



## End of Year Report 2020-2021

*By Rebecca Gustafsson and Benjamin Wahlstedt*

Main Sponsor

**Nordea**

**nu**

The Business Committee



THE STUDENT ASSOCIATION



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# Purpose of this report

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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 2020-07-01 – 2021-06-30. 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.

## 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 2021-06-30, 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 2020/2021 and published by the Student Association at the Stockholm School of Economics.



## ABOUT

The Stockholm Student Investment Fund (SSIF) is a student-run investment fund committed to creating a comfortable, peer-to-peer educational environment of investment analysis, with bottom-up initiatives to real-money investments. The Fund has SEK 1.1m as capital to request from SASSE (The Student Association at Stockholm School of Economics) for investments.

The Fund is organized as a project under the Business Committee at 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 credible experience with investing and fund management
- Increase the number of female students at SSE who choose a career in finance

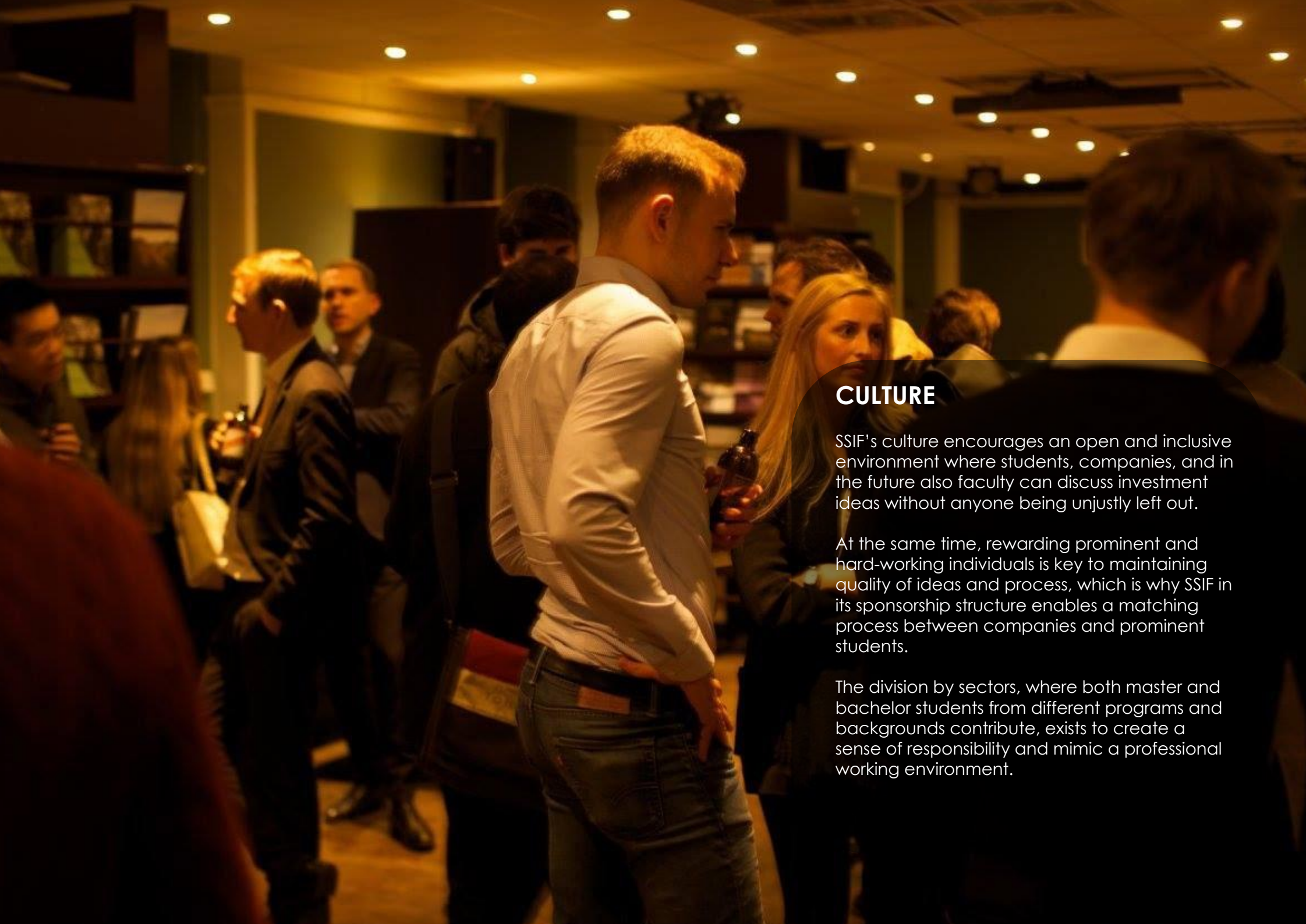
We believe that SSIF will provide a financial education and networking experience unparalleled to that of other projects as industry leaders will support the process of real-money investment and ultimately open the door to real-world experience.

## 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 without SSIF.

SSIF strives to be the first stop for all students with a wish to work in finance. Through close collaboration with financial professionals and esteemed companies in the field, anyone engaged in SSIF has a natural exposure to the work life they dream about.





## 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 both master and bachelor students from different programs and backgrounds contribute, exists to create a sense of responsibility and mimic a professional working environment.

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## SSIF 2020/2021 – the year in review



SSIF Investment Committee 2020/21. From left: Filip Frisk, Nils Mårding, Kristian Eklund, Julia Bernander, Patrik Nilsson, Melker Mattsson, Philip Ekengren, Benjamin Wahlstedt, Hannes Weidemann, Rebecca Gustafsson, Erik Bergmark, Simon Gustafsson, Cristian Huhtamäki, Gauri Aggarwal. Missing: Hyon Won Yi, Markus Johansson



Rebecca Gustafsson, President of SSIF 2020-2021

I am proud of what we have achieved in the past year. It has been a year permeated by social distancing and a turbulent market climate due to the outbreak of the Covid-19 pandemic, but the fund and all its members have successfully come together by sharing our interest, knowledge and ideas within the field of investments. This has resulted in an educational experience for us all as well as a strong portfolio development with returns of 33%. Throughout the year, emphasis has been placed on focus areas including education and diversity in the fund and I am pleased to share that we have seen progress throughout the year. Operational initiatives for enhancing the educational experience for the fund's members include, but are not excluded to, arranging more educational events, forming smaller analyst groups and closer collaborations within the sector teams as well as initiating a feedback loop from the executive committee to the investment ideas from analyst groups. Looking at the diversity of the fund's members, we have achieved a rise in female members from 18% in 2019/20 to 35% this year, which represents close to 100% growth of female members. On the financial side, we have seen a lot of activity in the portfolio during the year. We received a cash injection by SASSE of SEK 300,000 and decreased our position in ETFs, which constituted a fine opportunity to add ten new investments to the portfolio for which we have conviction in the longer perspective. Moreover, a strategic initiative made during the year for enabling future successful stock-picking is a collaboration with SASSE Sustainability. As ESG is becoming increasingly important in financial markets as well as society as a whole, we evaluate this collaboration as a good opportunity to get valuable and crucial insights to the ESG profile of different companies.

Lastly, I would like to thank everyone involved for all your great work and contributions during the year and for making this year an unforgettable experience for me as well.

Rebecca Gustafsson



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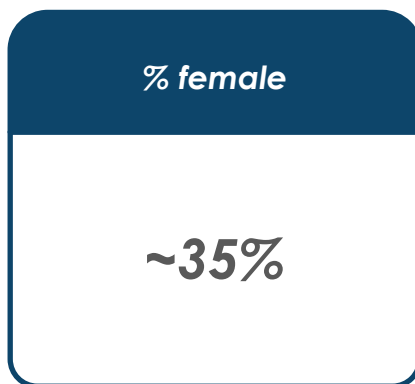
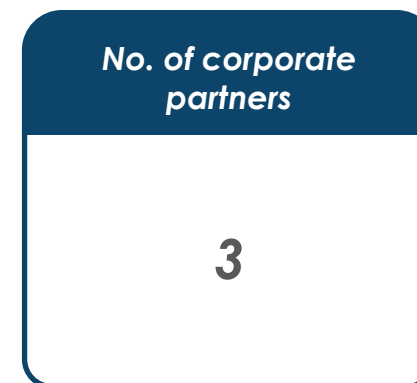
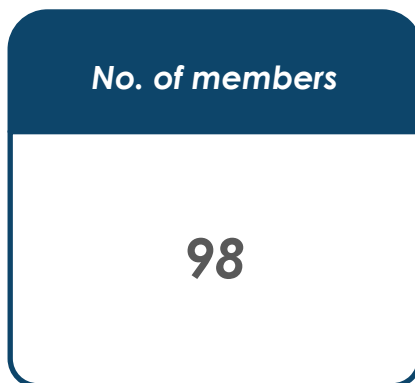
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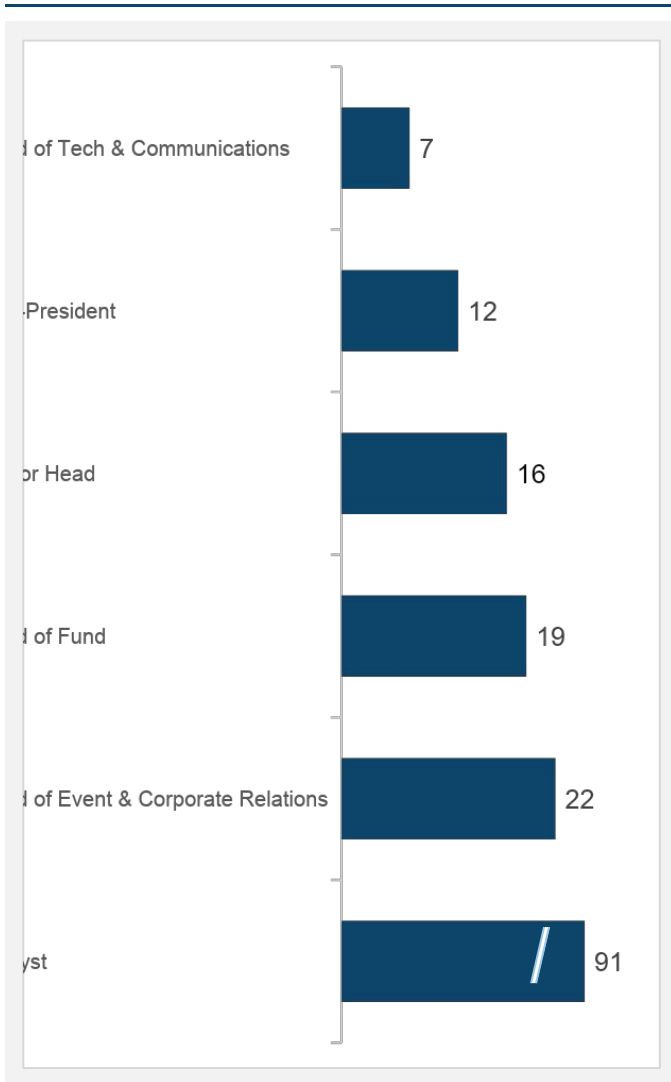


# Operational Highlights

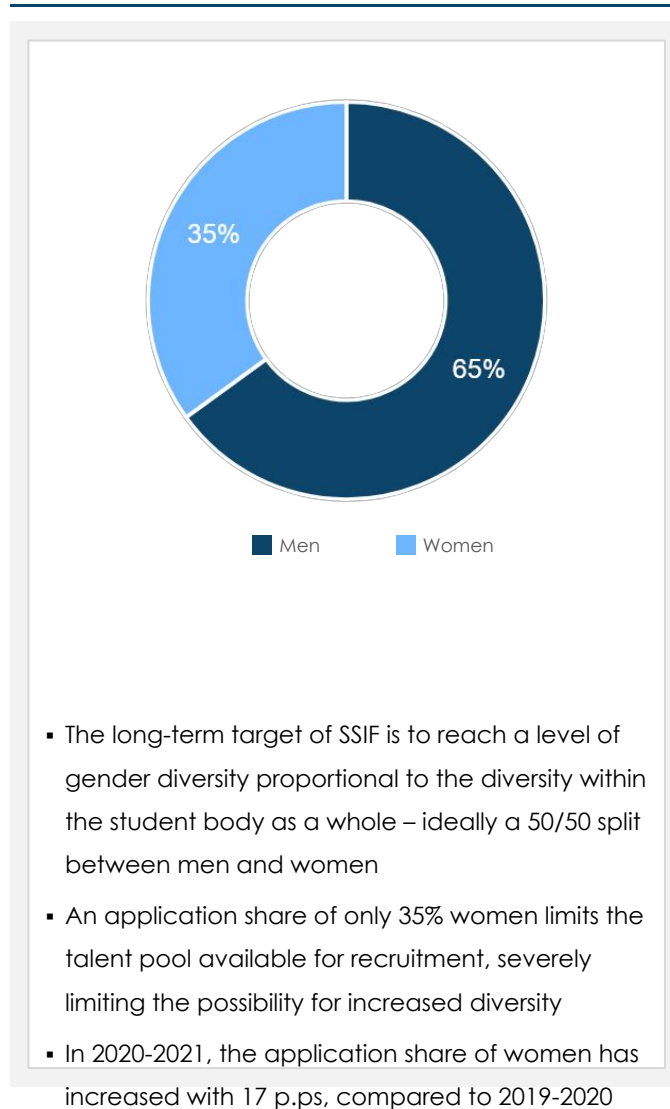


# High Number of Applicants With Continuous Diversity Initiatives in Place

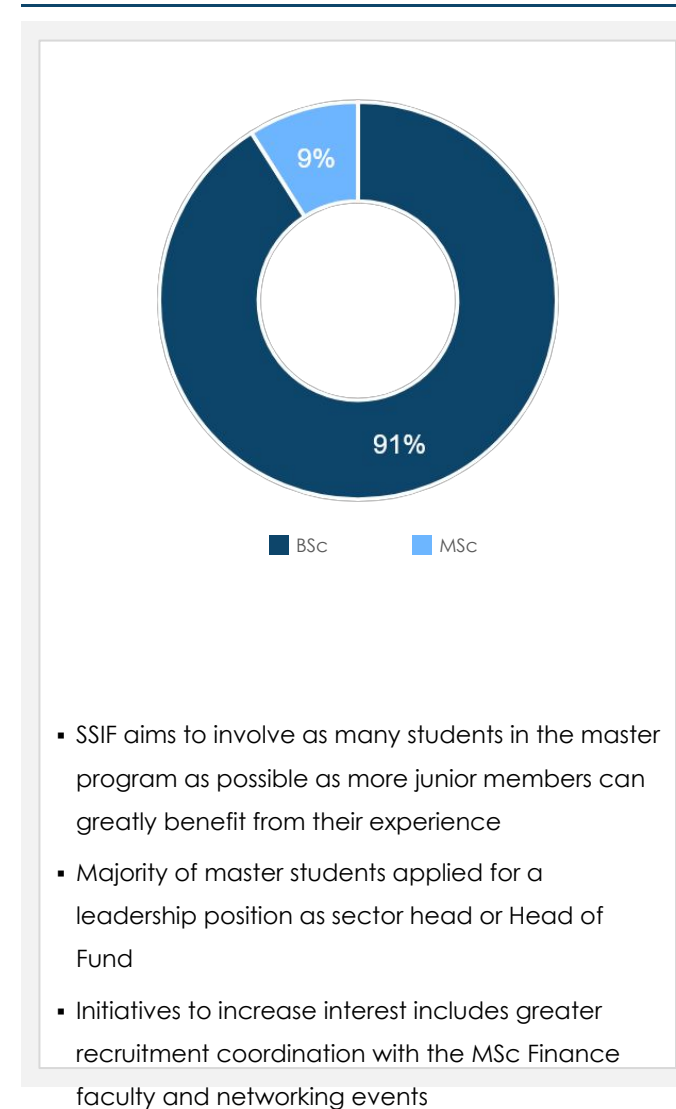
Number of applications by position



Gender diversity within applicant group



Program diversity within applicant group



Note: 1) Women's Finance Day

# Leading Corporate Partners With Diverse Research Coverage

## Nordea Research



### Main Sponsor

Since 2017

### SSIF Contact



Erik Lindholm-Röjestål  
Equity Research Analyst

## ABG Sundal Collier – Equity Research



### Sponsor

Since 2019

### SSIF Contact



Karl Bokvist  
Equity Research Analyst

## Redeye



### Sponsor

Since 2019

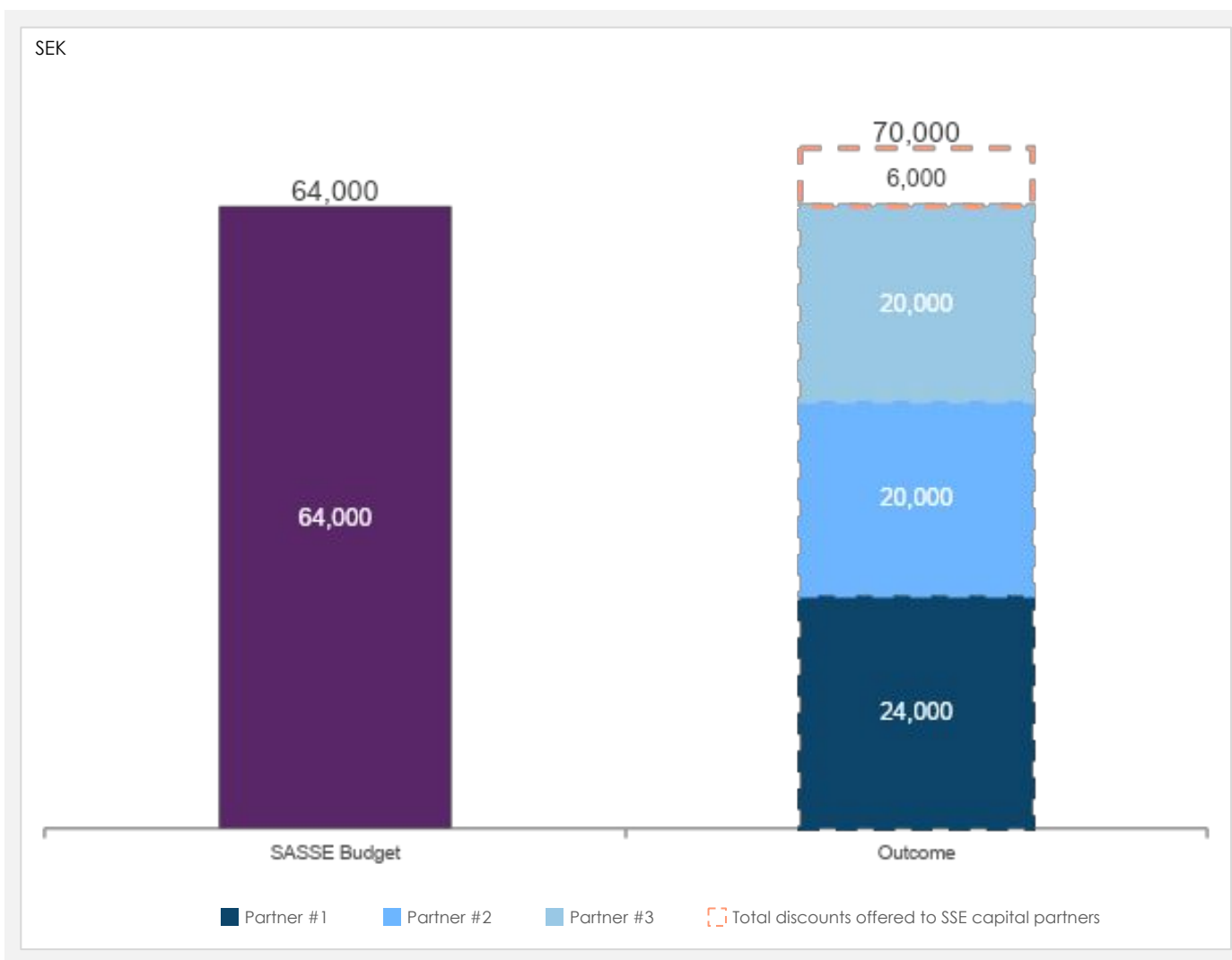
### SSIF Contact



Richard Goldman  
Head of Corporate Finance

# Strong Corporate Partnerships Enabling Significant Sponsorship Revenue

## Sponsorship revenue from corporate partners 2020-2021

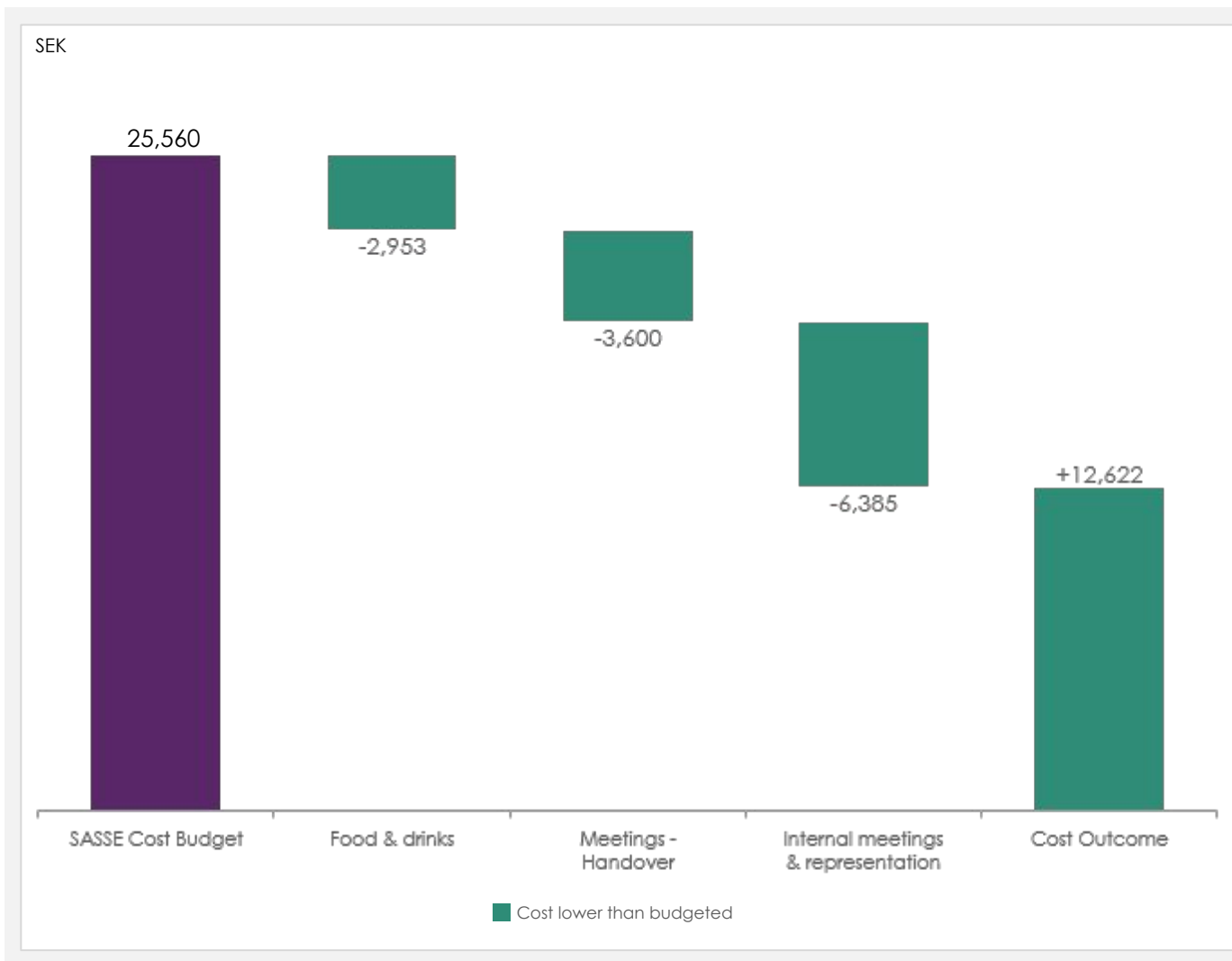


## Comments

- Corporate Relations is a role within the Fund's executive committee, crucial in maintaining healthy relationships between the Fund and external parties
- The corporate partners benefit from greater access to SSE students, with the possibility to participate in stock pitching events, networking events, host case cracking sessions and sending out recruitment marketing material – while the members of the Fund get access to top employers
- The Fund is to provide students at SSE with excellent learning opportunities – the corporate partners assist in this process by providing deep industry knowledge and decades of industry experience
- This mutually beneficial partnership is deemed crucial for the Fund and the development of the interest for financial markets at SSE as a whole
- Corporate partners sponsor the Fund with a nominal amount negotiated on a yearly basis, thus generating revenue for SASSE – totaling SEK 64,000 in 2020-2021 when taking into account discounts

# COVID-19 Driving Lowered Operating Expenses

Bridge between SASSE budget 2019-2020 and actual outcome for the year



## Comments

- 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 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, meetings and more according to a budget under the Business Committee The budget is not strongly connected to the amount of sponsorship brought in by SSIF
- Operating expenses ~50% lower than budgeted for at the start of the SASSE year
- The primary reason for lowered expenses include a decrease in the cost of foods and drinks, driven by a lower number of pitching events due to COVID-19



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# Portfolio changes throughout the year



Investment

Cellink is a leading bioconvergence company providing technologies, products and services to cultivate cells and perform genetic analysis.



Investment

Infrea AB is a company present within the Swedish markets for road, foundation and sewer infrastructure, seeking to drive consolidation in the market of presence.



Investment

Sinch is a CPaaS company, providing services through communication platforms, with business operations in messaging, voice and video communications.



Investment

Inwido is a Swedish company specialising in manufacturing of windows and doors, and it holds the position as the European market leader within its niche.



Investment

Teqni is a Swedish compounder active in the industrial segment, acquiring smaller niche companies. The portfolio includes companies such as Air Target, Cellar Nordia and Eloflex. 7,303



Investment

Nasdaq Inc. is a financial services company running the 2nd largest electronic trading exchange. Besides market services and corporate services, Nasdaq also provides technology and analytics services.



Investment

Klövern is a real estate company with properties in the Nordics and United States. The properties are primarily commercial, and include premises for offices, retail, logistics, education and healthcare.



Investment

S&P Global Inc is a provider of financial services including ratings, indices, analysis and financial data to international capital and commodity markets.

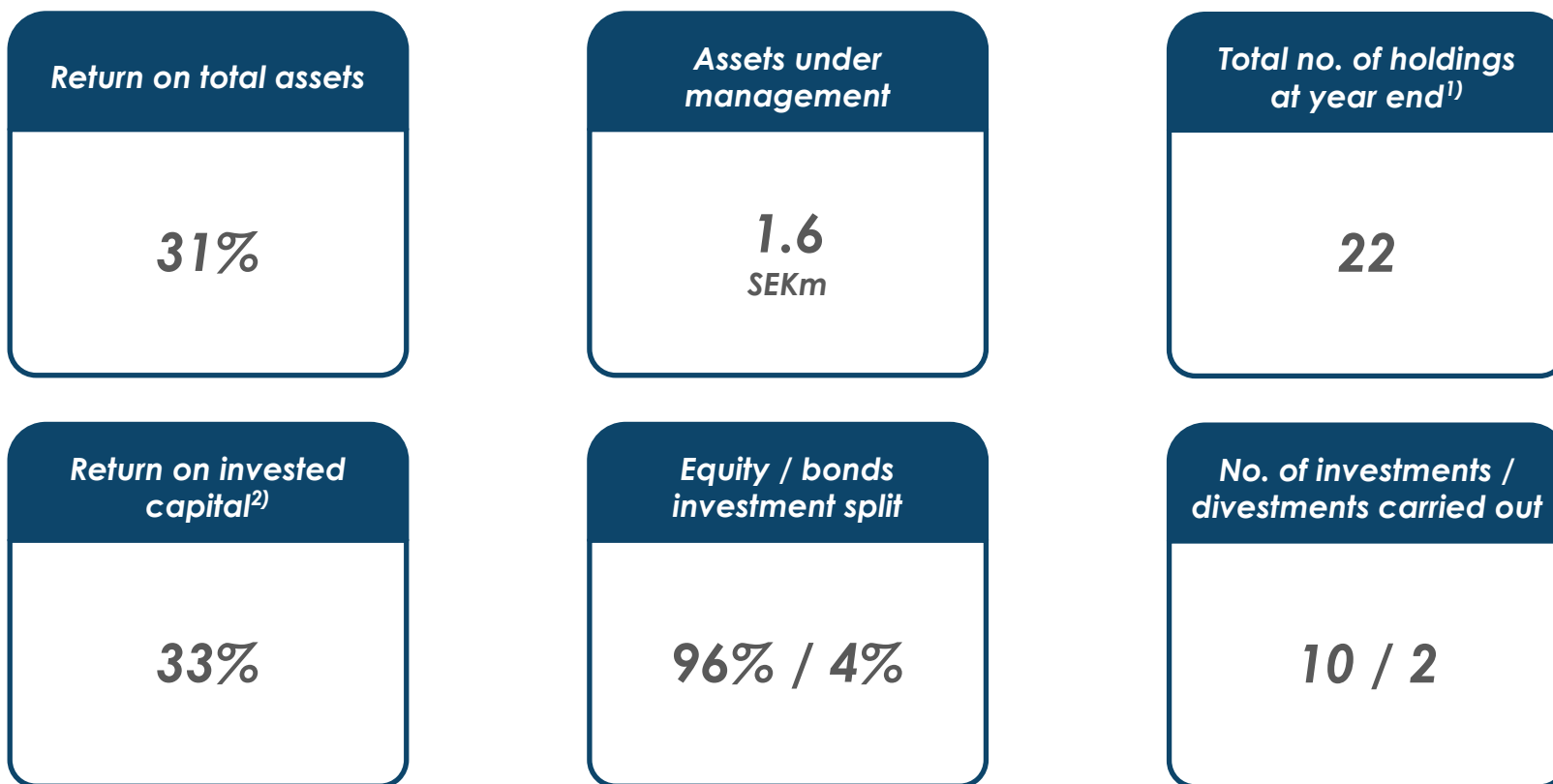


Investment

Orsted is an energy company, with a large focus on renewable energy through wind power. The company operates in the Nordics and rest of Europe.



# Portfolio Highlights



Notes: 1) Number of holdings is here defined as the number of investments in specific company stock, excluding any investments in bonds, equity funds and the like. 2) Return on total assets and invested capital calculated based on the opening value of the portfolio as of 2020-06-30, excluding the cash injection of SEK 300,000, as this was received in April.



# Successful Stock Picking Resulting in a Total Payoff of >400,000 SEK

Specification of allocation and value of holdings per 30/6 2021

All prices, values and returns stated in SEK, unless otherwise specified

Equity	Opening portfolio 20200701			Transactions during year		Closing portfolio 20210630			Returns		
	# of shares	Price per share (SEK)	Market value	# Shares	Price per share	# of shares	Price per share (SEK)	Market value	Dividends	Returns ex-dividend	Total return
ABB Ltd	74	215	15 888			74	290	21 482	544	5 594	6 138
Bahnhof B	795	29	22 817			795	39	30 608	596	7 791	8 387
Fastighets AB Balder B	147	363	53 390			147	537	78 939	-	25 549	25 549
Camurus AB	927	162	150 174			927	214	198 378	-	48 204	48 204
Energiekontor AG	207	237	48 973			207	555	114 797	1 233	65 825	67 058
Embracer Group AB	606	133	80 598			606	232	140 289	-	59 691	59 691
Exco Technologies	700	46	32 116			700	72	50 294	1 566	18 179	19 745
Ferroamp Elektronik	399	56	22 344			399	80	31 721	-	9 377	9 377
HMS Networks AB	576	168	96 538			576	362	208 512	1 152	111 974	113 126
Infrea AB	-	-	-	1 389	36,00 SEK	1 389	45	61 949	-	11 945	11 945
Inwido AB	-	-	-	332	150,8 SEK	332	148	49 136	1 494	-930	564
Klöver AB B	-	-	-	1 543	16,20 SEK	1 543	17	26 416	-	1 420	1 420
Nordea Bank Abp	1 240	65	80 030			1 240	95	118 122	573	38 093	38 666
Nasdaq Inc.	-	-	-	18	161,91 USD	18	1 503	27 054	70	2 422	2 492
Ørsted A/S	-	-	-	19	924,40 DKK	19	1 200	22 796	-	-1 269	-1 269
RTX A/S	278	299	83 116			278	238	66 252	688	-16 864	-16 176
Securitas AB B	372	125	46 556			372	135	50 257	3 274	3 701	6 975
S&P	-	-	-	8	390,51 USD	8	3 505	28 041	43	1 637	1 680
SGL Carbon SE	194	34	6 641			194	82	15 912	-	9 271	9 271
Sinch AB	-	-	-	40	1225,50 SEK	400	144	57 600	-	8 580	8 580
Tegnon AB	-	-	-	333	75,00 SEK	333	76	25 175	-	200	200
Visa Inc.	15	1 803	27 044	12	234,81 USD	27	2 000	54 008	163	9 798	9 961
<b>ETF</b>											
ISHARES \$ CORP USD	59	1 193	70 378			59	1 093	64 493	1 739	-5 885	-4 146
Vanguard FTSE All-World UCITS ETF	149	806	120 165			149	1 011	150 663	2 164	30 498	32 662
<b>Cash position</b>	-	-	72 679	<b>Courtage</b>	-891 SEK	-	-	87 958			
<b>Total</b>			<b>1 029 445</b>					<b>1 780 852</b>	<b>15 299</b>	<b>444 800</b>	<b>460 100</b>

Note: Closing portfolio value includes a 300 000 SEK cash injection into the portfolio by SASSE, total returns reflect stock returns.



# High Exposure to the Swedish Market and Currency

## Portfolio exposure by sector, geography and currency

Sector	Part of total holdings
TMT	13%
Healthcare/biotech	11%
Business Services	6%
Real Estate	6%
Financials	13%
Energy/materials	10%
Industrials	23%
ETF/Cash	17%
Stock listing	Part of total holdings
Sweden, SEK	65%
USA, USD	19%
Germany, EUR	8%
Denmark, DKK	5%
Canada, CAD	3%

## Comments

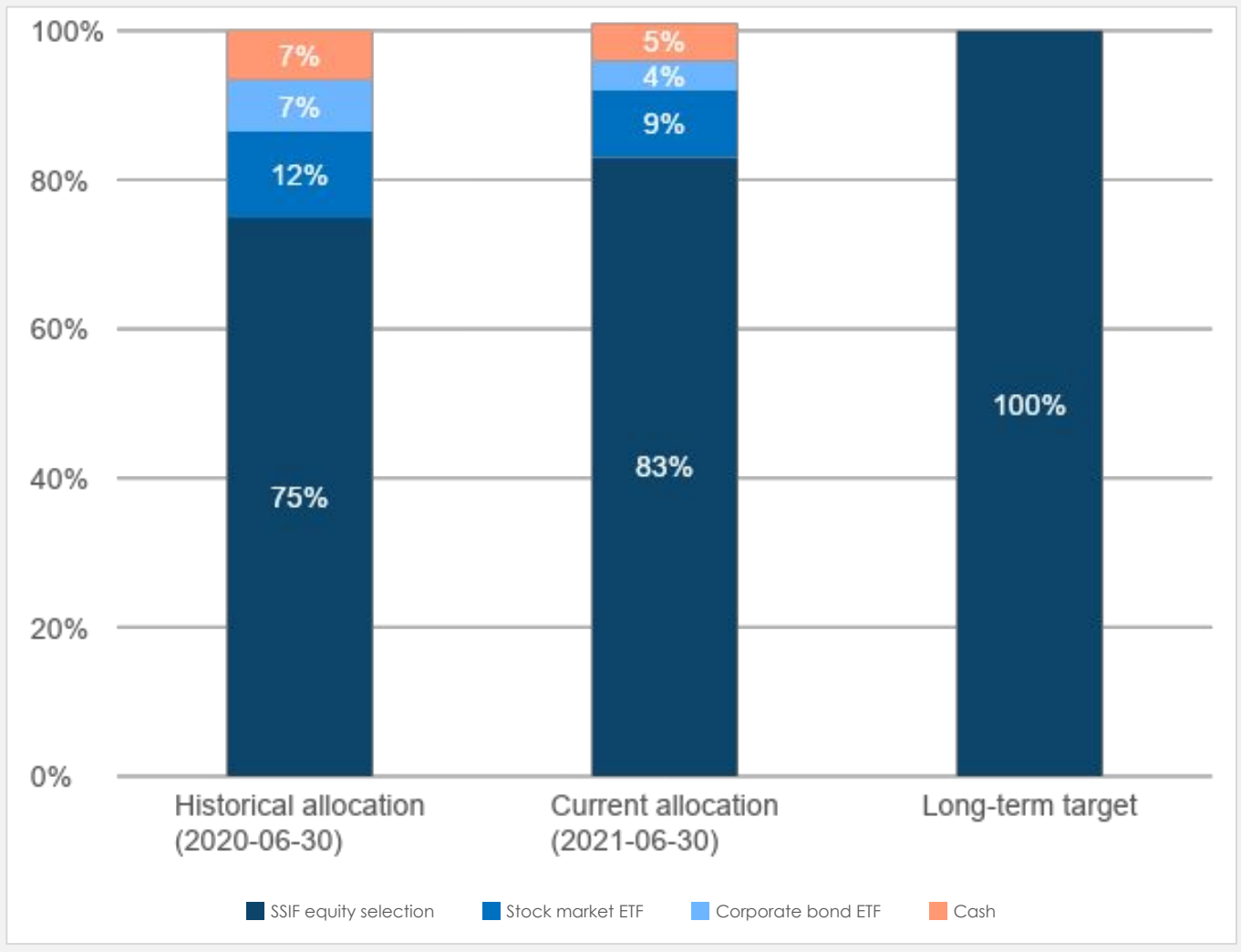
- The Fund has a primary focus on Nordic equity investments
- The Nordic focus is reflected by the high Swedish geographical exposure, as well as the high currency exposure to SEK
- High sector diversity is expected to generate superior risk adjusted returns.

Source: Nordea and Nordnet Portfolio Overview



# Steady Progress Towards Long-term Equity Investment Target

## Asset allocation development and long-term target



## Comments

- The long-term target of the Fund is to have a portfolio only composed of SSIF selected stocks
- During the 2020-2021 year, progress has been made towards this goal.
- An interim allocation of ~9% in a stock market ETF was made in order to gain equity exposure while waiting for additional opportunities for stock picking. This is projected to be sold off during the coming year.



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# High Asset Appreciation Generated With Low Brokerage Expenses

## Income statement and changes in total capital

INCOME STATEMENT		
SEK	2020-2021	2019-2020
<b>Income</b>		
Assets appreciation	444,800	218,518
Dividends and other income	15,299	7,303
<b>TOTAL INCOME</b>	<b>460,100</b>	<b>225,821</b>
<b>Expenses</b>		
Brokerage	-891	-283
Brokerage taxes	-	-
<b>TOTAL EXPENSES</b>	<b>-891</b>	<b>-283</b>
<b>NET INCOME</b>	<b>459,209</b>	<b>225,538</b>
<b>CHANGES IN TOTAL CAPITAL</b>		
SEK	2020-2021	2019-2020
Capital at year open	1,029,445	794,118
Inflow / outflow SASSE	300,000	-
Net income	459,209	225,538
<b>Capital at year end</b>	<b>1,788,647</b>	<b>1,019,657</b>

## Comments

- The income statement specifies changes in two different items under "Cumulative return" on the balance sheet, i.e. the cumulative return on the balance sheet is determined by the first two line items in the income statement
- 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

# Solid Financial Position Strengthened by High Portfolio Returns

## Overview of balance sheet with a breakdown based on three different capital bases

<b>Balance Sheet</b>		
<b>Assets</b>	<b>2020-2021 EoY</b>	<b>2019-2020 EoY</b>
Listed Public Equity	1 628 401	881 433
Bonds	64 493	70 849
Cash and equivalent	87 958	67 375
SASSE Receivable Commitments	0	300 000
<b>Total</b>	<b>1 780 852</b>	<b>1 319 657</b>
<b>Financing</b>		
SASSE Allocations	1 100 000	800 000
SASSE Commitments	0	300 000
Cumulative results	683 710	221 624
Cumulative transaction costs	-2 858	-1 967
<b>Total</b>	<b>1 780 852</b>	<b>1 319 657</b>

## Comments

- 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. Additionally, commitments can be withdrawn effective immediately. The investments base is invested capital and excludes cash, equivalents and receivables
- Investments have been adjusted to market value at 2021/06/30.
- The fund does not keep any fixed assets
- A SASSE commitment of SEK 300,000 was allocated during the year, increasing assets under management

Note: SSIF reserves itself for programmatic, 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.

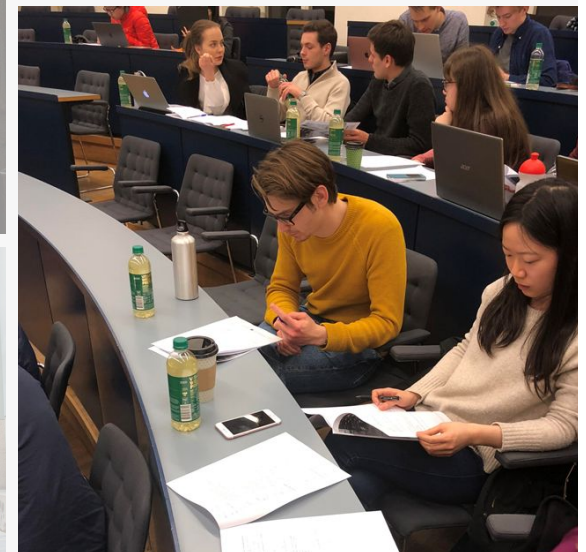
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# Majority of Financial and Operational Targets Achieved

## Overview of long-term key performance targets

Category	Target	Outcome 2020-2021	Comments
<b>Portfolio return</b>	<b>&gt;Benchmark Index</b>	<b>6 p.p. below index return</b>	The Fund targets a portfolio return that consistently outperforms the selected benchmark index (OMXS30GI). This is in order to ensure the Fund does not only contribute to SASSE with learning and career opportunities, but also with an improved financial position. The Fund's return was 33% YoY.
<b>Number of events</b>	<b>&gt;5</b>	<b>11</b>	The Fund aims to offer opportunities for the Fund's member to get to know each other, develop their finance interest and meet potential future employers. The number of events organised is an indication of the Fund's performance when it comes to this aim. Despite the ongoing COVID-19 situation we achieved an outcome of 11 events, as a result of quick adaption to an online format for events.
<b>Sponsorship revenue</b>	<b>64,000</b>	<b>64,000</b>	Being part of SASSE, the Fund aims to have strong corporate partnerships that can provide not only investment advice, but also financial support. The Fund's sponsorship revenue target is set by SASSE in the yearly budget. This year's sponsorship revenue matched our budgeted target of SEK 64,000.
<b>Number of members</b>	<b>&gt;50</b>	<b>~100</b>	In order to maintain a strong brand awareness, spread knowledge and generate as high interest in finance as possible within the student body, the Fund targets a high number of members. Following a strong recruitment period with a record number of applicants to the analyst position, this year's target was achieved.
<b>Gender diversity</b>	<b>50%</b>	<b>~35%</b>	The long-term target of SSIF is to reach a level of gender diversity proportional to the diversity within the student body as a whole – ideally a 50/50 split between men and women. The share of women being 35% in 2020-21 is far below target, yet is a significant improvement year over year (with 18% females in 2019-2020), demonstrating that progress is being made in this area as well.





THE STUDENT ASSOCIATION

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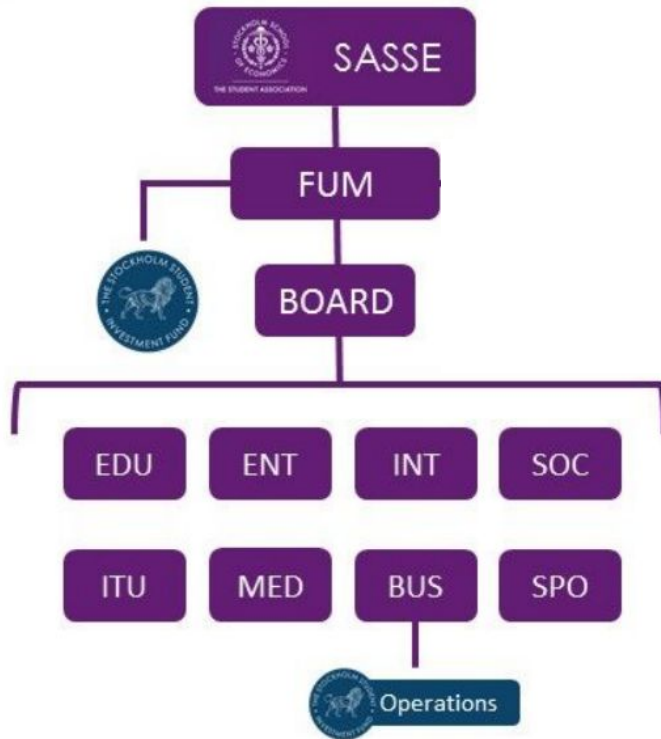
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# The Fund Within SASSE

## SSIF and its operations in relation to SASSE

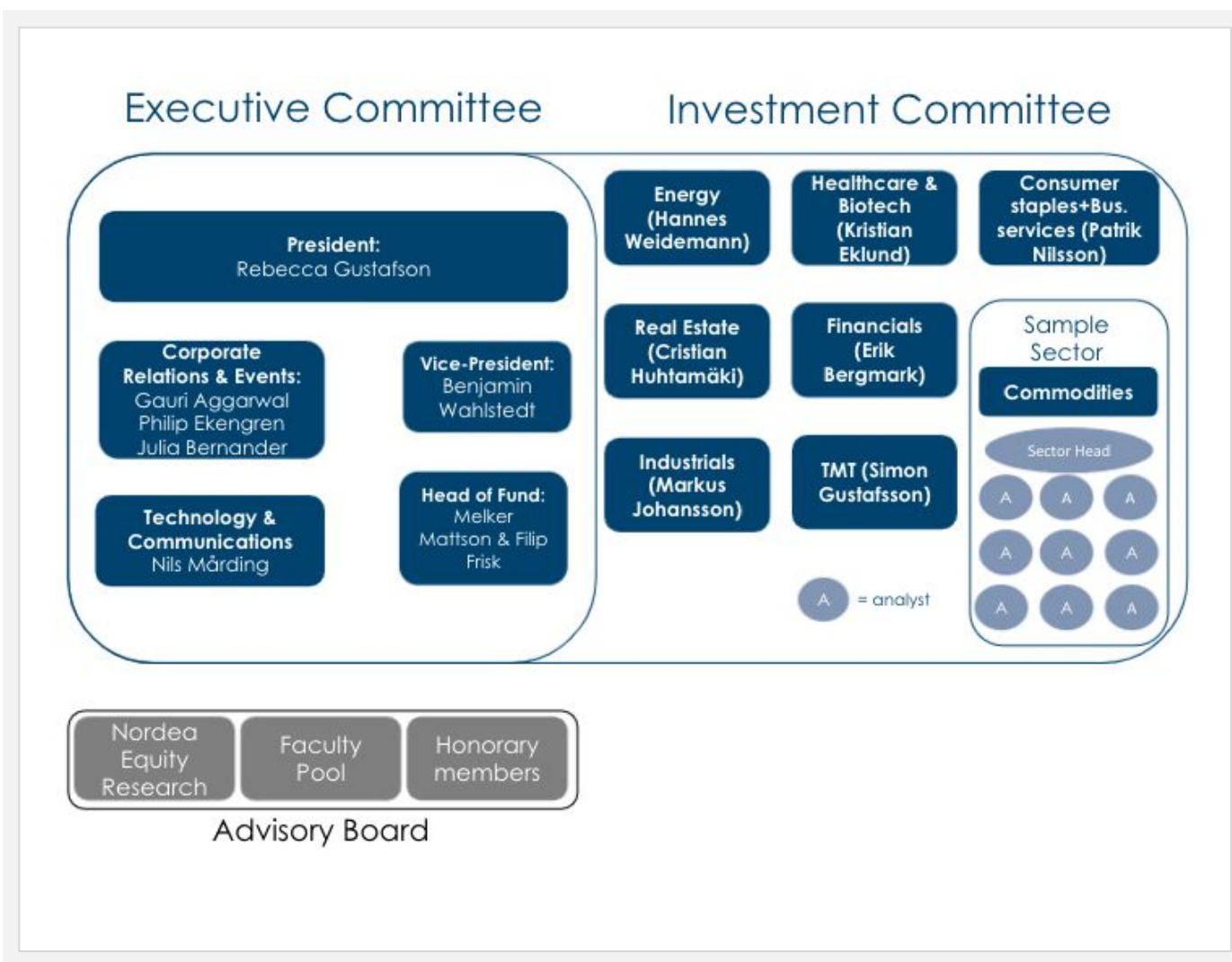


## Comments

- The investment branch is organized as an authorized association directly under the Student Council (SAC) of SASSE, while the operational branch resides under the Business Committee (NU)
- The current structure enables for the integrity of the independence of the investment branch while the operational branch will be able to work in unison with the Business Committee regarding corporate relations, sponsorships, budgeting and other day-to-day activities

# Structure of the Fund

## Internal structure of the fund 2020/2021 organized by committee



## Comments

### Executive Committee

- Responsible for the day-to-day activities of the fund and making sure it operates smoothly
- Oversees all external relations, whether with SSE, media, or companies

### Investment Committee

- Responsible for the asset allocation strategy and any and all investment decisions for the Fund

### Sector

- Sectors are divided into 7 industries
- Sector Heads are responsible for analysis of public equities within their industry and preparing reports and pitching material of their stock(s)

# Previous Presidiums Throughout the Years

## Past presidiums since inception of the fund

