



Carnegie Indienfond invests in one of the world's most exciting emerging markets.

- Focused portfolio with approximately 25-30 companies.
- Invests in undervalued companies with strong balance sheets and high dividend yields.
- Investment themes – automotive, banking and companies with foreign main owners.

MANAGER COMMENT: Strong Indian banks

Carnegie Indienfond rose 8.2 percent in March. Just back from a week in Mumbai, with nineteen company meetings, I can conclude that the financial sector looks most interesting right now.

Private banks continue to take market shares from their state-owned peers. Lending is rising by 20-25 percent. A number of commercial banks made large write-downs in the final quarter of the last financial year due to loan losses. Profits for the final quarter of this year will therefore look strong as the need for further write-downs is expected to be significantly lower.

The fact that India got its bankruptcy legislation in place a few years ago makes a big difference. There is now a much faster process for selling underlying assets for non-performing loans, and they are now managing to claw back a larger share of capital than before. Essar Steel is a good example of this. Axis Bank and Icici Bank respectively have INR 30 billion and INR 20 billion in outstanding loans against this steel plant owned by the Ruias family. These assets have been distressed for a long time and classified as loan

losses and the banks have already made provisions for up to 60 percent of the exposure. Thanks to new legislation introduced in 2016, banks can now seize assets and there is a court process, called NCLT, which means that they can be sold to return capital to the banks. Arcelor Mittal now wants to buy Essar Steel at a price that would return 75 percent of the debt to the banks.

With this, the Ruias family has announced that it is prepared to settle the entire debt in order to be able to keep the company. This is an important change in the potential of banks to reduce future loan losses. The money is available, but some dubious families in the business community have previously chosen not to take care of their commitments in the absence of effective legislation. The outcome to all this is a positive impact on the valuations of banks.

Carnegie Indienfond has 32 percent of its portfolio invested in banking and finance companies.

MONTHLY REPORT
MARCH 2019



GUNNAR PÅHLSSON
Manager since 2006 and in the business since 1981.

Start date	01/09/2004
Pricing	Daily
Morningstar rating (2019-03-31)	★★★
Risk level	6 of 7
ISIN	SE0001209834
Bloomberg	BBG000GHDY23
Management fee	2.20%
Minimum initial investment	0 SEK
Asset under management	2 119 MSEK
Dividend	No
NAV (End of month)	535.86 SEK

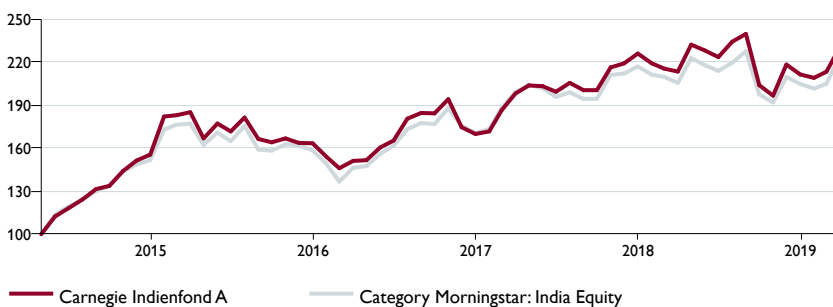
RETURN % (CLOSING NAV)

As of 31/03/2019

	YTD	1 Year	3 Year	5 Year	Since inception
	9.2	8.2	52.8	129.4	476.8

5 YEAR RETURN % (CLOSING NAV)

As of 31/03/2019



RETURN PER MONTH % (CLOSING NAV)

As of 31/03/2019

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2019	-1.12	2.05	8.23										9.21
2018	-3.03	-1.67	-0.97	8.79	-1.77	-1.98	4.75	2.37	-14.91	-3.59	11.04	-3.17	-6.45
2017	1.01	8.67	6.26	2.82	-0.27	-1.89	3.10	-2.50	0.04	7.90	1.31	3.14	33.04

Signatory of:



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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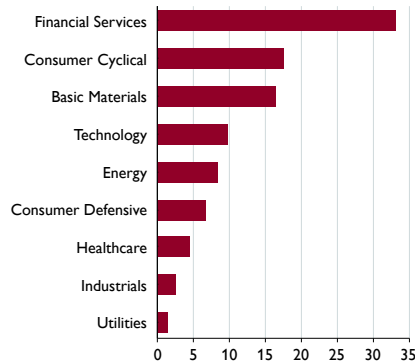
TOP HOLDINGS %

As of 31/03/2019

Hdfc Bank	8.5
Relianceindi	8.3
Kansai	5.7
Titan	5.4
Axis Bank	4.9
Asian Paints	4.9
Bajaj Finance	4.8
Housing Deve	4.8
Infosys Tech	4.5
Balkrishna	4.4
Total	56.1

SECTOR BREAKDOWN %

As of 31/03/2019



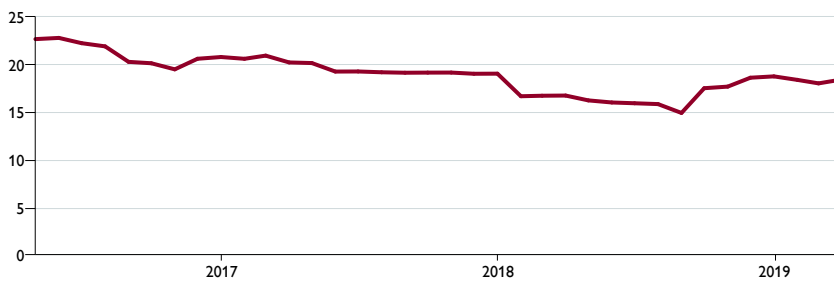
KEY STATS

As of 31/03/2019

Number of holdings	29
Turnover rate, tms/year (31/12/2016)	0.47
Standard Deviation %, 1 Year	24.35
Standard Deviation %, 3 Year	-
Sharpe Ratio, 1 year	-0.21
Sharpe ratio, 3 Year	0.50

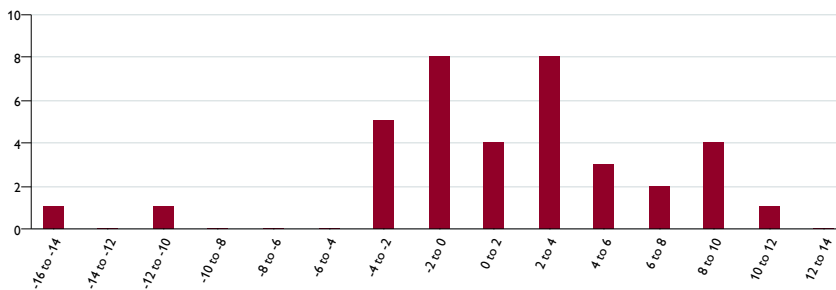
STANDARD DEVIATION %

As of 30/04/2016 to 31/03/2019



DISTRIBUTION OF MONTHLY RETURNS %

As of 31/03/2016 to 31/03/2019



The Y-axis shows the number of months the fund has a monthly return within the defined range on the X-axis.

LARGEST CONTRIBUTORS %

As of 31/12/2018 to 31/03/2019

	Resc. weight	Return	Contrib.
Reliance Ind...	7.9	28.1	2.0
Infosys Ltd	7.9	19.6	1.5
Titan Co Ltd	5.3	29.2	1.4
Hdfc Bank Li...	9.1	15.2	1.3
Bajaj Financ...	3.9	20.5	0.9

SMALLEST CONTRIBUTORS %

As of 31/12/2018 to 31/03/2019

	Resc. weight	Return	Contrib.
Sterlite Tec...	1.9	-21.6	-0.5
Hero Motocor...	0.9	-14.7	-0.4
Maruti Suzuk...	4.4	-5.8	-0.3
Motherson Su...	0.4	-15.7	-0.2
Eicher Motor...	0.2	-13.4	-0.2

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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