



Carnegie Corporate Bond invests in Nordic corporate bonds.

- Balanced portfolio with a geographical distribution within the Nordic countries.
- Invests across the credit rating scale (AAA to B-) and strives for an average of BBB.
- Available in additional share classes B (NOK), C (EUR) and D (SEK quarterly dividends)

## MANAGER COMMENT: SHADOW RATINGS PROBED AND ABOLISHED

Jackson Hole, an annual symposium for central banks, was regarded by the market as non-news and the Fed chair's speech did not significantly affect the market.

The bigger news at home was that Swedish banks were criticised by the European regulator (ESMA) over their "shadow rating" of issuers. This has led several banks in Sweden to abandon the practice at this point, and it could have a big impact on the market in the future.

The precise impact is difficult to quantify at the moment, other than to say that companies without official credit ratings could find financing more expensive, a side-effect the Swedish Financial Supervisory Authority does not desire, in our opinion. We will keep you updated on the subject, but our management philosophy and mandate are unaffected and are therefore unchanged.

Interest rates have been more or less stagnant in August, with no drama. The board of the Riksbank has opened up the possibility of also buying mortgage bonds since it already owns 40

percent of outstanding government debt. The credit market as a whole was very strong during the month, and this has given good returns.

August began quietly, with very few new issues, but picked up towards the end. We participated in issues from Norwegian insurance company Gjensidige and Danish mortgage institution Realkredit. Carnegie Corporate Bond rose 0.82 percent over the month, and the return so far this year is 1.69 percent.

Repurchases of bonds are still having an impact on the market, but the spillover is not significantly limited to either euro- denominated bonds or only investment grade.

Add to this continued expectations of low interest rates, and this market is one in which we have to adjust our view of returns. At the same time, there is uncertainty about global growth, the US presidential election and the long-term implications of Brexit. In other words, there is some risk of volatility ahead.

- Niklas Edman
- Babak Houshmand

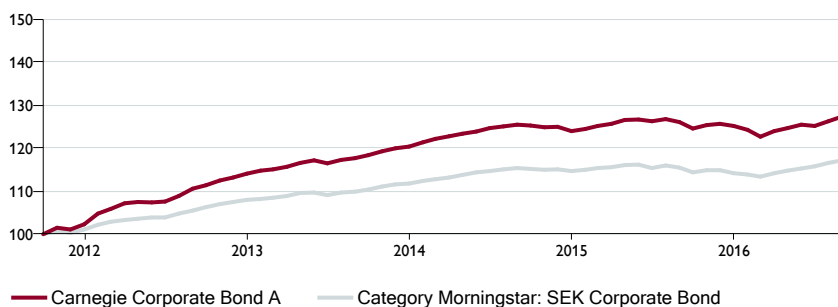
## RETURN %

As of 31/08/2016

YTD	1 Year	3 Year	5 Year	Since inception
1.7	1.0	8.2	25.7	296.3

## 5 YEAR RETURN %

As of 31/08/2016



## RETURN PER MONTH %

As of 31/08/2016

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2016	-0.75	-1.30	1.10	0.57	0.64	-0.23	0.88	0.84					1.73
2015	0.37	0.58	0.42	0.66	0.15	-0.33	0.38	-0.53	-1.20	0.59	0.27	-0.38	0.98
2014	0.85	0.66	0.49	0.47	0.39	0.61	0.38	0.27	-0.14	-0.30	0.10	-0.82	2.99

## MONTHLY REPORT AUGUST 2016



**NIKLAS EDMAN**  
Manager since 2013 and in the business since 2007.

**BABAK HOUSHMAND**  
Manager since 2014 and in the business since 2007.

Start date	01/10/1990
Pricing	Daily
Morningstar rating (2016-08-31)	★★★★★
Risk level	2 of 7
ISIN	LU0075898915
Bloomberg	BBG000BNP099
Management fee	0.95%
Minimum initial investment	0 SEK
Asset under management	11 353 MSEK
Dividend	No
NAV (End of month)	396.26 SEK

Signatory of:



Principles for Responsible Investment



SVERIGES FORUM FÖR HÅLLBARA INVESTERINGAR

### FOR SWISS INVESTORS:

The Company is established as a SICAV under Luxembourg law and the Sub-Funds are authorised by FINMA. The Swiss representative is Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva. The Swiss paying agent is Banque Cantonale de Genève, 17, quai de l'Île, 1204 Geneva. Investors in Switzerland can obtain the documents of the Company, such as the Prospectus, the KIIDs, the Articles of Incorporation and the semi-annual and annual reports, each in their latest version as approved by FINMA, in German, and further information free of charge from the Swiss representative.

Historical returns are no guarantee of future returns. Money invested in the fund may both increase or decrease in value and there is no guarantee that you will be repaid all of your invested capital. Complete prospectus and fund statutes are available at [www.carnegiefonder.se](http://www.carnegiefonder.se).

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## CREDIT QUALITY BONDS%

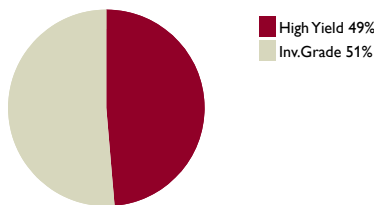
As of 31/08/2016

AAA	15.1	BBB	10.5
AA+	2.8	BBB-	17.7
AA	0.0	BB+	11.4
AA-	0.4	BB	6.1
A+	1.7	BB-	13.8
A	0.0	B+	4.0
A-	0.6	B	12.3
BBB+	3.7	B-	0.0

Average credit rating of at least investment grade

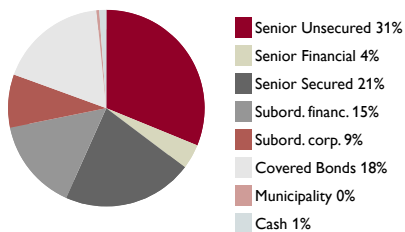
## ALLOCATION HIGH YIELD/INV.GRADE %

As of 31/08/2016



## CAPITAL STRUCTURE %

As of 31/08/2016



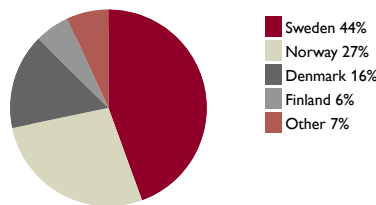
## LARGEST ISSUER %

As of 31/08/2016 (Excluding covered bonds)

Danske Bank	4.3
Bergvik	3.1
Akelius	2.4
Storebrand	2.3
Aker	2.3
Lindorff	2.2
Teekay Offshore	2.1
DnB	2.1
ComHem	1.9
Volvo	1.9
Total	24.5

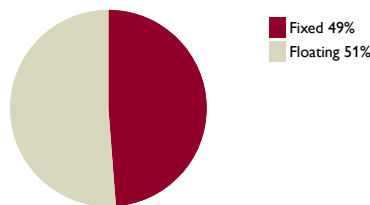
## GEOGRAPHICAL BREAKDOWN %

As of 31/08/2016



## BOND BREAKDOWN %

As of 31/08/2016



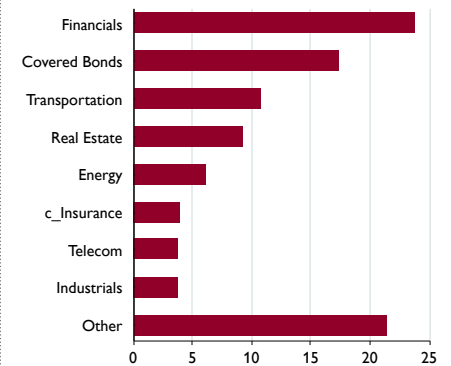
## KEY STATS

As of 31/08/2016

Yield to maturity % (currency adjusted)	3.19
Yield to maturity %	3.77
Current Yield %	4.21
Credit duration (yrs)	3.63
Duration (yrs)	1.20
Standard Deviation %, 1 Year	2.88
Standard Deviation %, 3 Year	1.72
Sharpe Ratio, 1 year	0.52
Sharpe ratio, 3 Year	1.23

## SECTOR BREAKDOWN %

As of 31/08/2016



## MATURITY %

As of 31/08/2016

<1 year	10.2
1-3 years	36.5
3-5 years	46.9
>5 years	6.3

## ABOUT CARNEGIE FONDER

We specialise in equity funds and fixed-income funds in Sweden, the Nordic region and in the world's emerging markets. Our funds invest in a selected number of attractively valued assets that we really believe in – an investment philosophy we call focused value management, and which we have retained since our foundation in 1988.

## CONTACT INFORMATION

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 Phone: +46 8 5886 93 50

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