

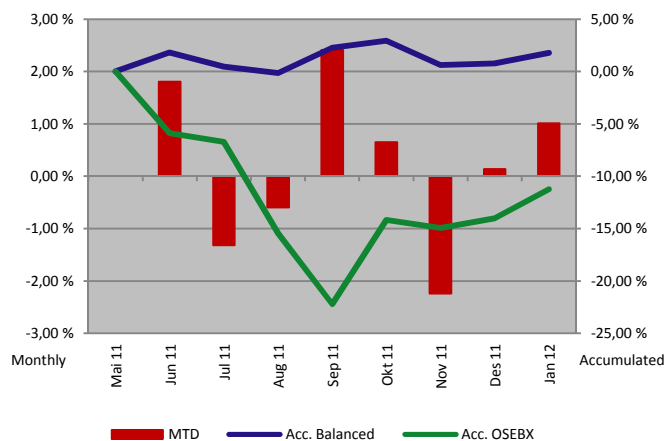
Norwatt Nordic Power Balanced Strategy Fund

Monthly report - January 2012

Monthly comment

During the last two months before Christmas the prices in Nordic power market followed a sharp declining trend, but in the beginning of January this trend ended. The reason for this was that the weather turned colder, which again increased the power consumption and decreased the inflow to the reservoirs. In addition to that unexpected problems with several Swedish nuclear reactors arose. These problems escalated, and towards the end of the month almost half of the production capacity in Swedish nuclear production was out. Thus, the market started to fear strained supply in peak hours, and the prices in the front end of the curve increased sharply. The strategies in Norwatt Nordic Power Balanced Strategy fund profited from the price increase, and the return for January was 1,01 %.

Performance graph



Monthly performance

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012	1,01 %												1,01 %
2011						1,81 %	-1,32 %	-0,60 %	2,41 %	0,65 %	-2,24 %	0,14 %	0,77 %
2010													0,00 %
2009													0,00 %
2008													0,00 %

Disclaimer: Figures quoted represent past performance, which is no guarantee of future results.

Statistic	Risk parameters	
	NNP Bal	OSEBX
NAV	0	
Last month	1,01 %	3,22 %
3 months	-1,12 %	3,42 %
6 months	1,32 %	-4,86 %
12 months		
24 months		
36 months		
Since inception	1,79 %	-9,88 %
Capital under management (Mill. NOK)	89,04	
	Best month	2,41 % 10,32 %
	Worst month	-2,24 % -9,36 %
	Worst drawdown inception	-2,24 % -22,21 %
	Share positive months	62,50 % 37,50 %
	Standard deviation 12 months	
	Standard deviation since inception	5,44 % 21,94 %
	Sharpe ratio	-0,38 -0,67
	Correlation OSEBX 24 months	
	Correlation OSEBX since inception	-9,24 %

Terms

Management fee	2 %
Performance fee	20 %
Hurdle rate	3 month NIBOR
Performance fee period (months)	1
High water mark	Yes

Targets

Annual return	15 %
Annual Standard deviation	12 %

Description

Manager	NorWatt AS	Currency	NOK
Accounting	Custom House Fund Services	Liquidity	Monthly
Auditor	KPMG Malta	Minimum subscription	€75.000 in NOK

norwatt

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