



GADD SMP FUND

Monthly Report June 2021

NAV CHF 1'865.21*

Inception date 05.04.2011 = CHF 1000

* at 30.06.2021

	Jan.	Feb.	Mars	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Year
2014	-0,3%	4,9%	-1,6%	3,1%	1,4%	0,3%	-1,6%	0,6%	-2,2%	0,4%	3,6%	1,8%	11,0%
2015	0,8%	4,4%	-0,4%	1,9%	-0,7%	-4,4%	0,7%	-2,5%	-0,5%	4,0%	1,0%	1,4%	5,3%
2016	-4,9%	1,3%	2,0%	3,4%	3,6%	-5,0%	3,2%	2,4%	2,1%	0,1%	-2,4%	2,3%	7,7%
2017	0,8%	2,8%	-2,9%	3,8%	1,2%	0,0%	-3,0%	-1,5%	3,6%	1,5%	-1,4%	-1,2%	3,5%
2018	1,5%	1,0%	-3,0%	2,7%	0,9%	-0,8%	0,6%	3,3%	-0,9%	-5,6%	-2,0%	-2,9%	-5,5%
2019	5,7%	4,6%	-0,1%	4,2%	-0,0%	1,0%	0,1%	-1,7%	0,5%	0,1%	3,1%	1,8%	20,8%
2020	1,5%	-4,7%	-15,9%	8,9%	4,3%	1,1%	3,1%	3,9%	2,7%	-3,5%	5,1%	3,3%	7,6%
2021	0,0%	3,1%	2,8%	3,8%	7,2%	0,0%							17,8%

Market Comment

On June 16, President Biden and President Putin met in Geneva. It was their first meeting since Biden was elected President of the United States. The meeting did not end with a joint press conference, but it is considered that the meeting itself was both constructive and should have a positive outcome. After the strained relations between the countries under President Trump's rule, it was important to renew contact so that a new foundation could be laid for further talks.

After twelve years as Israeli Prime Minister, Benjamin Netanyahu and his Likud party lost power in the country. The new government is a fragile coalition of six different parties with widely differing priorities that will be led by Naftali Bennet until 2023. A party in the newly formed government also represents the Arab people in the country.

This happened at the same time as Iran chose to elect the ultra-conservative Ebrahim Raisi to replace the more reform-minded Hassan Rohani as the country's president. As Ayatollah Khamenei indirectly only approved a certain number of conservative presidential candidates, turnout in the country was low at 49%. However, there is a high probability that Ebrahim Raisi also wants to continue negotiations on a reinstatement of the failed JCPOA agreement that limits Iran's development of nuclear energy.

In Sweden, the current government lost a vote of confidence launched by the Left Party. The Riksdag's party leader, Stefan Löfven, now has the task of constituting a new government. If he does not succeed in this, the country will have to call new elections a year earlier than planned. The country's financial markets were, however, unaffected by the government crisis.

Last month, China became the second nation in the world to land its spacecraft "Zhurong" on Mars. China has now sent three Chinese astronauts - taikonauts - to build on the Chinese space station Tiangong for three months.

US Treasury Secretary Janet Yellen's proposal for a global minimum tax of 15% for multinational companies was welcomed at the recent G7 summit in the UK. The tax will primarily affect the profits of global tech as well as pharmaceutical companies through heavier taxation. At the same time, it resolves an infected discussion between the EU and the US on how the global tech companies should be taxed, which explains why the companies concerned still welcomed the agreement.

Index	31.12.20	30.06.21	YTD
MSCI World (USD)	2.690,04	3.017,23	12,2%
STOXX50 (EUR)	3.552,64	4.064,3	14,4%
S&P 500 (USD)	3.756,07	4.297,5	14,4%
Nasdaq Comp (USD)	12.888,28	14.503,95	12,5%
Dax (EUR)	13.718,78	15.531,04	13,2%
SMI (CHF)	10.703,51	11.942,72	11,6%
OMX30 (SEK)	1.874,74	2.263,13	20,7%
MSCI Russia (USD)	668,73	785,25	17,4%
MSCI China (USD)	108,41	109,58	1,1%
NIKKEI (YEN)	27.444,17	28.791,53	4,9%
Swe. Gov Bond. 10 y	0,027%	0,333%	

Towards the end of the month, President Biden managed to gain the backing of selected Republicans on an infrastructure package worth more than \$ 1 trillion. The package is less than half of what the president proposed in March, but the agreement can still be seen as a success for him. The package involves the upgrading of roads, bridges, railways and public transport.

Sveriges Riksbank issued a bond loan with a term of 50 years for the first time ever. The interest rate was set at 1,386%, a return that will most certainly not even cover inflation during the corresponding period.

World Index MSCI World (USD) rose 1.4% during the month. The S&P 500 in the US rose 2.2% while the Nasdaq rose 5.5%. In Europe, Stoxx 50 rose by 0.6% and Dax 0.7%. SMI rose 5.1% and OMX in Stockholm rose 1.0%. MSCI China (USD) fell 0.4% while MSCI Russia (USD) rose 3.9%. Nikkei in Japan fell 0.2%.

The Swedish 10-year government bond yield fell from 0.455% to 0.333% during the month.

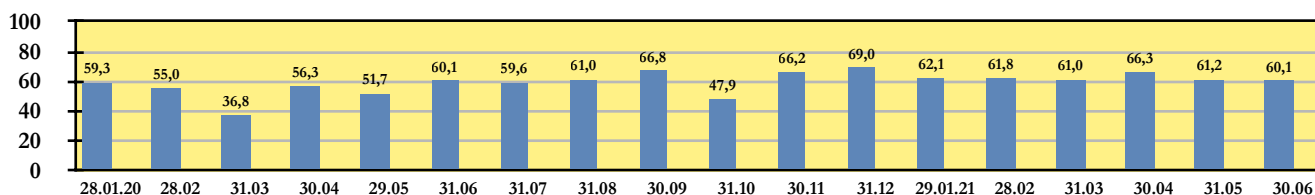
Investment strategy

The financial markets continued to develop relatively hesitantly during the month. The rotation from growth shares to value shares continues.

There are increasingly clear signs that China's economic policy is less expansionary than in the past, which will have a negative effect on Western growth rates in the future.

At the same time as more and more people are being vaccinated against the Covid -19 virus, the new delta variant is

GADD SMP FUND: Net Equity Exposure (%)



Activities of the month

The market continued to consolidate during June, even though market activity was high. A plethora of new issues were analysed, but most were not of interest to the fund.

During the month, the holding in Ericsson was reduced from 3 to 2%. Ericsson's large investment in 5G is still interesting, but the company's important exposure to China justifies some caution.

Among the companies that developed well during the month is Sdipotech, which rose by 14.1%. IPC, strengthened by rising oil prices, also rose by 12.3%. Filo, which rose sharply last month, also rose another 11% this month.

Other companies that had a good stock market development were Novo Nordisk (9.2%), Lifco (8.8%), Momentum Group (8.7%), Skistar (7.4%), Nordea (7.2%) and Lundbergs (5.9%).

On the negative side, the development in Lundin Gold, which fell 12.1%, Hexatronic (11.6%), JM (10.1%), Implantica (9.9%), Enea (8.2%), Peab (7.5%), Kindred (7.4%), VNV Global (7.2%), Husqvarna (6.5%), Fleming Properties (6.4%), NGex 5.6%), Josemaria (5.3%) and Volvo (5.2%).

The fund maintained a net equity exposure of just over 60% via index futures throughout the month.

All three technical indicators (short, medium and long) for the OMX 30 show a continued positive trend, even though the market is still undergoing a consolidation phase.

spreading more and more and countries such as England, Australia and Portugal have been forced to reintroduce restrictions. Fortunately, it is clear that the virus spreads more slowly during the hot summer periods.

Economic development continues to intensify in the United States and Europe, where many countries have eased pandemic restrictions during the month of June to, among other things, facilitate it for some countries' important tourism industry. In the short term, this should provide support for economic development.

The stock market has developed positively since more than a year ago, which makes it more sensitive to any negative news. The fund therefore chooses to maintain a relatively balanced equity exposure of 60% for the month ahead, pending the results for the second quarter to be announced in July.

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