

# ODIN Sverige 31/03/2025

The fund has share classes in SEK, NOK and EUR: A, B, C and D

## FUND COMMENTARY

The Swedish stock market showed significant weakness during March. The fund's benchmark index fell sharply, resulting in the previous gains for the year being erased, and the index is now essentially unchanged since the beginning of the year. ODIN Sweden performed slightly better than its benchmark index during the month but is still somewhat behind its reference index so far this year.

All holdings in the fund, except for two (Fortnox and Byggmax), showed negative price development during the month. Fortnox rose sharply on the last trading day of the month when EQT, together with the company's largest owner Olof Hallrup, announced a takeover bid for the company. Fortnox is one of ODIN Sweden's larger holdings, and its price development on the last trading day thus had a significant effect on the fund's relative return during the month. Byggmax also had a positive share price development during the month, mainly driven by cautious optimism among Nordic consumers. The government's proposed increase in the ROT deduction from 30 to 50 percent also positively affected the share price during the month. Munters once again had the weakest price development during the month.

In March, the stock market was mainly affected by renewed concerns about the macroeconomic outcome due to the economic policies driven by the American president. The positive signals from Europe, with large budget investments from several European countries, have been overshadowed by American concerns. However, it is important to remember that the European market is of utmost importance for Swedish companies, as they have significant operations in the region. A strong European economy will have a positive impact on many of ODIN Sweden's holdings. The strengthened Swedish krona, which has not happened often in recent years, has also led analysts to lower their profit estimates for companies with significant operations outside Sweden. The majority of the fund's holdings are "local for local," meaning that what is sold in a country/region is produced there. The negative profit revisions are therefore mostly based on conversion effects. It will be very interesting to follow the companies' reporting for the first quarter, which will be presented later in April.

We have also been out in the field and met some of our portfolio companies. Among others, we visited Beijer Ref and AQ Group in northern Italy during the month.

The fund's focus on sustainability remains of utmost importance, despite the changing world we live in at the moment. Regardless of the global and European turbulence surrounding sustainability initiatives, we continue to align our portfolios with the Paris Agreement. We actively engage in dialogue with our companies about their emissions and their plans to reduce them. By the end of the first quarter of 2025, we will be investing in a total of 20 companies that either already have set a climate target according to the Science Based Targets initiative or have committed to doing so in the near future. These companies represent more than 70 percent of the fund's value. In our engagement work, we continue to have close dialogues with our companies to understand their sustainability strategies and ESG risk management, as well as how they adapt to constant changes. As part of our active ownership work, we visited ABB America Headquarters in Cary, North Carolina, and Epiroc's production facility and Surface Mining Automation Center in Texas, USA, in March. The focus was on the companies' sustainability work and how they leverage the major trends in electrification and automation.

During the month, we reduced our positions in Assa Abloy and Fortnox, following the bid described above. In addition, we made several minor adjustments to the weights in the portfolio.

We continue our work to build the portfolio based on our investment model, the Odin model, which focuses on the three Ps – performance, position, and price. We feel confident that this methodology will provide excess returns for our shareholders in the long term.

### Portfolio Managers:



Peter Nygren



Philip Mesch



Jonathan Schönback

### Why invest in this fund?

There are many good companies in Sweden. Several of these are niche players with small home markets, which have gradually built-up solid positions in Europe and the rest of the world. We aim to invest in companies that show good results, are in a strong competitive position for the future and are attractive pricewise.

### How is the fund positioned?

75% of ODIN Sverige is made up of small and medium-sized companies and 25% of large companies. At the sector level, the fund has significant exposure to manufacturing and consumer goods. The fund has little exposure to real estate and property developers, and limited exposure to construction-related companies. We also have little exposure to the banking sector. We are a long-term stock-picker with few companies in the portfolio to maximize our investment ideas, and we know that value creation takes time. That is why it is important to find the companies that are well positioned in the long term, rather than those delivering good figures in the short term.