

HQ CORPORATE BOND-The high-return fixed-income alternative



Why you should invest in the HQ Corporate Bond fund

- + Opportunity of higher returns than traditional fixed-income savings
- + Financing known Swedish and Nordic companies
- + Corporate bonds can be an attractive alternative in a generally low-return interest-rate environment
- + This asset class has excellent portfolio characteristics, and over time the portfolio risk may be lowered without compromising returns
- + Daily trade, good spread of risk and currency hedged in SEK

Overview

Corporate bonds are bonds issued by companies, and are one of several financing solutions available to companies. Many of our large Nordic companies are active on the corporate bond market, including companies such as Ericsson, ABB, SKF, Statoil and Fortum. It is not entirely easy for private individuals to invest directly in corporate bonds since this generally requires a large amount of capital (as a rule the minimum investment in a Swedish corporate bond is one million kronor). Most corporate bonds issued in the Nordic countries are issued by banks, or other financial institutions. Companies active in sectors such as energy, telecommunications, engineering, healthcare and forest products are also usual issuers.

Why invest in corporate bonds?

Historically, banks have managed a large proportion of financing for companies, which means that companies have largely not needed to make use of the external borrowing market offered by corporate bonds. In the wake of the financial crisis, the banks have raised their margins and do not have the same ability as previously to lend money, which suggests there will be greater opportunities on the corporate bond market. Due to changes in the market and the credit crisis, we believe that corporate bonds will be able to provide a good return in coming years.

HQ Corporate Bond

At HQ Fonder we have analysed and invested in equities for more than 20 years. This foundation is valuable when investing in corporate bonds. We will invest in bonds issued by companies we find attractive and that we are familiar with. We do not follow an index, and our aim is to generate a good absolute return at a reasonable level of risk.

The portfolio will be concentrated to 20-40 bonds, where we invest in companies that have high, low or no credit ratings. The fund will focus on bonds issued by companies operating in sectors such as energy, telecommunications, engineering, finance, healthcare and forest products. Nordic companies are often well run with good market positions and good provision of information.

The average duration in the portfolio will be 3-5 years, but may in certain periods be either longer or shorter. The turnover of bonds on the capital markets is lower than equities on the stock markets. In order to always maintain good liquidity for the fund's unit holders, parts of the fund will be invested in highly liquid credit indexes.

The fund is suitable for investors who:

- + Wish to complement their fixed-income savings with higher anticipated returns and risk
- + Wish to spread the risk in their savings with a type of asset that is new to many, and that can be used as a complement to traditional fixed-income investments.
- + Have a long-term investment horizon, of at least 3 to 5 years

FACTS ABOUT THE FUND

Date of inception:	October 1, 1990
Opening price:	SEK 100
Price listing:	Daily
Entry fee:	0%
Exit fee:	0%
Management fee/year:	0.95%
Minimum lump-sum deposit:	SEK 0
Minimum monthly deposit:	SEK 0
Risk level:	3 of 6
Manager:	Peter Werleus
Benchmark index:	-
Fund number PPM:	Not linked
Bankgiro number:	5001-9496

RISK INFORMATION

An investment in the fund is associated with risk. Historical returns are no guarantee of future returns. The money invested in the fund may both increase or decrease in value and there is no guarantee that all your invested capital will be returned. For additional information please order the complete information sheet, the fund statutes, simplified prospectus and annual report from the fund company by calling +46 8 696 18 60 or from www.hqfonder.se.