



As of November 2017, Carnegie Strategy Fund is a feeder to Carnegie Strategifond, meaning that Strategy Fund only owns units in Carnegie Strategifond. As a direct result, this report is the same for Strategy Fund and Carnegie Strategifond.

MANAGER COMMENT: Unusually vigorous price movements

The global economy continued to deliver strong performance. As an example, GDP rose in the second quarter of the year by 4.1 percent in the US and 3.3 percent in Sweden. Although there are certain non-recurring explanations for the high growth, the figures are still strong. This picture is confirmed by corporate mid-year reports.

July was also a good month for the equity markets. Things were relatively quiet in the fixed income market but credit spreads shrank, another sign that companies are performing well. For a long time now, the securities markets appear to have been tolerant of political posturing that has created uncertainty – but the market seems to be taking the threat of a trade war seriously. This is probably a key explanation for the weak performance of the Asian equity markets, including the Chinese. The fund rose by 2.3 percent in July.

Lifco, which issued a weak report for the first quarter of the year, showed with its mid-year report that the company is back with high and

profitable growth. The share price reaction was also very positive. Volvo also issued a similarly strong report with margins close to Scania levels, but the positive price reaction did not happen because the market now believes the quarter was the peak of this cycle. After investors had a bit more time to think, the Volvo share has nevertheless begun to rise along with those of other cyclical companies.

Shares in forestry companies have otherwise generally gone down, triggered by Stora's weak report. The fund does not own Stora, but it does own Holmen, which does not report until August. The wildfires have probably also contributed to the negative trend, even though the value involved is relatively small in relation to total forest capital. The banks have delivered stable reports and, as yet, the new competitors have not put noticeable pressure on residential mortgage margins.

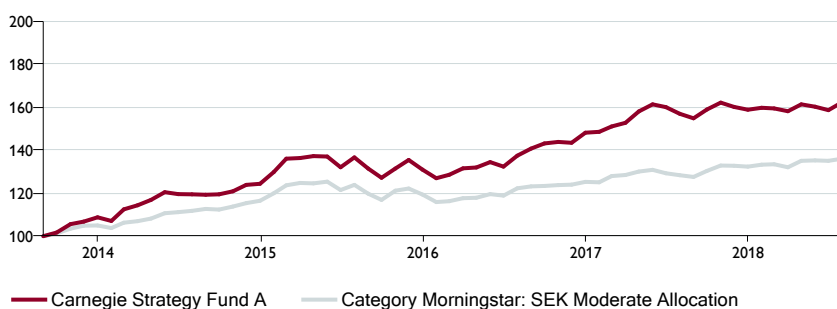
RETURN % (CLOSING NAV)

As of 31/07/2018

	YTD	1 Year	3 Year	5 Year	Since inception
	2.2	3.4	18.8	62.5	1186.8

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	0.55	-0.20	-0.78	2.04	-0.68	-1.01	2.30						2.18
2017	0.28	1.66	1.12	3.47	2.06	-0.76	-1.93	-1.36	2.62	2.01	-1.20	-0.82	7.22
2016	-3.08	1.28	2.28	0.33	1.93	-1.63	3.87	2.45	1.70	0.50	-0.34	3.31	13.11

**MONTHLY REPORT
JULY 2018**



JOHN STRÖMGREN
Manager since 1998 and in the business since 1984.

Start date 01/01/1994
Pricing Daily
Morningstar rating (2018-07-31) ★★★★★
Risk level 4 of 7
ISIN LU0075898758
Bloomberg BBG000BNNY79

Management fee 1.20%
Minimum initial investment 0 SEK
Asset under management 484 MSEK
Dividend No
NAV (End of month) 5239.14 SEK

Signatory of:



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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LARGEST ISSUER %

As of 31/07/2018

B2 Holding	2.3
SBB	2.3
Akelius	2.2
Bergvik	2.1
Intrum	1.9
Total	10.8

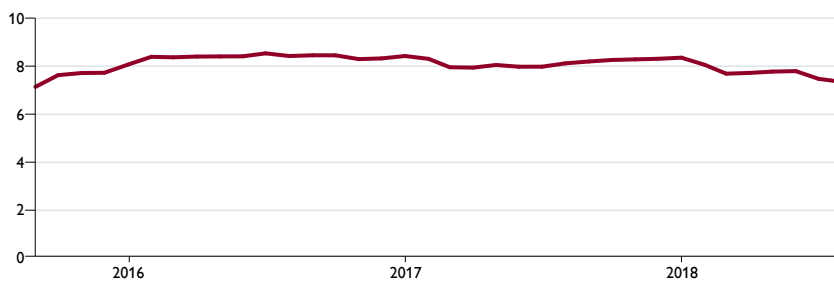
LARGEST HOLDINGS EQUITY %

As of 31/07/2018

Investor B	8.3
Lifco	3.9
Holmen B	3.8
Dometic	3.4
Volvo B	3.1
Total	22.4

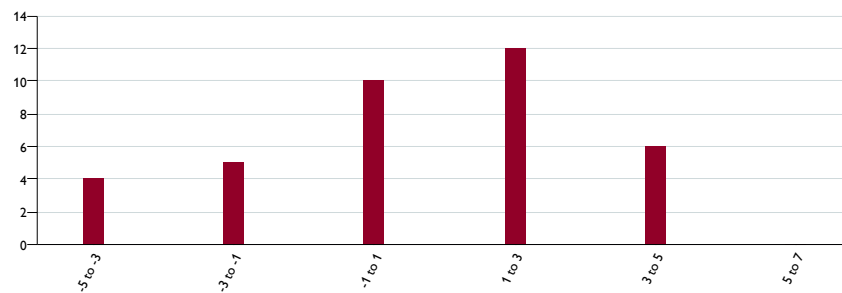
STANDARD DEVIATION %

As of 31/08/2015 to 31/07/2018



DISTRIBUTION OF MONTHLY RETURNS %

As of 31/07/2015 to 31/07/2018



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

CREDIT QUALITY BONDS%

As of 31/07/2018

AAA	0.0
AA+	0.0
AA	0.0
AA-	0.0
A+	1.9
A	0.0
A-	0.0
BBB+	0.3
BBB	0.0
BBB-	3.8
BB+	8.6
BB	7.5
BB-	9.3
B+	3.4
B	8.6
B-	1.7
CCC+	1.2

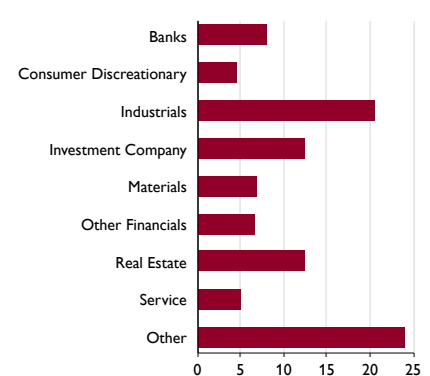
KEY STATS

As of 31/07/2018

Yield to maturity bonds	4.55
Dividend yield shares	3.87
Capital weighted yield bonds/shares	4.10
Credit duration (yrs)	2.75
Duration (yrs)	1.06
Standard Deviation %, 1 Year	5.30
Standard Deviation %, 3 Year	7.63
Sharpe Ratio, 1 year	0.74
Sharpe ratio, 3 Year	0.88

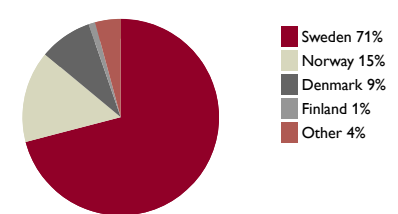
SECTOR BREAKDOWN %

As of 31/07/2018



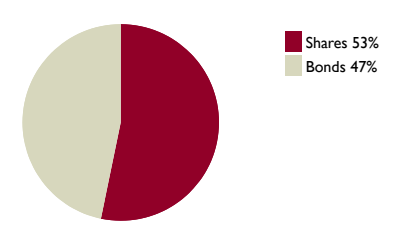
GEOGRAPHICAL BREAKDOWN %

As of 31/07/2018



ASSET ALLOCATION %

As of 31/07/2018



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.

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