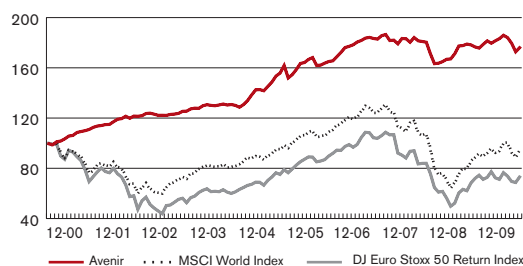


### RETURN AND KEY FIGURES <sup>1)</sup>

	Avenir (EUR)	MSCI World NDTR Index (local currency)	DJ Euro Stoxx 50 Return Index (EUR)	Euro Bond Index (EUR)	1-month Euribor Rate (EUR)
<b>Return (after management and performance fees)<sup>2)</sup></b>					
July 2010, %	1.96	5.74	6.60	1.27	-
Year to date 2010 (December 31, 2009–July 31, 2010), %	-1.89	-1.73	-5.27	3.67	0.25
Last 12 months, %	-1.16	9.79	7.24	6.02	-
Since inception (December 14, 2000–July 31, 2010), %	76.60	-6.00	-26.78	70.99	31.62
Average annual return since inception, %	6.09	-0.64	-3.19	5.73	2.90
<b>Risk ratios and other key figures <sup>2)</sup></b>					
Standard deviation, %	5.72	15.75	20.34	3.64	-
Downside risk, <sup>3)</sup> %	4.12	12.57	15.91	2.20	-
Sharpe ratio <sup>3)</sup>	0.60	-0.21	-0.29	0.85	-
Correlation with MSCI World Index	0.48	-	0.94	-0.23	-
Correlation with DJ Euro Stoxx 50 Return Index	0.40	0.94	-	-0.26	-
Correlation with Euro Bond Index	0.02	-0.23	-0.26	-	-
<b>Value-at-Risk</b>					
- Highest, July, %	0.91	-	-	-	-
- Lowest, July, %	0.58	-	-	-	-
- Average, July, %	0.74	-	-	-	-
<b>Hard-to-Value Assets <sup>4)</sup></b>					
Gross market value/NAV <sup>5)</sup> %	0.72				

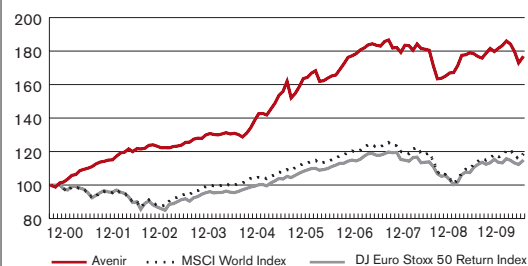
### NET PERFORMANCE

Since inception, compared with MSCI World Index and DJ Euro Stoxx 50 Return Index (Index = 100 at December 14, 2000)



### RISK-ADJUSTED PERFORMANCE

Since inception, compared with MSCI World Index and DJ Euro Stoxx 50 Return Index (Index = 100 at December 14, 2000)



### MONTHLY RETURN (SINCE INCEPTION AFTER MANAGEMENT AND PERFORMANCE FEES)

Year	Return full year, %	NAV <sup>5)</sup> EUR m	% Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2000	-0.89	38.8	-	-	-	-	-	-	-	-	-	-	-	-0.89
2001	15.51	79.2	2.47	0.57	1.70	2.14	0.47	2.21	0.69	0.62	0.87	1.49	0.92	0.38
2002	8.59	168.3	0.65	0.10	1.88	1.68	0.41	1.59	-1.34	1.46	-0.12	0.34	1.45	0.22
2003	3.10	143.3	-0.65	-0.74	0.03	-0.08	0.63	0.22	0.45	1.32	0.12	1.41	0.47	-0.11
2004	4.83	145.3	1.60	0.65	-0.43	-0.20	0.46	0.56	-0.60	0.31	-0.54	-1.12	1.64	2.44
2005	18.40	242.0	3.34	2.93	0.11	-0.64	2.47	2.39	3.18	1.53	3.87	-6.11	1.72	2.64
2006	11.00	289.5	3.03	0.45	1.52	0.87	-3.74	0.20	0.95	0.79	0.33	2.02	2.02	2.19
2007	3.33	293.6	0.54	0.70	1.23	0.69	1.01	0.32	-0.48	-0.26	1.50	0.48	-2.56	0.16
2008	-9.36	138.4	-1.60	2.37	-0.12	-1.50	2.05	-1.42	-0.29	-0.33	-5.08	-4.58	0.21	0.78
2009	8.85	271.1	1.13	0.17	2.45	3.60	0.19	0.68	-0.37	-0.91	-0.51	1.68	1.55	-1.03
2010/07/31	-1.89	322.9	1.08	0.94	1.46	-1.02	-2.44	-3.76	1.96					

### RISK EXPOSURE PER SECTOR (AT JULY 31, 2010)

	Short, %	Long, %	Net exposure, %
Materials	-1.93	23.73	21.80
Industrials	-8.68	7.86	-0.82
Energy	-2.22	8.58	6.36
Information Technology	-3.91	5.15	1.24
Consumer Discretionary	-5.03	2.41	-2.62
Sum of all other sectors	-61.09	39.45	-21.64
Total	-82.87	87.19	4.32

### RISK EXPOSURE PER STRATEGY (AT JULY 31, 2010)

Sub-portfolio	Gross exposure, % <sup>6)</sup>	Net exposure, %
Fundamental Long/Short	55.77	16.07
Outright L/S	8.33	4.81
Outright trading	62.75	-16.54
Pairs L/S	5.06	-0.05
Pairs trading	55.61	0.29
Quantitative	6.54	-0.08
Relative Value	2.11	-0.18
Total <sup>7)</sup>	170.06	4.32

### MONTHLY REVIEW

In July we erased part of our losses for June. Equity markets performed well in the month, reversing most of the decline in May and June. The publication of European stress tests has improved the market sentiment on more transparency. Bank equities have outperformed sharply. At the same time, European economic data, most notably manufacturing PMIs for July and the German IFO survey, have proven strong. However, US economic data has continued weaker than consensus expectations, confirming the view that the US recovery is slowing. Particularly the housing activity data and consumer confidence surveys have disappointed.

In the short term, we see some positive signs. First, company earnings have proven significantly better than expectations. At the same time corporations are spending and corporate activity has picked up. Second, the deflationary risks have been overstated in our view. Finally, there is more transparency on the regulatory risks as bank regulation has proven more sanguine. However, we do not view the risk / reward of an outright long position as attractive.

At the end of the month our net position was 4.3% net long the equity markets. Additionally, we do see compelling valuation discrepancies between various industries exposed to different stages of the economic recovery.

We continue to reiterate our medium term view of subdued economic growth, weighted by structural headwinds with high unemployment rate, continued weakness in the housing sector, and tight credit. Also, we are doubtful the recovery can withstand the withdrawal of monetary and fiscal stimulus.

Equity L/S and pairs trading strategies generated majority of Avenir's result during the month. Materials, financials and energy were the best performing sectors, with results of 3.5, 1.4 and 1.0 MEUR respectively. The largest losses accrued in health care and industrials, both with a result of -0.3 MEUR.

1) Based on monthly data. 2) Since inception. 3) The risk free rate used to calculate Sharpe ratios and downside risk is German 3M T-bill. 4) Securities for which no market pricing information is available, e.g. some unlisted/private equity, or model priced instruments for which no industry standard software models are available, e.g. complex, structured, one-off contracts. 5) Net Asset Value. 6) When calculating the Fund's gross exposure, positions in the same underlying securities only contribute with their net exposure. 7) Positions in the same security are netted, thus total gross exposure may be less than the sum of gross exposure on sub-portfolio level.

# AVENIR

## EXECUTIVE SUMMARY

Strategy	Long/short equities with Nordic focus
Goal	High risk-adjusted return
Methodology	Fundamental research with quantitative support
Targets	Positive alpha relative to main market indices Risk below equity markets Sharpe ratio >1 Low correlation with equity market
Management team	7 full time professionals (5 in portfolio management, 1 in middle office, 1 administrator)
Investor and co-owner	Brummer & Partners, a leading Nordic hedge fund group

## ASSET MANAGEMENT CONCEPT

Avenir's investment activities are based on ten strategies. Each investment strategy uses a specifically designed systematic investment method. The risk and return of strategies are tracked individually and the returns are not expected to correlate with each other. Thus, the internal diversification of Avenir's portfolio is expected to be high. Decisions by the portfolio managers on expected share price developments are based on their own thorough analysis of company fundamentals. However, positions that rely on the portfolio managers' perceptions of short-term share price developments may be extensively based on quantitative and technical analysis.

The ten strategies can be further grouped into five categories: a) equity long/short, where equity purchases and short selling are based on company fundamentals and/or relative valuations, b) directional trading, c) pairs trading, i.e. pair trades that tend to return to their historical averages and positions anticipating absolute and relative price developments, d) event driven/special situation, for instance positions in companies targeted for acquisitions, and e) volatility trading extracting volatility skew, levels and/or mean reversion.

## RISK

Risk exposure is controlled by the use of limits, which are set by the board of the fund management company on the basis of the capabilities and qualifications of the portfolio managers and the objectives of the fund. The following risks, among others, are controlled by limits: aggregate portfolio risk, changes in the value of derivative contracts, credit risk, liquidity risk, interest rate risk and currency risk.

## WHY INVEST IN AVENIR?

- Exposure to Nordic markets and industries
- Solid track record in up as well as down markets
- Systematic investment activities; fundamental and quantitative
- Focus on risk management
- Combination of knowledge from absolute and relative asset management
- Market independent returns
- Solid administrative platform via Brummer & Partners

## PORTFOLIO MANAGEMENT TEAM

*Peter Ramsay (b. 1967), Managing Director* After graduating from the Swedish School of Economics and Business Administration in Helsinki in 1990, Peter Ramsay started work at Opstock Investment Bank as an investment analyst and derivatives broker. In 1991, he became a broker at the newly formed Helsinki office of the Alfred Berg investment bank. He moved in 1992 to Alfred Berg's Stockholm office to become a derivatives and stockbroker. In 1995, he was hired to commence trading and market-making activities at the Helsinki office of Enskilda Securities, where he became the director responsible for equity broking in 1997. Since December 1999, he was appointed global head of trading for Enskilda Securities AB. Mr. Ramsay has more than 20 years' experience in equity markets.

*Jori Petteri Kiviniemi (b. 1971), Chief Investment Officer; Portfolio Manager* Jori Petteri Kiviniemi holds a Master's degree in Economics and Business Administration from University of Oulu. After graduating in 1997 Mr. Kiviniemi started his career as an economist at the Bank of Finland. After a year he changed over to Finnish Financial Supervision Authority. In 1999 Mr. Kiviniemi joined Leonia Bank's Asset Management team as an investment banker. He was one of the founding members of Mandatum Private Bank's asset management and portfolio management operations. In 2004 Mr. Kiviniemi started in 3C Asset Management company where he acted as portfolio manager running 3C Edge hedge fund. After Sampo Bank bought 3C Asset Management in October 2008, he moved into Danske Capital where he continued as portfolio manager. Mr. Kiviniemi was appointed to Chief Investment Officer at Avenir at the beginning of March 2009.

*Miikka Hautamäki (b. 1977), Portfolio Manager*

Miikka Hautamäki has a Master's degree in Finance from Helsinki School of Economics and a Master's degree in Engineering from Helsinki University of Technology. In 2006 Miikka Hautamäki earned the right to use the Chartered Financial Analyst (CFA) designation. Prior to joining Avenir, he worked at Goldman Sachs International from 2003 in London.

*Tapio Heimo (b. 1983), Quantitative analyst*

Dr. Tapio Heimo joined Avenir as a quantitative analyst in February 2010. He has a Master's degree in Engineering Physics and a Doctor of Science degree in Computational Engineering from the Faculty of Information and Natural Sciences at Helsinki University of Technology. Dr. Heimo's dissertation was titled "Complex networks and spectral methods: an econophysics approach to equity markets". Prior to joining Avenir, he worked as a researcher at the Academy of Finland Centre of Excellence in Computational Complex Systems Research at Helsinki University of Technology between 2005 and 2007, at Nordea Bank in 2007-2008 and at Evli Bank in 2008-2009.

*Mikko Heiskanen, (b. 1982), Equity analyst*

Mikko Heiskanen joined Avenir in May 2010. He holds a Bachelor's degree in Management from the University of Manchester Institute of Science and Technology. Prior to joining Avenir, he worked at Goldman Sachs International in London where he was an Executive Director working in the European Metals and Mining equity research team since 2004.

## PRODUCT STRUCTURE

Management fee:	1% p.a. (debited monthly)
Performance fee:	20% over hurdle rate (high watermark)
Liquidity:	Monthly (4 banking days notice)
Minimum investment:	EUR 100,000
Lock-up/gate:	None
Depositary:	SEB
Auditor:	KPMG
Inception date:	14 December 2000

## AVENIR FUND MANAGEMENT COMPANY

Address	Kasarmikatu 46-48 B, FI-00130 Helsinki
Phone	+358 9 6811 520
Fax	+358 9 6811 5222
Website	www.avenir.fi
E-mail	avenir@avenir.fi
Contact	Peter Ramsay and Jori Kiviniemi

The official name of the fund management company is Avenir Rahastoyhtiö Oy (in Finnish) and/or Avenir Fondbolag Ab (in Swedish). However, for illustrative purposes, the company is called Avenir Fund Management Company in this report, even if that is not the official company name. According to article 12 of the Finnish Mutual Funds Act, Avenir is classed as a special mutual fund. Foreign laws may preclude investors abroad from investing in Avenir. Avenir Fund Management Company thus takes no responsibility for investments from outside Finland that are governed by the laws of a particular country. Moreover, it is the responsibility of each investor, whether based in Finland or abroad, to make sure that the investment in Avenir is made in accordance with applicable law. Special mutual funds differ from standard mutual funds in several respects. Special mutual funds enjoy a more liberal investment policy than standard mutual funds. Further, Avenir's investment policies and risk management differ from standard mutual fund activities. There can be no guarantee that an investment in Avenir will necessarily be profitable when the general development in capital markets is positive. Moreover, there can be no guarantees that an investment in Avenir will not lead to losses. Historical returns are no guarantee for future returns. Capital invested in Avenir can both rise and fall in value, so there can be no guarantee that invested capital can be fully retrieved. Any investment decision by an investor in Avenir should be based on the information given in the Information memorandum and Simplified prospectus. Any investment in Avenir should be treated as a long-term investment. Avenir Fund Management Company does not take responsibility for any direct or indirect loss or damage, which is caused by the fact that client has used this report as a basis for their investment decision. Avenir Fund Management Company does not take responsibility for those possible mistakes in this report that are due to errors on data received from a third party. Except for certain information related to market specific conditions, this information is prepared in the Finnish language and translated into English. In the event of any discrepancy between two versions, the Finnish version shall prevail.