

# CARNEGIE LIKVIDITETFOND A

## MARKET COMMENT

### ARE WE GETTING CLOSER TO LESS SEVERE ACTION BY THE RIKSBANK?

The message in the minutes of the Riksbank's latest monetary policy meeting was that the policy rate is going to be raised by 0.25 points and that we will see the increase in June or September, but there might not be much more thereafter. The inflation data issued in May was slightly below expectations and we may very well be approaching a situation in which the market begins to focus on interest rate decreases rather than further increases.

The Riksbank's own forecasts indicate that after a near-term increase the policy rate will remain at the same level for the next two years before a predicted downward adjustment at the end of the forecast period. From a historical perspective, it is usually very difficult for the Riksbank to find its way to a policy rate level that can then be maintained for an extended period. On the contrary, the first decrease usually comes relatively soon after the final increase. The market is pricing in that scenario this time as well, and is indicating that we could see an initial decrease from the Riksbank by early 2024.

SEB does not usually issue ordinary senior bonds denominated in SEK. When they came out with such an issue in May through a new three-year bond at Stibor +82, we were involved and bought a fairly large lot. At the current Stibor rate, this currently gives us nearly 4.5% in underlying interest, which we think is a good pay-off for our exposure. In the even more defensive share of the portfolio, we brought in two lots in the secondary market to increase our exposure to AAA-rated Kommuninvest. We also managed to find a small lot in the investment firm Industrivärden. With its A+ rating, it is one of the stronger issuers among established corporate issuers in the Swedish market. We also increased our exposure to Norwegian recycling company Tomra.

Carnegie Likviditetsfond has a cautious portfolio with exposures against states and municipalities, secured housing bonds, senior bank bonds and Investment Grade corporate bonds. The fund maintains low interest rate risk as we invest mainly in variable rate bonds.



**MONA STENMARK**

Manager since 2018.

**MIKAEL ENGVALL**

Manager since 2014.

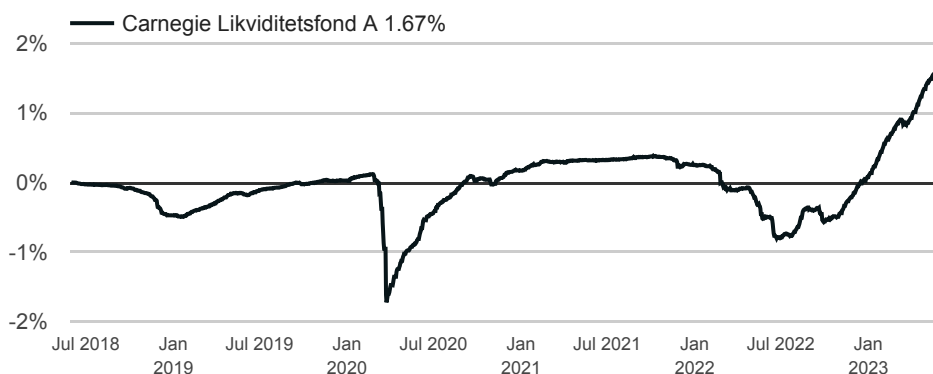
Carnegie Likviditetsfond invests in Nordic fixed income securities and other instruments issued by governments, companies, housing institutions, municipalities and county councils.

Start date	02/07/1990
Pricing	Daily
Morningstar rating	-
SFDR	Article 8
Risk level	1 of 7
ISIN	SE0000429854
Ongoing charges	0.30%
Minimum initial investment	0 SEK
Assets under management	7 711 MSEK
Dividend	No
NAV per share	1,233.36 SEK

## CUMULATIVE PERFORMANCE %

YTD	1 year	3 years	5 years	10 years	Since inception
1.59	2.17	2.50	1.67	4.60	213.23

## FIVE YEAR PERFORMANCE %



## MONTHLY PERFORMANCE %

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Full year
2023	0.41	0.33	0.11	0.41	0.32								1.59
2022	-0.01	-0.26	-0.08	-0.02	-0.36	-0.31	0.09	0.33	-0.18	0.08	0.30	0.26	-0.17
2021	0.08	0.05	-0.01	0.02	0.01	0.01	0.01	0.03	0.01	-0.02	-0.12	0.01	0.08

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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## CREDIT RATING

Category	Credit Rating	Share
Investment Grade	AAA	27.1%
	AA+/AA/AA-	12.8%
	A+/A/A-	30.6 / 33.6*
	BBB+/BBB/BBB-	26.5%
Sum		97,0 / 100,0*
High Yield	BB+/BB/BB-	0.0%
	B+/B/B-	0.0%
	CCC/CC/C	0.0%
Sum		0.0%
Default	D	0.0%
Cash and other		3.0%

\*Incl cash and other

\*\*The share of the portfolio's fixed-income securities with an official credit rating was 92.6%

## LARGEST ISSUERS

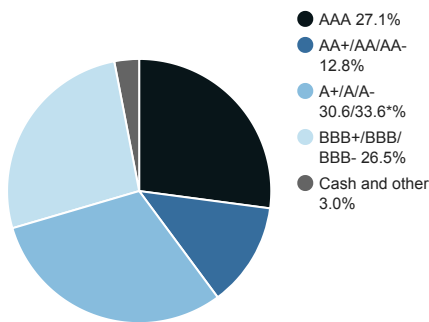
Statshypotek Covered	3.8%
Volvo	2.8%
Specialfastigheter	2.6%
Stockholm	2.6%
Skandiabanken	2.6%
Landshypotek Covered	2.6%
Nykredit Covered	2.6%
Länsförsäkringar Bank	2.5%
Vacse	2.4%

## KEY STATISTICS

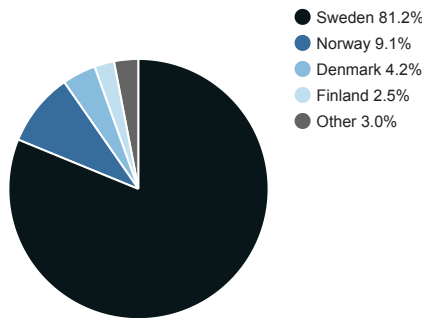
Yield to worst (currency adjusted)	4.3%
Yield to maturity	4.2%
Current yield	3.9%
Duration (years)	0.2
Credit duration (years)	1.4
Standard deviation, 2 years	0.8%
Standard deviation, 3 years	0.7 %
Standard deviation, 5 years	0.9%
Sharpe ratio, 2 years	0.16
Sharpe ratio, 3 years	0.77
Sharpe ratio, 5 years	0.40
Tracking error, 2 years *	0.6%
Tracking error, 3 years *	0.5%
Tracking error, 5 years *	0.9%

\* Benchmark: Nasdaq OMRX Treasury Bill

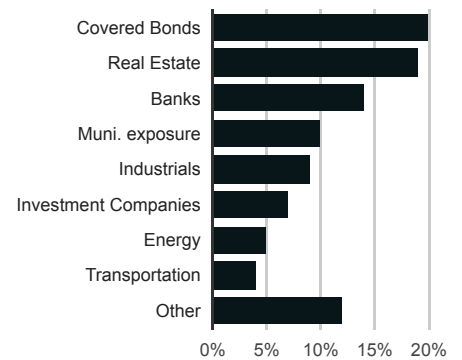
## CREDIT RATING ALLOCATION



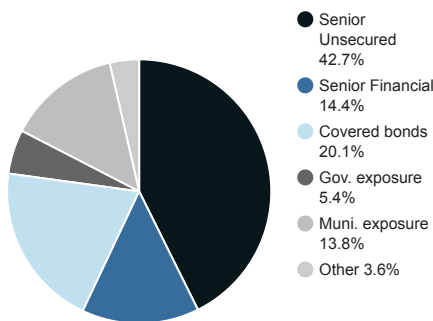
## GEOGRAPHICAL ALLOCATION



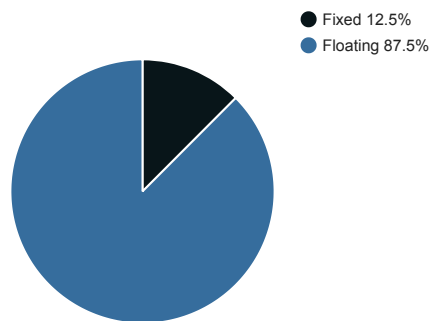
## SECTOR ALLOCATION



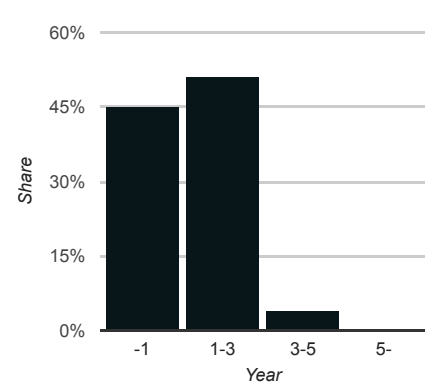
## CAPITAL STRUCTURE



## RATE DISTRIBUTION



## DURATION

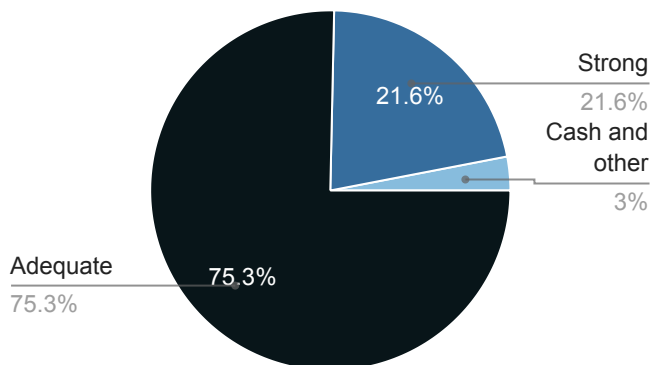


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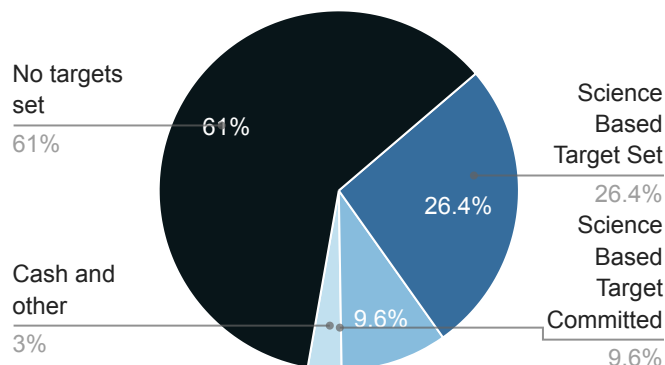
## ESG-RATING – THOR

Carnegie Fonder ESG analysis



## SCIENCE BASED TARGETS

Strategy to reach zero emissions by 2050



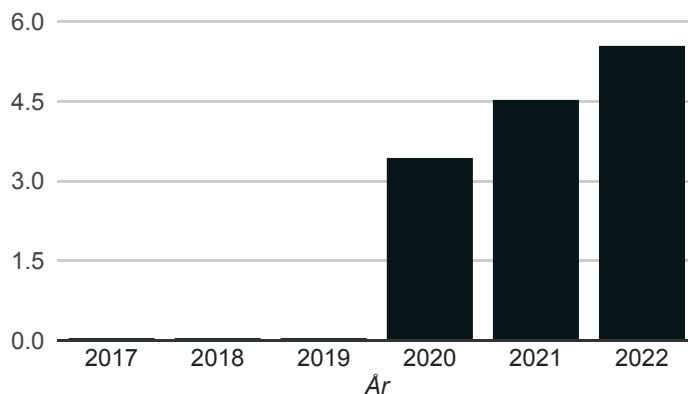
## ACTIVE OWNERSHIP

Key Figures

Environment	Percentage	Portfolio coverage
Green bonds	21.0%	
<b>Social</b>		
UN Global Compact	66.6%	97.0%
<b>Governance</b>		
Gender diversity	39.8%	

## 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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