

## MARKET COMMENT

### Focus: Nordic Waterproofing, Concentric and Systemair

The Stockholm stock exchange ended the year with a December gain of 1.3 percent. The small caps index was even stronger, with a rise of 5.1 percent. Carnegie Småbolagsfond was up 7 percent.

Roofing company Nordic Waterproofing had a successful 2020. Both sales and profitability trended well, as did the share price. The company moved its legal domicile from Denmark to Sweden from the start of December, so it is now a Swedish company. The Danish address was a hangover from the company's formation when, somewhat simplified, a Finnish, a Swedish and a Danish company merged and formed Nordic Waterproofing. Since its IPO, the head office, the owners and the stock exchange listing have been in Sweden, so the move is welcome and completely natural. This may seem like a formality, but it could have a positive impact since some funds can only own companies domiciled in Sweden, some indexes take this into account, and the taxation of share dividends can be affected. In short, good news. Despite the positive development in 2020, there are clearly improvements to be made. Not all parts of the company are running on all cylinders so we see continued potential for improvement. And we believe the talented management is up to the task. Nordic Waterproofing is especially well capitalised so there is plenty of

scope for further acquisitions, and the valuation of the share still looks attractive. The stock rose 20 percent in December.

Concentric has long been a core holding in the fund. The development of the business has actually always been extremely impressive, with profitability that has almost defied gravity. Economic fluctuations are handled with bravura and the company manages to be at the forefront of technology. The only thing we have not been completely satisfied with is the lack of acquisitions, despite the fact that these are clearly high on the agenda. This has resulted in an overcapitalised balance sheet, and doubts have crept in about the company's ability to execute in that particular area. US company Allied Enterprises was acquired in December. This is not a major acquisition, but we draw two conclusions. First, Concentric wants to, and can, make acquisitions. Second, Allied provides important strategic expertise in electrically powered vehicles and fuel cells. The many indications of an economic recovery in 2021 should benefit Concentric's main customer groups - construction machinery and truck manufacturers. On top of this is the company's skilled positioning in electrification. This is a share to own for the long-term, and the price rose 13 percent in December.

## MONTHLY REPORT

### DECEMBER 2020



**VIKTOR HENRIKSSON**

Manager since 2012.

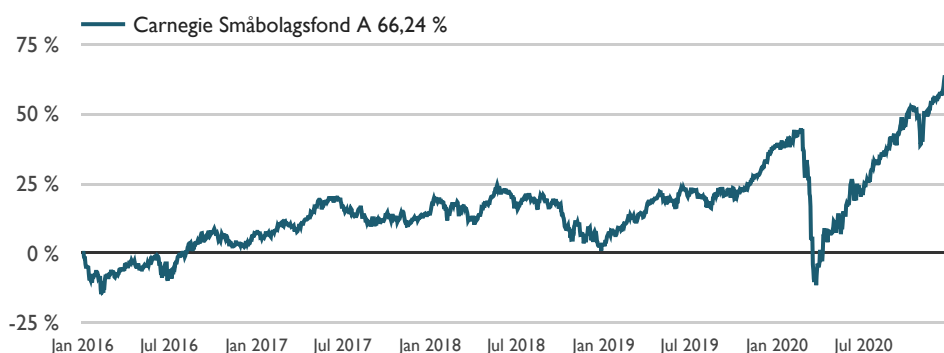
Carnegie Småbolagsfond invests in small value companies on the Stockholm stock exchange.

Start date	31/01/2012
Pricing	Daily
Morningstar rating	★
Risk level	6 of 7
ISIN	SE0004392025
Management fee	1.60 %
Minimum initial investment	0 SEK
Assets under management	2 278 MSEK
Dividend	No
NAV per share	441.48 SEK

## CUMULATIVE PERFORMANCE %

YTD	1 year	3 years	5 years	10 years	Since inception
19,97	19,97	45,69	66,24		341,48

## FIVE YEAR PERFORMANCE %



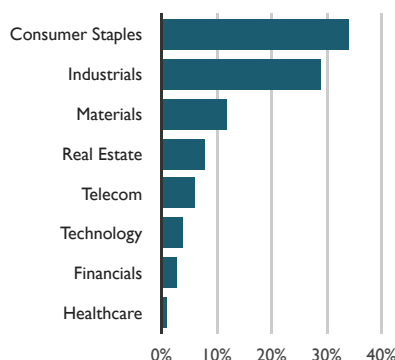
## MONTHLY PERFORMANCE %

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Full year
2020	1,17	-8,94	-20,82	9,83	6,15	3,59	8,49	6,10	6,56	-6,10	10,45	7,03	19,97
2019	5,87	3,32	1,86	6,11	-4,39	3,82	-0,74	2,19	0,58	0,12	5,63	6,28	34,56
2018	2,09	1,34	-4,53	4,81	2,95	-3,15	1,72	-0,81	-1,96	-5,97	-0,66	-5,39	-9,75

## LARGEST HOLDINGS

Nordic Waterproofing Holding AB Reg	9,0 %
Bufab AB	6,7 %
Nordic Entertainment GR AB Reg	5,7 %
Dometic Group AB	5,5 %
Scandi Standard AB	5,4 %
Stillfront Group AB	5,3 %
Embracer Group AB B Reg	4,9 %
Elanders AB B Reg	4,5 %
Concentric AB	4,3 %
Systemair AB	4,3 %

## SECTOR ALLOCATION

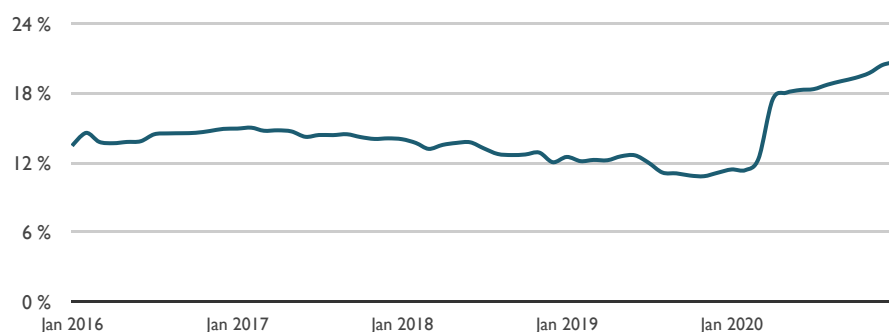


## KEY STATISTICS

Number of holdings	27
Turnover rate, tms/year	0,31
Active share *	88 %
Standard deviation, 2 years	23,3 %
Standard deviation, 3 years	20,7 %
Standard deviation, 5 years	17,8 %
Sharpe ratio, 2 years	1,16
Sharpe ratio, 3 years	0,66
Sharpe ratio, 5 years	0,62
Tracking error, 2 years *	6,0 %
Tracking error, 3 years *	6,3 %
Tracking error, 5 years *	6,1 %

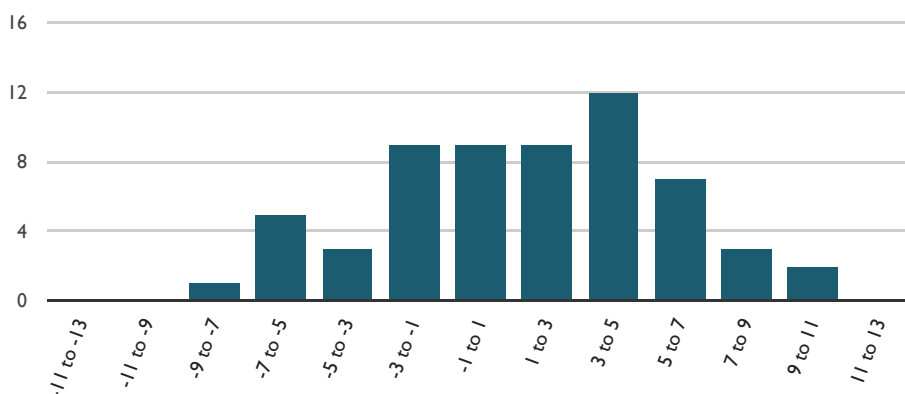
\* Benchmark: Carnegie Small Cap Return

## STANDARD DEVIATION %



## DISTRIBUTION OF MONTHLY PERFORMANCE %

As of 31/12/2015 to 31/12/2020



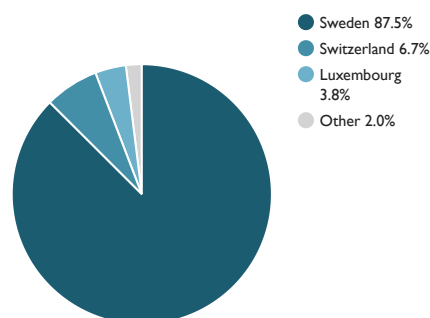
## TOP CONTRIBUTORS YTD

Stillfront Group AB Reg	11,2 %
Nordic Waterproofing Holding AB Reg	9,7 %
Loomis AB Reg	2,9 %
Nordic Waterpro HG A/S	2,8 %
Nordic Entertainment GR AB Reg	2,4 %

## BOTTOM CONTRIBUTORS YTD

Atrium Ljungberg B	-2,4 %
Resurs Holding AB	-1,5 %
Hufvudstaden AB A	-1,3 %
Millicom Intl Cellular SA SDR	-1,1 %
Cloetta AB B	-1,1 %

## GEOGRAPHICAL ALLOCATION



## CARNEGIE FONDER - SUSTAINABLE INVESTMENTS IN VALUE COMPANIES

Carnegie Fonder is an independent fund management company that was founded in 1988. Our mission is to create long-term good returns for our unit holders. By combining modern sustainability analysis with traditional financial analysis, we identify undervalued companies that are properly equipped for the challenges of the future. We call these value companies.

## CONTACT INFORMATION

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