 31, 2010, its capital and reserves amounted to EUR 22.8 million with total assets of over EUR 413 million.

### **Central Administration**

The Central Administration Agent furnishes certain administrative and clerical services, including registration and transfer agent services for the Fund. It further is in charge of the accounting and the calculation of the Net Asset Value of the Fund and assists in the preparation of and filing with the competent authorities of financial reports.

## Charges of the Fund

The following costs are borne directly by the Fund:

1. The management fee and the performance fee paid to the Management Company and mentioned under "THE MANAGEMENT COMPANY".
2. Standard brokerage and bank charges incurred by the Fund's transactions.
3. Any additional non-recurrent fees, including legal advice, incurred for exceptional steps taken in the interests of the Unitholders may be amortized over 5 years period.
4. The annual 0.05% Luxembourg subscription tax, as well as any applicable V.A.T. payable on the Fund related expenses, whether charged directly or indirectly to the latter.

The following costs are borne by the Management Company out of its own assets:

1. The custody fees that the Custodian Bank receives as well as the compensation for any other support services which will be agreed upon a case-by-case basis between the Management Company and the Custodian Bank;
2. The Investment Managers' fees.
3. The expenses of establishing the Fund and any Sub-Fund (except for CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND and CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND which shall charge an establishment fee equal to 1% of the total Commitments of their respective Unitholders to be paid by their respective Unitholders on a pro rata basis based on ownership of Units.
4. All other expenses incurred in the Fund's operations.

CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND shall pay the following fees to EQT V:

- a management fee equal to 1% per annum of its commitment to EQT V until the earlier of (i) the date of completion of the first investment by EQT V and (ii) the date of termination of the commitment period of EQT IV. Thereafter the management fee will be 1.5% per annum until the end of EQT V's commitment period. Thereafter the management fee will be reduced to 0.75% of each six months for the total acquisition cost of investments that have not been realized or written off prior to the

commencement of that six month period. In certain circumstances the management fee may be 1%.

- on a pro rata basis (i) all operating costs and expenses related to EQT V, including all legal, auditing, and valuation fees, bank fees for the operation of accounts and taxes and general expenses of the General Partner, (ii) offering and organizational expenses incurred in connection with the establishment of

EQT V, up to a maximum of EUR 2 million, (iii) costs incurred in relation to transactions which are not completed.

CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND shall pay the following fees to EQT Infrastructure:

- a management fee equal to 1.75% per annum of its commitment to EQT Infrastructure until the sixth anniversary of the First Closing Date or such earlier date when the commitment period in EQT Infrastructure expires. Thereafter the management fee will be equal to 1.75% per annum of the total acquisition cost of EQT Infrastructure investments that have not been realized or written off.
- on a pro rata basis (i) all operating costs and expenses related to EQT Infrastructure, including all legal, auditing, and valuation fees, bank fees for the operation of accounts and taxes and general expenses of the General Partner, (ii) offering and organizational expenses incurred in connection with the establishment of EQT Infrastructure, up to a maximum of EUR 2 million, (iii) costs incurred in relation to transactions which are not completed.

Charges shall be allocated to the relevant Sub-Fund for which they were incurred or otherwise prorated to each of them, based on objective criteria determined by the Management Company.

All recurring charges will be charged first against income, then against capital gains, if any, and then against assets.

Disbursement for all charges shall be made by the Custodian Bank (as instructed by the Management Company).

All costs (including brokerage fees) of purchasing or selling assets of the Fund and any losses incurred in connection therewith, are for the account of the Fund in the relevant Sub-Fund.

In the relations between the Unitholders and third parties (i.e., creditors), each Sub-Fund shall be obliged to the payment of its own debts, and the creditors are only entitled to claim on all the assets of the particular Sub-Fund to which the debts are related.

## **Luxembourg Taxation**

Under present Luxembourg law there are no Luxembourg ordinary income, capital gains, estate or inheritance taxes payable by the Fund or its Unitholders in respect of their units in the Fund, except by Unitholders who are domiciled in, or residents of, or have a permanent establishment in the Grand-Duchy of Luxembourg and except by certain former Luxembourg residents. The Fund is subject to the taxes on Luxembourg collective investment undertakings at the rate of 0.05% per annum, based and payable upon the value of the net assets of the Fund on the last day of each calendar quarter.

On June 3, 2003 the European Union adopted Council Directive 2003/48/EC (the "Tax Savings Directive"). The Tax Savings Directive has been implemented in the Grand Duchy of Luxembourg with effect on July 1st, 2005. Pursuant to the Tax Savings Directive, Member States of the European Union are required to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent to an individual in another Member State, except that Austria and the Grand Duchy of Luxembourg will instead impose a withholding system for a transitional period unless during such period they elect otherwise. The ending of such transitional period depends on the conclusion of agreements relating to exchange of information with certain other countries. The withholding tax rate is 35%.

The Tax Savings Directive may potentially have an impact on the tax treatment of distributions and/or capital gains on redemptions made by some of the Sub-Funds at the Unitholder's taxation level, depending on the percentage of those Sub-Funds' assets invested in debt claims.

The Management Company will use its best efforts to conduct its operations in a manner which will preclude the Fund from being subject to tax in any jurisdiction other than Luxembourg.

**Income derived from the Fund's investments in securities held in certain Sub-Funds may be subject to withholding taxes withheld at source or in the countries of the issuers of such securities and may not always be recoverable.**

Prospective purchasers of Units should consult their own tax advisors as to the taxes applicable to the acquisition, holding or disposition of Units under the laws of the countries of their respective citizenship, residence or domicile.

## **Liquidation and Merger**

The Fund and the Sub-Funds shall be established for an indefinite period, except for CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND which will be liquidated in October 2019 or such earlier date decided by the Management Company in its sole discretion and CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND which will be liquidated in 2023 or such earlier date decided by the Management Company in its sole discretion. The Management Company may request the consent of the Unitholders to extend the existence of either of these Sub-Funds for a further two years. The consent of the Unitholders will be deemed to have been granted if such consent is received, in writing, from the majority (in value) of all Unitholders.

Unitholders, their heirs and any other beneficiaries may not demand the dissolution or division of the Fund.

The Fund may be liquidated at any time by mutual agreement of the Management Company and the Custodian Bank.

Furthermore, liquidation shall take place if required according to Article 90 of the 2010 Law (insofar as it makes Article 22 applicable). Notice must be given without delay by the Management Company or the Custodian Bank in accordance with Article 16 of the Management Regulations. No Units may be issued or converted as soon as the event giving rise to liquidation occurs. Nevertheless, the redemption of Units remains possible provided that all the Unitholders are treated equally. The Management Company shall dispose of the Fund's assets in the best interest of the Unitholders and the Custodian Bank shall distribute the net liquidation proceeds, after deduction of liquidation charges and expenses, to the Unitholders in proportion to their holdings, in accordance with the directions of the Management Company. Proceeds which cannot be distributed to the Unitholders at the close of liquidation shall be deposited with the "Caisse de Consignation" in Luxembourg until expiry of the prescribed period.

In the event of special circumstances beyond its control, such as political, economic, military or other emergencies or in the event that the total net assets of a Sub-Fund, other than CARNEGIE FUND II – PRIVATE EQUITY I SUB-FUND and CARNEGIE FUND II – PRIVATE EQUITY II SUB-FUND fall below SEK 20.000.000 or its equivalent in any other currency, the

Management Company is also empowered to liquidate any of the Sub-Funds. A notice of such liquidation to the Unitholders shall be notified by mail to each Unitholder. No Units may be converted after the date of the decision to liquidate a Sub-Fund. Nevertheless, the redemption of Units remains possible provided that all the Unitholders are treated equally. The Management Company shall redeem the Units of the concerned Sub-Fund and reimburse the Unitholders in proportion to their respective holdings. The liquidation proceeds which cannot be distributed at the close of liquidation of the Sub-Fund will be deposited with the Caisse de Consignation in Luxembourg.

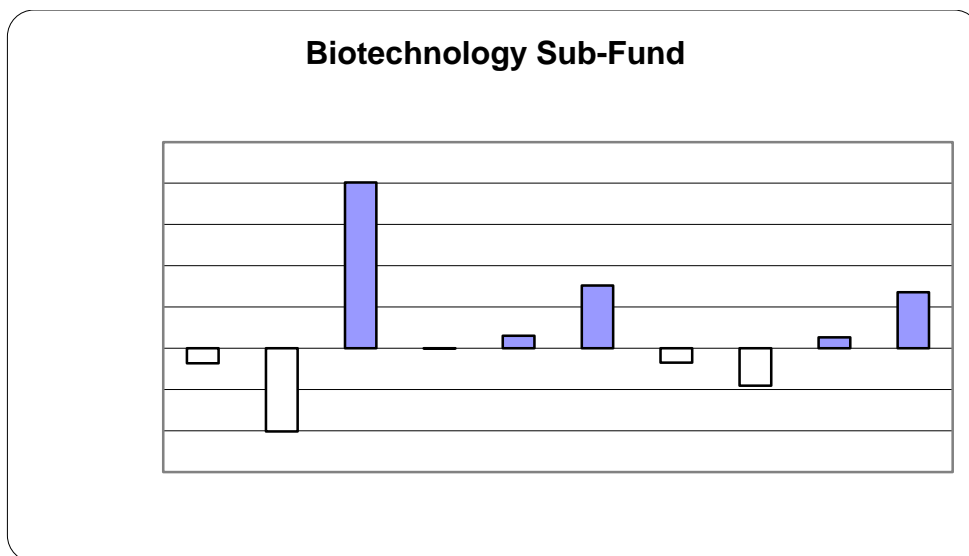
In the event of special circumstances beyond its control, such as political, economic, military or other emergencies or in the event that the total net assets of a Sub-Fund fall below SEK 20.000.000 or its equivalent in any other currency, the Management Company may decide that two or more Sub-Funds may be merged. Notice of such a merger will be given at least one month prior thereto to the investors. Such notice shall be notified to each Unitholder by mail. Each Unitholder concerned by the merger shall be given the possibility within a period of one month as of the date of notification to request the repurchase of its Units free of charge. At the expiry of this one (1) month's period any Unitholder which did not request the repurchase of its Units shall be bound by the decision relating to the merger.

The Management Company does not consider to merge any Sub-Fund with another Luxembourg or foreign investment fund.

## Historical Performance of the Fund

### Carnegie Fund II – Biotechnology Sub Fund

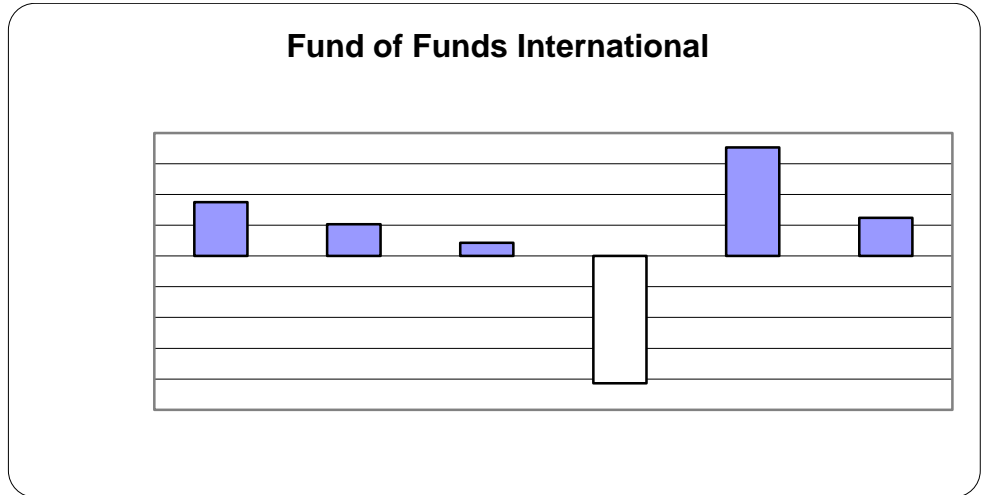
This Sub Fund was launched on November 9, 2000. The total annual return for each of the years since its launch is shown on the graph below.



2001	-7,24%
2002	-40,32%
2003	80,45%
2004	-0,15%
2005	6,05%
2006	30,41%
2007	-6,95%
2008	-18,19%
2009	5,30%
2010	27,13%

Carnegie Fund II – Fund of Funds International

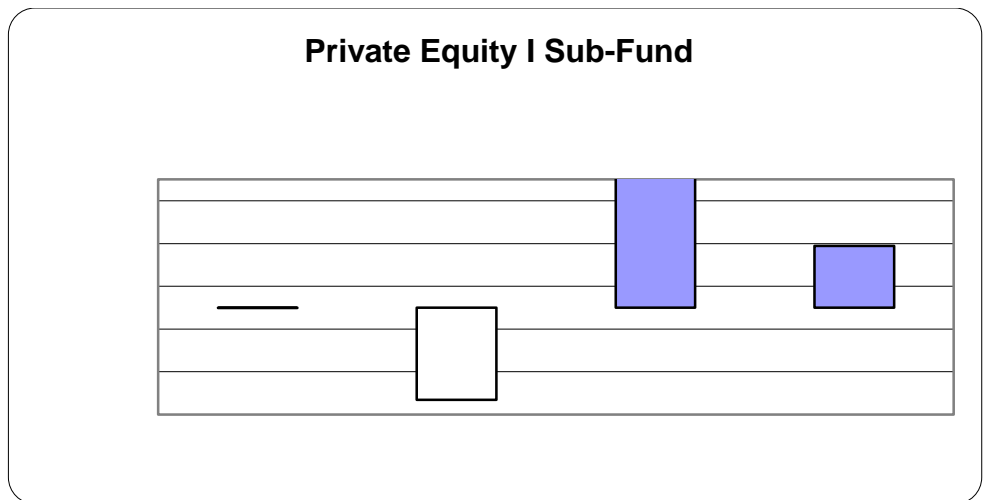
This Sub Fund was launched on October 1, 2004. The total annual return for each of the years since its launch is shown on the graph below.



2005	17,51%
2006	10,35%
2007	4,26%
2008	-41,38%
2009	35,23%
2010	12,38%

Carnegie Fund II – Private Equity I Sub-Fund

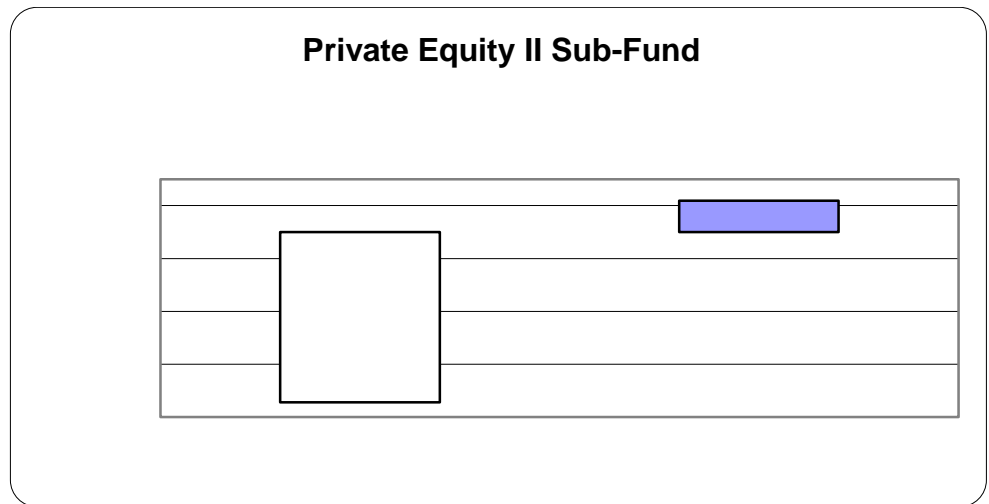
This Sub Fund was launched on October 31, 2006. The total annual return for each of the years since its launch is shown on the graph below.



2007	-0,08%
2008	-21,55%
2009	37,34%
2010	14,48%

*Carnegie Fund II – Private Equity II Sub-Fund*

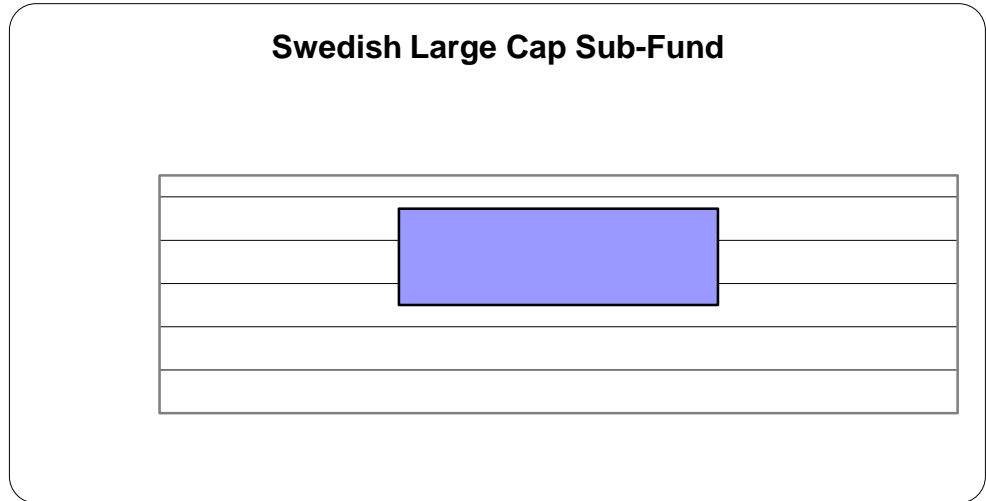
This Sub Fund was launched on May 2, 2008. The total annual return for each of the years since its launch is shown on the graph below.



2009	-32,20%
2010	5,92%

Carnegie Fund II – Swedish Large Cap Sub-Fund

This Sub Fund was launched on December 1, 2009. The return for the year 2009 was 0.33%.



2010      22,29%

Carnegie Fund II – Swedish Small Cap Sub-Fund

This Sub Fund was launched on February 1, 2010.

Past performance is not necessarily a guide to the future performance results of the Fund.

**Information to Unitholders** The annual audited reports will be available to Unitholders at the registered office of the Management Company, at the office of the Central Administration Agent and at the office of the Custodian within four months of the close of the financial year. The annual report shall include reports on the Fund in general and on the individual Sub-Funds.

Unaudited semi-annual reports of the Sub-Funds will also be made available in the same manner within two months of the end of the period to which they refer.

Separate accounts are drawn up for each Sub-Fund. Following conversion into the Fund's currency, the Swedish Kroner (SEK), the total of the Sub-Funds represents the Fund's assets.

Other information on the Fund or the Management Company, as well as on the Net Asset Value, the issue price and redemption price, if any, may be obtained on any Luxembourg bank working day at the registered office of the Management Company, at the office of the Central Administration Agent and at the office of the Custodian. Any information relating to a suspension of the calculation of the Net Asset Value as well as of the issue price and redemption price, if any, shall be published in newspapers in countries where the Units shall be offered or sold.

All notifications to Unitholders shall be published in the *Mémorial* where required by law, in the *Luxemburger Wort*, as well as in one newspaper of more general circulation. The Management Company may also include publications in other newspapers of countries where Units are offered or sold.

**Applicable Law and  
Jurisdiction; Governing  
Language**

The Management Regulations are governed by the laws of the Grand-Duchy of Luxembourg.

Any dispute arising between the Unitholders, the Management Company, the Central Administration Agent and the Custodian Bank will be submitted to the jurisdiction of the *Tribunal d'Arrondissement*. However, the Management Company, the Central Administration Agent and the Custodian Bank may subject themselves and the Fund to the jurisdiction of the courts of the countries in which the Units of the Fund are sold with respect to claims by investors resident in such countries.

English shall be the governing language of the Prospectus and of the Management Regulations.

**Documents available  
for Inspection**

The following documents are available for inspection at the office registered of the Management Company, at the office of the Central Administration Agent and at the office of the Custodian:

1. The Management Regulations;
2. The Articles of Incorporation of the Management Company;
3. The following agreements:

- the Investment Management Agreement between the Management Company and CARNEGIE INVESTMENT BANK AB dated November 1, 2005 as amended from time to time; and
- the Investment Management Agreement between the Management Company and CARNEGIE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S DENMARK, SWEDEN BRANCH dated April 30, 2010; and
- The Central Administration Agreement between the Management Company and CARNEGIE FUND SERVICES S.A. dated August 18, 2011; and
- the Custodian Agreement between the Management Company and BANQUE CARNEGIE LUXEMBOURG S.A. dated November 1, 2005 as amended from time to time.

The agreements referred to above may be amended by mutual consent between the parties thereto.