



# GADD SMP FUND

## Monthly Report

### March 2024

NAV CHF 2'163.91\*

Inception date 05.04.2011 = CHF 1'000

\* at 31.03.2024

	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%	1.4%	5.4%										6.6%

## Market Comment

Despite continued geopolitical unrest, the absence of interest rate cuts, a rise in long-term interest rates and rising oil prices, markets continued to climb during this historically weak month. The optimists see opportunities for further rises in the stock market, driven by stable growth, positive development of corporate profits and hopes for future interest rate cuts. The first quarter reporting period will provide an opportunity to assess whether recent gains reflect corporate earnings growth, order books and future prospects. This will be an interesting time with the risk of increased volatility.

Sweden finally became a member of NATO. During the month, Prime Minister Ulf Kristersson handed over the instrument of accession in the USA, which officially makes Sweden the 32nd member country in NATO. This marks the end of 200 years of formal military non-alignment for Sweden.

The latest US ISM manufacturing figure shows a significant uptick and represents the most positive reading since the fall of 2022, with an increase above the important 50 mark for the first time in 1.5 years. This improvement can be attributed to a noticeable acceleration in the sub-indices of order intake, production and prices. The market reacted strongly with the biggest move in the 10-year yield in two months, rising to the second highest level this year at 4.33%.

In his State of the Union address, President Biden tried to convince Americans that his policies have strengthened the economy, warned that their freedoms are at risk and sought to draw contrasts with former President Donald Trump. It can be stated that after the primaries, both President Biden and former President Trump have secured enough delegates for their respective parties, the Democrats and the Republicans.

The result of the Russian presidential election on March 15-17 was as predictable as expected. Putin even has the option of running again in 2030 when he is 78 years old. The so-called election results showed that 87% voted in favour of Putin.

Index	31.12.23	31.03.24	YTD
MSCI World (USD)	3'169.18	3'437.76	8.5%
STOXX50 (EUR)	4'521.65	5'083.42	12.4%
S&P 500 (USD)	4'769.83	5'254.35	10.2%
Nasdaq Comp (USD)	15'011.35	16'379.46	9.1%
Dax (EUR)	16'751.64	18'492.49	10.4%
SMI (CHF)	11'137.79	11'730.43	5.3%
OMX30 (SEK)	2'398.17	2'518.27	5.0%
MSCI Russia (USD)	0	0	
MSCI China (USD)	55.47	54.22	-2.3%
NIKKEI (YEN)	33'464.17	40'369.44	20.6%
Swe. Gov Bond. 10 y	2.05%	2.40%	

The Bank of Japan recently decided to raise interest rates for the first time since 2007, ending a 17-year period of negative interest rates. The new interest rate is now in the range 0-0.1%. They have also abandoned the idea of yield curve control, which means that they no longer actively control the long-term market interest rates.

IS Khorasan, the Afghan branch of the terrorist group IS, has claimed responsibility for the terrorist attack in Moscow in which nearly 140 people were killed and an even

greater number were injured. Russia initially accused Ukraine of involvement in the attack, a charge Ukraine and US intelligence have denied. Earlier in the month, the US government informed of a planned terrorist attack in Moscow that would possibly target large gatherings. Now no attack came in the next 48 hours after the alarm and Vladimir Putin then called the American warning "pure blackmail" and saw "an intention to frighten and destabilise our society". Many times such warnings contribute to stopping terrorist plots, unfortunately not in this case.

The US government has reached out to the government of Ukraine in an effort to stop drone attacks targeting Russian oil infrastructure. Despite ongoing Western sanctions against the oil and gas sector, Russia remains one of the world's top energy exporters. Over the course of the year, the price of oil has risen by approximately 15 percent, which is happening at the same time that US President Biden is preparing for the election campaign ahead of the autumn elections. The price of oil is a major factor in inflation and the sitting president believes that high prices are undesirable, especially at election time, considering the car-dependent American electorate.

In the past month, US politicians moved a step closer to forcing TikTok's Chinese owner to sell the app. A committee in the House of Representatives unanimously passed a new bill that gives the owner company six months to divest the app or it will be banned. This raises questions about whether similar measures within the EU would be desirable.

The world index MSCI World (USD) rose by 3.0% during the month. The S&P 500 in the US rose by 3.1% and the Nasdaq by 1.8%. In Europe, the STOXX50 increased by 4.2% and the Dax by 4.6%. SMI rose by 2.6% and OMX in Stockholm 2.7%. MSCI China USD rose 0.9% while Japan's Nikkei rose 3.1%.

The Swedish 10-year government bond yield fell during the month by 11 points, from 2.51% to 2.4%.

Strongest development of the fund's holdings during March was JM, which rose by 35.9%, followed by Lundin Mining 28.5%. Other holdings that rose significantly were Embracer 27.2%, Lundin Gold 24.8%, Skistar 24.6%, Cibus 20.6%, Whilborgs 18.9%, Peab 18.1% and IPC 16.8%.

On the negative side, Fleming Properties can mainly be mentioned, which fell by (41.3%). Africa Energy backed off with (11.3%), VNV Global (9.9%), Nibe (9.0%), SEB (5.8%), Cinis Fertilizer (5.3%) and Nordea (5.1%). It should be mentioned that the banks provided high coupons during the month.

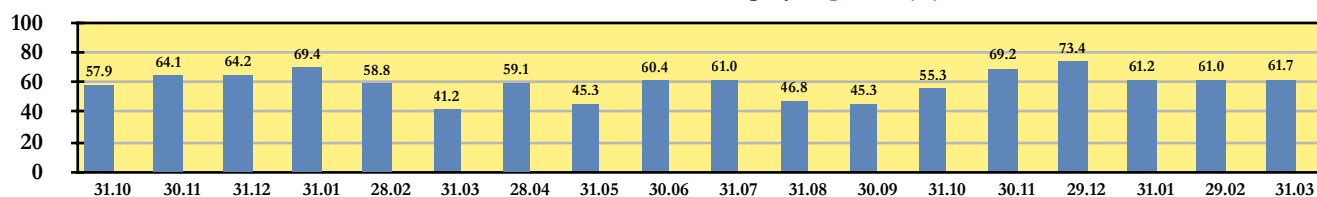
The fund's net exposure in shares was kept almost constant and was initially at 61%, to end the month at 61.7%. After another strong month, the short, medium and long technical trends all show continued positive direction.

## Investment strategy

The stock market has developed positively since the bottom in October, which, however, makes it more sensitive to possible negative news. At the same time, the fund has developed very well through its stock selection. The fund therefore chooses to maintain a relatively balanced equity exposure of 60% ahead of the coming month pending the announcement of the results for the first quarter in April.

We are pleased to announce that our fund has once again reached its highest level since its inception. In addition, in the EUR-share class we have recently been awarded the prestigious "Gold Medal Rating" by Morningstar, complementing our previous 5 stars. We at Gadd thank our shareholders for the continued trust in managing your capital. For Swedish investors, we are proud to be able to offer our support also for pension savings in Sweden through our collaboration with Alpcot.

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



## Activities of the month

The fund chose to completely divest Africa Energy, Enea and Studentbostäder after a long period of weak development. Holdings in Atlas Copco, IPC, Lundin Gold and Trelleborg were scaled back after a period of strong improvement. The position in VNV Global was slightly increased during the month. Latour and RevolutionRace increased their shares during the month by 1% to 4 and 3% respectively. Nibe reduced its share by 1 unit to 2%.

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