



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:** Increased volatility gives scope for safe holdings

Autumn arrived in October, and stock markets soon felt the frost. Global focus has been on the escalation of trade tariffs, a possible economic slowdown and companies failing to deliver on high expectations after strong Q2 reports. Central banks are under constant scrutiny: the US Fed has faced criticism for raising interest rates too aggressively, while Sweden's Riksbank is accused of being too slow with its first hike, which is still signalled for December or February.

Credit margins have widened globally this year against a backdrop of greater uncertainty, and although the Nordic market has been resilient, margins have still increased somewhat in local names. When combined with higher Nordic credit premiums, this has contributed to more stable performance for the portfolio's Nordic component while big global names have traded more weakly. The global outflows seen this year have added further fuel to volatility, with mainly European funds adversely impacted for most of 2018.

In the wake of this greater volatility, we were

mainly active in the secondary market during October. The market has overreacted in some cases and we have taken the opportunity to buy more in names that we like but that were previously considered expensive, such as DnB and AB Volvo. We have also been able to invest in safe names like Lundbergföretagen and Norwegian Statnett (state-owned). On a wave of M&As this year, Link Mobility redeemed its bond at 107.64%, and Veritas and DBB are refinancing their loans early. Carnegie Corporate Bond fell 0.09 percent this month and is up 0.32 percent since the start of the year. We continue to maintain a short duration to minimise interest rate risk in the portfolio, and also to limit the market risk by investing largely in bonds with shorter maturities.

A historically high risk appetite combined with geopolitical risks and less expansionary monetary policy mean that we continue to maintain a balanced portfolio to guard against continued volatility and turbulence.

**RETURN % (CLOSING NAV)**

As of 31/10/2018

	YTD	1 Year	3 Year	5 Year	Since inception
	0.3	0.2	7.8	12.4	13.9

**5 YEAR RETURN % (CLOSING NAV)**

As of 31/10/2018



**RETURN PER MONTH % (CLOSING NAV)**

As of 31/10/2018

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	0.28	0.08	-0.09			0.32
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  
OCTOBER 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	1 562 MEUR
Dividend	No
NAV (End of month)	113.91 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](http://www.carnegiefonder.se).

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**CREDIT QUALITY BONDS%**

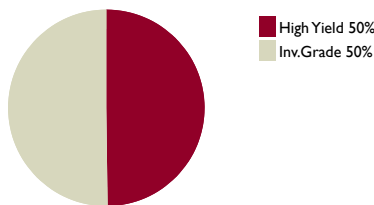
As of 31/10/2018

AAA	14.3	BBB	8.6
AA+	2.0	BBB-	11.1
AA	0.0	BB+	10.5
AA-	0.9	BB	6.9
A+	3.6	BB-	12.0
A	0.7	B+	3.8
A-	3.8	B	15.0
BBB+	5.1	B-	1.5

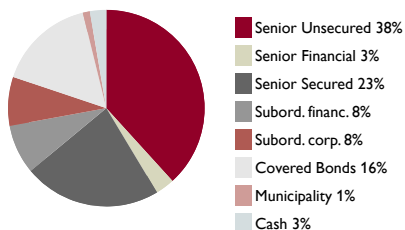
Average credit rating of at least investment grade

**ALLOCATION HIGH YIELD/INV.GRADE %**

As of 31/10/2018


**CAPITAL STRUCTURE %**

As of 31/10/2018

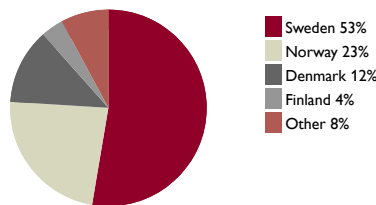

**LARGEST ISSUER %**

As of 31/10/2018 (Excl. covered bonds)

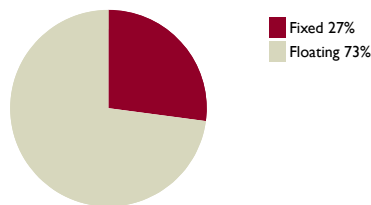
Telia	2.7
Ellevio	2.5
B2 Holding	2.4
SBB	2.3
Akelius	2.2
Teekay LNG	2.0
GFKL	1.9
Intrum	1.9
Kungsleden	1.8
Kinnevik	1.6
<b>Total</b>	<b>21.4</b>

**GEOGRAPHICAL BREAKDOWN %**

As of 31/10/2018


**BOND BREAKDOWN %**

As of 31/10/2018

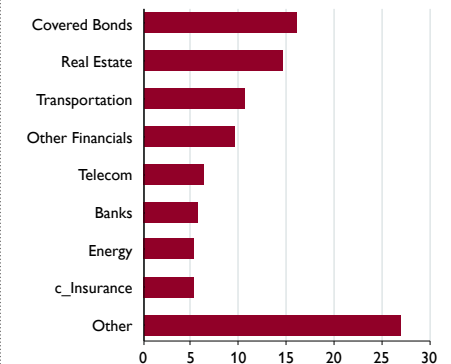

**KEY STATS**

As of 31/10/2018

Yield to maturity % (currency adjusted)	2.89
Yield to maturity %	3.54
Current Yield %	3.64
Credit duration (yrs)	3.17
Duration (yrs)	0.72
Standard Deviation %, 1 Year	0.79
Standard Deviation %, 3 Year	-
Sharpe Ratio, 1 year	-5.72
Sharpe ratio, 3 Year	1.45

**SECTOR BREAKDOWN %**

As of 31/10/2018


**MATURITY %**

As of 31/10/2018

<1 year	9.0
1-3 years	37.7
3-5 years	45.4
>5 years	7.9

**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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