



# GADD SMP FUND

## Monthly Report

### January 2024

NAV CHF 2'024.44\*

Inception date 05.04.2011 = CHF 1'000

\* at 31.01.2024

	Jan.	Feb.	Mars	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Year
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%	-3.3%	1.8%	2.0%	-3.0%	-2.3%	-1.3%	2.3%	5.0%	0.7%
2024	-0.3%												-0.3%

## Market Comment

The new year began in as positive a way as the previous year ended with rising stock prices. The interest rate market remained relatively calm with no controversial interest rate announcements. Positive leading indicators and robust company reports helped support the world's stock markets, except in Stockholm where the market weakened.

As expected, the Federal Reserve (Fed) kept interest rates unchanged at its latest rate statement and adjusted the wording to indicate that it needs "greater confidence" that the decline in inflation is sustainable before considering a rate cut. During the press conference, Fed Chairman Powell indicated that his main scenario does not involve a rate cut in March.

The US state apparatus has again secured funding for the first week of March. This has been achieved through the approval of a temporary budget supplement by both the Senate and the House of Representatives. The politicians have thus acquired some additional time to enable negotiations and reach a final agreement on the upcoming budget.

Donald Trump became the first presidential candidate ever to win both Iowa and New Hampshire in the Republican primary. The election in New Hampshire, which is known for its tendency to be independent, has been described as Nikki Haley's biggest, and possibly only, chance to win a primary against Trump. Despite the defeat, Haley has made it clear that she has no intention of giving up and will continue her campaign. The next primary will take place in Haley's home state of South Carolina on February 24.

January saw a significant improvement in the Norwegian Economic Institute's barometer indicator, with the most significant monthly rise in economic sentiment since the time series began in 1996. Although sentiment remains in

most cases low and points to potentially declining GDP, the positive change is mainly driven by expectations rather than the current economic situation. However, this marked turnaround suggests that the growth recovery may occur earlier than expected, possibly before the second half of 2024. Sweden thus stands out positively compared to many other European countries.

Index	31.12.23	31.01.24	YTD
MSCI World (USD)	3'169.18	3'205.32	1.1%
STOXX50 (EUR)	4'521.65	4'648.4	2.8%
S&P 500 (USD)	4'769.83	4'845.65	1.6%
Nasdaq Comp (USD)	15'011.35	15'164.01	1.0%
Dax (EUR)	16'751.64	16'903.76	0.9%
SMI (CHF)	11'137.79	11'333.38	1.8%
OMX30 (SEK)	2'398.17	2'356.6	-1.7%
MSCI Russia (USD)	0	0	
MSCI China (USD)	55.47	49.57	-10.6%
NIKKEI (YEN)	33'464.17	36'286.71	8.4%
Swe. Gov Bond. 10 y	2.05%	2.33%	

Turkey finally gave its approval to Sweden's application for NATO membership. However, Hungary's approval appears to be delayed.

The Tesla strike continues in Sweden and has now lasted four months, making it the longest legal conflict in nearly 80 years. The deadlock does not yet seem to be on the way to being resolved.

As expected, the European Central Bank (ECB) chose to leave the key interest rate unchanged. The central bank reaffirmed its commitment to fight inflation without giving any indication of any consideration of monetary policy easing. No clear indications were given of future cuts, instead the central bank made nuanced changes to its statement and reiterated the previous stance that if interest rates are kept at current levels long enough, inflation will return to target.

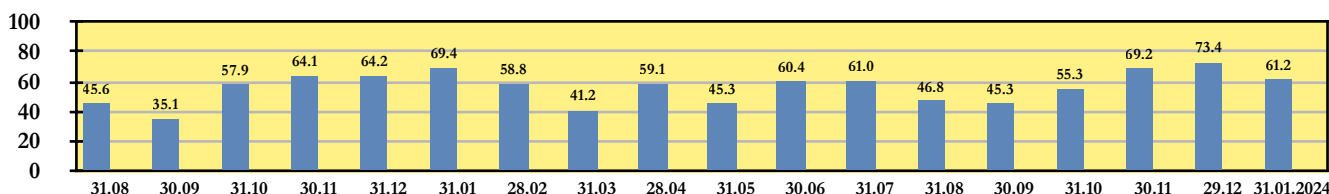
According to UN trade body UNCTAD, cargo volumes through the Suez Canal have fallen by 42% in the past two months compared to the same period a year earlier. The UN Security Council has adopted a resolution demanding an immediate end to the Houthi movement's attacks on civilian vessels in the Red Sea and condemning these attacks in the strongest possible terms. This was supported by eleven member states, while four, including China and Russia, chose to abstain.

The strongest development of the fund's holdings during the month was the aforementioned Kindred, which rose by 31.7% after the bid, followed by Implantica 16.9%. Other holdings that rose significantly were Novo Nordisk 11%, Skistar 9.5%, SEB 6.7%, Cinis Fertilizer 6.1%, RevolutionRace 5.4%, Investor 5.3% and Lunding Mining 5.1%.

On the negative side, Embracer can mainly be mentioned, which fell by (26.7%). Hexatronic backed off with (19.3%), VNV Global (15.9%), Nibe (11.4%), Alleima (9.7%), Peab (9.6%) and Flemming Properties (9.5%).

The fund's net exposure in shares was initially 73.4%, to end the month at 61.2%. After the weaker start to the year, the short and medium-term technical trends show a neutral direction compared to previously positive, the long-term still shows a positive trend.

**GADD SMP FUND: Net Equity Exposure (%)**



Concerns about an escalation of the conflict in the Middle East remain after deadly attacks on American soldiers in Jordan. The US pledged to take "all necessary measures" to protect its troops, while the Biden administration made clear it has no interest in starting a war against Iran. Within Congress, some Republicans have called for the United States to launch a direct attack on Iranian territory, which would constitute a unique and historic escalation.

The world index MSCI World (USD) rose by 1.1% during the month. The S&P 500 in the US rose by 1.6% and the Nasdaq by 1.0%. In Europe, the STOXX50 increased by 2.8% and the Dax by 0.9%. SMI rose by 1.8%, while OMX in Stockholm retreated (1.7%). MSCI Russia (USD) remained closed. The MSCI China USD fell by (10.6%), while the Nikkei in Japan rose by as much as 8.4%.

The Swedish 10-year government bond yield rose during the month by 28 points, from 2.05% to 2.33%.

## Activities of the month

Kindred's shareholders received an offer from the French company Française des Jeux. The board now recommends the shareholders to accept the offer (SEK 130/share). The Fund, which is a shareholder, intends to follow this advice. The fund subscribed to the newly issued bond of the real estate company Cibus, it runs for 3 years with a coupon of around 8% and is in Euros. During the month, Lifco increased its share in the fund by 1 percentage point to 4%.

## Investment strategy

If history repeats itself, we can possibly look forward to a positive stock market year in 2024. According to historical data from 1957, when the S&P 500 has had a positive development in January, it has been higher at the end of the year in 84.6% of the cases. For those looking for additional positive statistics, it should be noted that when a president goes to the polls to be re-elected, as Biden is doing this year, the S&P 500 has never had a year of negative performance since 1952. However, it is important to view the above statistics with caution. Markets are affected by many factors and historical trends are no guarantee of future results.

The fund opens February with a relatively positive equity exposure and plans to benefit from a presumed strong stock market, with strong corporate reports expected to provide support in the period ahead.

Halfway into the flood of reports, we can state that 80% of the companies on the S&P 500 have clearly exceeded analysts' expectations.

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