



End of Year Report 2021-2022

By Simon Jaukkuri and Simon Gustafsson



Purpose of this report

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 2021-07-01 – 2022-06-30. 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 2022-06-30, such measures had not been undertaken. 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 2021/2022 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 c. SEK 1.7m in assets under management.

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

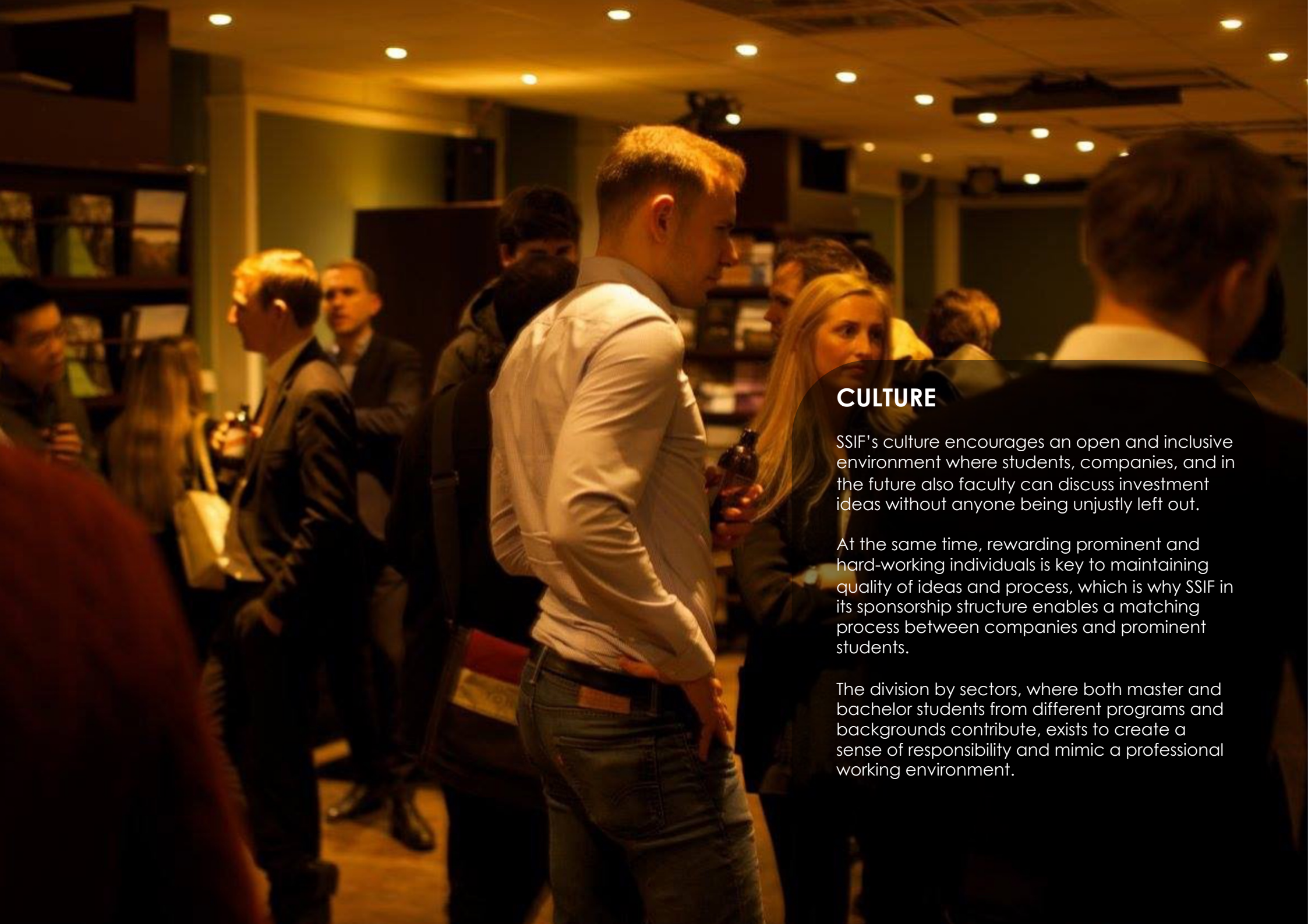
We believe that SSIF will provide a financial education and networking experience unparalleled to that of other projects as industry leaders will support the process of real-money investment and ultimately open the door to real-world experience.

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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- Structure of the Fund
- Previous Presidiums throughout the years



SSIF 2021/2022 – the year in review

It has been a turbulent year that was first characterised by economic recovery from the Covid-19 pandemic, but also lately by increased uncertainty in the financial markets with high inflation and increasing interest rates. The global economy risks being thrown back into a scenario of stagflation not seen since the 1970s. Tragically, 2022 will forever be remembered for the unprovoked Russian invasion and war in Ukraine, the first major war in Europe in over 80 years.

Despite the challenges, I am pleased to say that SSIF's portfolio has outperformed its relevant benchmark index with 11 percentage points during the past year. During these turbulent times, SSIF's holdings have remained stable as a consequence of the hard work since the fund's inception. Our focus on renewable energy and climate transition has proven to be successful with large positive return contributions from Energiekontor and OX2 (investment made in Jan-22) during the past year. We have made seven new investments during the year. Consequently, our cash position has continued to decrease in line with our long-term target of 100% stock investments. Since the start of SSIF in 2016, we have managed to increase our assets under management from SEK 1.1m to c. SEK 1.7m, despite having a low equity exposure for the first years. Our portfolio is robust and well-diversified, and I feel confident that we can continue to outperform the market both in the short- and long term.

During the past year, we have been able to hold all our events physically which has been welcomed after one year of only digital events. In addition, there has been a large interest in the fund from students at the school. We had a record number of applications for both the Executive Committee and analyst positions. I believe the great interest can be partly attributed to a general increase in demand for student activities after Covid. However, we have also worked actively with promoting and marketing SSIF which has resulted in greater recognition among students. Nevertheless, this is a continuous process that will be a key focus area in the upcoming years.

I have now been part of SSIF for three years and it has been rewarding to work alongside such talented colleagues. I am looking forward to embarking on my next career journey. The next president of SSIF will be Malte Fernström who has previously been the Head of the Energy and Materials Sector. I wish him the best of luck and I am fully confident that he has the capabilities to succeed in the role as President of SSIF.

Lastly, I would like to thank everyone involved for your hard work during the past year. It has been a privilege leading the fund and I am confident that SSIF will continue to thrive in the future.

Simon Jaukkuri

President

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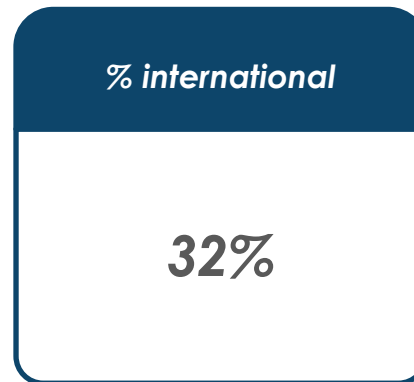
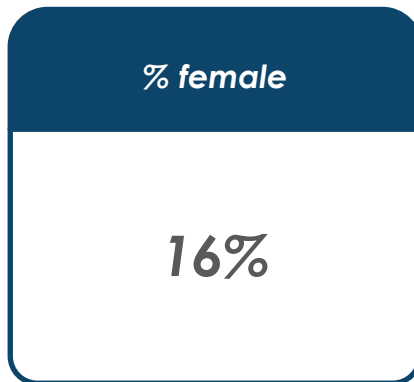
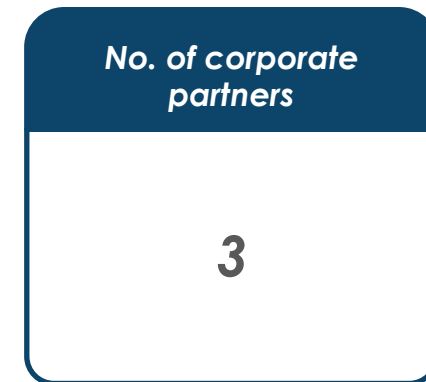
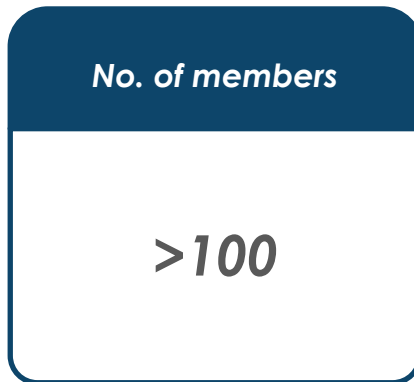
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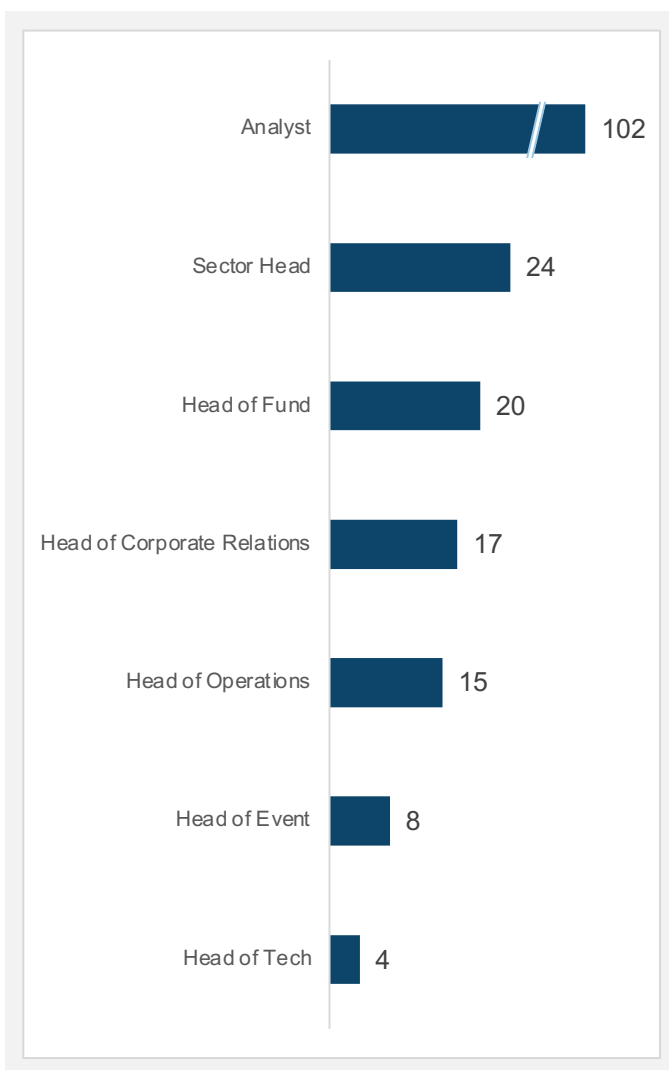


Operational Highlights

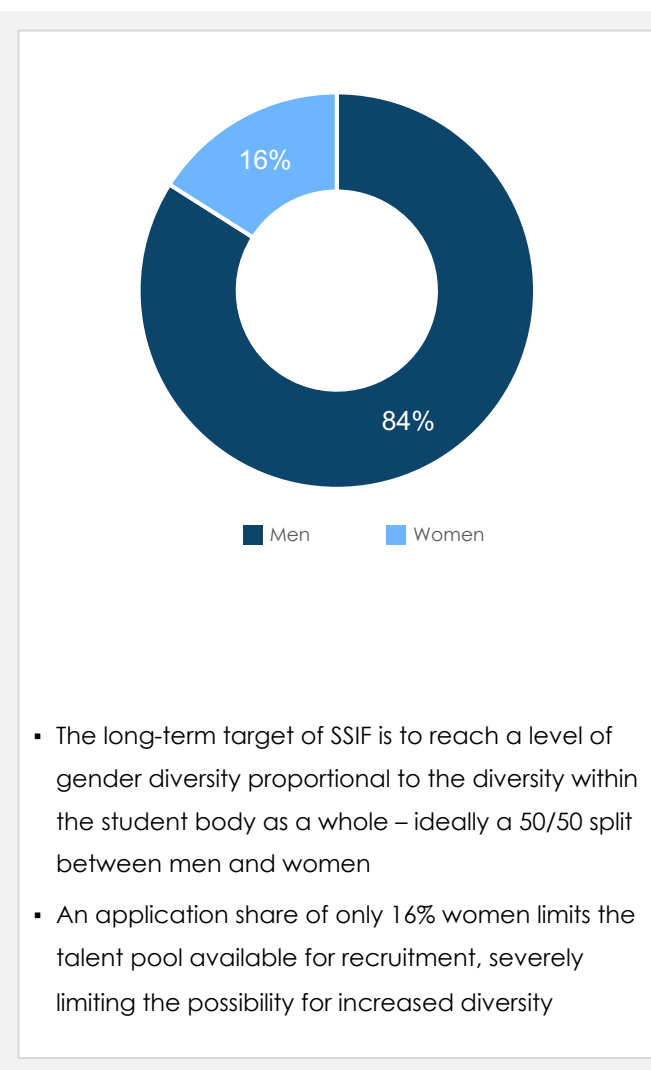


High Number of Applicants With Continuous Diversity Initiatives in Place

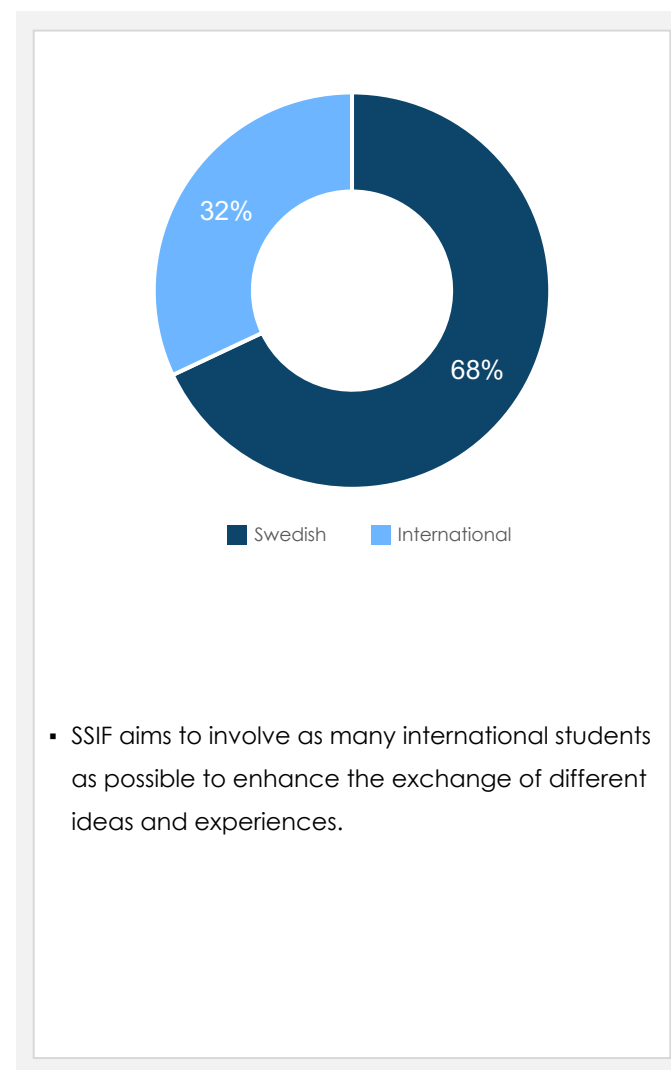
Number of applications by position



Gender diversity within applicant group



International diversity within applicant group



Leading Corporate Partners With Diverse Research Coverage

ABG Sundal Collier – Equity Research



Sponsor

Since 2019

SSIF Contact



Karl Bokvist
Partner - Equity Research

Redeye



Sponsor

Since 2019

SSIF Contact



Richard Goldman
Head of Corporate Finance

SEB Equity Research



Sponsor

Since 2021

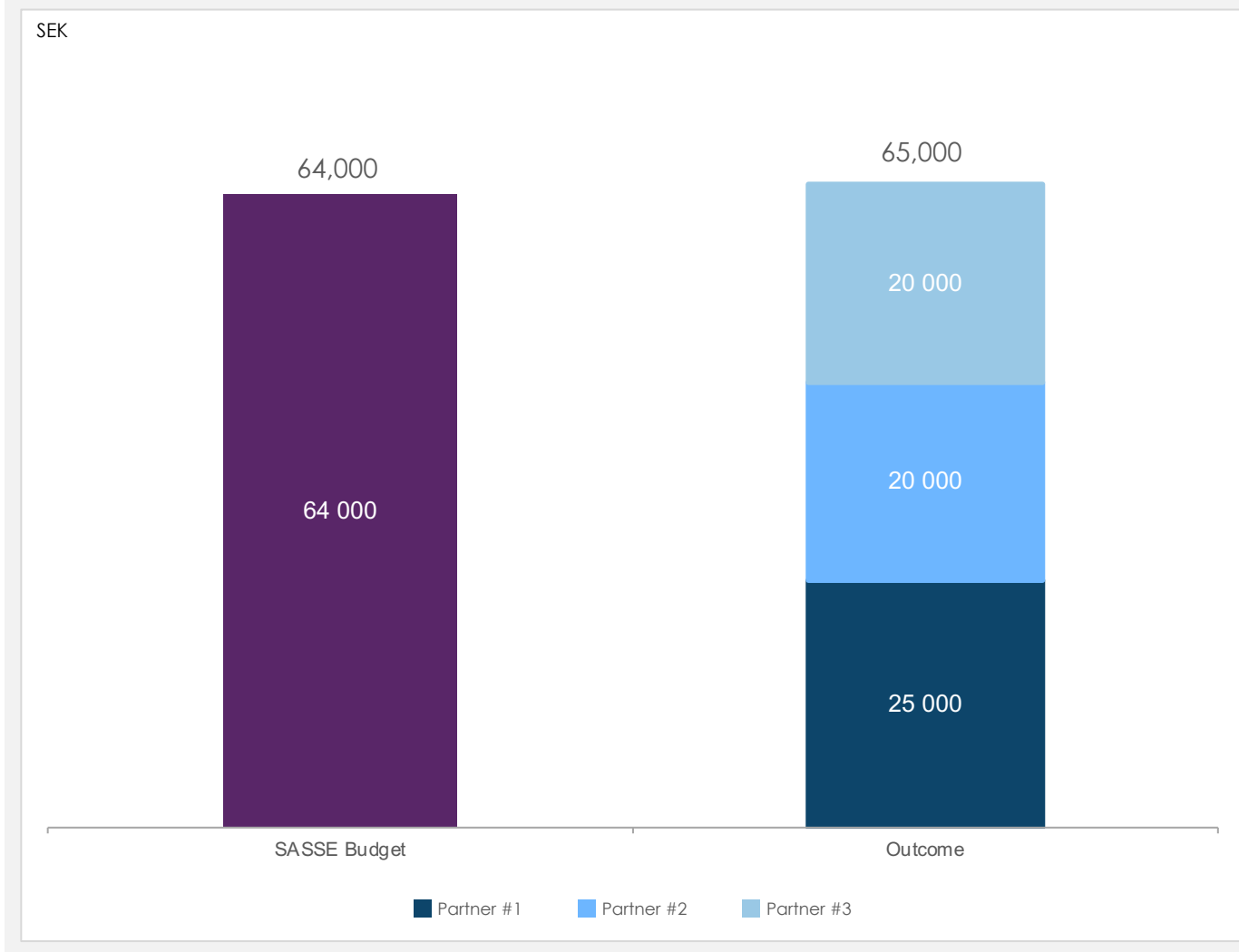
SSIF Contact



James Barraclough
Employee Branding
Project Leader

Strong Corporate Partnerships Enabling Significant Sponsorship Revenue

Sponsorship revenue from corporate partners 2021-2022



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 – totalling SEK 65,000 in 2021-2022



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Portfolio changes throughout the year



Investment

OX2 develops and sells wind and solar farms OX2 has taken a leading position in large-scale onshore wind power in the Northern Europe region.



Investment

Epiroc is a Swedish company that manufactures mining and infrastructure equipment, such as drill rigs, rock excavation and construction equipment for surface and underground applications.



Investment

Johnson Controls is a global leader in smart and sustainable buildings with a wide range of HVAC equipment and controls, energy management systems, security systems, fire detection systems, etc.



Investment

Sedana Medical is a pioneer medtech and pharmaceutical company dedicated to make inhaled sedation a standard therapy in intensive care.



Investment

Meta is the parent organisation of Facebook, Instagram, and WhatsApp, among other subsidiaries.



Investment

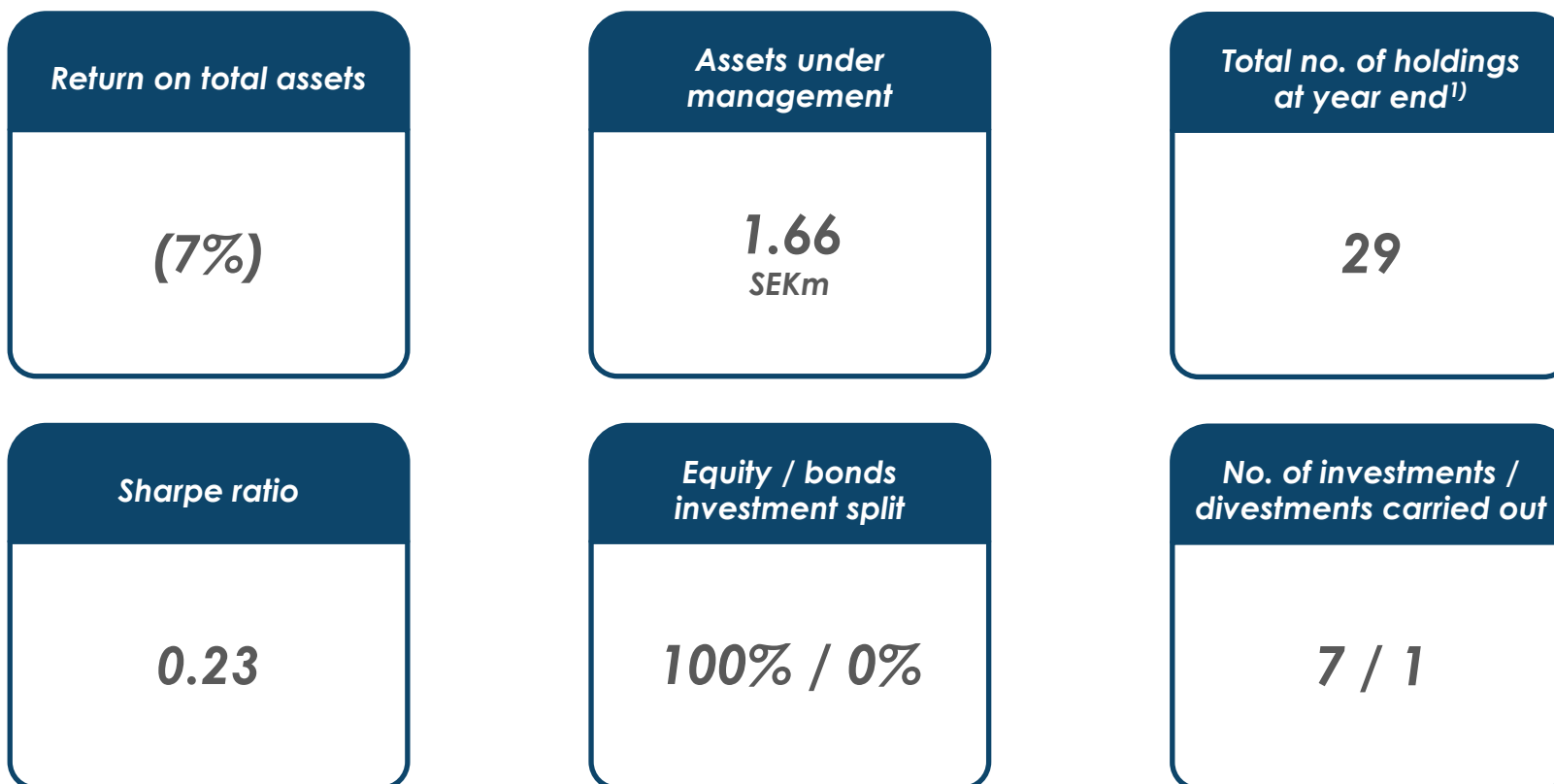
Hexagon is a global leader in digital reality solutions, combining sensor, software and autonomous technologies.



Investment

Zaptec is a Norwegian technology company that in a short time has become a world leader in smart charging systems for electric cars.

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.



Portfolio performance

SSIF portfolio performance compared to relevant benchmark index



Turbulent stock markets led to a slight decline in the market value

Specification of allocation and value of holdings per 30/6 2022

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

Equity	Opening portfolio 20210701			Transactions during year		Closing portfolio 20220630			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	290	21,482			74	273	20,180	400	-1,302	-903
Bahnhof B	795	39	30,608			795	33	26,553	795	-4,055	-3,260
Fastighets AB Balder B	147	537	78,939			882	49	43,227	-	-35,712	-35,712
Camurus AB	927	214	198,378			927	194	180,209	-	-18,169	-18,169
Corem Property Group AB B	-	-	-			1,357	11	15,578	-	-	-10,838
Energiekontor AG	207	555	114,797			207	825	170,869	1,442	56,072	57,514
Embracer Group AB	606	232	140,289			1,212	78	94,524	-	-45,765	-45,765
Epiroc AB B	-	-	-	137	181.75 SEK	137	138	18,933	206	-5,966	-5,761
Exco Technologies	700	72	50,294			700	64	44,453	1,715	-5,841	-4,126
Ferroamp Elektronik	399	80	31,721			399	64	25,536	-	-6,185	-6,185
Hexagon AB B	-	-	-	328	105.90 SEK	328	106	34,850	-	115	115
HMS Networks AB	576	362	208,512			576	437	251,482	1,728	42,970	44,698
Infrea AB	1,389	45	61,949			1,389	21	28,475	-	-33,475	-33,475
Inwido AB	332	148	49,136			332	113	37,450	2,042	-11,686	-9,645
Johnson Controls International plc	-	-	-	15	73.37 USD	15	490	7,347	38	-2,891	-2,854
Meta Platforms A	-	-	-	4	310.69 USD	4	1,650	6,598	-	-4,945	-4,945
Klövern AB B	1,543	17	26,416			-	-	-	-	-	-
Nordea Bank Abp	1,240	95	118,122			1,240	90	111,600	13,341	-6,522	6,819
Nasdaq Inc.	18	1,503	27,054			18	1,560	28,088	318	1,035	1,352
Ørsted A/S	19	1,200	22,796			19	1,069	20,316	241	-2,479	-2,239
OX2 AB	-	-	-	949	52.60 SEK	949	78	73,927	-	24,010	24,010
RTX A/S	278	238	66,252			278	199	55,293	-	-10,959	-10,959
Securitas AB B	372	135	50,257			372	88	32,781	1,637	-17,477	-15,840
Sedana Medical AB	-	-	-	333	74.95 SEK	333	27	8,991	-	-15,967	-15,967
S&P	8	3,505	28,041			8	3,448	27,584	202	1,180	1,383
SGL Carbon SE	194	82	15,912			194	64	12,447	-	-3,465	-3,465
Sinch AB	400	144	57,600			400	33	13,320	-	-44,280	-44,280
Teqnon AB	333	76	25,175			333	113	37,762	167	12,587	12,754
Visa Inc.	27	2,000	54,008			27	2,014	54,382	309	374	683
ZAPTEC	-	-	-	720	33.68 NOK	720	36	25,927	-	1,019	1,019
ETF											
ISHARES \$ CORP USD	59	1,093	64,493	(59)	107.84 EUR	-	-	-	894	1,416	2,310
Vanguard FTSE All-World UCITS ETF	149	1,011	150,663			149	1,003	149,503	2,408	-1,160	1,248
Cash position	-	-	87,958			-	-	174			
Total			1,780,852					1,658,360	27,880	-148,363	-120,483

Note: Klövern AB was acquired by Corem Property Group during the year

High Exposure to the Swedish Market and Currency

Portfolio exposure by sector, geography and currency

Sector	Part of total holdings
TMT	11%
Healthcare/biotech	11%
Business Services	3%
Real Estate	4%
Financials	13%
Energy/materials	20%
Industrials	29%
ETF/Cash	9%
Stock listing	Part of total holdings
Sweden, SEK	64%
USA, USD	16%
Germany, EUR	11%
Denmark, DKK	5%
Canada, CAD	3%
Norway, NOK	2%

Comments

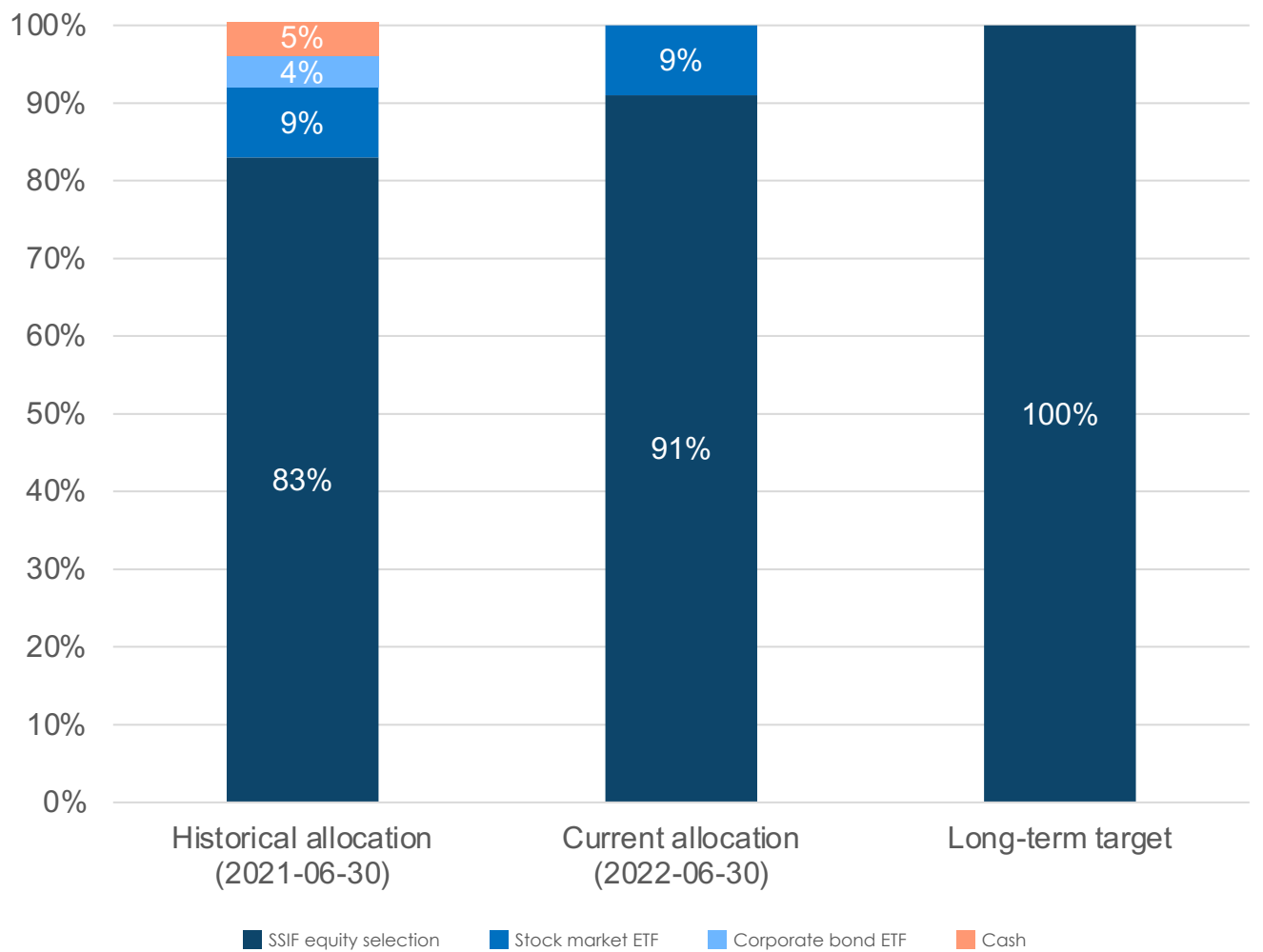
- The Fund has a primary focus on Nordic equity investments
- The Nordic focus is reflected by the high Swedish geographical exposure, as well as the high currency exposure to SEK
- High sector diversity is expected to generate superior risk adjusted returns.

Source: 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 2021-2022 year, progress has been made towards this goal.
- An interim allocation of ~9% is held in a stock market ETF 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	2021-2022	2020-2021
Income		
Assets appreciation	-148,363	444,800
Dividends and other income	27,880	15,299
TOTAL INCOME	-120,483	460,100
Expenses		
Brokerage	-792	-891
Brokerage taxes	-	-
TOTAL EXPENSES	-792	-891
NET INCOME	-121,275	459,209
CHANGES IN TOTAL CAPITAL		
SEK	2021-2022	2020-2021
Capital at year open	1,780,852	1,029,445
Inflow / outflow SASSE	-	300,000
Net income	-121,275	459,209
Other	-1,217	-
Capital at year end	1,658,360	1,788,647

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

BALANCE SHEET		
<u>Assets</u>	2022-06-30	2021-06-30
Listed public equity	1 658 184	1 628 401
Bonds	0	64 493
Cash and cash equivalent	174	87 958
SASSE receivable commitments	0	0
TOTAL	1 658 358	1 780 852
<u>Financing</u>		
SASSE allocations	1 100 000	1 100 000
SASSE commitments	0	0
Cumulative results (after transaction costs)	558 358	680 852
TOTAL	1 658 358	1 780 852

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 2022/06/30.
- The fund does not keep any fixed assets

Note: SSIF reserves itself for programmatical, 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 2021-2022	Comments
Portfolio return	>Benchmark Index	11 p.p. above index return	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 (7%) YoY which was 11 p.p above index return
Number of events	>5	6	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. We achieved an outcome of 6 events, which is over the target but could be further developed during the next year.
Sponsorship revenue	64,000	65,000	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 slightly exceeded our budgeted target of SEK 64,000.
Number of members	>50	>100	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.
Gender diversity	50%	~16%	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 16% in 2021-22 is far below target.





THE STUDENT ASSOCIATION

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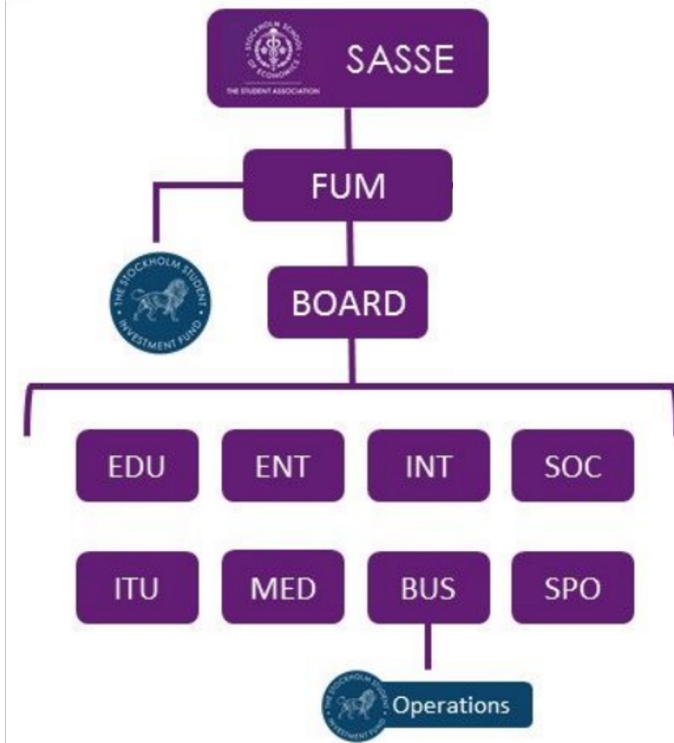
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The Fund Within SASSE

SSIF and its operations in relation to SASSE

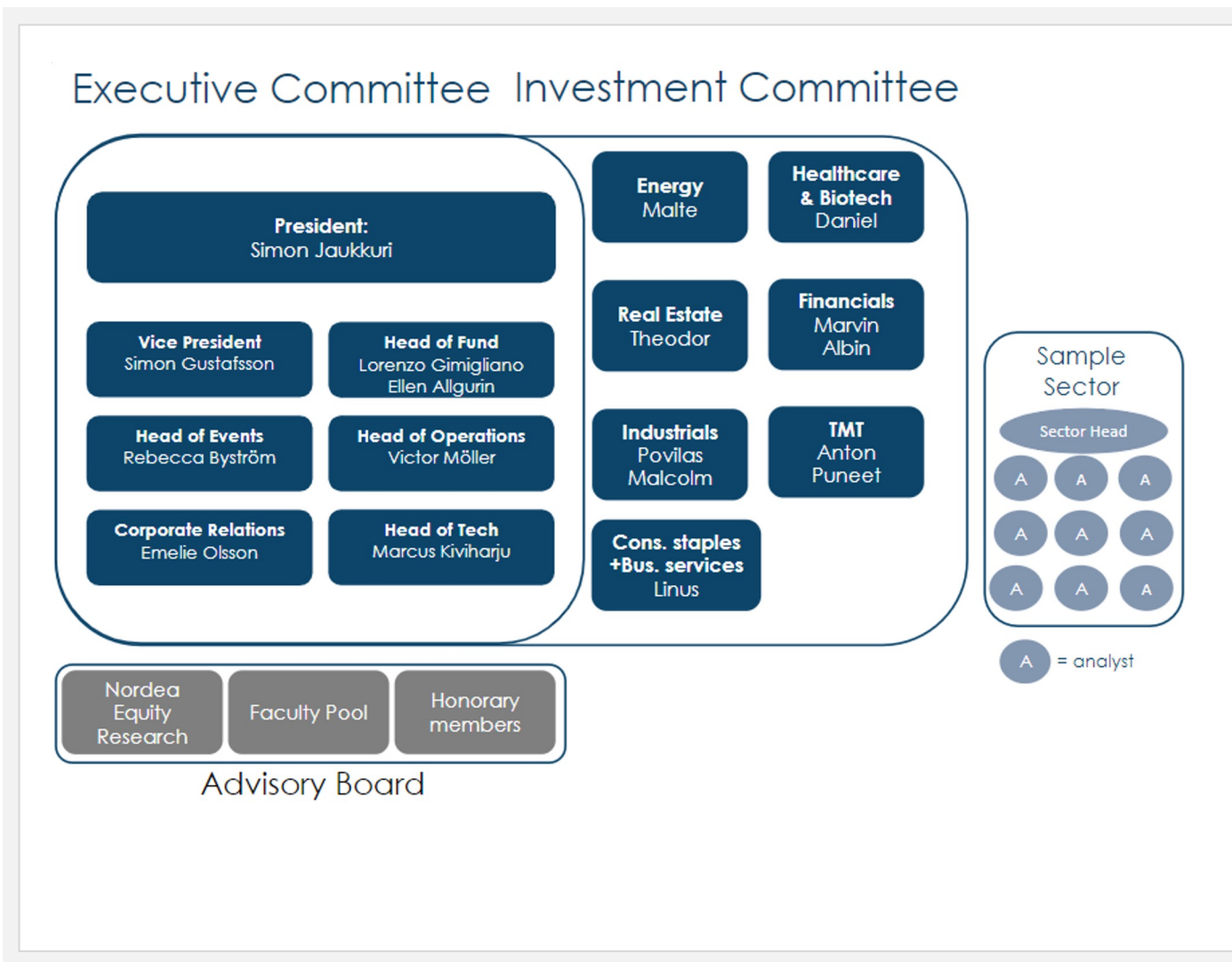


Comments

- 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 2021/2022 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

