

PORTFOLIO REPORT

EQUITY PERFORMANCE

HCM
HANDELS CAPITAL MANAGEMENT

May 2022

CEO Comments

May was another volatile month on the equity markets. FED announced another increase of the interest rate, in line with the expectations, and inflation rates once again came in at very high levels. These together leading to continued focus on macro-economic factors.

Looking at individual companies and stocks, the “ifs” that investors have been talking about for years are now becoming reality. With increasing interest rates, the discount rates on stocks have to be adjusted upwards, resulting in lower valuations on stocks. Fast growing companies with the majority of their earnings far out in the future is the ones that are getting punished hardest by this phenomenon, as expected. Other companies that now are facing rougher times are the ones that have benefitted the most from money being free. Going in to this new environment with a stretched balance sheet is not a favorable position, and the stock market is making that clear by trading down these stocks.

May was intensive month for HCM, as many earnings reports for the first quarter was released. Overall, the first quarter did not show any particular signs of a slow down in the businesses of our interest. Looking into Q2 however, multiple signs are already showing that a lot of businesses are starting to face more headwind. Still, none of the companies of our interest have been affected by this as far as we know. The amount of profit warnings that have already been released might be a sign of a recession getting closer, or in fact, already being here. I will let time tell the answer in that point, but I believe there are reasons to be alert and follow our holdings very closely going forward.

Ludwig Germunder

Report May 2022

Asset Manager's Comments

Despite positive equity market movements during the beginning of the month, markets ended May in negative territory. During the month, OMXSGI returned -0,97% and the index closed at -17,84% YTD. Compared to OMXSGI, our equities underperformed -1,64% for the month and HCM is hence down -23,02% YTD.

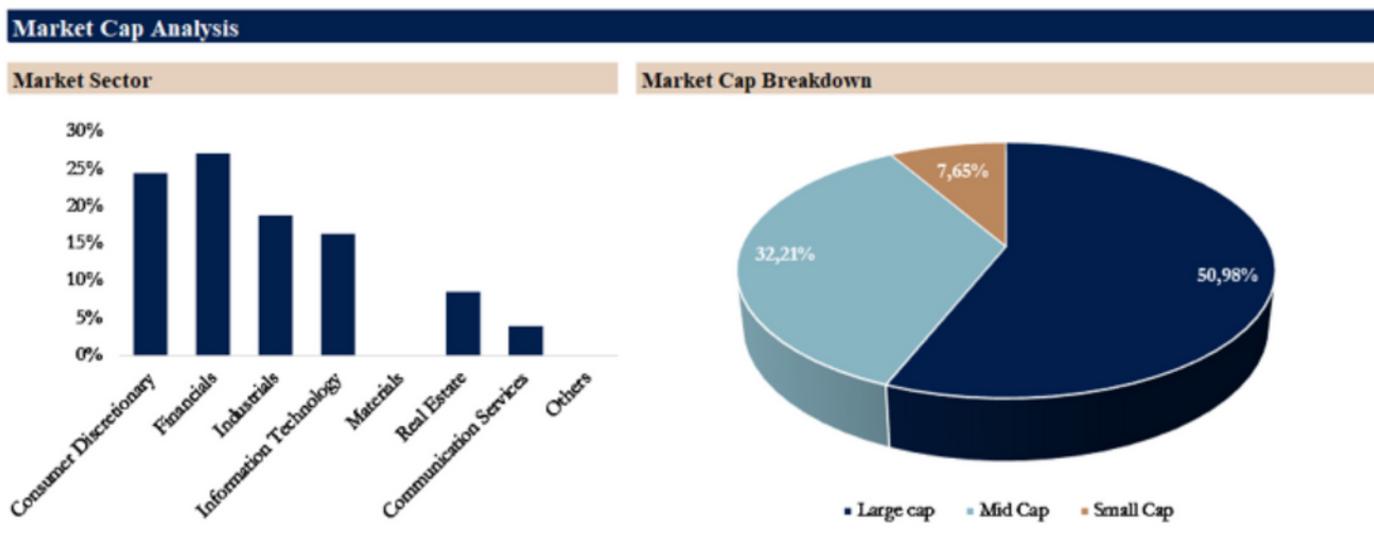
The best performers during the month were Medcap, Kindred and Catella. The worst performers were Vestum, Medcap and Admicom.

In terms of portfolio activity, May was a calm month for HCM, as we focused on tracking the development of our existing holdings.

The whole portfolio returned -0,07% in May, underperforming our benchmark index which fell by -0,38%. Global Bonds returned a negative -1,64% compared to our benchmark which was up 0,48%. Corporate Bonds returned a negative -0,58%, while the benchmark gained 1,19%. Alternative Investments returned a positive 0,69% compared to Barclays Hedge Fund Index which preliminary was down by -0,36%. It is important to note that our reported return in Alternative Investments is lagging with one month. This is due to the funds' NAV's updating after the last day of the month.

Sincerely, Leonard Lenhoff

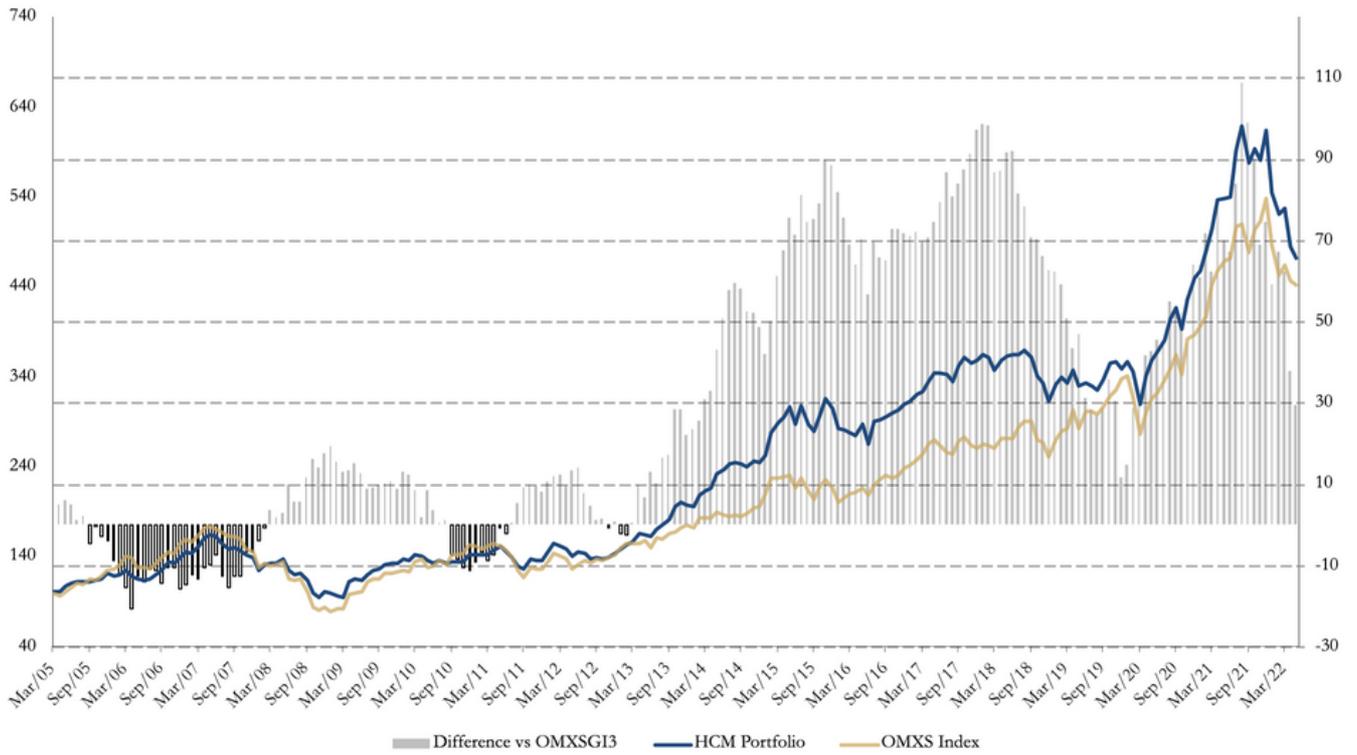
Top Ten Equity Holdings			Gainers and Losers		
Company Name	% Portfolio	Value	Five Largest Portfolio % Gainers		
Top ten holdings	73,8%	5 198 079	Microsoft	7,5%	1327,7%
Investor AB A	11,4%	802 818	ChemoMetec	5,9%	216,9%
Kindred	10,6%	748 200	MedCap	3,7%	107,9%
Evolution	9,9%	700 680	SBB	7,2%	94,9%
Microsoft	7,5%	531 058	Investor AB A	11,4%	78,8%
SBB	7,2%	506 600	Five Largest Portfolio % Losers		
Catella	6,6%	462 938	Vestum	2,9%	-42,0%
ChemoMetec	5,9%	415 403	Admicom	2,3%	-39,6%
Autostore	5,3%	372 037	Evolution	9,9%	-25,6%
Ratos	4,7%	331 700	SmartEye	3,9%	-20,2%
Nekkar	4,6%	326 647	Nekkar	4,6%	-10,1%



Equity Portfolio Statistics

Valuation	Portfolio		Risk	Portfolio	
	Portfolio	Benchmark		Portfolio	Benchmark
P/E - Current Fiscal Year	29,1	18,4	5 Year Beta	1,00	0,34
P/E - Next Fiscal Year	22,5	17,1	2 Year Beta	1,00	0,51
Price/Book	2,01	4,10	1 Year Beta	1,10	0,38
Price/Sales	2,81	3,63	5 Year Price Volatility	35,6	26,4
Enterprise Value/EBITDA	22,4	18,9	2 Year Price Volatility	39,3	23,5
ROE	22,3%	2,5%	1 Year Price Volatility	37,0	23,9
Dividend Yield	#####	2,3%	Growth		
				Portfolio	Benchmark
			% EPS Growth - 5 Yr CAGR	16,1%	2,4%
			% Rev Growth - 5 Yr CAGR	16,3%	10,2%

Equity Performance



Portfolio Performance

