



GADD SMP FUND

Monthly Report

April 2023

NAV CHF 2'006.00*

Inception date 05.04.2011 = CHF 1'000

* at 30.04.2023

	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%	4.6%	1.3%	-1.1%	5.9%	1.6%	3.8%	37.7%
2022	-7.1%	-1.8%	5.3%	-1.6%	0.8%	-9.4%	7.2%	-4.6%	-3.1%	4.4%	3.1%	0.3%	-7.6%
2023	3.2%	-1.5%	-1.6%	-0.5%									-0.5%

Market Comment

April saw the start of the year's first reporting season. The conclusions we can draw so far are that the reports have generally been better than expected, with the industrial sector shining the brightest on profit and sales growth, while the consumer sector has suffered from reduced demand as households cling tight to their wallets.

US President Joe Biden launched his campaign to become the Democratic candidate for next year's election. That 80-year-old Biden is running for re-election was expected and, according to inside sources, his campaign already began when the Republicans took over the House of Representatives after the midterm elections in November.

At the end of the month, the United States reported that Iran had seized an oil tanker in the Gulf of Oman. Iran has carried out several attacks in recent years, in or near the Strait of Hormuz, where a large part of the world's oil is shipped. The attacks began after the United States, under President Donald Trump, left the nuclear agreement between Iran and several major powers.

Inflation in the US for the month of March ended up at 5 percent, slightly below market expectations. Markets breathed a sigh of relief after the announcement and short-term US Treasury yields fell along with the dollar.

As expected, the Federal Reserve raised the key interest rate by 25 basis points to a range of 5.00% - 5.25%. In the press release from the Fed, it appeared that they had gone back on their previous comment that the executive board "expects that a certain further tightening of monetary policy may be appropriate", which was interpreted by the market as the interest rate hike being the FED's last during this interest rate hike cycle.

A divided Riksbank in Sweden raised, as expected, the policy rate from 3.0% to 3.5%. However, there were differences of opinion that suggested we were approaching a rate peak. Two of the board's five members, Anna Breman and Martin Flodén, were against the decision and wanted to see a smaller increase. The Riksbank also announced that "[...] there is room to adjust the policy rate in smaller steps.", which speaks for 25-point increases going forward.

Index	31.12.22	28.04.23	YTD
MSCI World (USD)	2,602.685	2,835.93	9.0%
STOXX50 (EUR)	3,793.62	4,359.31	14.9%
S&P 500 (USD)	3,839.5	4,169.48	8.6%
Nasdaq Comp (USD)	10,466.48	12,226.58	16.8%
Dax (EUR)	13,923.59	15,922.38	14.4%
SMI (CHF)	10,729.4	11,437.14	6.6%
OMX30 (SEK)	2,043.404	2,270.58	11.1%
MSCI Russia (USD)	0	0	
MSCI China (USD)	63.948	63.46	-0.8%
NIKKEI (YEN)	26,094.5	28,856.44	10.6%
Swe. Gov Bond. 10 y	2.46%	2.31%	

A possible recession has not yet made an impression on the Swedish labor market. Statistics from the Employment Agency show that 6.4% of the workforce was registered as unemployed at one of the country's employment agencies in March. To compare with March 2022 where the corresponding figure was 7.0%.

China's growth figures for the first quarter showed a 4.5% increase compared to the same quarter last year, better than the expected 4% and up from 2.9% in the fourth quarter of 2022. Although it is still a weak growth quarter by Chinese standards, the level of activity is expected to gradually pick up in the economy.

China is considering banning domestic sales of products from US chipmaker Micron, one of the top three makers of memory chips alongside Samsung and SK Hynix. The US sees the possible ban as revenge for President Joe Biden's actions to prevent China from producing semiconductors. If the block is lifted after all, it will be the first action of its kind against an American company by China.

The oil cartel OPEC together with several oil-producing countries outside OPEC announced during the month an unexpected oil production reduction of one million barrels per day. The world market price of oil initially rose by as much as eight percent, but fell back during the month. The reduction in production can be seen as a way to counteract falling prices when demand is likely to decrease in the event of a possible economic slowdown.

The world index MSCI World (USD) rose by 1.6% during the month. The S&P 500 in the US rose 1% and the Nasdaq was almost unchanged. In Europe, the STOXX50 rose by 1% and the Dax by 1.9%. SMI rose by 3% while OMX in Stockholm rose by 2.1%. MSCI Russia (USD) remained closed. The MSCI China USD rose by a whopping 4.1% and the Nikkei in Japan rose 2.9%.

The Swedish 10-year government bond rate rose during the month by 3 points, from 2.28% to 2.31%.

The strongest development of the fund's holdings during the month was Dometic, which rose by 16.2%, followed by Lundin Mining 13%. Other holdings that rose sharply were Atlas Copco 12.6%, Indutrade 11.6%, Vostok Emerging Finance 10.4%, Embracer 10.2%, Kindred 8.5%, Lundin Gold 8%, Investor 6.7%, Skistar 5.9% and Skanska 5.6%.

On the negative side, we can mainly mention Enea which fell by (31.1%) after a disappointing report, Hexatronic fell by (26.7%), Cinis Fertilizer (19%), Implantica (16%), Fleming Properties (15.4%), Studentbostäder (13%), Trelleborg (12.7%), Pomegranate (12.5%) and Africa Energy (9.3%).

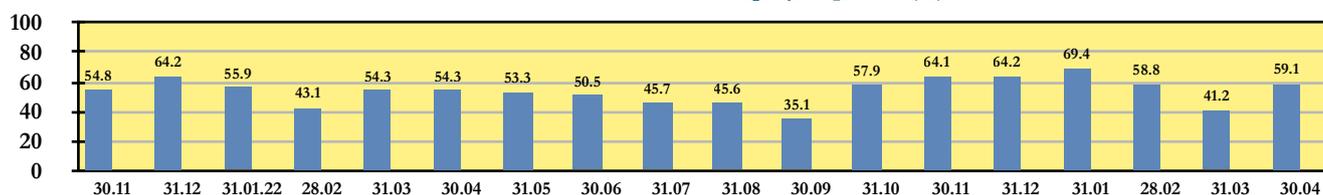
The fund's net exposure in shares was increased at the beginning of the month by just under 18 percentage points, from the previous 41.2% to 59.1%.

The short technical indicator indicates a neutral stance. As in the previous month, the medium-term indicator continues to show a positive trend and the long-term indicator also shows a continued, but weak, positive stock market trend.

Investment strategy

After the weak stock market development in March, it was hoped that the history of a strong stock market in April would be repeated. When the better-than-expected reports were presented at the same time as there were positive technical signals, the fund chose to increase the equity exposure at the beginning of the month. Thanks to the strong stock market, the fund thus had a positive development until the end of the month, where a few company reports unfortunately weighed on the result.

GADD SMP FUND: Net Equity Exposure (%)



Activities of the month

During the month, the fund divested its holdings in Aligo, H&M and Accelerion. Despite the risk that the downturn in the construction industry could damage the underlying business at Aligo, the share has had a very strong price trend since the turn of the year, against the backdrop of this the fund chose to take home the profit. H&M did very well without any big positive news right after its monthly report. The fund saw this as a good sales opportunity. The holding in Accelerion was of the smaller kind and stems from a spin-off from ABB, the fund chooses instead to focus on the holding in ABB.

Kindred increased its share in the fund by 1% unit to 2% and Nordea also increased it by 1% unit to 4%. Cinis Fertilizer reduced its stake by 1% unit to 1%.

Unlike the historically strong month of April, May is usually more volatile, but still in a weak positive direction. The fund will continue to maintain exposure to the stock market as long as the technical indications show a continued rise and the leading indicators signal a growing economy.

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