



BROCHURE/FORM ADV PART 2A

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13 October 2016

This Brochure provides information about the qualifications and business practices of Carnegie Asset Management Fondsmæglerselskab A/S. If you have questions about the contents of this brochure, contact Ole Falkær Laustsen, our Chief Compliance Officer at +45 35 46 35 00 or carnegieam@carnegieam.dk. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or any U.S. state or foreign securities authority. Registration does not imply that Carnegie Asset Management Fondsmæglerselskab A/S has attained a certain level of skill or training.

Additional information about us is available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2 – Material Changes

This is an amendment of our Form ADV Part 2A Brochure. We are filing to report the following changes from our initial Brochure:

- We are now registered with the SEC as an investment adviser.
- We are now offering the WorldWide Global Equities Ethical strategy to U.S. Clients.
- The fee schedule has been updated.

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Item 4 – Advisory Business

Carnegie Asset Management Fondsmæglerelskab A/S (“CAM”) is a public limited company incorporated under the laws of Denmark, with its principal office and place of business in Copenhagen. CAM is a wholly owned subsidiary of Carnegie Asset Management Holding Danmark A/S and, in turn, CAM Group Holding A/S. Altor Fund III, a private equity limited partnership, indirectly owns 80% of CAM Group Holding A/S and the remaining 20% is owned by CAM employees (current and former). As of 30 September 2016, CAM has 88 employees and assets under management of appx USD 13 billion. CAM manages segregated accounts and pooled portfolios for pension funds, insurance companies, funds of funds, foundations/endowments, private businesses and high net worth individuals. The majority of clients are institutional investors.

CAM’s client base is geographically diverse, with investors spread across the Nordic region, the U.K, Germany, Australia and Canada and, with SEC registration, in the United States.

CAM’s Directors are Mr. Hugo Andersen (Chairman), Mr. Lars Andersen and Mr. Steinar Lundstrom.

CAM’s long-term investment objective is to generate stable, long-term asset growth for clients, by focusing on few world-class products, concentrated stock-picking portfolios and a stable client base. CAM has been managing International Equities portfolios (global equities excluding North America - “EAFE”) since its inception in 1986. CAM extrapolated its International process to include U.S. Equities in 1990, and the resulting WorldWide Global Equities strategy has since become the flagship offering, representing the large majority of CAM client assets. Since 2001 CAM has managed an ethical version of the global strategy, the WorldWide Global Equities Ethical strategy.

Subject to compliance with applicable regulatory requirements, U.S. Client (defined below) assets would be invested in transferable securities.¹

In this Brochure, “U.S. Client” means U.S. resident clients of the type identified in Item 7, “non-U.S. clients” means all other clients of CAM residing outside the United States and “clients” means both U.S. resident clients and non-U.S. resident clients.

The disclosures in this Brochure relate solely to our business with and for our U.S. Clients.

Item 5 – Fees and Compensation

CAM has established a fee structure that offers U.S. Clients both fixed fees based upon assets under management and performance-based fees. The price structure covers all portfolio sizes. Fees can be negotiated and may be offered at lower rates depending upon the circumstances and size of the account.

¹ Transferable securities include equity securities, bonds, warrants, units in collective investment undertakings and other investments.

CAM offers the following blended and fixed fee structure:

- USD 0-50 million 75 bp
- USD 50-100 million 65 bp
- USD 100-200 million 55 bp
- USD 200-500 million 45 bp
- Over USD 500 million 40 bp

Billing cycles and valuation methods are negotiated with U.S. Clients. CAM invoices U.S. Clients for fees due on a monthly, quarterly or annual basis. U.S. Clients may cancel their investment management agreement ("IMA") at any time with pro rata fees calculated for the relevant period based upon the termination date.

Custodians will value the assets in U.S. Client accounts. In addition, CAM will value assets using publicly available information sources including but not limited to Reuters and Bloomberg. Where CAM values assets and it is not possible to obtain a price or valuation (such as for a suspended, de-listed or illiquid security), the portfolio manager will gather information and the Chief Financial Officer will consider and make the pricing/valuation decision. To address the conflicts of interest involved, this valuation process is subject to an independent review.

The U.S. Client will decide whether the custodian's valuations or CAM's valuations will be the basis of the fees paid. The fee calculation will be made by CAM based upon the U.S. Client's choice of valuations. In all instances, it is the responsibility of the U.S. Client to review account statements and identify discrepancies in valuations and fee calculations for review and, if required, reconciliation. Fee calculations are also subject to an independent review.

An invoice will be presented to the U.S. Client for fees due to CAM. The custodian of the U.S. Client will, as agent for and with the consent of the U.S. Client, pay the fee due to CAM from the U.S. Client's account.

In connection with our discretionary investment advisory services, U.S. Clients bear all of their own expenses. Those will vary, but typically include: investment-related expenses such as custodial charges, brokerage fees, commissions and related costs; interest expenses; taxes, duties and other governmental charges; transfer and registration fees or similar expenses and costs associated with foreign exchange transactions.

Item 6 – Performance-Based Fees and Side-By-Side Management

Performance Fees are individually negotiated. Some U.S. Clients pay both a management fee and a performance fee while others pay only a management fee.

The fact that CAM is compensated based upon increased portfolio value may create an incentive for CAM to make investments that are riskier or more speculative than would be the case in the absence of such compensation. In addition, a portion of the performance-based fee received by CAM is based on realized and unrealized gains and losses. As a result, the performance-based fee earned could be based on unrealized gains that U.S. Clients may never realize.

Providing advisory services to accounts that pay performance-based fees and similar accounts that pay only asset-based fees creates a conflict of interest. CAM would have an incentive to favor accounts for which it receives a performance-based fee. To mitigate this conflict, CAM has implemented policies and procedures, including those discussed below regarding the aggregation and allocation of trades. As a fiduciary, CAM's policy is to act in the best interests of clients, not to favor one account over another and to treat all clients in a fair and equitable manner over time regardless of fee arrangements.

Item 7 – Types of U.S. Clients

CAM manages segregated accounts for U.S. Clients such as pension funds, insurance companies and foundations/endowments. The minimum account sizes to be accepted are USD 50 million.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

The majority of CAM's assets under management consist of global and International equities mandates. The Carnegie WorldWide Global Equities strategy is the flagship product. CAM has been managing International Equities portfolios (global equities excluding North America – "EAFE") since its inception in 1986. CAM extrapolated its highly successful International process to include U.S. equities in 1990 and the resulting WorldWide Global Equities strategy has since become the flagship offering, representing the large majority of CAM's assets under management. Since 2001, CAM has managed an ethical version of the global strategy, the WorldWide Global Equities Ethical strategy. U.S. Clients would be invested in the WorldWide Global Equities and the WorldWide Global Equities Ethical strategies, as well as the International Equities strategy.

CAM formulates its own investment advice. CAM's approach is based on fundamental research. This includes visiting companies, participating in investment workshops and seminars, generating our own research and reviewing third party research with a focus on both developed and emerging markets. For timing purposes, the fundamental evaluation of equities is dependent on a combination of factors, including risk return considerations, coupled with market sentiment and economic data.

The investment strategy adopted by CAM involves the following risks.

Stock Picking Risk: CAM analyses several factors when considering whether to purchase a security. One of these is the security's potential increase in value. A security may be sold at a price below the potential value identified when the purchase was made, which would be caused by one or more factors beyond the control of CAM, leading to a profit less than originally desired, or even a loss. Portfolios may sustain losses due to unanticipated market movements and failure to correctly predict the direction of securities prices, interest rates and currency exchange rates, among other factors.

Concentration Risk: Our investing focuses on equity markets and individual portfolios may be concentrated in various sectors. Any investment program that concentrates in a particular sector or regional market may be more volatile than a program that invests more broadly. If a

portfolio is not diversified, the decrease in the price of one particular security may have a bigger impact compared with a diversified portfolio than if the portfolio were diversified.

Market Risk: Overall, stock market risks will affect the value of a portfolio. Securities prices fluctuate every day. Fluctuations may lead to changes in correlations between or among securities, which could result in the simultaneous decrease of all security prices that may thereby negate all diversification effects.

Interest Rate Risk: Changes in interest rates or the holding of rates at low levels may affect industries differently. Financial industries may be affected more significantly than noncyclical industries.

Liquidity Risk: This is the risk that, due to insufficient trading volumes, a security cannot be traded at the required size (or quickly enough) to prevent a loss or make the expected profit. This may affect small cap stocks to a greater extent than large cap stocks.

Non-U.S. Securities Risk: Foreign securities, foreign currencies and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

Clients should be aware that investing in securities involves the risk of loss that they should be prepared to bear.

Item 9 – Disciplinary Information

There is nothing to report for CAM.

Item 10 – Other Financial Industry Activities and Affiliations

Our related persons and our ownership structure are set forth in Form ADV Part 1, on file with the SEC.

Altor Fund III GP Limited (“Altor Fund”), a Jersey partnership, indirectly owns 80% of CAM. Controls are in place to ensure that CAM’s activities are separated from those of Altor Fund. In addition, CAM never discusses investment decisions with any third parties (including its owners). In relation to placings and IPOs, CAM will not participate in any such transactions on behalf of clients when the placing or IPO is initiated by an Altor fund.

CAM Group Holding A/S owns a number of entities that are in common control with CAM, including Carnegie Asset Administration A/S, Carnegie Fund Management Company S.A., Carnegie Asset Management Holding Norge AS, Carnegie Kapitalforvaltning AS and Carnegie Investor Services AS. CAM has an agreement with Carnegie Asset Administration A/S for the allocation of joint administrative costs. Other intra-group transactions are carried out at an

arm's length basis, which includes introducing clients to CAM. However, CAM will not receive or pay any compensation for this.

From time to time, CAM may trade securities for its own portfolio – this power is limited and exercised by the CAM Board of Directors to buying and selling shares, bonds and units in collective investment schemes. Such trading is audited by CAM's external auditors. CAM will not trade securities or investments that it buys or sells for its clients, except for the purpose of facilitating the clients' purchase or redemption of collective investment schemes managed by CAM or as a remedy in the event of trading errors.

CAM will not sell funds advised or managed by CAM or any entity under common control with CAM to any U.S. clients, or otherwise trade with U.S. Clients.

Item 11 – Code of Ethics, Participation/Interest in Client Transactions and Personal Trading

CAM has a Code of Ethics ("Code") as required by Advisers Act Rule 204A-1. This Code sets out standards of conduct and other requirements for "supervised persons" and refers to the personal account transaction rules for "access persons". The rules impose requirements aimed at preventing, detecting and correcting fraudulent activity or activities that would create a conflict of interest in connection with personal transactions.

In order to monitor compliance with the rules for personal transactions and applicable law, each access person is required to comply with initial and annual holding reporting requirements regarding their accounts and securities positions. In addition, access persons must continuously report personal transactions in CAM's PA dealing reporting system, confirm quarterly that all personal transactions have been reported and confirm annually that they have complied fully with the rules.

The giving and receiving of gifts and entertainment and outside activities are addressed by CAM's Gifts & Entertainment Policy and the outside activities provisions of all employment contracts (under Danish law).

This is a summary of our Code, rules for personal transactions, outside activities and gifts and entertainment. We will provide a copy of our Code upon request.

Item 12 – Brokerage and Trading Practices

Portfolio management, trading and settlement and administration are handled by teams inside CAM that are dedicated to handling each aspect of the analysis, advice/recommendation, trading and settlement process in a professional manner.

Consistent with its fiduciary duties, CAM aims to exercise care in making investment decisions, managing and rebalancing portfolios.

When possible, CAM will generally execute transactions on an aggregated basis as CAM believes this will allow it to obtain best execution and negotiate more favorable commission rates or other transaction costs that might have otherwise been paid had such orders been placed independently. When trading for two or more clients or portfolios, CAM will allocate among

clients and aggregate the individual orders prior to placing the order. When aggregating orders, all clients will be treated in a fair and equitable manner. No account will be favored over any other client; however, a client's investment objectives and restrictions, and other factors, such as available cash, would determine whether or not a particular client may or may not participate in a particular aggregated transaction. All clients participating in the transaction receive the same price. Partially-filled orders will be filled on a pro rata basis.

CAM places orders for execution in accordance with its execution and allocation policy, procedures and criteria. CAM's policy is to seek the most favorable results for clients on each transaction.

CAM defines best execution as seeking to obtain the best possible result for our clients. CAM uses the following factors to achieve best execution: price; costs; speed; likelihood of execution and settlement; broker selection; size of the order; and any other consideration directly relevant to the execution of that order.

CAM only trades with brokers on its approved broker list, which are subject to evaluation when added to this list and at least once a year or when otherwise required according to pre-agreed criteria. The criteria are research coverage and the value of research, speed and quality of execution, commission rates, road shows, education (including conferences) and quality of service. CAM conducts an annual broker review at which time it confirms a broker on the list and allocates a percent of the broker commission to be paid in the coming year, by region and by broker ("annual commission allocation"). This could change during the year if the criteria used to evaluate a broker changes.

CAM uses the following criteria when selecting a broker with whom to place an order to buy or sell securities or other investments: annual commission allocation; size and complexity of the trade; counterparty risk; brokerages rates; the broker's turnover in the particular security; execution performance; record in the relevant market; and ability to ensure timely and correct settlement.

When trading in markets that are complicated or that require special considerations, CAM and/or clients may have to complete additional paperwork to be able to trade.

When onboarding a client or liquidating part or all of a client's holdings or portfolios, CAM may use program trading in addition to the above criteria.

CAM has a trading error policy. To the extent trading errors occur, CAM seeks to ensure that clients' best interests are served. CAM's policy is to resolve all trade errors within a reasonable time while ensuring that the client is not disadvantaged, consistent with the orderly disposition (and/or acquisition) of the securities in question. CAM will reimburse a client for actual losses suffered as a result of a trade error caused by CAM. Clients would receive any "profit" on a trade error and CAM bears all losses. We do not compensate clients for lost investment opportunities (e.g., failure to take advantage of investment or market improvements).

CAM may use "soft dollars." This refers to the receipt by CAM of research and certain services provided by brokers and paid for with client funds. Soft dollars are based on the volume of

revenues generated by brokerage commissions related to the execution of transactions by clients. The research and services available from brokers include internally generated items such as research reports. Research and data may include written information/analyses relating to securities, companies or sectors, market, financial and economic studies and forecasts, statistics, pricing and appraisal services, discussions with research personnel and invitations to attend conferences or meetings with company management.

The use of soft dollars benefits may influence CAM to select one broker rather than another to perform services for clients, based on our interest in receiving the research and services instead of on our clients' interest in receiving the best execution prices. Obtaining these benefits may cause our clients to pay higher fees than those charged by other brokers. CAM will use the research and services in connection with our advisory services for any of its accounts, not necessarily for only the account that "paid" for them. CAM will aim to allocate soft dollar benefits in a fair and equitable manner, but may not necessarily allocate soft dollar benefits to each of our client accounts in proportion to the soft dollar credits that each client generates.

Section 28(e) of the U.S. Securities Exchange Act of 1934 provides a "safe harbor" to investment advisors that use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to investment advisors in the performance of their investment decision-making responsibilities. CAM intends to operate within such "safe harbor".

CAM may, under exceptional circumstances, cross U.S. Client trades. Although CAM will have a conflict of interest as it is exercising discretion for both clients, CAM will only effect a cross trade where it exercises discretion for both such clients and the transaction is effected at the best price available in the market, giving effect to CAM's duty of best execution.

U.S. Clients who designate the use of a broker for a transaction ("directed brokerage") should understand that (a) CAM will generally not attempt to negotiate commissions with designated brokers; (b) they may pay higher commissions; and (c) they will not necessarily receive best execution. Transactions for a U.S. Client who directs brokerage may not be batched for execution with transactions in the same securities for other clients. As a result, directed brokerage transactions may result in higher commissions, greater spreads or less favorable net prices than would be the case if CAM were authorized to choose the broker through which to execute transactions for the account.

Item 13 – Review of Accounts

CAM conducts at least quarterly reviews of U.S. Client accounts to determine, among other things, whether each account is appropriately positioned and whether investment objectives and restrictions are being followed.

U.S. Clients receive from their custodian (that they have appointed) a monthly account statement. The custodian sends a copy of the account statements to CAM. U.S. Clients receive from CAM an invoice showing each fee calculation and quarterly communications from CAM explaining account activity. The U.S. Client is responsible for reviewing and raising discrepancies between information provided by the custodian and CAM.

Item 14 – Client Referrals and Other Compensation

CAM does not have any arrangements with any third party to solicit or refer U.S. Clients.

Item 15 – Custody

All U.S. Client accounts are maintained at qualified custodians and CAM does not have custody of such assets under Rule 206(4)-2 under the Advisers Act.

Item 16 – Investment Discretion

We are exclusively retained by U.S. Clients to manage their accounts on a discretionary basis. Within a U.S. Client's specified investment objectives and guidelines, CAM determines which securities are bought or sold, the total amount of securities to be bought or sold, the broker through which the securities are to be bought or sold and the commission rates to be paid, without consultation with the U.S. Client. In exercising our investment discretion, we work to the investment policies and restrictions that are established at the inception of the relationship (as amended from time to time). The guidelines and/or offering documents cover matters such as the types and amounts of securities that will comprise the portfolio. In certain circumstances, some U.S. Clients may also restrict certain securities from being purchased for their account.

Item 17 – Voting Client Securities

CAM will not vote proxies for or on behalf of U.S. Clients.

Item 18 – Financial Information

CAM does not have any adverse financial information to disclose.