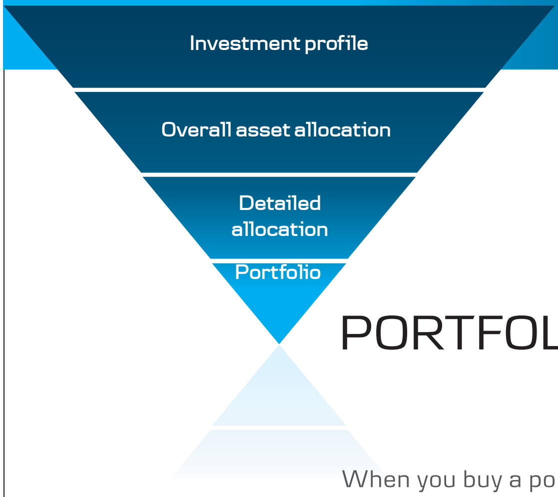


PORTFOLIO PRODUCTS

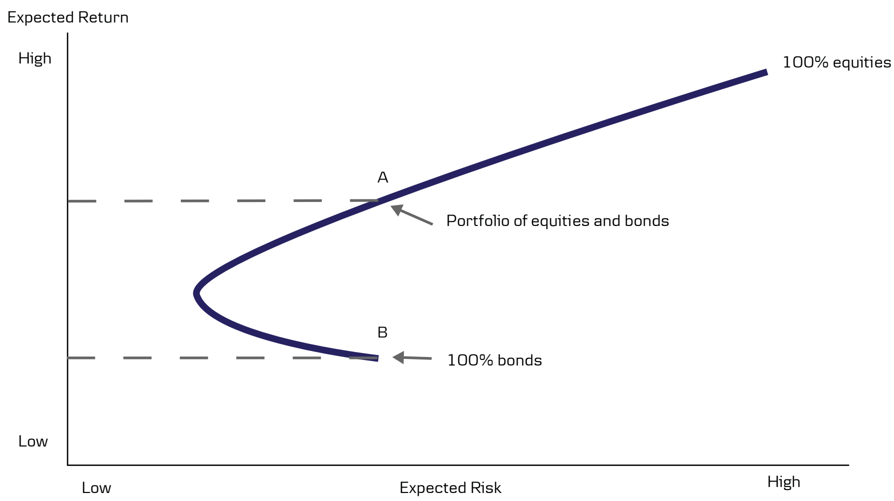
When you buy a portfolio product, you buy a mix of several different securities. The typical products are compiled as a mix of equities and bonds to ensure that the products match your investment profile.

When you buy a portfolio product, you buy ongoing management of your investments.

A number of portfolio products also make use of so-called alternative investments as a part of their investment universe. Alternative investments are e.g. hedge funds, unlisted equities (also referred to as private equity) and/or commodity investments. These alternatives are typically used to enhance the portfolio's risk/return characteristics.

RETURN

You can obtain a higher return on the same level of risk by combining different types of equities, bonds and other securities. This is done by investing in a portfolio consisting of several types of securities.



The graph shows that in point A the investor obtains a higher expected return than in point B on the same level of risk.

Another objective is to obtain a more stable return. This can be done by investing in several different types of securities. The explanation is that the value of different types of securities generally increase and decrease at different points in time.

As it is the case with other investments, investing in a portfolio product also entails the risk of loss.

The return is to be evaluated in an overall portfolio perspective as opposed to separate evaluations of the returns on the individual securities in the portfolio. Equity returns show greater fluctuations than bond returns. When some investors, nonetheless, prefer equities to bonds, they do so because they expect a higher return on equities than on bonds over time.

RISK

The aggregate risk of a securities portfolio is the combined risk of all securities of the portfolio.

Bond investments entail three types of risk:

- The market interest rate increases – this implies that the bond price decreases (Interest rate risk)
- The issuer is unable to pay interest/principal (Credit/Default risk)
- The currency in which the bond is denominated decreases compared to the reference currency of the portfolio – this implies that the bond value decreases (Currency risk)

When you invest in equities, there is a risks that the value the equities may change:

- Company-specific risks - conditions and factors for the company in question
- Sector-specific risks - development related to the sector in which the company is operating
- Market risks - development in the financial markets which may be triggered by macroeconomic or political factors as well as investors' current appetite for equity investments.

In a worst-case scenario, the above risks may individually or in combination imply that the invested amount might be lost.

The risk associated with alternative investments are often made up of the risk elements mentioned and associated with either equities, bonds or a mix of these asset classes.

Typically portfolio products invest in both global and domestic securities. In addition to the exposure to price changes, investments in global securities are as well associated with a currency risk, which may turn out to affect the overall return significantly.

LIQUIDITY RISK

Products within this category are in general liquid and continuously priced in the market. In the event that a company or an issuer of a specific security experience financial difficulties or the market is struck by e.g. financial crisis, the securities may be difficult to sell.

In addition, there is usually a term of notice on most products in this category, i.e. one month.

INVESTMENT FUNDS

If you invest in a portfolio product that invests in investment funds, you obtain the same characteristics as those associated with investing in similar individual securities. However, you obtain a more efficient diversification and ongoing management of your investments.

YOUR RESPONSIBILITY AS INVESTOR

Your choice of portfolio product should be based on your attitude to risk and investment horizon indicated by your investment profile. In the event that you experience a lack of clarity as to the composition of your portfolio or elements of it, it is important that you request additional information from your advisor.