

# CARNEGIE STRATEGIFOND A

## MARKET COMMENT

### DIMINISHED HOPES TO AVOID RECESSION

After a volatile month in which the stock market was up by 5% at peak, the market closed marginally up in February. Excluding energy and mortgage loan rates, consumer prices in Sweden continued to rise. Swedish GDP shrank more than expected in Q4, which is diminishing hopes to avoid a recession. Long rates rose during the month, as the US 10-year climbed 0.3 points and the Swedish 10-year by a full 0.6 points. Despite this, we saw distinct signs during the month that the capital market had woken up, with several new issues during the month that clearly illustrate the massive improvement in risk sentiment in recent months.

It was obvious in the quarterly reports that the increased interest rates are starting to take a bite out of highly leveraged companies, whose bottom lines are being squeezed. As we seek out companies with high dividend yield and strong balance sheets, our companies are holding up well even in this climate. Among the portfolio companies that reported during the month, we saw solid reports from Duni and from Valmet, a relatively new holding, which were rewarded with strong share price growth, while Sampo was somewhat weaker, mainly due to a

couple of large non-recurring items even though underlying operations developed well, and the share fell as a result.

The equity component was further reduced during the month due to persistent upturns in the holdings and a very attractive return on the fixed income component of the fund. The fund reduced its stake in companies including Industrivärden, Lifco, Skanska, ABB and Investor. The fund has continued to diversify in the credit portfolio where we were active during the month in both the primary and secondary markets and invested in names such as Telenor, Assa Abloy and Ica and rolled over our exposure to Industrivärden. Several bonds from these companies are producing current yield of 4-6%, which we consider attractive. As a counterweight, the fund has reduced holdings in names such as Storskogen and the hybrid in Balder, which will be redeemed in early March.

Corporate events included the positive news that SGL Transgroup has been sold and is thus refinancing its bonds early at a premium and we rolled over our financing on attractive terms.



**JOHN STRÖMGREN**

Manager since 1996.

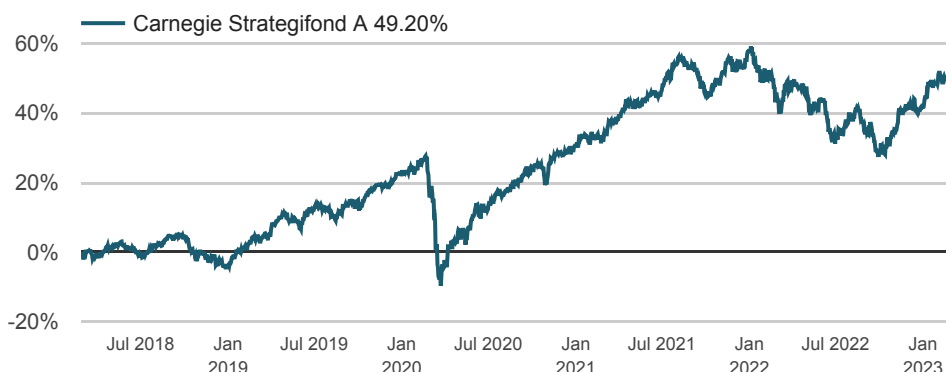
Carnegie Strategifond is a balanced fund that invests throughout the Nordic region. About 60 percent in equities with good dividends and 40 percent in corporate bonds with good interest rates.

Start date	11/08/1988
Pricing	Daily
Morningstar rating	★★★★
SFDR	Article 8
Risk level	3 of 7
ISIN	SE0000429813
Ongoing charges	1.51%
Minimum initial investment	0 SEK
Assets under management	19 827 MSEK
Dividend	No
NAV per share	1,894.86 SEK

## CUMULATIVE PERFORMANCE %

YTD	1 year	3 years	5 years	10 years	Since inception
5.35	3.45	28.43	49.20	154.22	8,104.68

## FIVE YEAR PERFORMANCE %



## MONTHLY PERFORMANCE %

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Full year
2023	4.65	0.68											5.35
2022	-4.26	-4.53	2.42	-0.47	-2.09	-8.91	6.46	-2.75	-5.24	4.36	5.24	0.24	-10.25
2021	0.57	0.65	4.56	2.51	1.64	1.54	5.27	-0.64	-4.49	1.56	3.23	3.04	20.83

**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. Capital 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). The information in this document is proprietary to Carnegie Fonder and is intended only as general information. It should not be construed as investment advice or recommendation. The information may prove to be inaccurate, incomplete or out of date. Carnegie Fonder is not responsible for the damage, whether direct or indirect result of any defects or errors in the information. The information may not be copied, altered or further distributed without Carnegie Fonder's consent.

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## LARGEST ISSUERS

Verisure	1.6%
Handelsbanken	1.5%
Industrivärden	1.3%
Lundbergföretagen	1.3%
DnB	1.3%

## LARGEST EQUITY HOLDINGS

Investor AB B	8.2%
Essity AB B Reg	6.1%
Lifco AB	4.2%
Volvo AB B	3.7%
Holmen AB Reg B	2.6%

## CREDIT RATING

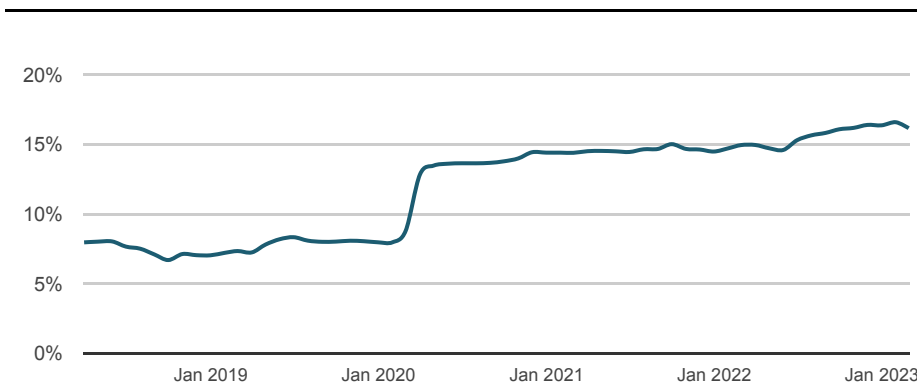
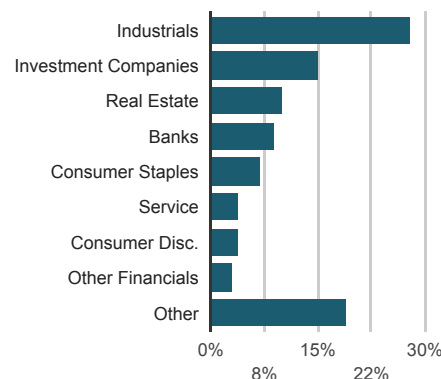
Category	Credit Rating	Share
Investment Grade	AAA	0.5%
	AA+/AA/AA-	0.0%
	A+/A/A-	4.6 / 9.0*
	BBB+/BBB/BBB-	9.0%
Sum		14,1 / 18,5**
High Yield	BB+/BB/BB-	12.1%
	B+/B/B-	10.0%
	CCC/CC/C	1.1%
Sum		23.2%
Default	D	0.0%
Cash and other		4.4%

\*Incl cash and other  
 \*\*The share of the portfolio's fixed-income securities with an official credit rating was 87.3%

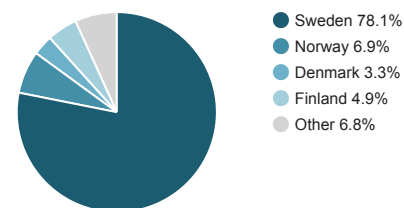
## KEY STATISTICS

Yield to worst bonds	8.0%
Dividend yield equities	3.0%
Capital weighted yield bonds/equities	5.2%
Duration (years)	1.0
Credit duration (years)	2,4
Standard deviation, 2 years	13.5%
Standard deviation, 3 years	16.2%
Standard deviation, 5 years	13.9%
Sharpe ratio, 2 years	0.46
Sharpe ratio, 3 years	0.53
Sharpe ratio, 5 years	0.62

## SECTOR ALLOCATION

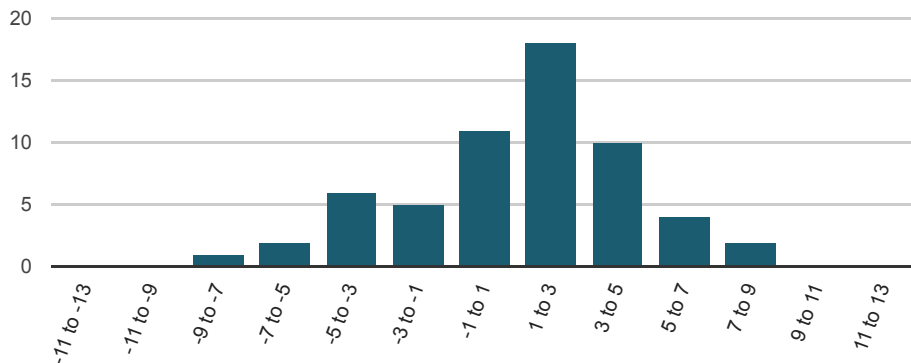


## GEOGRAPHICAL ALLOCATION

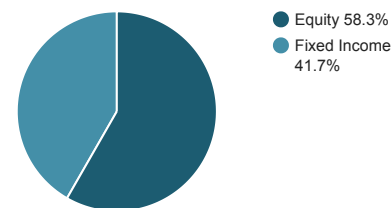


## DISTRIBUTION OF MONTHLY PERFORMANCE %

As of 01/03/2018 to 28/02/2023



## ASSET ALLOCATION

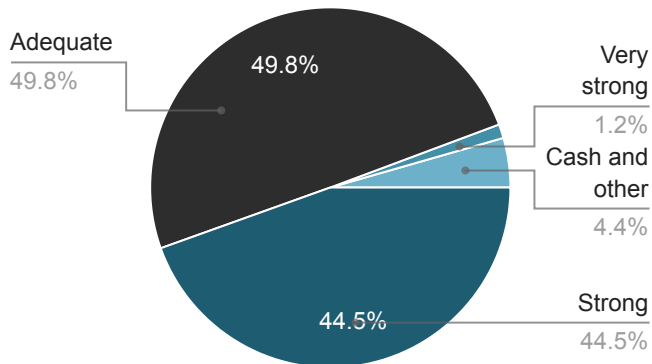


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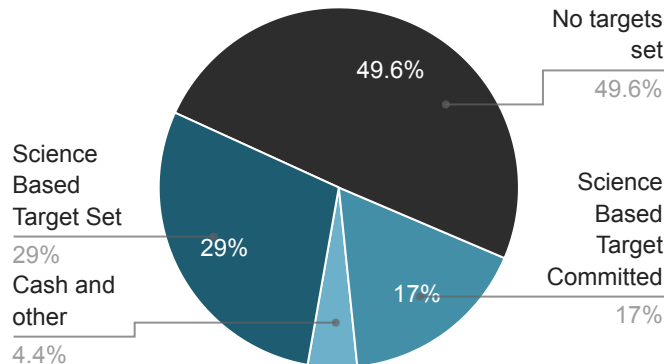
## ESG-RATING – THOR

Carnegie Fonder ESG analysis



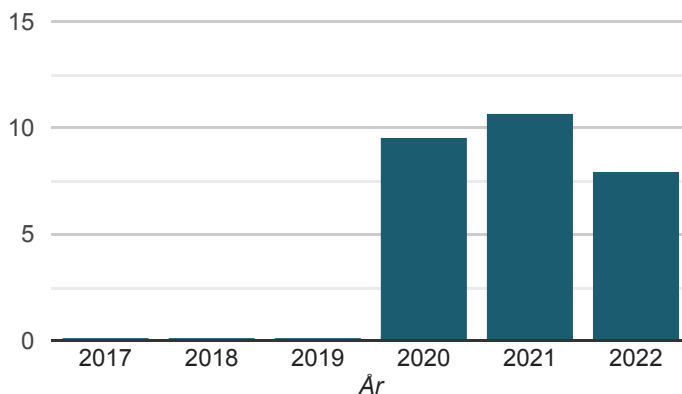
## SCIENCE BASED TARGETS

Strategy to reach zero emissions by 2050



## CARBON EMISSIONS

Tons CO2/SEKm turnover



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## SUSTAINABILITY

### *Carbon foot print*

Measured in accordance with recommendations from the Task Force on Climate Related Financial Disclosures (TCFD). Weighted average of portfolio companies' direct (Scope 1) and indirect (Scope 2) emissions divided by their revenue, converted to the fund's currency.

### *Climate target - Paris Agreement (Science Based Target)*

Percentage of portfolio invested in companies with climate targets in line with the Paris Agreement, validated by Science Based Target initiative.

### *SFDR*

The EU Sustainable Finance Disclosure Regulation. The main purpose is to harmonize regulations, increase transparency and comparability and reorientate capital to promote transition. The main elements of SFDR are integration of sustainability risks, consideration of Principal Adverse Impacts (PAI) on sustainability, classification of funds, disclosure and the EU Taxonomy. Article 6 The EU classification of funds that integrate sustainability risks or explain why they do not. Article 8 The EU classification of funds that promote ESG but do not have a stated ESG objective. Article 9 The EU classification of funds that have sustainable investment as their objective. The objective shall be aligned with the activities defined in the EU Taxonomy and the objective must be challenged, tracked and quantified.

### *THOR*

THOR is Carnegie Fonder's internally developed tool for ESG analysis. Thor is used by all fund managers at Carnegie Fonder before each investment. The primary aim of the assessment is to stop, reflect and document the level at which we believe the company's sustainability work should be. The rating criteria are calibrated over time as our universe of analysed companies grows and we gain a larger group for comparison. Moreover, the idea is that the assessment should be based on each company's unique circumstances. For example, our requirements may vary depending on factors including market and company size.

**Inadequate:** The company's work fails to meet our expectations in the chosen area or is non-existent.

**Adequate:** We assess the company as meeting our basic expectations in the chosen area.

**Strong:** We assess the company as making strong efforts in the chosen area. This can be relative to sector colleagues or the regional or global market. The characteristics of a Strong rating are that our basic expectations are being met, along with good transparency, such as the reporting of relevant data, through demonstrated awareness of relevant risks and opportunities linked to sustainability and, preferably, that the company has concrete and tangible targets linked to these areas.

**Very Strong:** This rating is generally given to companies that, in addition to the foregoing criteria, are also assessed as having particularly well integrated the relevant section in their operations and strategy. The rating can also be given to companies considered best-in-class (in a sector) or where the work or structure is considered "as good as it gets" (for example, an ownership structure that we do not believe could be any better).

For more information about THOR and Carnegie Fonder's work with the Carnegie Fonder Responsible Investment and Shareholder Engagement Policy, please visit our website (<https://www.carnegiefonder.se/hallbarhet/>).

## 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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