

# END OF YEAR REPORT



**2018-2019**

## Purpose

The purpose of this report is to give members and other stakeholders of SASSE and the Stockholm Student Investment Fund an update on the development and financial standing of the Stockholm Student Investment Fund and the fund that it manages for the year of 2018-06-30–2019-06-30. This report fulfills the requirement of an end-of-year report as mentioned in the Constitution §4.3 and further regulated in Constitution §15. *This end-of-year report is published by the Student Association at the Stockholm School of Economics (SASSE) and prepared by the SSIF Executive Committee as a constituent thereof. It is published under the following Disclaimer.*

Publisher for the report is Emma Perlelin (sw. “Ansvarig utgivare”).

## Disclaimer

The Stockholm Student Investment Fund (the “Fund” or “SSIF”) is the joint body of two entities within the Student Association at the Stockholm School of Economics (SASSE): The operational branch, a SASSE project which keeps a budget and can take operational expenses but make no investment decisions; and the investment branch, an authorized SASSE association which makes investment decisions and manages the actual fund of SSIF (“the fund” or “the SSIF fund”) and can only be exposed to no other costs than variable investment-related expenses as a reduction of assets in the fund (see Constitution §3). (Note the difference between “the Fund” and “the fund”).

SASSE is a separate legal entity to the Stockholm School of Economics. In terms of financial reporting and taxation, the Executive Committee can find no legal obligation of SSIF in itself to report any such figures. Any legal obligation to report holdings, return or any other figures of SSIF is reported along other SASSE projects in SASSE’s financial reporting. SASSE keeps another year for its books than does SSIF in this report. The name “Stockholm Student Investment Fund” should not be interpreted as an investment fund as regulated by Swedish authorities such as Finansinspektionen. There are no third-party claims to the fund. The fund is a fund in the sense that it is capital set apart for a specific purpose. The name further suggests that the purpose is for students to perform investments and to grow capital for the purposes of SASSE and the students associated with the organization (see Constitution).

This report is to be regarded information and marketing which is deemed to be approximately correct, though not necessarily compliant with some legal aspects usually associated with the words used. The report takes the liberty to portray finances in a way that is informative to the reader and the stakeholders of the Fund. The report is not to be interpreted as such an annual report given by some Swedish entities by law (“Årsredovisning”) nor as such a report given by fund management firms for funds (“Årsberättelse”) under Swedish law.

The content of this report should not, under any circumstances, be regarded as investment ideas, suggestions or advice — not in a general sense, specifically for certain securities herein mentioned, nor in any other sense. The Executive Committee of SSIF take no legal or economic responsibility for the portrayal of anything in this report nor for any interpretations made nor actions taken from its content. Members of the Executive and Investment Committees, as well as Analysts and other people that have worked on, are working on, have pitched, comment on securities and/or help in some other way with this report may have, have had, or plan on having positive or negative interest, directly or indirectly, in securities held by, discussed or pitched in the Fund during the past year and/or mentioned in this report. This includes but is not limited to passive and active personal investments.

This report does not have to be and has not been audited by an independent auditor. For such auditing of assets and returns, the reader is directed to SASSE’s financial statements. The SASSE Board or Student Association Council of SASSE (SAC) may appoint an auditor to audit the asset allocation and valuation of the Fund as well as investigate its operational expenses, budgeting or the alike at any time (Constitution §15.4). As of 2019-06-30, such measures had not been undertaken.

The trademark of Nordea, as main sponsors of the Fund, is being used in this report. This is purely for the sake of marketing towards the stakeholders of the Fund. Nordea does in no way endorse the Fund as such nor any investment decisions, other decisions, statements or actions of the Fund, its committees or members.

This report fulfills the requirement of an end-of-year report as mentioned in the Constitution §4.3 and further regulated in Constitution §15. The report has been produced by the SSIF Executive Committee of 2018/2019 and published by the Student Association at the Stockholm School of Economics.

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# PRESIDENT'S MESSAGE — THE YEAR IN REVIEW

This past year has truly been something else. It was with great excitement I took over the reins in June 2018 but little did I know just how incredible a journey this would come to be. The Fund is one of the youngest projects at SASSE, and to then have the opportunity to find ways of improving it has been an incredibly enriching experience. The results achieved during this year are the results of the combined effort of each individual that have devoted time and effort into this project. An Executive Committee that have made sure that the operational side of the Fund has ran smoothly. An Investment Committee responsible for putting the eggs in the right basket. And most importantly - our analysts, whos unquestionable devotion to the Fund have been remarkable.

In my acceptance speech last year I quoted Benjamin Franklin by recalling the famous phrase “an investment in knowledge pays the best interest”. This is a mindset which have come to permeate all branches of the Fund. However, the educational progress made would not have been possible if there was not for the solid foundation laid by previous year's Executive Committee's. To be able to leverage the educational resources developed, in particular the Analyst Guide, worked as a stepping stone in our process of educating this years intake of analysts. An emphasis this year has been on further customising those educational resources to better fit each individual's learning curve which in the end turned out to yield great results. Having seen the analysts grow this year as well as having reached the highest level of participation (analysts pitching on the investment days) in the history of the Fund have been one of the absolute high-

lights.

I would also like to take the opportunity to thank our sponsorship partners. Our strong bond with main sponsor Nordea has yielded great results just as previous year's. Apart from giving educational lectures and hosting case competitions for our analysts, Nordea have continued to provide exceptional feedback on the pitches presented by the different sectors on our internal pitching events which have added great value. Furthermore, The hedge fund Bodenholm Capital was new for this year and we thank you for your knowledge shared during the year. We are also thrilled to welcome ABG Sundal Collier as a sponsorship Partner for the upcoming term. As a top Nordic investment bank with over 30 years in the business, they will add even more value to our already top advisory board.

In addition to our company partnerships, we are also thrilled to having expanded our presence in Europe by forming collaborations with other student led organisations and societies. Our partnership with The MergerSight Group have provided our analysts with exceptional research reports on different M&A transactions as well as insight reports, while at the same time having enabled two of our most prominent analysts to join their organisation. Another rewarding collaboration was of that with LSE SU Alternative Investment Conference (AIC) which among other things resulted in six of our members spending a weekend in London attending the world's largest student conference on Hedge Funds, Private Equity and Venture Capital. A collaboration was also formed with representatives from various different universities such as Boc-

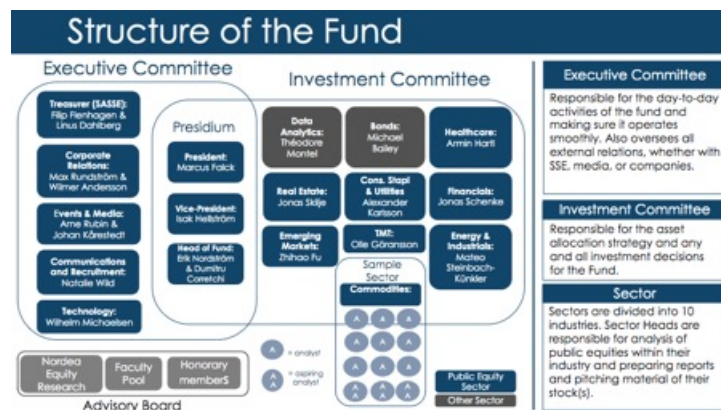
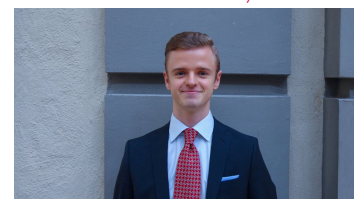
coni, LSE and UCL going under the name “The Finance Review”. Together, we provide research material from our respective societies to be distributed to all members within the different societies. Apart from providing our members with even more research, it has strengthened the Fund's bond with several top finance societies around Europe.

Moreover, we are thrilled by the performance and work by our Tech team. Apart from having improved the website, they have worked on the development of a tool which will be able to showcase the development of our holdings directly on the website. This tool will be put in action by the start of the next year.

Lastly, an organisation like SSIF, no matter how well designed, is only as good as the people who live and work in it. I would like to once again thank everyone that have contributed to this project during this year - without you nothing would have been made possible! I am very proud of what we have achieved this year and is at the same time confident that SSIF will continue to thrive in the years to come. Whether you consider yourself being a full-fledged investment guru or just want to enhance your interest in the financial markets, SSIF is the place to be!

**Marcus Falck**

*SSIF President 2018/2019*



# HEAD OF FUND'S REPORT

It has been an eventful year for the fund where we have broadened our portfolio further and allocated a greater share of the fund's total assets under management towards promising investments within a market characterized by high volatility, contradicting signals on economic growth, and increasing tension on international trade.

When we joined the fund in September, our vision was to continue building a portfolio on principles of value investing and driving the profitability of our investments, combined with a critical assessment of current holdings.

In terms of organizational development, our goal was focused on analyst engagement, increase the knowledge of the fund as well as create an inspiring and interesting community for asset management and equity research.

The first thing we did was to present the fund's current holdings during our kick-off event in September. During this event, we gave a summary of the investment rationale behind the current holdings and presented their performance since the initial investment. The intention with this was to give our members an overview and show what kind of companies the fund could be invested in. Further, our head sponsor Nordea assisted us with their view on the sectors invested in and shared their thoughts on

how the valuation process can be done. This was a successful event as many students attended and it was clear that the fund had generated interest among the students at SSE.

One of the highlights of SSIF's activities has been our pitching events. During these events, our fantastic analysts, who are divided into one of our nine sectors; TMT, Energy & Industrials, Healthcare, Financials, Consumer Staples & Utilities, Real Estate, Emerging Markets, Government & Corporate Bonds and Data Analytics, have the opportunity to showcase their valuation skills and pitch a proposed investment to the Executive Committee and an Advisory Board consisting of prominent analysts from Nordea.

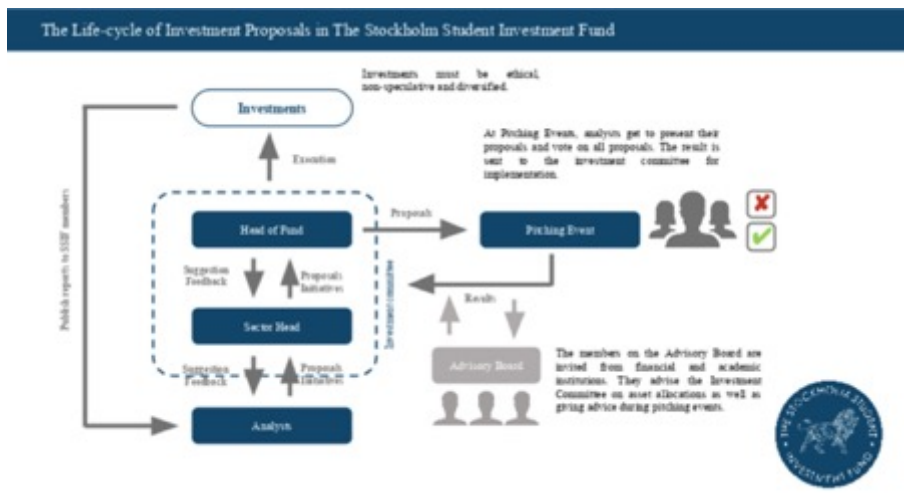
Throughout the year, we have had high activity in the sectors and we have seen around 4-6 pitches per event, which is fantastic. Further, many of the pitches have resulted in investment and contributed to the now more diversified portfolio. We were delighted to see the improvement between every event and were impressed by the high quality of the pitches. As the pitching events are unique opportunities for analysts to learn how to value assets and present their recommendations in front of an audience of other students as well as a well-experienced advisory board, we are glad

to see that everyone has put in both time and effort and performed on a high level.

Considering the age of preexisting holdings, and requirement for their review we decided to use the fist pitching event as a divestment event. During this event, we took for debate two stocks that we recommended for liquidation. The two companies were: Exco Technologies and Amerigo Resources. The intention with this event was to improve on holdings quality, given fundamental changes since purchase, and also demonstrate our new analysts how the pitching events work as well as look over the current positions. We believe that this was a good complement to the kick-off event and it resulted in divestment of Amerigo Resources. Another thing that was new for this year was the award "Bull of the month", which was given to an Analyst or Sector Head who had done something extra. The intention with the award was to highlight and reward hard work and to increase the incentives do put in some extra effort. We believe that this was very well received and appreciated, especially among those who received it.

To conclude, we have enjoyed every minute of being the Head of Fund for the Stockholm Student Investment Fund and we believe that the fund is on the right path to become the leading investment society for students in the Nordics.

**Erik Nordström & Dumitru Corretchi**  
*Head of Fund 2018/2019*





## ABOUT

The Stockholm Student Investment Fund (SSIF) is a two-year-old, all-inclusive, student-run investment fund committed to creating a comfortable, peer-peer educational environment of investment analysis, with bottom-up initiatives to real-money investments. We have 1.1 SEKm as capital to request from SASSE for investments, but have so far only invested a fraction of that amount.

The Fund is organized as a project under the Business Committee at the Student Association at Stockholm School of Economics (SASSE). All recruitments to positions in the fund are open to all students of SASSE.

English is the language of the Fund, and as such all events are held in English.







## PURPOSE

There is a threefold purpose of the fund:

- Educational experience for all students who wish to learn, regardless of prior experience.
- Helping students make a career within finance through networking and a credible experience with investing and fund management.
- Increase the number of female students at SSE who choose the BSc finance specialization, the MSc in Finance as well as a career in finance.

We believe that SSIF will provide a financial educational and networking experience unparalleled to that of other projects as industry leaders will support the process of real-money investment and ultimately open the door to relevant real-world experience.



A blurred photograph of a lecture hall. A presenter in a white sweater stands at the front near a large projection screen. The screen displays a list of items, including '1. 2018-2019', '2. 2019-2020', and '3. 2020-2021'. The audience is seated at desks with laptops, viewed from behind. The lighting is warm and the image is out of focus.

## AMBITION

Our long-term ambition is to be such a central part of SASSE and SSE that it is difficult for students to imagine the school and student association to exist without SSIF.

In the future, our ambition will require us to raise external capital, a long-term track record of delivering impressive returns, and several decades ahead even being a key contributor to the funding of projects and new initiatives for the students.





## CULTURE

SSIF's culture encourages an open and inclusive environment where students, companies, and in the future also faculty can discuss investment ideas without anyone being unjustly left out.

At the same time, rewarding prominent and hard-working individuals is key to maintaining quality of ideas and process, which is why SSIF in its sponsorship structure enables a matching process between companies and prominent students.

The division by sectors, where a mixture of master and bachelors from the different programs and backgrounds all can contribute, also exists to create a sense of responsibility and mimic a professional working environment.

## DEVELOPMENT OF THE FUND

Over the past year, we divested Amerigo-Resources and invested in Visa, ABB, Balder, Geely and first since fund inception added to the mix corporate bonds.

Divestment of Amerigo-Resources stock was executed after reassessment of the company value given delays with capacity expansion, high risks associated with supplier and customer base concentration, and an in-depth review on valuation metrics that indicated that the company was no longer as undervalued as previously considered.

Our decision to open position on Geely is based on the opportunity unlocked from underpricing of a subset of promising Chinese assets as a result of the international trade conflict between the US and China. Unlike market's negative outlook on the Chinese automobile industry, we believe the structural change inside the automobile industry will play a more important role in companies' future growth than the projected future growth rate of the whole industry scale. We believe the best way to capture this structural change is to invest at a reasonable price in one leading Chinese domestic company that could significantly benefit from the structural change. From our analysis, we believe Geely will be the best investment opportunity in the Chinese automobile industry.

Investment in Balder has been driven by the fact that company has an excellent position to benefit from the urbanization trend and with its well-diversified property portfolio and high-interest coverage ratio we believe that Balder will be able to maintain their profits even in pessimistic scenarios of higher interest rates and recessions. Balder's current properties have low market risk and will continue to generate stable incomes from rental income and enable further expansion with their current management team. On financial sector side, investment in Visa is motivated by an effective business model with their global reach and the fact that Visa is well-positioned to benefit from demographic developments in emerging economies as well as long-lasting trends like digitalization and a tendency towards cash-less transactions. Moreover, we appreciate the company's operating efficiency reflected in an EBITDA margin of nearly 70% and its strong cash flow generation capabilities. With this in mind and considering that Visa was traded at a slight discount compared to its closest peers, we see it as a great investment opportunity.

On the industrial side investment in ABB is a highly suitable addition to the asset mix both in terms of quality and long-term value as ABB has been at the forefront of automation technology since its inception in 1988. With a vast product portfolio, the company supplies solutions for a diverse range of customers from manufacturers and other industrial enterprises to governments. Their global presence and constant strive for innovation has kept them on top. Global trends show strong market growth potential for automation and electrification products. The expertise that ABB possess will allow them to capitalize on these opportunities and therefore thrive. The sale of power grids will further increase margins and enable them to focus on the core business. Considering the diversified sale proportions across markets and regions ABBs profits will be stable even in a bear scenario.

And finally this year with the support of Governments and Corporate Bonds sector, we opened a position on corporate bonds to rebalance the volatility equity portion, and achieve better utilization of assets. The decision to use ETF as an investment vehicle has been driven both by risk considerations and limitations arising from the size of the fund, and very high denominations of bonds traded on the markets, which limits SSIF's access to fixed income instruments.



# NEW HOLDINGS

## NOTABLE EVENTS, KEY OPPORTUNITIES AND RISKS

### Balder (*Stockholm*)

Balder Fastighets AB is a Swedish real estate firm which manages and develops mostly residential and commercial properties in premium locations across the Nordics. It is currently run by CEO Erik Selin who also founded the firm in 2005. Since 2005 then they have grown both their profits from property management as well as their balance sheet immensely and are now among the largest real estate businesses in Sweden and the Nordics as well as one of the most successful. When SSIF invested we took a bet on further strong demand for rental space in attractive locations across the Nordics combined with low interest rates going forward. Both of these factors were identified as key growth factors for Balder and so far there are no clouds in the sky for Balder. We were quite conservative in our estimates of Balder's ability to keep growing their assets at the same high rate (average of about 20% yearly since inception) in the future, given their size. But we haven't seen any signs of deceleration as of yet.

We argue that Balder should be traded with a premium of around 10% to EPRA NAV given the good

quality of the company. 2019 has showcased a flight to quality in the markets given weak macro signals, swift-footed outlooks on global trade conflicts and Brexit opaqueness. And while political and compliance risks has punished other defensive sectors such as health care and banks, investors have dashed to real estate. Balder has been traded at a premium of 15-20% during the Summer and into the Fall of 2019. The stock has reached our long-term target price of 364 SEK a few times already due to investors looking for defensive quality stocks.

Compared to peer Balder's premium valuation is not that stretched. As of mid-August 2019 the average Price/EPRA NAV for listed real estate companies on the Stockholm Stock Exchange was around 19%. In relation to our long-term target price (less premium) of 364 SEK Balder still does not feel that topish, but we do not expect as exceptional growth in the stock price going forward. The low rates will benefit Balder more than economic slowdown of the global markets will punish them, even in the long run.

**Jonas Skilje**  
*Sector Head Real Estate*

### Visa (*New York*)

#### Investment Rationale

Visa is a global payments technology company that connects consumers, businesses, banks and governments worldwide. Operating a payments network with such global presence results in exposure towards economic as well as societal trends and the initial investment rationale originates from Visa's ability to benefit from development within these areas.

Visa earns its revenue by taking out a small percentage fee in every transaction its payment network processes, hence revenue benefits from an increase in the amount of transactions as well as greater spending per transaction. Luckily, demographic trends enable precisely that; a growing population, estimated to reach 11.2bn by 2100 allows for an increase in quantity of transactions, combined with a growing middle class, which enables an increased amount of spending per transaction. Moreover, societal trends like digitalization will increase demand for cash-less payment

solutions and services and the technology of most new services like E-Wallets are based on companies like Visa. While Visa certainly is not the only company to benefit from such trends, it was traded at a slight discount compared to its closest peers and thus it was considered as a true value opportunity.

#### Current View

Visa's beneficial position towards demographic and societal trends remains the same today, making it a solid alternative for the medium to long run. Investors seem to agree as the company currently trades at USD 177, up from USD 144 at the time of our initial analysis – in which we recommended buy at a target price of USD 174. Whilst our fundamental view of Visa is unchanged the upside potential has, along with the increased company value, decreased. As a result, our current recommendation is to disinvest now and reinvest once the price decreases.

**Jonas Schenke**  
*Sector Head Financials*

## ABB (*Stockholm*)

ABB is a Swiss-Swedish conglomerate operating mainly in robotics, power, heavy electrical equipment, and automation technology areas. Headquartered in Zurich, Switzerland, it has been at the forefront of automation technology since its origins the late 19th century. At the time of investment, ABB had four divisions:

1. Power Grids: Offering power and automation solutions for power generation, transmission and distribution of electricity, i.e. the integration of electrical power lines, power transmission, solutions for distribution and automation, a complete range of high voltage products and transformers. The customers include power generation, transmission, electric power distribution, transportation and infrastructure companies. This division has long been the “problem child” and the majority was sold to Hitachi for \$11bn in end of 2018.

2. Electrification Products: Offering technology across the electrical industry, including a range of digital and connected innovations for low- and medium-voltage. Examples: Electrical charging infras-

tructure, solar inverters, distribution automation and power protection. Customers include installers, distributors, panel builders, manufacturers, system integrators, contractors, architects and end users.

3. Industrial Automation: Offering products, systems and services designed to optimize productivity, energy use and safety of industrial processes. It offer further control systems, measurement products, life cycle services, outsourced maintenance and industry specific products e.g.: electric propulsion for ships, mine hoists and turbochargers. Customers include companies in the process industries such as oil and gas, petrochemicals, mining, metals production, marine, pulp and paper, and cement firms.

4. Robotics and Motion: Offering motors, generators, powertrains, mechanical power transmission, robotics, wind and traction converters. Customers include manufacturers and companies in a variety of industries and utilities, industry end users and transportation and infrastructure operators. With its vast product portfolio, the company supplies solutions for

a diverse range of customers from manufacturers and other industrial enterprises to governments.

Being a true global giant with operations in 100+ countries and 150,000 employees, ABB has struggled in the last years, which was reflected in their share price and relative valuation. Being valued quite below their peer groups and pursuing a strategic review for a more focused organization, i.e. the sale of non-core business units such as Power Grids as well as the backing of the strategic investors Cevian and Investor, we felt confident in the managements plan and decided to invest in ABB. While the sale of power grids will further increase margins and enable them to focus on the core business, their diversified sale proportions across markets and regions makes it a defensive play for an economic downturn as well.

Furthermore, global super trends show strong market growth potential for automation and electrification products and ABB still possesses outstanding expertise and resources which will allow them to capitalize on these opportunities and therefore thrive.

**Mateo Steinbach-Künkler**  
*Sector Head Energy & Industrials*



## LQDE (*New York*)

LQDE is the ticker of the iShares USD Corporate Bond ETF. The holdings of the ETF are tilted toward the Financial and Consumer non-cyclical sectors but generally span all industries. Investing in LQDE was predominantly a bet on investment grade corporate credit. Our initial view on investment in May was driven by the following four factors.

### **Special circumstances for SSIF**

A fund the size of SSIF is not able to own corporate bonds outright, hence the need to look at other products to gain exposure to fixed income. Since the market for debt ETFs is more liquid than the secondary market for corporate bonds, ETFs are ideal for an equity-focused fund like us to own for diversification purposes. Moreover, at the time of investment SSIF held a significant amount of cash that could be invested in low-risk assets.

**High-quality debt with positive yield** Investment grade credit provides more stable returns than high yield corporate debt and better nominal returns than negative-yielding sovereign debt. In addition, we believed that flight to quality late in the economic cycle could lead to investment grade credit outperforming the high yield space.

**U.S. exposure** During early 2019, the U.S. economy was looking a lot more resilient than the rest of the world. LQDE's geographic exposure to the United States is above 80%, meaning the ETF could bene-

fit from the relative outperformance of the American economy. Furthermore, the USD acting as a safe haven could drive up the value of the currency and enhance SSIF's returns in SEK.

**Supportive macro environment** Through the first half of 2019, markets had been pricing multiple rate cuts by the Fed, while macroeconomic data and indicators of economic activity were predominantly surprising to the downside around the world. The expectation of easing by the Fed was well founded and eventually materialized in three 25 bps cuts by the FOMC in the second half of the year. At the time we believed that if a recession could be avoided then the easier monetary policy stance of central banks would be supportive for investment grade credit. With an average duration of approximately 12 years, LQDE stood to benefit from a continuation of the rally in long-maturity bonds.

Since the date of the pitch until 2019 YE, the LQDE ETF has returned approximately 8%. Going forward, we expect investment grade corporate credit to remain a stable investment for the fund but offer somewhat lower returns because the outstanding returns of 2019 across risk assets are unlikely to repeat in 2020. Altogether, the economic outlook appears supportive and suggests that SSIF should stay invested in LQDE.

**Michael Edward Bailey**



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- Macroeconomic research (What will happen with the housing prices?)
- Market strategy and asset allocation (What's the next big trade?)
- Quantitative research (Uncovering unique insights by distilling large amounts of data)

We are committed to ensuring a steep learning curve and a continuously high focus on personal and professional

development for our associates. This entails the opportunity to rotate between research departments - allowing you to thrive in areas that match your skill set and interest in this exciting and dynamic industry. You will work with highly qualified and dedicated colleagues and we will prioritise and commit resources to the programme so that you have every chance to succeed.

### **Who you are**

We are looking for a broad range of candidates and we believe that the most important attributes are to bring passion to your work, be ambitious and have an analytical mindset. We also appreciate candidates who embody the following attributes:

- Goal-orientated and positive
- Proactive and self-driven
- Top academic achievements
- Excellent Microsoft Office skills, MS Excel in particular
- Programming skills are beneficial, but not a prerequisite
- Proficiency in a Nordic language and English is required

Positions available in Stockholm, Copenhagen, Oslo and Helsinki.

For more information and to apply, please visit [nordea.com/en/career/](https://nordea.com/en/career/)



# BALANCE SHEETS

WITH THREE DIFFERENT CAPITAL BASES

## Asset side

	Investments 2019-06-30	Assets 2019-06-30	Total 2019-06-30	Total 2018-06-30
Fixed assets	0,00	0,00	0,00	0,00
Public equity				
<i>Listed public equity</i>	232 529,05	232 529,05	232 529,05	176 048,31
Bonds	62 673,38	62 673,38	62 673,38	0,00
Other financial assets	0,00	0,00	0,00	0,00
Non-investment receivables		0,00	0,00	0,00
Cash, currencies and commit.				
<i>Foreign currency holdings</i>	0,00	0,00	0,00	0,00
<i>Cash &amp; equivalents</i>		198 916,06	198 916,06	7 213,25
<i>SASSE receivable commit.</i>			600 000,00	900 000,00
<i>Third party receivable commit.</i>			0,00	0,00
<b>Total</b>			<b>1 094 118,49</b>	<b>1 083 261,55</b>
<b>Financing side</b>				
SASSE alloc. & commit.	301 083,94	500 000,00	1 100 000,00	1 100 000,00
Cumulative result				
<i>Cum. ch. of invested capital</i>	-4 197,41	-4 197,41	-4 197,41	-16 979,45
<i>Cum. transaction costs</i>	-1 684,10	-1 684,10	-1 684,10	241,01
Third party endow. & commit.	0,00	0,00	0,00	0,00
Debt	0,00	0,00	0,00	0,00
Payables	0,00	0,00	0,00	0,00
<b>Total</b>			<b>1 094 118,49</b>	<b>1 083 261,55</b>

## SPECIFICATION OF ALLOCATIONS AND VALUE OF INVESTMENTS

2019-06-30	Security	Stock price	SEK/security	Amount	Total SEK	Assets	Invested capital
invested capital	LQDE	114,38 USD	1 062,26	59	62 673,38	62 673,38	62 673,38
invested capital	STO:ABB	186,00 SEK	186,00	74	13 764,00	13 764,00	13 764,00
invested capital	NYSE:V	173,55 USD	1 611,78	15	24 176,69	24 176,69	24 176,69
invested capital	STO:BALD-B	311,00 SEK	311,00	147	45 717,00	45 717,00	45 717,00
invested capital	FRA:SGL	7,08 EUR	74,76	194	14 503,51	14 503,51	14 503,51
invested capital	STO:EMBRAC B	240,80 SEK	240,80	202	48 641,60	48 641,60	48 641,60
invested capital	TSE:XTC	7,75 CAD	54,98	700	38 482,84	38 482,84	38 482,84
invested capital	LON:ATMA	1,43 USD	13,28	710	9 429,21	9 429,21	9 429,21
invested capital	ETR:EKT	17,30 EUR	182,68	207	37 814,18	37 814,18	37 814,18
non-invested	SEK		1	198 916,06	198 916,06	198 916,06	
commitments receivable	SEK		1,00	600 000	600 000,00		
<b>Total</b>	<b>SEK</b>				<b>1 094 118,49</b>	<b>494 118,49</b>	<b>295 202,43</b>

## FINANCING AND CLAIMS ON THE FUND

There are no third-party claims on the fund. SASSE's option to claim back funds from the fund is regulated by the Constitution. Short-term claims are to be paid within 50 days and long-term claims within 6 months.

	Including commitments	Excluding commitments
SASSE Commitments	600 000,00	
<i>Immediate SASSE claims</i>	<i>600 000,00</i>	
Plus capital less SASSE commitments	494 118,49	
Less third party endowments and liabilities	0,00	
<i>Long-term SASSE claims</i>	<i>1 094 118,49</i>	<i>494 118,49</i>
Less that not covered by cash and equiv.*	295 202,43	
<i>Short-term SASSE claims</i>	<i>798 916,06</i>	<i>198 916,06</i>

\* This year, "not covered by cash and equiv." is equal to invested capital.

The balance sheet is not developed according to any legal standard. The design is deemed to be the most useful to the reader. The **total** base includes investments, non-investment assets and receivable commitments. This might be the best method to judge the size of the fund. The **assets** base excludes receivable commitments, and gives a better picture of SSIF's assets as a part of SASSE, as unpaid commitments from SASSE are in other SASSE accounts. Also, commitments can be withdrawn effective immediately. The **investments** base is invested capital and excludes cash, equivalents and non-investment receivables. For every base, SASSE's part of the financing side has been adjusted. SASSE's part plus the cumulative result can be seen as SASSE's equity stake in the fund.

Investments have been adjusted to market value. Close prices have been used at or before 2019-06-30 for both the securities themselves, but also for conversion from traded currency to SEK. Google Finance has been used as source for these close prices. These data are given as is and only for informational purposes. SSIF reserves itself for grammatical, computational and human errors. Refer to SASSE's financial reporting for audited accounts and reporting according to Swedish law. See the disclaimer in the beginning of this report. Google Finance's disclaimer also applies.

The fund does not keep any fixed assets. Furthermore, the fund is not allowed to issue or exhibit any debt. In rare cases the fund might have payables at year end. At 2019-06-30 there were no receivables other than commitments. Third-party claims to the fund are constitutionally disallowed. At the moment, SSIF is not allowed to raise endowments from third-parties and have not done so. SSIF may raise endowments from third-parties when allowed by the Student Association Council.

## EXPOSURE AND BROAD ALLOCATION LIMITS

The Fund cannot pursue any investments without a Broad Allocation Limits (BAL) document passed by the Student Association Council. This document regulates in a broad sense what exposure is allowed for the fund. The following “max” and “goal” values are for BAL-2016-0001. The “actual” values reflect the end-of-year exposure of the fund. Even if cash, equivalents and commitments may very well be exposure to SEK, Europe incl. Sweden and let’s say money markets, we have chosen to disregard these items from the tables below even if the capital base includes both cash, equiv. and commitments. Atlas Mara is traded in USD in London, but it has been regarded to give the fund exposure to Africa.

BAL	Valid from	Valid thru	Ratified by SAC	Discontinued by SAC	Currency	Actual, %
BAL-2017-0001	2017-08-31	2018-08-31	2018-08-31	-	CAD	3,5
					EUR	4,8
					SEK	9,9
					USD	8,8

Sector	Actual, %		Actual, %	Goal, %	Max, %
Bonds & Commodities	12,7	USA/Canada	11,5	20,00	40,00
Energy & Industrials	21,2	Latin America		5,00	10,00
Financial Institutions	6,8	Europe incl. Sweden	14,7	60,00	80,00
Real Estate	9,3	Asia/Oceania		10,00	20,00
TMT	9,8	Africa	0,9	5,00	10,00
Dry powder	40,3				

## INCOME STATEMENT OF FUND

	2017-2018	2018-2019
<b>Income</b>		
Value ch. in invested capital	-13 533,72	9 250,83
Other income (inc. dividends)	2 005,82	3 531,22
<i>Total income</i>	<i>-11 527,90</i>	<i>12 782,05</i>
<b>Expenses</b>		
Brokerage	-1 288,08	-1 378,86
Currency exchange brokerage	0,00	0,00
Brokerage taxes	-443,93	-546,25
Other taxes	0,00	0,00
Other transaction costs	0,00	0,00
<i>Total expenses</i>	<i>-1 732,01</i>	<i>-1 925,11</i>
<i>Total return</i>	<i>-13 259,91</i>	<i>10 856,94</i>

Note that the income statement specifies changes in two different items under “Cumulative return” on the BS. The first item of income on this statement pertains to the first such item on the balance sheet. The other items on the income statement pertain to “Other cumulative return” on the BS. Income tax, if any, is a SASSE matter and is ignored here. FX spread is about 0.25% and is subject to a loss in terms of value change and is not a separate item.

## CHANGE IN CAPITAL

2018/2019	Total	Assets
<b>Capital at year open</b>	<b>1 083 261,55</b>	<b>183 261,55</b>
Inflow SASSE	0,00	300 000,00
Inflow third-parties	0,00	0,00
Year’s result	10 856,94	10 856,94
Outflow SASSE	0,00	0,00
Outflow third-parties	0,00	0,00
<b>Capital at year end</b>	<b>1 094 118,49</b>	<b>494 118,49</b>

The **total** base includes increases in commitments from both SASSE and third-parties as “inflow” even if these commitments have not been paid or transferred. Symmetrically, withdrawals of commitments do not require any monetary transfer, but are regarded outflows nonetheless. For the **assets** base, the fund needs to be endowed with or have funds reallocated to it in order for these endowments or reallocations to be considered inflow to the fund. Likewise, withdrawals of commitments do not affect the outflow of the fund with this base.

Third-parties have no claim on the fund. As such, the only possible outflows to third-parties are withdrawals of commitments.

## EXPENSES AND BUDGETS FOR OPERATIONS OF THE FUND

Investments and operations of the Fund are very distinct parts of the Fund and of SASSE. This sections only deals with the operations of the Fund, whereas the previous “Income statement of the fund” deals solely with the assets and investments of the fund that SSIF manages.

As a project under the Business Committee of SASSE, the Operational branch of SSIF raises sponsorship — which goes to SASSE centrally. The Operational branch of the Fund is allowed expenditures for events, printing, etc according to a budget under the Business Committee. The budget is however only loosely connected to the amount of sponsorship brought in by SSIF. Projects under the Business Committee usually bring in more in sponsorship than what their budgets reflect. The overflow can be redistributed within SASSE. As for most projects of its type, the Operational branch of SSIF raised more sponsorship for the year than its budgeted expenditures and far more than its actual expenditures.



## PRESIDENT'S MESSAGE — THE UPCOMING YEAR

To begin with I would like to express my sincere gratitude and appreciation to the committees for entrusting me with the responsibility this position brings. I will do my very best to further the progress that SSIF has made in the last few years while also trying to reach the same heights as Marcus, my predecessor. Having been an SSIF analyst myself and knowing how much value that has brought me, I want to focus on the educational aspects of the fund and strengthen those during the upcoming year. Some key actions I aim to take are to; bridge the gap between less and

more experienced analysts by integrating them all in the same analysis process, improving the internal and external communication of the fund's performance, further the career opportunities available to SSE students by broadening our corporate network; and further establish additional collaborations with other investment societies around Sweden and the rest of Europe.

Best,

**Max Rundström**  
*SSIF President 2019/2020*



## WHAT MORE TO EXPECT AS THE COMING YEAR KICKS OFF

### FALL RECRUITMENT

The Head of Fund recruitment will take place in late August. The head of Fund will then be able to assist the President and Vice president in the application process of the rest of the executive committee and sector heads, which will be open between the first and third week of September (exact dates to be posted through SASSE channels, so make sure to like sasse members on face book at <https://www.facebook.com/groups/1553509498205190/>). EC members and Sector Heads are in position till new recruitment is through. Those who wish to stay in their role need to reapply. Analysts are to apply before 10th of September to be part of the primary sector assignments. Later come? Later served. Active Analysts who wish to remain in their sector as Analyst may contact [communications.ssif@sasse.se](mailto:communications.ssif@sasse.se) before 30th of August. These dates may change. Like our page <https://www.facebook.com/ssinvestmentfund/> to remain updated on analyst applications as the application channel is not yet decided. All other applications will be through [www.sasse.se](http://www.sasse.se).

### EDUCATIONAL RECOURCES

From day 1, you will have enough material to read up on to make you an investing and pitching master. You can already today download the Analyst guide and look through the SSIF framework and excel model on our webpage: [ssif.sasse.se](http://ssif.sasse.se)! You can also expect to see the development of "SSIF Academy" taking place, where different levels of basic investment knowledge can be developed and tested.

### EVENTS

We will make sure to have interesting and fun events at SSE during the first weeks of the new semester. You can expect to see us next to a SSIF roll-up in the Business Committee or Atrium during introduction days. Once again, make sure to keep an eye out on our Facebook page, as well as on [sasse.se](http://sasse.se) for when we have our events. Sign-up! Lectures, pubs, and mingle events will become full quickly. . . The first pitching event will most likely take place in the weeks surrounding the first exam period.

### EXPECTATIONS ON ENGAGEMENT

In the first part of the year, it is very important for both analysts and Sector heads to take responsibility and show interest. Even if you are inexperienced with identifying investment opportunities and understanding businesses, you will have an opportunity to showcase engagement and interest anyways. By listening to the Sector heads (if you are an analyst), and the Head of Fund (if you are a Sector head), being responsive and taking on a reasonable level of responsibility, you will be surprised how much you can learn and the career opportunities that will appear. Initially, sectors will meet weekly and discuss assignments and/or concrete investment ideas. Meetings and assignments will take about 1h a week. Specifics about what will be expected from Sector heads and analysts can be changed, but from this year there will be a much stricter policy on eliminating inactive members early when interest is not shown

# PREVIOUS PRESIDIUMS THROUGHOUT THE YEARS

## 2018-2019

**Marcus Falck**

*SSIF President 2018/2019*

**Isak Abrams**

*SSIF Vice-President 2018/2019*

**Dumitru Coretchi**

*SSIF Head of Fund 2018/2019*

**Erik Nordström**

*SSIF Head of Fund 2018/2019*

## 2017-2018

**Oscar Küntzel**

*SSIF President 2017/2018*

**Cedric Vongheer**

*SSIF Head of Fund 2017/2018*

## 2016-2017

**Hemming Svensson**

*SSIF President 2016/2017*

**Jeffrey Clark**

*SSIF Vice-President 2016/2017*

**Alan Ho-Wai Ng**

*SSIF Head of Fund 2016/2017*





# Nordea

Main Sponsor

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nu  
The Business Committee



THE STUDENT ASSOCIATION