

# PORTFOLIO REPORT

EQUITY PERFORMANCE

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**HCM**  
HANDELS CAPITAL MANAGEMENT

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September 2022

## CEO Comments

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September is in the books, and it feels a bit like a broken record as every month in a way is very similar to the past. Like I have started every comment for the past months, macro was once again the main focus of the market. As the macro data has been everything but gratifying, September was another sad month in terms of returns. To quickly sum the macro up, we had continuous high inflation, raised rates once again and the war in Ukraine seems to be escalating with further aggression from Russia. We believe that the best thing to do is to focus on single stocks and the companies behind. However, it can be tough during times since no one seems to be doing it.

Some happiness in all darkness is that we can look forward to a new period of earnings reports. As always interesting, but I would argue that during times of major uncertainty it is even more interesting what the numbers will show. My main take away from the Q2 earnings was the major inventory buildup. As I was writing in the August report, there were two main scenarios going forward. Either the inventory buildup would play out great, as both demand and supply chain issues remained at similar levels.

The other option was that the inventory buildup would turn out to be expensive for the companies, as demand would fall, or supply chain issues ease. What's interesting is that the second scenario has already started to play out in different ways. Several B2C companies have released profit warnings for the third quarter. Some of them are mentioning falling demand, others falling demand in combination with a write down on the inventory. The pure e-commerce players are overrepresented here, which is an interesting pattern. Those who were profiting the most from the pandemic are now paying the highest price.

Looking in to October, we look forward to another exciting earnings season. In the current times of major uncertainty, the reports will mark an important update from the businesses. We are also holding our first pitches of the semester during October. If we end up with new investments we will report that in the next report.

Ludwig Germunder

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## Asset Manager's Comments

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After a weak August, markets unfortunately did not recover and September continued on the bearish sentiment. During September, OMXSGI returned -7,35% and the index closed at -30,17% YTD. Compared to OMXSGI, our equities traded -10,01% for the month and HCM is hence down -37,26% YTD.

The best performers during the month were Evolution, Investor and Catella. The worst performers were SBB, Vestum and ChemoMetec.

The whole portfolio returned -4,6% in September, underperforming our benchmark index which fell -3,85%. Global Bonds returned -2,91% compared to our benchmark which was up 1,11%. Corporate Bonds returned a negative -3,6%, while the benchmark returned a negative -1,04%.

Alternative Investments returned a positive 0,39% compared to Barclays Hedge Fund Index which preliminary was down by -4,08%. However, 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.

As previously mentioned in the August comments by Leonard Lenhoff, I will be the new Head of Asset Management. I started as an equity analyst in HCM a little over a year ago. Thanks to Leonard's competence and knowledge the transition has been effortless, and I feel confident in my new role. As the first full month on the position now has drawn to its close, I can only be excited for what lays ahead.

Sincerely, Ossian Malmberg

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**Top Ten Equity Holdings**

Company Name	% Portfolio	Value
<b>Top ten holdings</b>	<b>72,8%</b>	<b>3 476 546</b>
Investor AB A	12,5%	597 067
Kindred	10,5%	502 680
Evolution	10,3%	491 287
Microsoft	8,9%	426 516
Catella	7,0%	334 350
SmartEye	5,5%	261 800
ChemoMetec	5,3%	254 134
MedCap	4,4%	209 220
Nekkar	4,2%	200 771
Essity	4,2%	198 720

**Gainers and Losers**

Five Largest Portfolio % Gainers	% Portfolio	% Gain
Microsoft	8,9%	1289,3%
ChemoMetec	5,3%	142,3%
MedCap	4,4%	116,5%
Catella	7,0%	50,8%
Loomis	4,0%	5,7%

Five Largest Portfolio % Losers	% Portfolio	% Loss
Vestum	2,1%	-65,3%
Autostore	4,1%	-47,0%
Admicom	2,8%	-41,7%
Evolution	10,3%	-35,4%
Nekkar	4,2%	-31,5%

**Total Portfolio Statistics**

Return & Risk	Portfolio	Benchmark	Allocation	Weight
Last Month	-4,60%	-3,85%	Alternative Investments	26,5%
Year To Date	-18,42%	-15,38%	Corporate Bonds	8,1%
Last Twelve Months	-17,40%	-9,59%	Global Bonds	10,5%
Since Start (Nov 11)	56,95%	83,89%	Money Market	16,6%
Average Yearly Return	4,25%	5,78%	Equities	38,3%

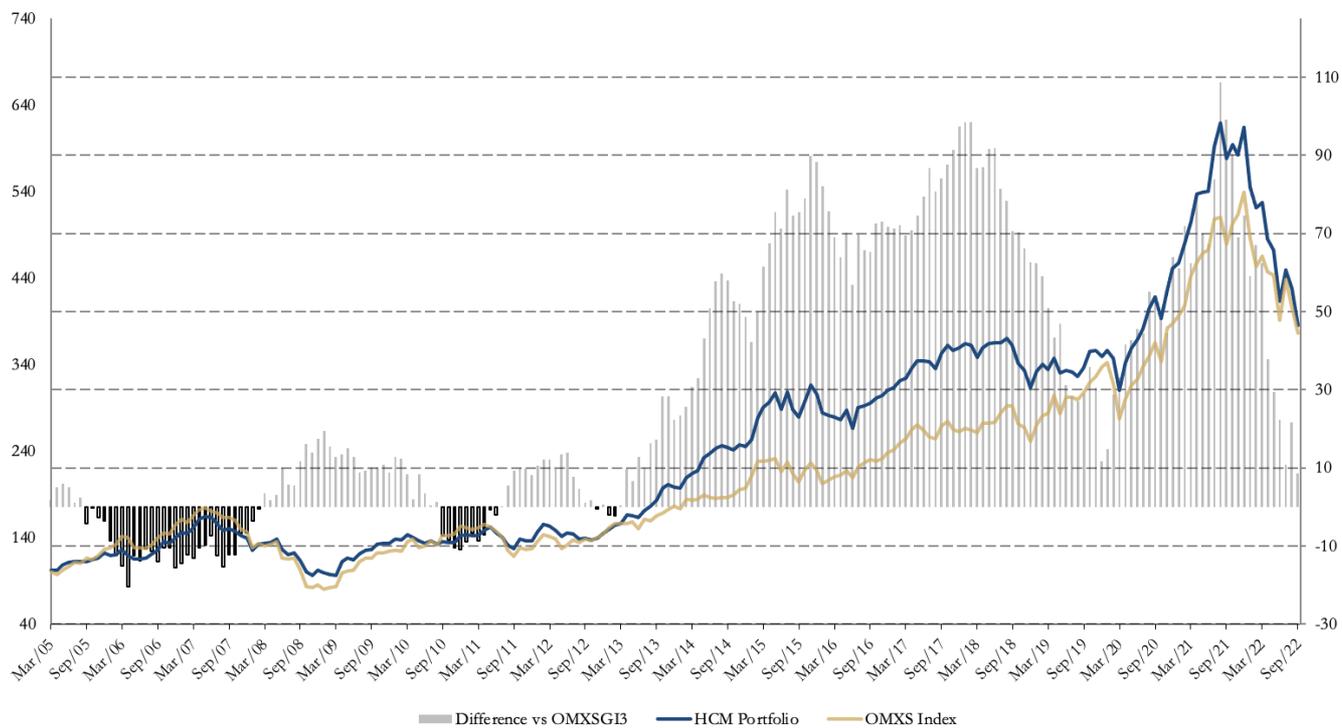
  

			Currency Exposure	1 Month
Months Active	130	130	SEK	78,4%
Number of Positive Months	87	93	USD	10,2%
Number of Negative Months	43	37	EUR	6,2%
Annualized Std. Dev. Last 12m	11,07%	11,86%	NOK	3,2%
Sharpe Ratio Last 12m	-1,73	-0,96	DKK	2,0%
Benchmark Correlation Last 12m	0,00	0,00		

**Equity Portfolio Statistics**

Return & Risk	Portfolio	Benchmark	Best Performers	1 Month
Last Month	-10,01%	-7,35%	Evolution	3%
Year To Date	-37,26%	-30,17%	Investor AB A	-3%
Last Twelve Months	-33,37%	-21,37%	Catella	-5%
Since Start (March 2005)	285,21%	276,61%	<b>Worst Performers</b>	<b>1 Month</b>
Average Yearly Return	7,97%	7,83%	SBB	-29%
Months Active	211	211	Vestum	-28%
Number of Positive Months	124	134	ChemoMetec	-26%
Number of Negative Months	87	77	<b>Currency Exposure</b>	<b>1 Month</b>
Annualized Std. Dev. Last 12m	22,51%	24,32%	SEK	71,0%
Sharpe Ratio Last 12m	-1,56	-0,95	USD	12,8%
Benchmark Correlation Last 12m	0,95	0,00	EUR	2,8%
			NOK	8,2%
			DKK	5,3%

## Equity Performance



## Portfolio Performance

