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Coeli Likviditetsstrategi - Fund manager comment as of 30 November, 2018

Likviditetsstrategi (R SEK) retreated with 0.05 percent during November. Since year-end, the NAV per share has consequently increased by 1.49 percent (including performance pre the merger). The performance in the Nordic corporate bond market was negative with increasing credit spreads and falling bond prices. The development of bonds from real estate companies was especially weak after Castellum and Heimstaden Bostad made two major issues and had to pay higher rates than expected to attract capital.

Positive returns from covered bonds from Nordea Hypotek and Swedbank Mortgage has benefitted the fund this month. Commercial papers, which account for about 30 percent of the portfolio, gave small but positive contributions to the result.

Bonds from Golar LNG Partners went against the stream after the company presented a relatively strong quarterly report. In addition to good operational performance, the company also announced that it will lower its dividend, which is positive from a credit perspective. The LNG freight market is currently very strong, with the highest rates in over six years. That benefits the earnings of the company's vessels operating on shorter contracts.

On the negative side one found, among others, bonds from Kungsleden that traded down in line with other real estate companies Intrum Justitia was also found on the list of companies whose bonds developed weakly.

During the month, new investments were made in commercial papers from, inter alia, Hexagon and Bravida, as the allocation to money market instruments was slightly increased. In addition, the holdings of covered bonds were increased - all in order to limit the risk in the fund. Volati left the portfolio as the company's bonds were deemed to be fully valued. Among the Fund's investments in shipping companies, a change was made when Borealis Finance was divested in favor of an investment in a FRN from Songa Containers with shorter maturity. The fund's cash still accounts for approximately 10 percent of the fund's assets, which is reassuring and provides maneuvering space in the volatile markets.

November was characterized by continued turbulence in the financial markets with generally declining risk appetite. Long government bond yields fell slightly when investors sought harbor in less risky assets. By the end of the month several of the major bourses turned and recovered at least some of the decline.

In the credit markets, the mood was gloomy as well with generally rising spreads and falling bond prices. The market balance was adversely affected by continued outflows from both European and US funds.

Many of the challenges that affected the markets negatively during October were also current during this month: the trade war between the US and China, the discussions on Brexit, and budget negotiations in Italy.

The Federal Reserve decided during the month to keep its key rate unchanged and continued to signal for a rate hike in December. In a speech by Fed's chairman Jerome Powell, it was stated that the current key rate of 2.00-2.25 percent is "just below" the neutral level. The wording was slightly softer than expected and could mean that the Fed will not raise interest rates as much in the next year as the market previously predicted.

In Sweden, inflation was reported to fall back slightly in October and once again it is some tenth below Riksbanken's forecast. In addition, GDP statistics showed that economic activity declined by 0.2 percent in the third quarter, which was the first decline since 2013. The statistical reports in November can be seen as arguments against a December hike from Riksbanken. A hike in December is still probable, but the increasing numbers of signals that the business cycle is turning reduces the likelihood that Riksbanken will be able to raise interest rates more than marginally in the coming years.

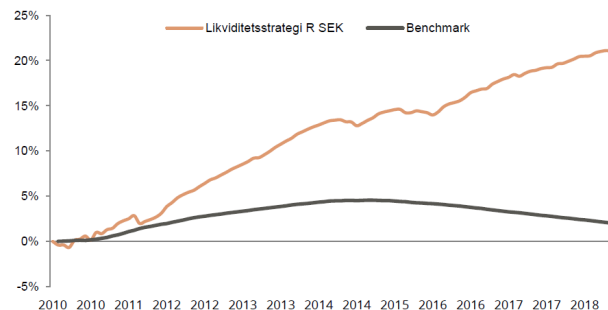
Fund Overview

Inception Date	2010-05-01
Management Fee	0 %
Performance Fee	Yes
Risk category	1 of 7
Benchmark	OMRX T-Bill

Top Holdings (%)

WHITE MOUNT FRN 17-22.09.47	3,1%
LANSBK 3.25% 13-16.09.20	3,0%
LANSBK 1.75% 14-15.09.21	2,9%
SAGAX FRN 17-15.02.22	2,9%
NORDEA HYP 1% 15-08.04.22	2,5%

Performance Performance in Share Class Currency (SEK)



Performance in Share Class Currency	1 Mth	YTD	3 Yrs	Since Incep
Likviditetsstrategi - R SEK	-0,05%	1,49%	5,77%	21,04%
Benchmark	-0,07%	-0,72%	-2,17%	2,03%

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