

## MARKET COMMENT

### August: Ericsson, H&M and Electrolux

Following high pressure and continuous bathing weather throughout June and July, August was completely different – a rainy month. We experienced something similar on the Swedish stock exchange. The reporting season was largely over, and a month with little news meant low volatility and a lack of clear trends. It was noteworthy that the OMX index for the largest companies was down just under one percent in August, while the broader SAX index rose slightly. On the macro front, we saw relatively stable interest rates and currencies, while commodities fell slightly.

We believe that Ericsson received far too much of a beating after a perfectly okay report for the second quarter. It should already be well known that Ericsson's market share in China is far below what it once was, and it should be taken into account that the market is generally healthy and the need for mobile infrastructure remains strong. It was therefore gratifying to see Ericsson among the large cap winners in August.

We took the opportunity to increase our holding in H&M towards the end of the month. The stock has been under pressure after a somewhat lacklustre trading update for June in connection with its report

for the second quarter (March-May), and important markets such as Germany were held back by pandemic restrictions during the summer. Analysts have now lowered their sales estimates for the third quarter. We believe, however, that H&M's margins are holding up well and that the company is now entering a period of easier comparative figures and that it will benefit from societies gradually returning to normal. A solid balance sheet and strong cash flow also suggest a good dividend.

Electrolux is another share that we took the opportunity to buy this month. The company failed to live up to market expectations in Q2 due to disturbances in supply chains and higher input costs, leading the share to lose ground. However, Electrolux is in far better condition than in the past. Its margins are still historically good, action is being taken, cash flow is sound and the balance sheet is very strong. The company is comfortable with a debt ratio of twice operating profit, which gives scope to distribute approximately 25 billion to shareholders. In July, the company raised its dividend target to 50 percent of profits from 30 percent, and announced that it intends to distribute 4.9 billion via a redemption programme this autumn.

## MONTHLY REPORT

### AUGUST 2021



**SIMON BLECHER**

Manager since 2006.

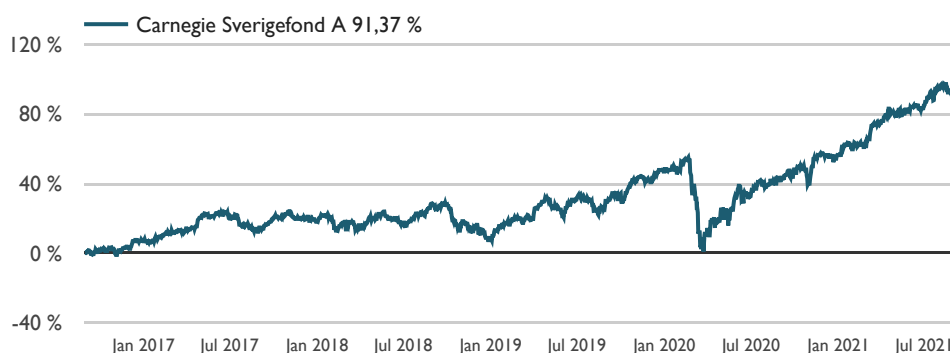
Carnegie Sverigefond invests in Swedish listed shares and contains the country's best and most stable companies.

Start date	08/01/1987
Pricing	Daily
Morningstar rating	★★★
Risk level	6 of 7
ISIN	SE0000429789
Ongoing charges	1.42 %
Minimum initial investment	0 SEK
Assets under management	27 221 MSEK
Dividend	No
NAV per share	4,181.37 SEK

## CUMULATIVE PERFORMANCE %

YTD	1 year	3 years	5 years	10 years	Since inception
22,50	35,04	49,69	91,37	304,45	7 785,43

## FIVE YEAR PERFORMANCE %



## MONTHLY PERFORMANCE %

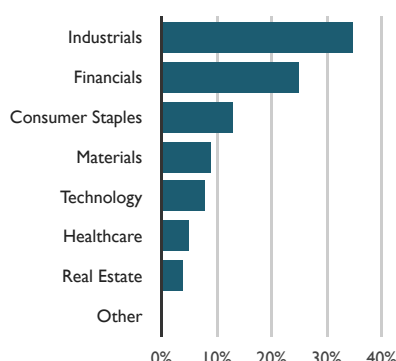
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Full year
2021	2,14	1,11	8,28	2,37	1,72	1,55	5,08	-1,41					22,50
2020	0,60	-9,08	-14,83	9,52	5,19	0,59	4,11	2,74	4,43	-5,52	12,23	-0,45	6,44
2019	7,69	1,84	0,68	9,68	-7,62	7,95	-0,89	0,29	3,20	4,87	0,90	3,48	35,64

**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.

## LARGEST HOLDINGS

Investor AB B	8,4 %
Holmen AB Reg B	7,3 %
Volvo AB B	6,7 %
Lifco AB	5,9 %
ABB Ltd Reg	5,3 %
Atlas Copco AB B Reg	5,0 %
Essity AB B Reg	4,8 %
Skanska AB B	4,8 %
Telefon AB LM Ericsson B	3,9 %
Atrium Ljungberg B	3,9 %

## SECTOR ALLOCATION

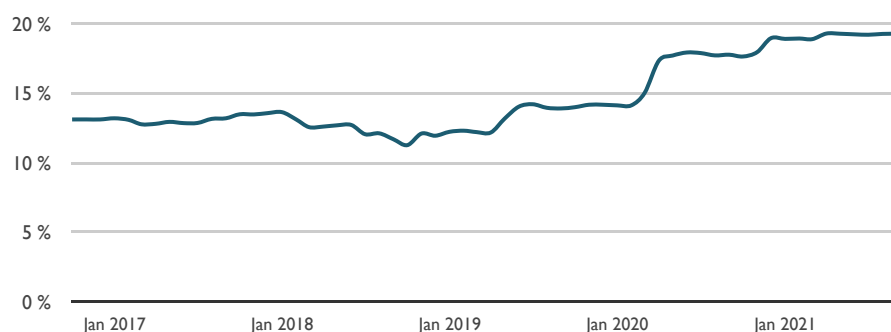


## KEY STATISTICS

Number of holdings	32
Turnover rate, tms/year	0,35
Active share *	60 %
Standard deviation, 2 years	18,7 %
Standard deviation, 3 years	19,3 %
Standard deviation, 5 years	15,9 %
Sharpe ratio, 2 years	1,17
Sharpe ratio, 3 years	0,77
Sharpe ratio, 5 years	0,91
Tracking error, 2 years *	3,3 %
Tracking error, 3 years *	3,7 %
Tracking error, 5 years *	3,3 %

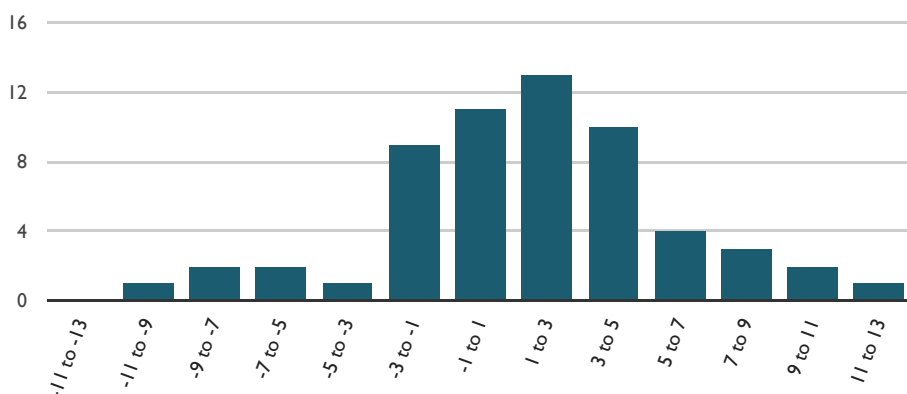
\* Benchmark: SIX Portfolio Return

## STANDARD DEVIATION %



## DISTRIBUTION OF MONTHLY PERFORMANCE %

As of 01/09/2016 to 31/08/2021



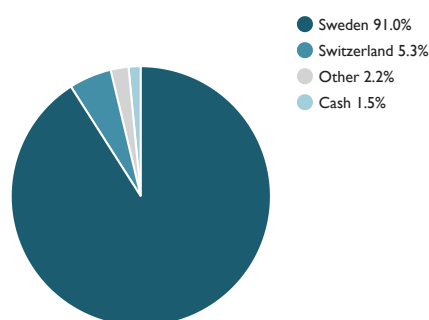
## TOP CONTRIBUTORS YTD

Investor AB B	2,6 %
Lifco AB	2,3 %
Atlas Copco AB B Reg	1,4 %
Getinge AB B	1,2 %
Nordea Bank Abp Reg	1,2 %

## BOTTOM CONTRIBUTORS YTD

Boliden AB Reg	0,0 %
NCC AB B	0,0 %
AstraZeneca Plc	0,0 %
Nordea Bank Abp Reg	0,0 %
Hennes & Mauritz AB B	0,0 %

## GEOGRAPHICAL ALLOCATION



## 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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