

Newsletter

February 2009

Scandium Absolute Return Fund

December 2008	final 2.03%
YTD	final -20.33 %

Final NAV class A 31.12.2008: 81.89

Dear investors

The return for December was 2.03%, bringing the 2008 return to -20.33%.

We would like to provide an update regarding the status of the fund moving forward. In light of market conditions and redemptions received to date we have recommended to the Board of Directors of the Scandium Absolute Return Fund that the fund redeems all underlying investments and returns proceeds to investors in the form of dividend payments each quarter throughout 2009.

The Board of Directors will formally ask the Annual General Meeting to be held April to vote on this recommendation.

In anticipation of our recommendation being approved by the Annual General Meeting and the Board of Directors we have submitted requests to redeem the fund's underlying holdings where possible so that the Board of Director may distribute proceeds to investors as quickly as possible thereafter.

We have carried out a liquidity analysis on the fund's portfolio and we estimate 40% of the fund's assets will be in cash by the end of Q1 2009 rising to 80-90% by the end of 2009.

Yours sincerely,

Casper Hallas

Monthly returns net of all fees

Returns until Oct. 06 created by the clone-fund Scandium Fund Ltd.

Yr/Mth	2002	2003	2004	2005	2006	2007	2008
Jan	-1.22%	0.79%	1.32%	-1.06%	1.98%	0.84%	-2.34%
Feb	-0.78%	0.53%	2.08%	1.20%	0.70%	0.89%	2.45%
Mar	-0.26%	-1.13%	-0.54%	0.50%	1.14%	1.02%	0.45%
Apr	0.36%	-0.99%	0.15%	-0.31%	1.57%	1.93%	1.05%
May	1.28%	4.15%	0.03%	2.98%	0.09%	1.26%	1.89%
Jun	1.34%	-1.09%	-0.46%	1.71%	-0.30%	1.24%	0.11%
Jul	0.87%	-0.63%	-0.46%	1.03%	-0.23%	-0.24%	-1.94%
Aug	0.67%	0.27%	0.12%	0.07%	0.93%	-4.28%	0.42%
Sep	0.37%	2.06%	0.50%	2.17%	-0.20%	-3.08%	-8.27%
Oct	-0.87%	0.27%	2.61%	-0.05%	0.82%	1.61%	-5.93%
Nov	-0.02%	0.32%	3.96%	2.03%	0.85%	-0.88%	-10.99%
Dec	2.67%	3.18%	0.84%	1.49%	1.18%	0.63%	2.03%
Return	7.02%	7.86%	10.51%	12.32%	8.83%	0.74%	-20.33%

Fund facts

Subscribe/redeem	Suspended
Manager fee	1.5 %
Performance fee	15 % of return above 5 %
High water mark	Yes

Administrator	Carnegie Fund Management S.A.
Custodian	Nordea Bank S.A.
Auditor	Deloitte
ISIN	LU0272055186
Bloomberg	SCALINA LX

