



Carnegie Rysslandsfond invests in well-managed Russian companies.

- Focused portfolio with approximately 30 companies.
- The fund strives for low volatility and low turnover.
- Invests in companies with strong financial positions, low valuations and high dividend yields.

## MANAGER COMMENT: ALL-TIME HIGH

Oil prices rose sharply during the month. The Russian market also gained, but not at nearly the same pace. From a historical perspective the market is now quite expensive, which means a certain resistance to new gains.

My view is that higher oil prices are largely priced in, and that positive political and macroeconomic news will be needed to drive the market higher. The ruble denominated MICEX index is now at an all-time high.

The Russian budget deficit has been much discussed during the month, and it is obvious that this is something that worries the Russian government. With the current tax system, the budget deficit will be two to three times greater than it can accept for the next three years. According to a proposal by the finance ministry, taxation of Gazprom and the oil companies will therefore rise substantially next year. However, higher income taxes on the population are being discussed. The current tax rate is very low from an international perspective, at 13 percent.

Gazprom's report was largely as expected,

although EBITDA was slightly lower. Lukoil was slightly worse in terms of EBITDA but better on revenues and net profit. Results from both Gazpromneft and Bashneft came in as expected.

In the metals sector, Norilsk issued really good results. At EBITDA level it was around 10 percent better, primarily due to higher sales volumes of nickel and precious metals. Polymetal's results were largely as expected. Volumes were 8 percent lower, in line with a planned production cut.

Food chain Dixy issued surprising results. Revenues rose by 24 percent year on year, and the EBITDA margin was 5.6 percent, which is an improvement. Magnit's results were just as its management had previously indicated. MAIL.RU's results were unfortunately weak, while the company guided down expectations for the rest of the year. Results from MTS were also disappointing, and its profits fell 8 percent year on year.

-Fredrik Colliander

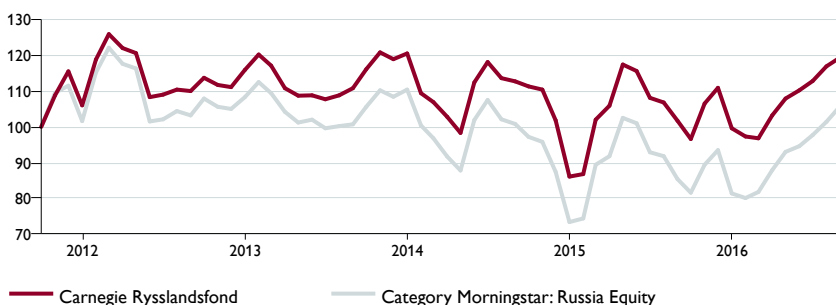
## RETURN %

As of 31/08/2016

	YTD	1 Year	3 Year	5 Year	Since inception
	19.8	17.4	7.7	4.4	424.7

## 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	-2.29	-0.54	6.57	4.59	2.11	2.40	3.65	2.08					19.83
2015	0.75	17.56	3.83	10.88	-1.57	-6.44	-1.21	-4.85	-4.97	10.23	4.16	-10.20	15.65
2014	-9.16	-2.34	-3.76	-4.44	14.39	5.08	-3.84	-0.78	-1.21	-0.87	-7.79	-15.37	-28.50

## MONTHLY REPORT AUGUST 2016



### FREDRIK COLLIANDER

Manager since 2007 and in the business since 1990.

Start date	27/10/1997
Pricing	Daily
Morningstar rating (2016-08-31)	★★★★
Risk level	7 of 7
ISIN	SE0000429821
Bloomberg	BBG000HYBFH2

Management fee	2.50%
Minimum initial investment	0 SEK
Asset under management	3 378 MSEK
Dividend	No
NAV (End of month)	51.07 SEK

Signatory of:



### FOR SWISS INVESTORS:

The Fund is established as a contractual Fund under Swedish law and is 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 Fund, such as the Prospectus, the KIIDs, the Fund Rules 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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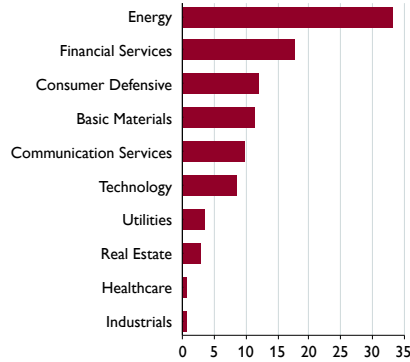
## TOP HOLDINGS %

As of 31/08/2016

Sberbank	9.5
Novatek Gdr	9.4
Gazprom Adr	7.6
Surgutneftegaz Pref	6.8
Norilsk Nickel Adr	4.3
X5 Retail Group	4.1
Moscow Exchange Micex - Rts	4.0
Magnit Gdr	3.9
Mobile Telesystem Adr	3.6
Megafon	3.2
Total	56.4

## SECTOR BREAKDOWN %

As of 31/08/2016



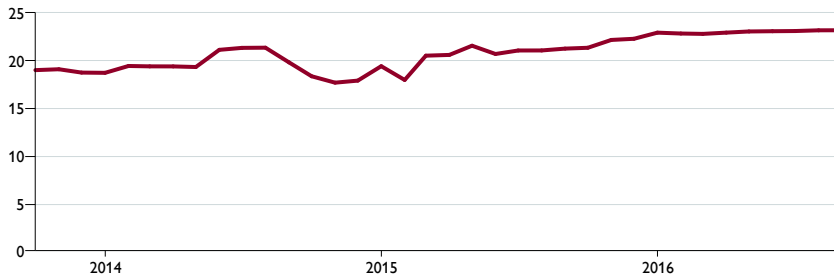
## KEY STATS

As of 31/08/2016

Number of holdings	32
Turnover rate, tms/year (31/12/2015)	0.22
Standard Deviation %, 1 Year	18.74
Standard Deviation %, 3 Year	21.34
Sharpe Ratio, 1 year	0.86
Sharpe ratio, 3 Year	-0.28

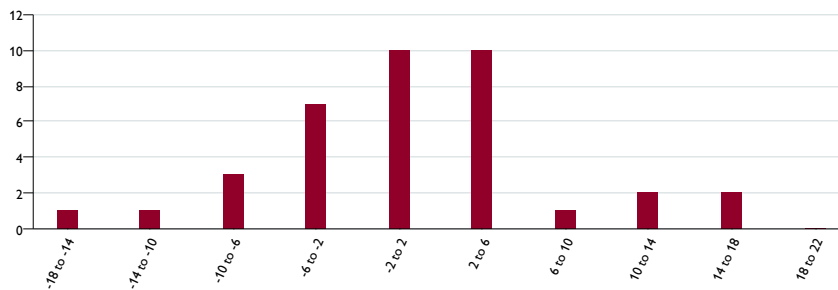
## STANDARD DEVIATION %

As of 30/09/2013 to 31/08/2016



## DISTRIBUTION OF MONTHLY RETURNS %

As of 31/08/2013 to 31/08/2016



The Y-axis shows the number of months the fund has a monthly return within the defined range on the X-axis.

## LARGEST CONTRIBUTORS %

As of 31/12/2015 to 31/08/2016

Contributor	Resc. weight	Return	Contrib.
Sberbank Of ...	9.3	63.8	5.4
Novatek Oao...	9.1	35.1	3.2
Inter Rao Ue...	2.0	195.5	2.3
Moscow Excha...	3.2	69.1	2.0
Gazprom Pao ...	8.7	17.8	1.9

## SMALLEST CONTRIBUTORS %

As of 31/12/2015 to 31/08/2016

Contributor	Resc. weight	Return	Contrib.
Luxoft Holdi...	3.2	-32.3	-1.7
Mail.Ru Grou...	3.5	-24.1	-1.1
Transneft Pj...	3.6	-8.6	-0.3
Megafon-Reg ...	3.6	-3.9	-0.2
Kazmunaigas ...	0.2	-15.4	-0.2

## 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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