



Carnegie Corporate Bond C (EUR) invests in stable 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 A (SEK), B (NOK) and D (SEK quarterly dividends)

MANAGER COMMENT: Strong economic signals buoy interest rates

As the thermometer rose in July, market activity dropped in a reflection of the summer holidays. Unsurprisingly, ECB and the Swedish Riksbank left key rates unchanged, but with mixed indications as to when increases might start happening. The economy was declared strong and it was noted that inflation is at the 2 percent target with moderate inflationary pressure. From a wider perspective, the trade war between the US and the rest of the world has waned to a certain extent after a positive meeting between Trump and Juncker, president of the EU Commission, resulting in a partial return of risk appetite to the markets.

The reporting season kicked off at home in Sweden, with the large listed companies first out the gate. The reports have been strong overall and most companies have outperformed already high expectations, although we have seen a few players miss the estimates. Strong economic signals came in towards the end of the month, including better than expected GDP, which led to an uptick for market rates.

Following the summer adjustments in June, we have been more cautious in July in the light of low market activity, but have taken the opportunity to continue making minor changes to sharpen the focus in the portfolio. Carnegie Corporate Bond fell by 0.16 percent during the month, but is up 0.05 percent since the beginning of the year. The fund was affected mainly by one specific holding, Lebara, which has been given another month to complete its annual accounts for 2017, while the rest of the portfolio was traded relatively sideways. We are keeping the duration short to minimise the interest rate risk in the portfolio and are limiting the market risk by investing mainly in bonds with short maturities.

As regards fund return, 2017 was a very strong year, supported by the ECB's quantitative easing programme and the favourable risk climate. We therefore expect somewhat more normalised return in 2018 based on coupons rather than the rising bond prices that made a major contribution to return in 2017.

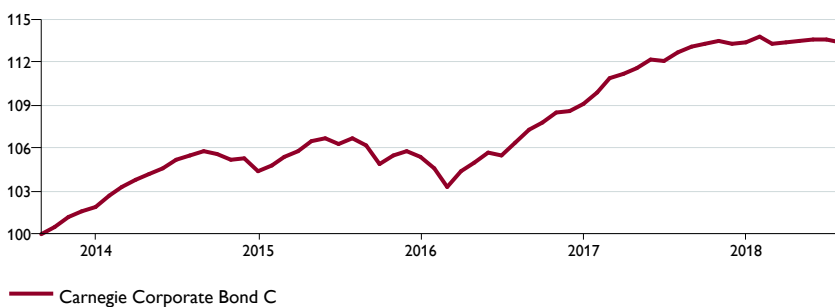
RETURN % (CLOSING NAV)

As of 31/07/2018

	YTD	1 Year	3 Year	5 Year	Since inception
	0.1	0.6	6.3	13.7	13.6

5 YEAR RETURN % (CLOSING NAV)

As of 31/07/2018



RETURN PER MONTH % (CLOSING NAV)

As of 31/07/2018

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2018	0.39	-0.46	0.16	0.01	0.13	-0.02	-0.16						0.05
2017	0.77	0.85	0.27	0.41	0.50	-0.04	0.55	0.30	0.16	0.21	-0.21	0.07	3.92
2016	-0.75	-1.26	1.11	0.58	0.65	-0.23	0.87	0.86	0.43	0.63	0.13	0.45	3.48

**MONTHLY REPORT
JULY 2018**



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

MARIA ANDERSSON
Manager since 2016 and in the business since 2006.

Start date	30/05/2013
Pricing	Daily
Morningstar rating	-
Risk level	2 of 7
ISIN	LU0826622275
Bloomberg	BBG004RFTZT8

Management fee	0.95%
Minimum initial investment	0 EUR
Asset under management	1 602 MEUR
Dividend	No
NAV (End of month)	113.61 EUR

Signatory of:



Principles for Responsible Investment



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.

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CREDIT QUALITY BONDS%

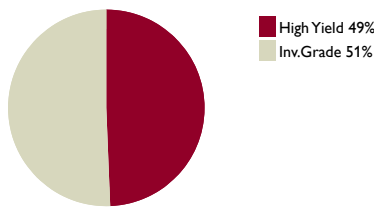
As of 31/07/2018

AAA	14.9	BBB	9.2
AA+	2.0	BBB-	11.0
AA	0.0	BB+	11.0
AA-	0.9	BB	6.8
A+	5.4	BB-	11.4
A	0.6	B+	4.3
A-	3.3	B	14.4
BBB+	3.4	B-	1.5

Average credit rating of at least investment grade

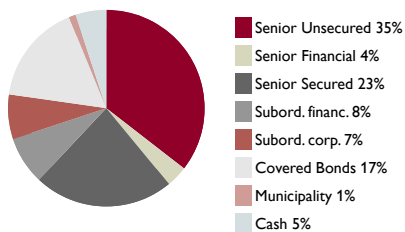
ALLOCATION HIGH YIELD/INV.GRADE %

As of 31/07/2018



CAPITAL STRUCTURE %

As of 31/07/2018



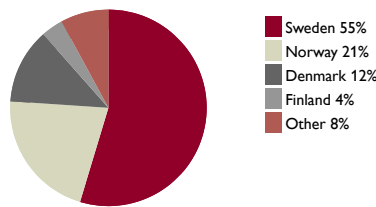
LARGEST ISSUER %

As of 31/07/2018 (Excl. covered bonds)

Ellevio	2.5
SBB	2.3
Telia	2.2
Akelius	2.0
B2 Holding	2.0
Danske Bank	2.0
GFKL	1.9
Intrum	1.9
Castellum	1.7
Kungsleden	1.6
Total	20.1

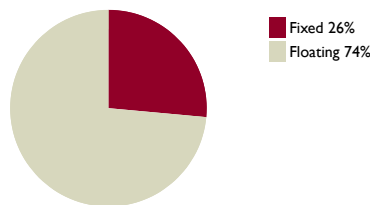
GEOGRAPHICAL BREAKDOWN %

As of 31/07/2018



BOND BREAKDOWN %

As of 31/07/2018



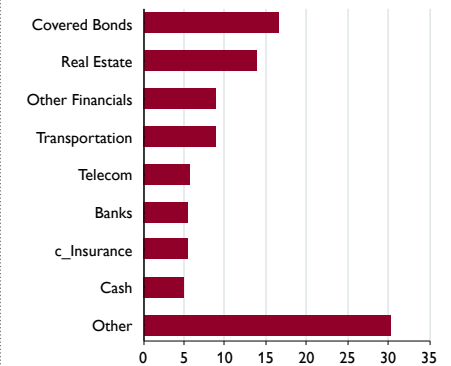
KEY STATS

As of 31/07/2018

Yield to maturity % (currency adjusted)	2.70
Yield to maturity %	3.49
Current Yield %	3.60
Credit duration (yrs)	3.10
Duration (yrs)	0.69
Standard Deviation %, 1 Year	0.82
Standard Deviation %, 3 Year	-
Sharpe Ratio, 1 year	-2.12
Sharpe ratio, 3 Year	1.66

SECTOR BREAKDOWN %

As of 31/07/2018



MATURITY %

As of 31/07/2018

<1 year	11.2
1-3 years	34.3
3-5 years	48.1
>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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