

# PORTFOLIO REPORT

EQUITY PERFORMANCE

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**HCM**  
HANDELS CAPITAL MANAGEMENT

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April 2023

## CEO Comments

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April was a good month for both markets and the HCM portfolio. On the macro side, the USA reported promising inflation numbers, sending confidence to markets that the peak of rate hikes may be near. Mid-April is also the start of the Q1 earnings season. With Swedish industrials leading the way with surprisingly strong numbers overall, the market responded with joy and relief, resulting in strong development in stock prices.

In our equity portfolio, the earnings season started very well with one of our large caps, Electrolux Professional, reporting numbers significantly better than expected. We took a position in Electrolux Professional during the fall of 2022, believing the market overestimated both the probability of a downturn in the industry and the impact such would have on the company. So far, no downturn has been observed, and the company is performing very well. The valuation is somewhat higher compared to when we took the position, but we remain confident in our stance. While EPRO is far from our most exciting idea, we believe that it offers a lot of exciting components compared to other large caps, such as being under-analyzed, forgotten, and what we believe are too cautious estimates in the near to mid-term.

As we are tilted towards small-cap stocks, most of our holdings are releasing their earnings for the first quarter later in the earnings season. A more comprehensive overview of our holdings' performances in the first quarter will thus be covered in the next monthly report.

The highlight of April was, once again, the successful recruitment. After going through a good number of applicants, we ended up with four new talented analysts on our team. I would like to welcome Natalie Luo Aksnes, Emil Albecker, Nils Lunneryd, and Jacob Kristensen to our team.

This will be my last comment as the CEO of Handels Capital Management, as it is time for me to hand over the role to my successor, Bianca Andersson. You will find a short introduction by Bianca on the next page, and from the May report, she will be in full charge. My time as CEO has been fun, challenging, and primarily educational. I am proud of what we have achieved during these two years, and with the current group of people in the company, I am confident that the positive development will continue for many years.

Ludwig Germunder

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## Incoming CEO Comments

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My name is Bianca Andersson and as of the first of June I will be taking over the responsibility as CEO of Handels Capital Management. I am currently in the second semester of the economics program and have been working as an analyst at HCM since September 2022. I am incredibly grateful for the trust, and excited for the opportunity that has been given me. I look forward to doing my very best in continuing our work in delivering competitive returns and working with the rest of our team at HCM, as well as the rest of the Handels group.

Bianca Andersson

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Report April 2023

## Asset Manager's Comments

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Our equities continued on last month's positive trend. During April, OMXSGI returned 2,92%. Compared to OMXSGI, our equities traded 1,62% for the month.

The best performers were Electrolux Professional, Kindred and Investor. The worst performers were Loomis, Crayon and SmartEye. We made no transactions in April as we have been busy focusing on stock pitches and recruitment of new equity analysts.

The whole portfolio returned 0,56% in April; this is slightly below our benchmark index which improved by 1,25 % during the month. Global Bonds returned -0,07% compared to our benchmark which was down -0,93%. Corporate Bonds returned a positive 0,59%, while the benchmark returned -0,34%. Alternative Investments returned -1,04% compared to Barclays Hedge Fund Index which preliminary was up by 0,4%. 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.

Sincerely, Ossian Malmberg

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### Top Ten Equity Holdings

Company Name	% Portfolio	Value
<b>Top ten holdings</b>	<b>77,0%</b>	<b>4 260 801</b>
Evolution	13,7%	756 432
Investor AB A	13,3%	736 330
Microsoft	9,4%	519 998
Kindred	8,5%	471 624
Autostore	6,4%	351 589
Catella	5,7%	313 200
MedCap	5,4%	298 650
Essity	5,1%	279 630
SmartEye	4,9%	269 473
Electrolux Professional	4,8%	263 874

### Gainers and Losers

Five Largest Portfolio % Gainers	% Portfolio	% Gain
Microsoft	9,4%	1594,5%
MedCap	5,4%	209,0%
ChemoMetec	3,2%	69,1%
Kindred	8,5%	53,4%
Electrolux Professional	4,8%	41,5%

Five Largest Portfolio % Losers	% Portfolio	% Loss
Nekkar	3,3%	-37,6%
SmartEye	4,9%	-32,1%
C-RAD	2,1%	-27,2%
Paxman	3,8%	-16,0%
Crayon	2,9%	-14,1%

### Total Portfolio Statistics

Return & Risk	Portfolio	Benchmark	Allocation	Weight
Last Month	0,56%	1,25%	Alternative Investments	24,1%
Year To Date	5,13%	6,04%	Corporate Bonds	7,8%
Last Twelve Months	1,03%	3,96%	Global Bonds	10,2%
Since Start (Nov 11)	71,83%	103,74%	Money Market	15,9%
Average Yearly Return	4,86%	6,43%	Equities	42,0%

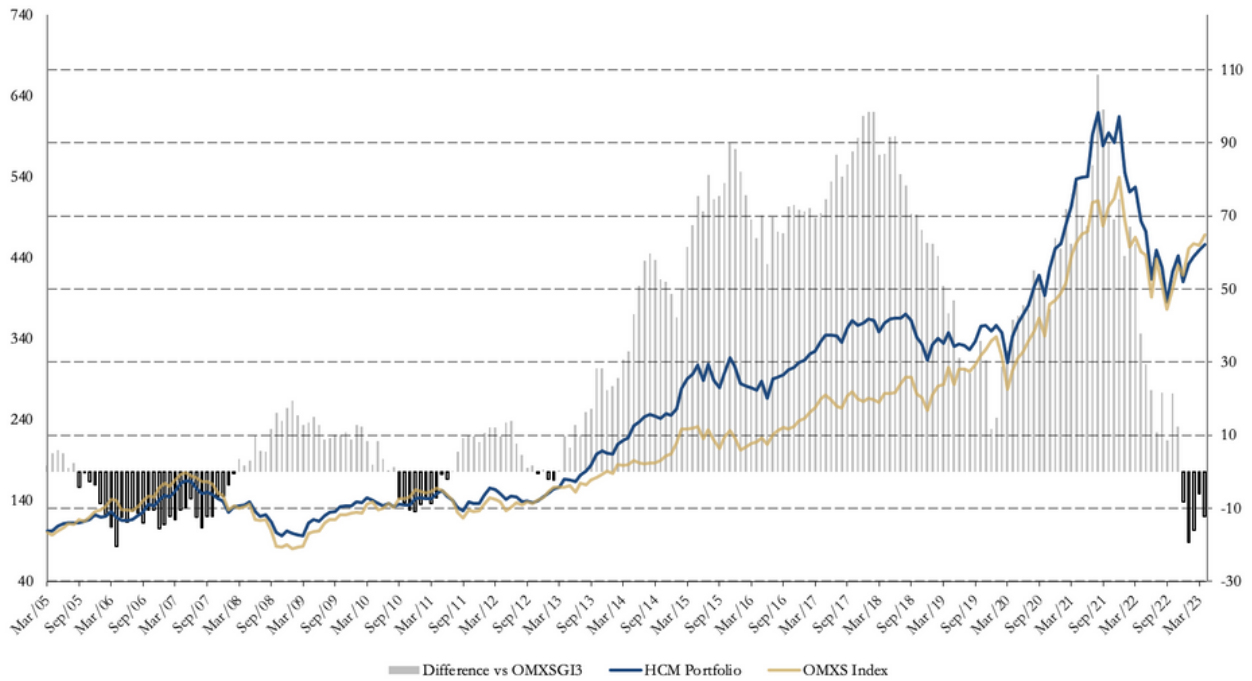
  

			Currency Exposure	1 Month
Months Active	137	137	SEK	78,1%
Number of Positive Months	93	98	USD	10,4%
Number of Negative Months	44	39	EUR	5,1%
Annualized Std. Dev. Last 12m	11,30%	11,62%	NOK	5,1%
Sharpe Ratio Last 12m	-0,07	0,19	DKK	1,3%
Benchmark Correlation Last 12m	0,00	0,00		

### Equity Portfolio Statistics

Return & Risk	Portfolio	Benchmark	Best Performers	1 Month
Last Month	1,62%	2,92%	Electrolux Professional	10%
Year To Date	11,16%	11,86%	Kindred	8%
Last Twelve Months	-6,02%	4,63%	Investor AB A	7%
Since Start (March 2005)	356,08%	368,20%	<b>Worst Performers</b>	<b>1 Month</b>
Average Yearly Return	8,71%	8,87%	Loomis	-8%
Months Active	218	218	Crayon	-7%
Number of Positive Months	130	139	SmartEye	-6%
Number of Negative Months	88	79	<b>Currency Exposure</b>	<b>1 Month</b>
Annualized Std. Dev. Last 12m	24,89%	24,03%	SEK	72,1%
Sharpe Ratio Last 12m	-0,31	0,12	USD	12,6%
Benchmark Correlation Last 12m	0,93	0,00	EUR	0,0%
			NOK	12,2%
			DKK	3,1%

## Equity Performance



## Portfolio Performance

