NORDIC INVESTMENT PARTNERS

Roadmap 2022

0-10% pace bull run with inflation and interest rate hurdles en route

December 2021

www.nordic-investment-partners.com

Speed read

Digitalization continued to grow faster

2021 turned out to be much better for stock markets than most investors had imagined. Earnings rose more than 50% at index level vs 30% growth expected at the start of 2021

The economic pace was good in 2021 after the poor 2020. The higher pace created bottlenecks and supply chain issues, which created higher than expected inflation as well as it cooled off economic activity in the second half of 2021.

2022 face headwinds from less accommodative monetary conditions. Earnings are expected to grow 8-10% so the net effect should be a modest but decent bull market

Modest returns is less than all new investors since 2010 have been used to. How this will impact behaviour remains to be seen.

2022 will also bring much more on the innovation front in everyday digitalization like autonomous driving, metaverse and advanced healthcare in mRNA and genomics.

Enjoy the journey

2022 roadmap

Roadmaps can be quite static as the route you see on a map is very different from the actual route. Without roadmaps it's difficult to navigate and without navigation you don't know where you're going. So even if roadmaps are incorrect most of the time, they tend to be useful. And as for traffic roadmaps you must be open-minded and change route if road conditions, or weather change substantially

Main components in roadmap 2022

1. Economic growth will continue to be fine in 2022 and by 2023-24 global activity levels should be to the levels forecasted in 2019.
2. Monetary conditions will continue to be accommodative, however to a less extend than 2020 and 2021. If inflation remains above 3-4% further monetary tightening should be monitored. Inflation could be subject to 'phantom stau' i.e., current supply chain issues disappear fast in 2022
3. Corporate performance rebounded strongly in 2021 and will continue to do so in 2022. The lower cost bases are not sustainable for all companies, yet the flexibility that has been realized with on-line meetings will continue and in general terms corporate digitalization will continue to improve productivity
4. Valuation of stocks is a mixed bag. The ten largest US corporations have the same market capitalization as Japan, Korea and Taiwan combined. New electric vehicle manufacturers are valued at mind boggling levels. But once you check valuation outside the extreme areas then stock markets are fairly valued.
5. Stock market returns in 2022 will be lower than what new investors have been accustomed to since 2015. Earnings are expected to increase 8-10% but given the potential for higher interest rates, then valuation is not expected to rise. The combination of all these factors suggest a 0-10% return year.
6. Risks measured as general market declines happen frequently. Since March 2020 the investment world have moved from Wall Street to Main Street and lots of the new investors still have to experience a 20% decline. How such an episode plays out remain to be seen, but it could create more volatility than usual.

The roadmap is for inspiration and education only. Read the disclaimer in the end of this slide deck

2021 review

2021 brought a lot of new learnings for investors;

1. The accommodative monetary conditions fuelled massive capital flows to stocks and retail participation rose unprecedented new highs
2. Stock markets rose almost in a straight line throughout the year until November when Omicron entered the theatre and inflation fears gathered momentum
3. Chip shortage and container congestion reduced supply of cars and goods and inflation rose to levels not seen in decades
4. Compared to the roadmap for 2021 the outcome was within range

2021 roadmap and what happened

The roadmap for 2021 (from mid-December 2020) assumed a rebound of global economic activity and 4.2% global GDP growth. Corporate earnings were expected to show a significant rebound of 30% and stock market returns were expected to be 'up to 20%'

Deep digital continued in 2021 and even though it is 2008 invention by IBM, the Metaverse caught investors attention. Digital interaction in gaming, business meetings and user manuals will create a new economic category over the next decade. Also, digital money or crypto currencies expanded their presence

The 2021 roadmap was within range as stocks rose 20%, global GDP growth looks to land at around 4.5% and corporate earnings rose more than 50% vs the 30% earnings growth expected at the beginning of 2021.

The risk factors that was off the radar in late 2020 where Evergrande / Chinese real estate debt problems, chip shortage, container congestions, shortage of natural gas and prospects of higher inflation from several factors

What was the main learnings from 2021?

- Global supply chains built over the last decades are less resilient than assumed
- Operators like Amazon and Walmart are building their own private global supply chains
- Corporate management teams continued to optimize operations based on new findings of how to manage large organizations without physical meetings, trade fairs and millions of employees flying around the world
- New Covid variants emerged and created issues in the shorter perspective, but scientist i.e. the humans skillset developed ways to reduce the impact of new variants
- Geopolitical issues use the same narrative as during the cold war
- Private space flights was a new reality. Once it was a reality the stocks also came back to Earth

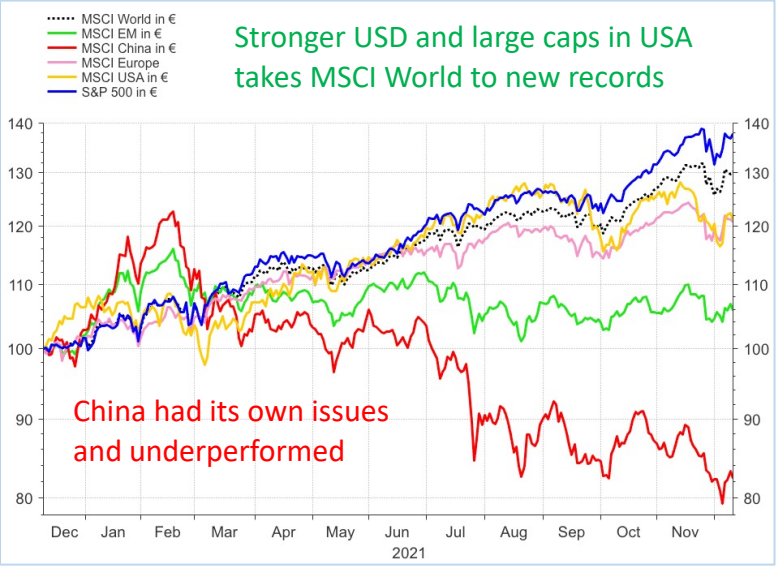
S&P 10 took the lead again in 2021

US large cap growth companies have been the investor favourites since 2015 and 2021 was no exception . The performance concentrates around only 10 stocks that combined weigh 32% of the S&P500 market capitalization of 42 trl $

2021 performance was better than expected, however when you dig into the data there's some interesting sub-currents. Asia and China underperformed, Europe did fine and US large caps kept the lead.

The 2021 performance is the set-up for 2022, so will Asia and China rebound? Will US large caps continue in the lead or will Europe start to perform after a decade of underperformance?

2021 performance



Phantom stau 2021-22?

The macro economic backdrop looks good for 2022. Activity levels are expected to expand and the shortages of 2021 should start to ease.

Anyone familiar with German autobahn will know the 'phantom stau' phenomenon. The traffic comes to standstill for no apparent reason only to loosen up again as fast as it emerged.

You should not be surprised if things loosen up during 2022 and inflation levels subsequently eases.

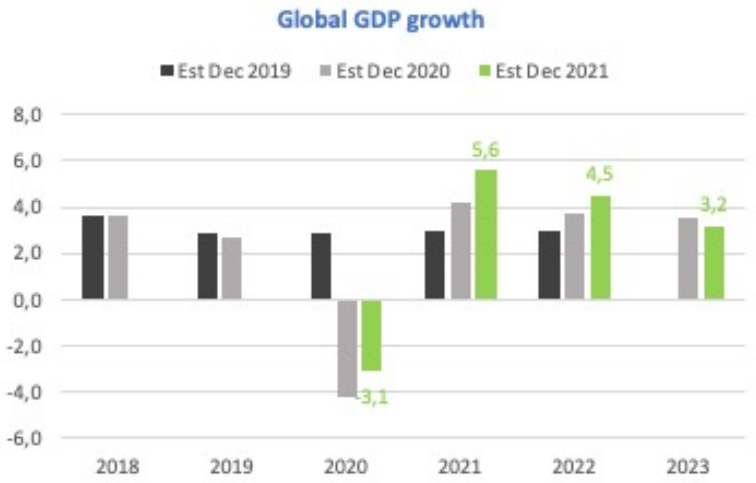
Check this CNBC video on how Amazon handles their logistics issues link

The run to the start box 2022 and the run pattern

Higher inflation in 2021 has been a cause of concern. 2022 will show if higher inflation is sticky or if inflation is going to ease again.

The inflation performance will be an important ingredient for decision making in central banks in 2022, so the monthly inflation updates needs to be monitored to get a sense of central bank setting of short term interest rates.

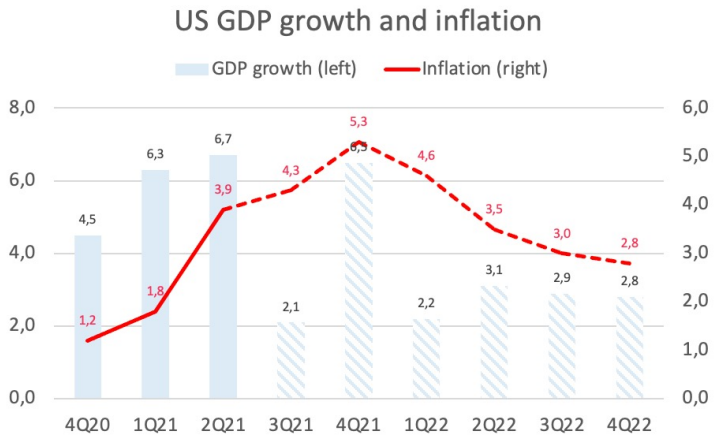
Higher interest rates is a short term headwind for bond investors and for highly valued stocks. More on this in the asset valuation section in Roadmap 2022



Source: Economist, IMF and OECD

Key economic indicators	Size 2018	2019	2020	2021	2022	2023
US GDP	20.5trl $	3,0	-3,4	5,6	3,7	2,4
Euro area GDP	12.8trl$	1,6	-6,5	5,2	4,3	2,5
China GDP	14.7trl$	6,0	2,3	8,1	5,1	5,1
Global GDP	94.7trl $	2,7	-3,1	5,6	4,5	3,2
Inflation rates						
US inflation		1,8	1,2	4,0	3,7	2,4
Euro inflation		1,7	1,6	2,0	2,3	1,8
China Inflation		1,2	0,7	3,8	1,9	1,4

Source: IMF and OECD and annual change in percent



Source: Conference Board

0-10% return in 2022

Giving a forecast of one year returns in stock markets can be a bit waste of time. It does however give a better foundation for identifying sector and regional opportunities and areas one should have exposure to.

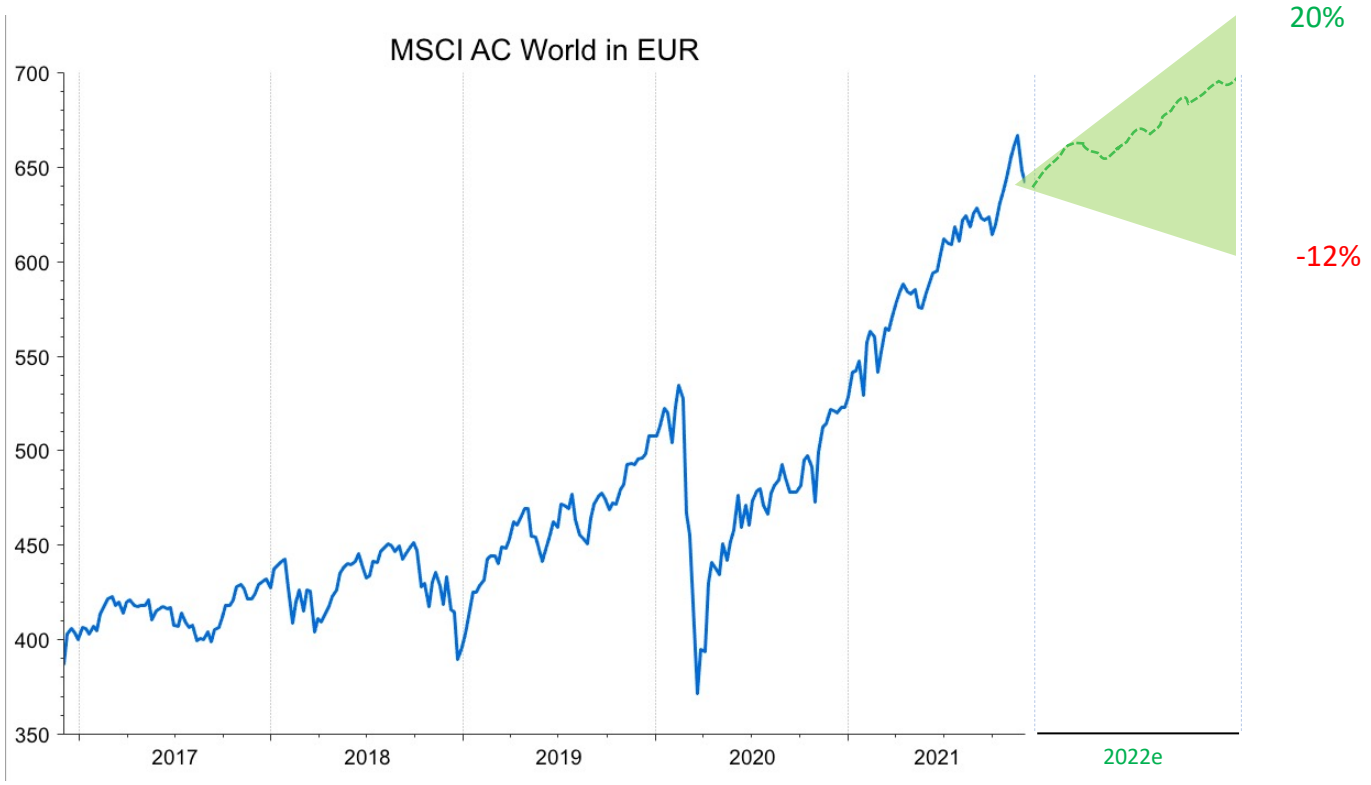
The narrative for the past many years has been that US stocks are expensive and Asia and Europe are cheap. Yet, US stocks have continued to deliver superior sales and earnings growth that have justified the solid performance.

The chart to the right is the condensed track of earnings growth, valuation and years of being invested in stocks.

A lot of things can make the run pattern differ and more on this on 'upside' and 'downside' surprises overview later in Roadmap 2022

The Roadmap 2022 run pattern – the bull market will continue, but a slower pace

Earnings growth 2022 is expected to be 8-10% and with a slight increase in interest rates the combination is for 0-10% return for the year. Dividends are around 2.5% and should be added



Europe

In 2021 Europe finally broke above the levels reached first time in 2000.

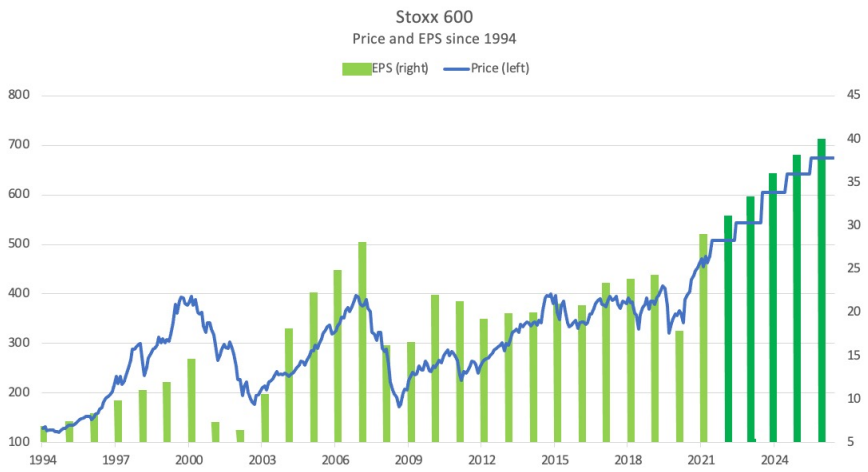
Europe is heavy weight in financials, energy and other industries with modest long term growth prospects. Healthcare and renewables show good growth, but their weight in the stock market is not enough to lift the whole thing.

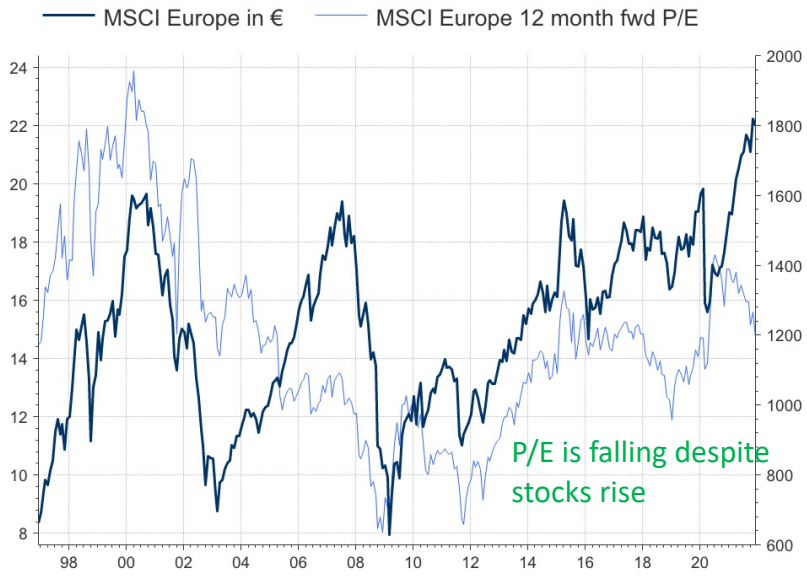
This will change over the next decade as growth companies like ASML and Novo overtake the traditional big ones like HSBC, BP, Nestle and Shell.

Despite the 20% increase in Stoxx 600 in 2021 the valuation actually fell as earnings forecast rose 30% during the year.

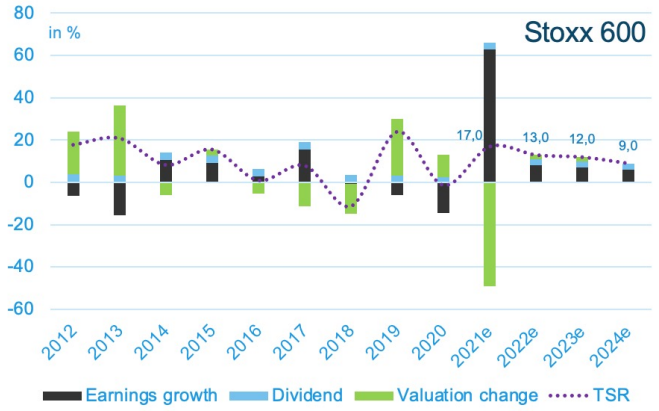
For 2022 Stoxx 600 is expected to deliver EPS of 30.82 €. Assuming a P/E multiple of 17x that's 520-525 index target or 10% above the current level. Including the 3% dividend its 13% return potential

The run to the start box 2022 and the run pattern





The components explaining the annual performance



The earnings yield implies what investors what in long term returns

EPS growth rate

Discounting rate	3%	4%	5%	6%	7%	8%
2%	701	763	832	909	995	1.091
3%	629	681	740	806	880	963
4%	566	611	662	719	782	853
5%	512	551	595	644	698	759
6%	464	499	537	579	626	678
7%	423	453	486	523	564	609

Using consensus EPS for 2021-23 and then annual EPS growth to 2041. No terminal value

USA

US stocks passed their 2000 peak already in 2013 and investors didn't look back since.

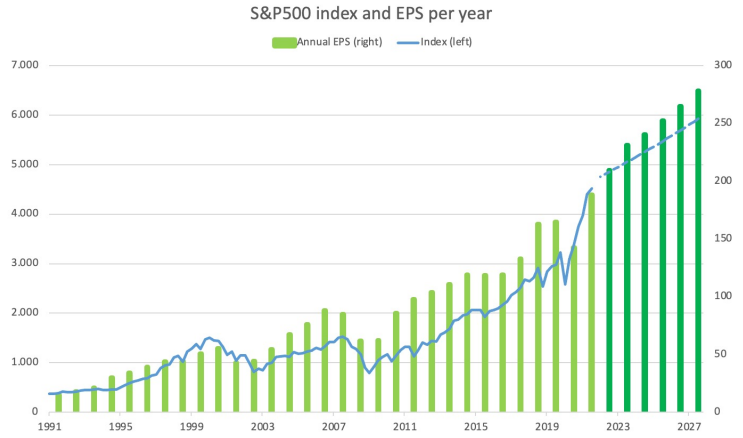
The US bull run since 2015 has been driven by the very largest companies and their solid sales and earnings growth

For the overall market the forward valuation of 22x is a bit on the high end despite good earnings upgrades throughout 2021.

In 2022 US corporate face higher wages and a higher USD also make their non-US activities less accretive. EPS for S&P500 for 2022 is at 219$. Given the prospects of FED tightening and interest rates going up a tad then a P/E multiple of 20x by 2022 it not unfair. At 20x S&P 500 would end 2022 at 4.380, a decline of 5% compared to mid December 2021. Dividend of 2%

So 2022 could be a 'pause year' for S&P 500 bull market

US earnigns need to grow faster in 2022 as valaution headwinds are incresing



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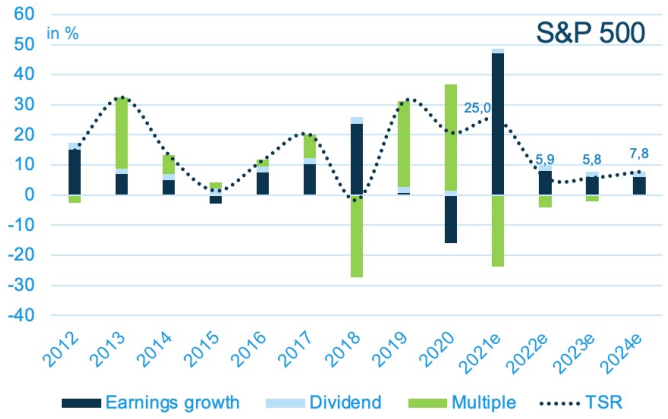
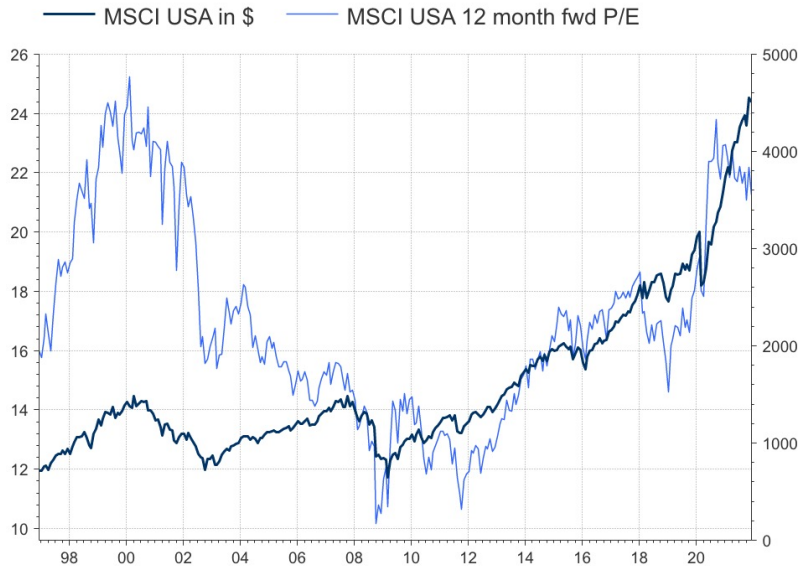




EPS growth rate

Discounting rate	3%	4%	5%	6%	7%	8%
2%	4.084	4.441	4.841	5.288	5.789	6.350
3%	3.662	3.968	4.311	4.694	5.123	5.602
4%	3.297	3.562	3.857	4.186	4.554	4.964
5%	2.982	3.211	3.466	3.749	4.066	4.419
6%	2.709	2.907	3.128	3.373	3.646	3.950
7%	2.470	2.643	2.835	3.048	3.284	3.547

Using consensus EPS for 2021-23 and then annual EPS growth to 2041. No terminal value

Risk radar 2022

Risk is basically volatility and investors should always be mentally prepared for a 20% drop

The factors that really move things negatively are;

1) Recession in economy or earnings. In many cases this factor is triggered after a period excessive growth

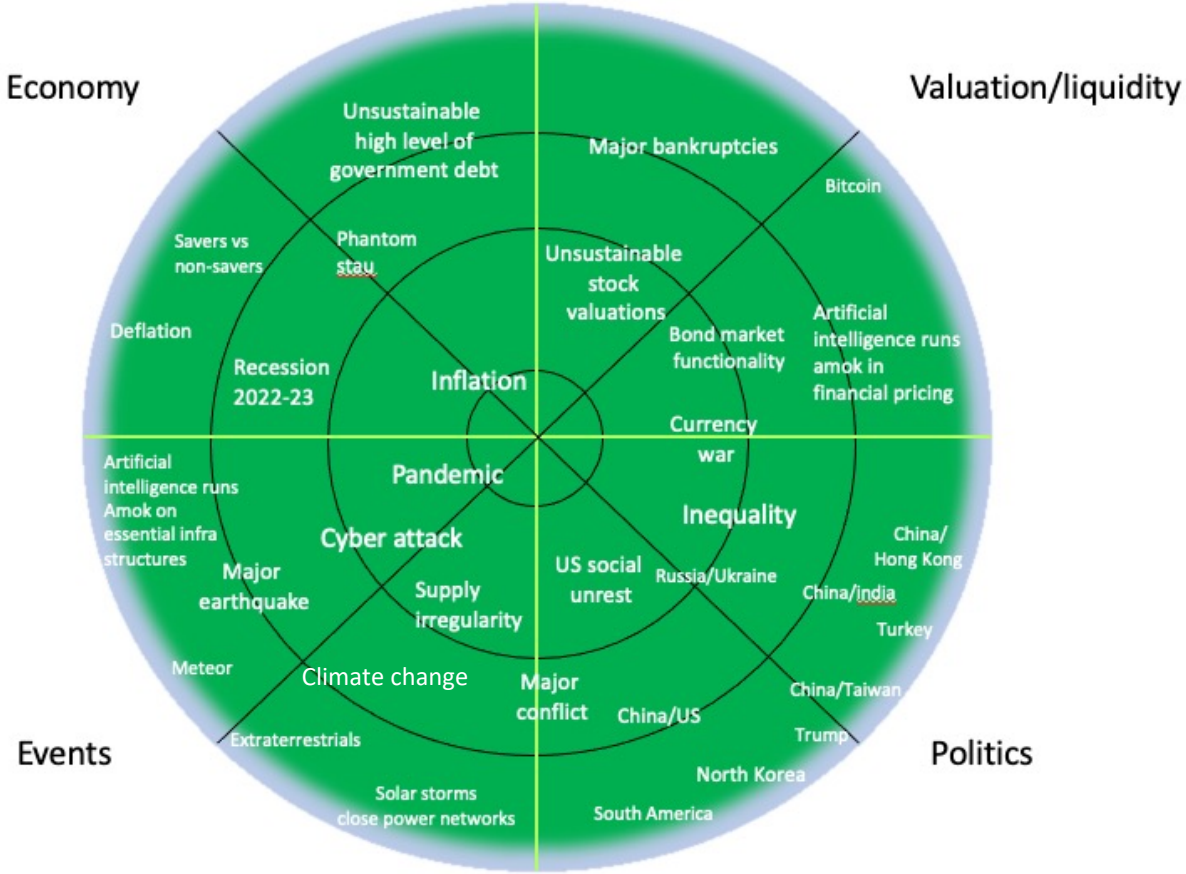
2) Valuations get out of sync with reality and then normalize as seen after the TMT bubble in 2000. Some segments in late 2021 are priced excessively

3) Shock to the system like pandemic, war, terror , Earthquake or lack of trust in the financial system

The main worries for 2022 are 1) clumsy central bank tapering leading to higher volatility than necessary and 2) inflation gets sticky

The radar screen to the right gives some suggestions for risk factors to keep in mind

The run to the start box 2022 and the run pattern



Alternative routes

Upside surprises

Roadmaps are fine to give some sense of direction. It is however guesswork being very specific about road conditions along the route.

The middle of the road forecast suggest 0-10% return for global stock markets in 2022.

If inflation start to cool off and corporate earnings are stronger than expected this could trigger a 10-20% year

Surprises and what to do

Event	How it unfolds	Action plan
Global stocks rise more than 20%	Inflation is transitory and low interest rates motivates millions of new investors to flock into the stock market on every dip.	Enjoy the ride. Monitor frothy reverse signal indicators, common sense and central bank/ government interaction
Global stocks rise 40%	Inflation fears vaporize and interest remain low. Inventors scramble to get positive real returns and the only credible alternative is stock markets	Enjoy the ride but pay attention to valuation despite no-one seems to care. Bull run of this kind can last much longer than you imagine
Asia takes the lead with 20-30% jump	China and other leading Asian nation see lower growth rates and start monetary easing which triggers hundreds of millions of Asians to go for the stock market.	Monitor central bank decisions and watch overall market moves. If thesis is confirmed European luxury brands should benefit too.
Healthcare science breaks the ageing code and 100 year lives becomes more of a reality for many	This is general media news. Longer lives will force millions to save more for later in life. Stocks will be the obvious choice and markets roar upward	Keep this event as a small blip on your radar.
Fusion energy becomes commercial	Fusion energy (same process as the Sun) is considered the energy solution after 2050. Scientist make break thru discovery and commercial roll-out starts in 2028	Unlimited energy for ‘free’ set motion in massive decarbonation. Lots of current energy assets become worthless

Alternative routes

Down side surprises

Roadmaps are fine to give some sense of direction. It is however guesswork being very specific about road conditions along the route.

The middle of the road forecast suggest 0-10% return for global stock markets in 2022.

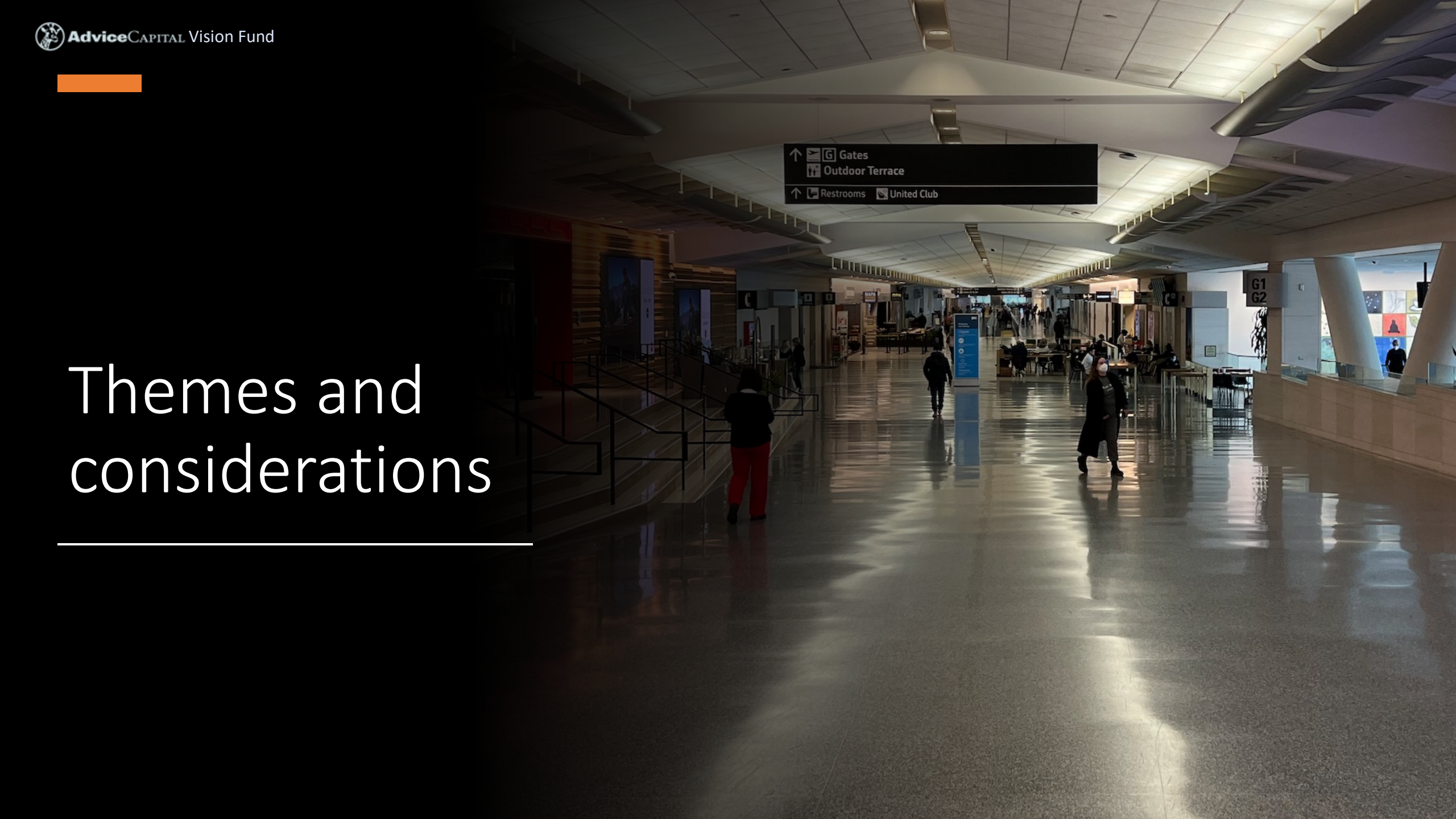
Inflation turns out to be more sticky and central bankers slam the brakes too cool off the economy

The subsequent higher interest rates motivates millions of new stock market participants to move their capital back to decent bond market returns and stock markets suffer in that proces

Surprises and what to do

Event	How it unfolds	Action plan
Stocks decline 10-15%	Inflation keeps running at 3-5%, central bank tightening and fear of an earnings recession due to higher wages and continued supply chain disruptions	10-15% correction occur almost every year. All the new investors since 2020 have not tried it before and get afraid. As they run for the exit. Pick up good exposures at good prices
Stocks decline 20-30%	Central banks slam the brakes and stocks tank as you suddenly can get 5% return on a 10-year bond	This will happen slowly at first and then fast. Move a larger portion to cash. Once there's 25% fall and the media narrative is ultra negative. Then you start to redeploy the cash
Retail investors pull back	Higher wages motivates more people to work and the armies of home-based daytraders decline	Could be motivated by more factors, but as Wall Street has become Main Street this is a risk factor to be monitored. Lower trading activity increase short term volatility
Geopolitics. Russia/Ukraine and China/Taiwan or India	General news flow and these events are to some extend expected at some point.	You cannot prepare for this long time in advance. But have it on radar screen and avoid direct exposures
Financial markets collapse due to algo/robot trading running amok	Daily trading is dominated by machine trading. It will happen as lightning from clear sky	Stock exchange authorities must pull the power plug from all connected computers and stop trading activities
Climate change accelerates	Hottest summer ever recorded in Northern Hemisphere triggers violent weather systems	Unfortunately, this should not b a surprise. Things like this move like glaciers and when they crack you should not be in their way
Cyber attack on global internet infrastructure	Internet stop working as a cyber attack blocks all the main fiber roads	You can't prepare for this. All electronic payments stop, financial markets stop, news flows ex radio stop. Major havoc before functionality is restored. Cyber security gets much higher priority afterwards

Themes and considerations



Innovations and platforms

The past decade has shown formidable performance for innovative and platform based businesses like Amazon and Microsoft.

In the coming decades they will have to fight for their business positions as more companies take inspiration from the leaders and apply it in new settings and business propositions.

Preventive healthcare, autonomous driving, automation of work flows etc. And surrounding all this is computing power, data analysis and distillation of the data for decision making and hence a good foundation for business development

On the next page there's a rough estimate on which new activity areas will become much more visible in the coming decades just as smartphones moved from not-visible in 2004 to something 4-5 billion people have in 2021

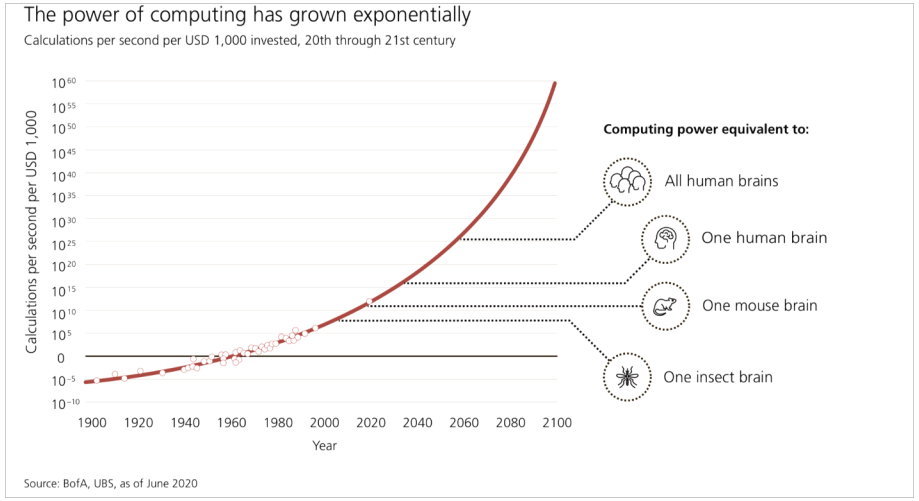
The great innovation leap

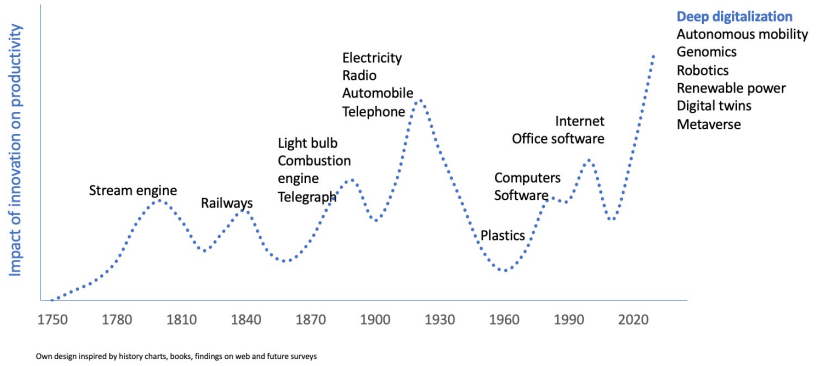
The number of innovations that are approaching commercial stage is enormous. The human mind cannot comprehend all of it due to the sheer volumes.

To illustrate; the most advanced NAND memory chips today takes 15 weeks to make and are layered 176 times. Yet, they are thinner than a normal piece of paper and contain multi gigabytes of data on less than 1 square centimeter. In 2030 Samsung forecast the first 1.000 layered NAND chip despite not knowing precisely how to manufacture such chips today

Similar for other industries such as DNA profiling and prevention of hereditary diseases, autonomous driving and elimination of traffic jams as well as production of products in space. And eventually humankind will break the code of fusion power and releasing unlimited energy at very low cost.

2022 could be the first year of broader adaption of the Metaverse – the digital reality for business meetings, trading and barter of digital assets in games and digital shopping malls, for catwalk fashion shows etc. Almost anything from the real world can be made for the digital world





Performance pockets

Most economic overviews are made on a country basis. When looking at global GDP growth it's broken down into regions or large countries. It's logic as it's much easier defining a country with a border than trying to define a global industry

Finding out which are the largest industries takes time and there's a lot of in-accurate data that needs to be put together just to get o a rough estimate.

Based on the country approach the global nominal economy is expected to grow from roughly 100 trl $ in 2021 to 200 trl $ in 20 years.

On the right you see the current (estimated) economic foot print per industry or sector as well as the estimated

40.000 billion $ in new industries in 2041

Over the next 20 years the value of global economic activity, measured as GDP or revenues in billion $, is expected to double from 100 billion $ to 200 billion $.

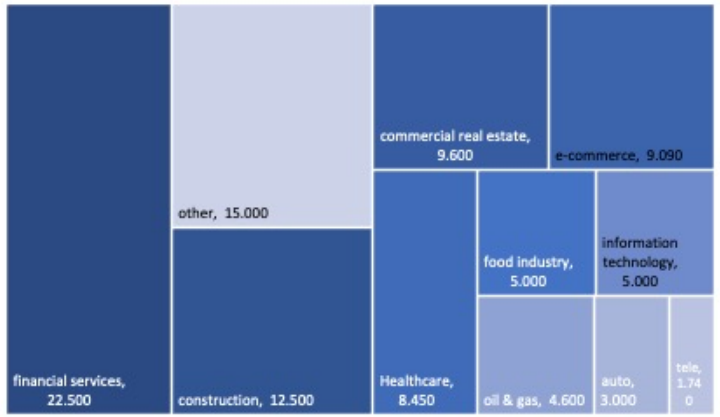
Current spending patterns will continue and a large part of the growth will come from higher affluence in Africa, Asia and South America. This activity will fall into industry brackets like healthcare, education, tech, construction, housing etc as we know it today

About 40% of the new GDP will come from new industries. For illustration the smartphone story can be used. In 2004 smartphone revenues was zero. Hardly any phones in circulation vs the 4-5 billion in circulation today and with subscriptions it's a total revenue stream of estimated 1.500bn $

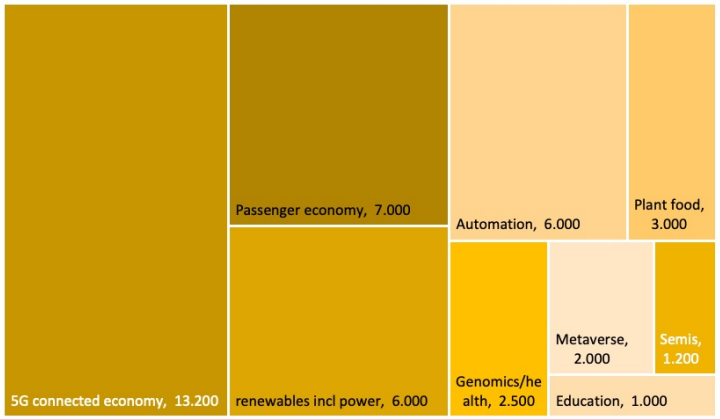
The 5G interconnected economy in 2041 is estimated to be the same size as the total European economy is today. The passenger economy i.e autonomous driving and mobility as a service will probably be subscription platforms in a much more advanced form than the taxi-inspired Uber service today.

There's a lot of opportunities in these new innovative industries and this is where AC Vision Fund focus it's search and due diligence

Largest global industries 2020
Global GDP 96 trillion $



Additional GDP contribution in 2041 vs 2021
Size increase in bn$ compared to today. 40 trl$ in total



Sources: own design and many sources such as Allied Research, Intel, Ericsson, Illumina, BCG, IMF a.o.

Automotive progress

The global automotive industry in 2021 is roughly a 3.100 billion $ industry. In a normal year the industry manufacture 85 million cars, 15 million vans and commercial vehicles and 2 million large trucks.

Globally there's 1.5 billion vehicles on the roads and most of them are parked 23 hours per day

There's many moving parts in the automotive industry for the next 20 years; electrification and a shift to renewables power goes hand in hand. And the car as a software platform and entertainment cubicle while you go from A to B. These are just a few of the things that have small revenues today, but could be a 7.000 billion $ industry in 20 years.

The global automotive industry has a market cap of 3.600 billion $ with Tesla, BYD and Rivian being 1/3 of that.

One of the biggest new revenue pools

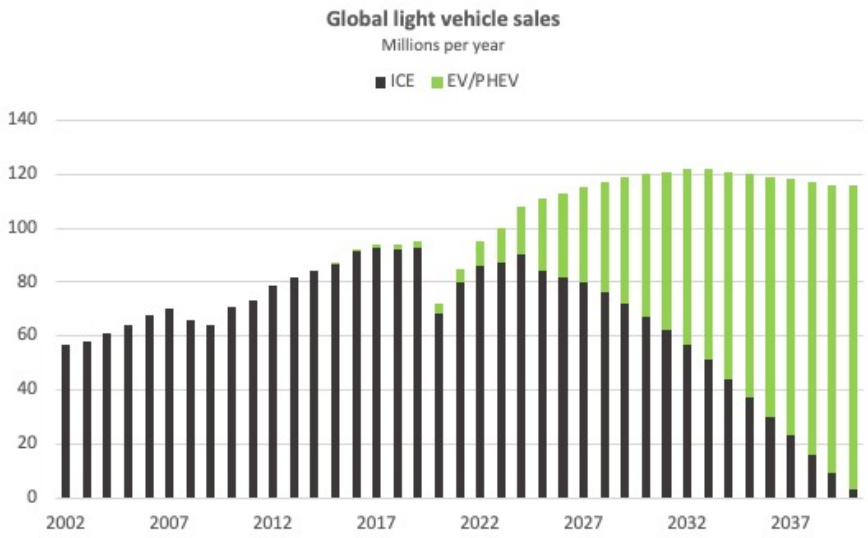
The automotive industry is undergoing a rapid transformation from petrol- and diesel-powered cars to electric and hybrid.

If you in 2018 had told an executive of an incumbent car manufacturer that 30% of European car sales would be electric in 2021 he would have laughed. But the 30% is a fact and things are accelerating. Daimler/Mercedes recently announced that from 2027 they only make electric and hybrids. And Ford's bestselling F150 is going all-in with the F-150 Lightning – the fastest acceleration and over-the-air software upgrades for an 'always state of the art' vehicle. All electric for the iconic bestseller.

Car sharing will grow too as the simple economics of robotaxi's strongly favor not having your own vehicle. At least if you live in densely populated areas. As a user you need to sign up for a service - MaaS – Mobility as a Service and pay a monthly subscription which includes a basic package (distance/time). This will be much cheaper than having your own vehicle.

And distribution vans that deliver foods and goods. They will be replaced with robotic delivery units that are integrated with e-commerce activity.

Hence, the global revenue pool could grow to exceed 10.000 billion $ over the next 20 years.



Ford F150 Lightning. Order book closed after 200.000 preorders

Semiconductors is the oil that makes the engine run

Digitalization is the common denominator for a lot of the new industries of the future.

And to make all the wheels spin the data need to be stored and processed – and this is where semiconductors come in.

Global semiconductor sales in 2021 are expected at 551 billions $, up 26% after a soft 2020. And estimated 2022 sales are 602 billion $, up 9%.

In 2022 memory chips (DRAM and NAND) will be the largest segment with 28% of total semiconductor sales and with logic at 27%.

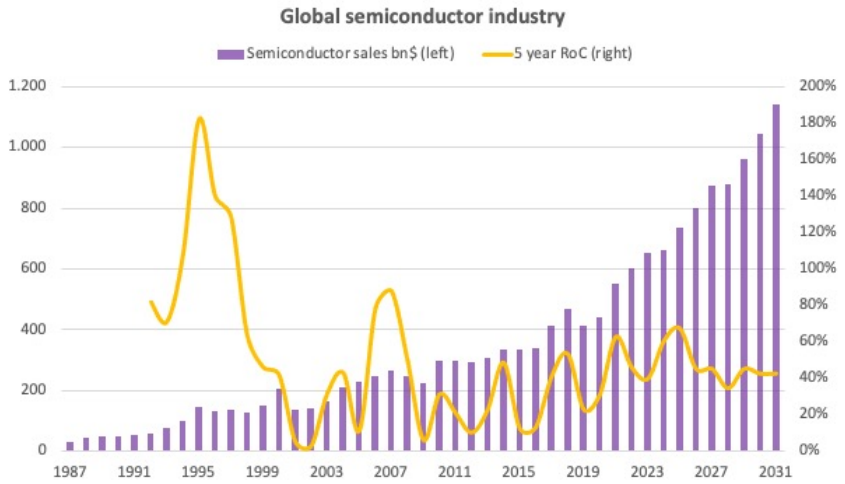
The chip shortage in 2021 will ease in 2022. As many chip buyers (car makers, PC and smartphone manufacturers etc) have stored chips in 2021, then pricing will likely be softer later in 2022. That normally triggers softer stock prices. And with valuation close to historical highs the downside should not be ignored

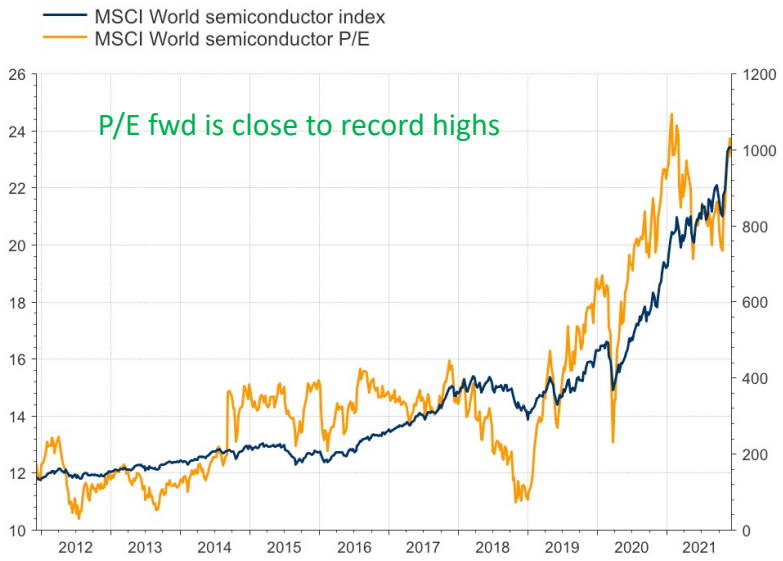
Autos and metaverse will boost chip demand

Over the course of 2021 the under currents for semiconductors have changed. Logic chips sales have accelerated due to higher prices related to the chip shortages. Memory chips have been in good supply, so prices have declined. Memory chips and logics both generate revenues of 170 billion $. In the logic areas companies like Nvidia have pushed valuations to new highs. Pay attention to this in 2022 if chip pricing cools off

The automotive future is still only a smaller part of the total semiconductor industry; however, it's expected to show very high growth. Not least because a traditional car use 400$ in chips and newer cars and electric are closer to 1.000$ per car.

There's another moving part that could trigger a massive increase in demand and that's Metaverse and more and more people, having a digital avatar for online meetings. The computing power to make a good quality avatar that moves, blink the eyes and move the mouth when talking requires lots of processing power and not least DRAM bandwidth to get the stored data running smoothly.





Asset pricing to a new level?

The traditional investment disciplines taught at business school have been tested to new extremes in recent years.

In November 2021 there was 700 companies valued at more than 5 billion $, which also traded higher than 10 times estimated revenues.

In order to justify 10x sales the company must grow sales 10-fold over the next 20 years or 12% pear year and with a operating margin at 20%. The elite companies that are part of the large stock indices have historical growth rates of 6-8% and operating margins of 12%, so the part of the '700 club' requires quite good performance.

It can be done but never before in history have 700 large companies done it at the same time.

But who knows what the digital age can bring?

A new valuation standard?

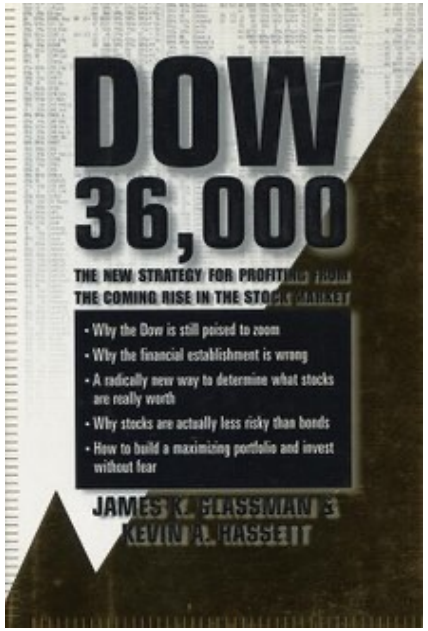
In the late 1990s Dow Jones was trading around 9.000 when Glassman and Hassett published their book ' Dow 36.000'. They projected Dow Jones to hit 36.000 by 2002-04. The argument was that stocks are not riskier than bonds measured on volatility and return profile and hence stocks should trade at much higher valuations.

22 years later Dow Jones finally made it to 36.000 and valuation today is in the high end of historical averages, but its not excessive.

There's however good arguments for stocks could have a lower risk premium (much higher valuation) than in the past;

1. Corporate sales and earnings are nominal, so there's some inflation protection included. Bonds do not have that feature
2. Stock generate 5-6% earnings yield while 10-years bonds are 0-2%. If stocks had earnings yields of 3% then stock markets should be valued 50-75% higher
3. The dividend yield of the main stock indices is higher than the bond yield i.e. the running income supports stocks

If you must have the capital preserved for a given date, then bonds are better.



S&P 500 EPS estimate for 2022 is 212$. At 3% earnings yield investors would be happy to price S&P 500 at 7.000 vs the current 4.700

Discounting rate \ EPS growth rate	3%	4%	5%	6%	7%	8%
2%	4.084	4.441	4.841	5.288	5.789	6.350
3%	3.662	3.968	4.311	4.694	5.123	5.602
4%	3.297	3.562	3.857	4.186	4.554	4.964
5%	2.982	3.211	3.466	3.749	4.066	4.419
6%	2.709	2.907	3.128	3.373	3.646	3.950
7%	2.470	2.643	2.835	3.048	3.284	3.547

Using consensus EPS for 2021-23 and then annual EPS growth to 2041. No terminal value

Find the excesses

Financial media and stock market commentators have called a bear market several times in 2021

On the entry to 2022 it's the same narrative once more; stock prices have risen for ages and everything is excessive so the only direction from here is down

It's easy to understand that investors can get high anxiety looking at price charts that only go up and up

The underlying performance of the listed companies is however good and supportive in most cases, for the solid stock price increases.

And the facts for Asia and Europe shows hardly any excesses at the entry to 2022

Valuations are not even close to levels 20 years ago

The large digital titans in USA dominate world stock markets. As mentioned earlier the 10 largest companies in USA have the same market cap as Japan, Korea and Taiwan combined.

The American platform companies integrate and engage much more closely with their customers and retrieve more value out of the relation than just selling a single product or service.

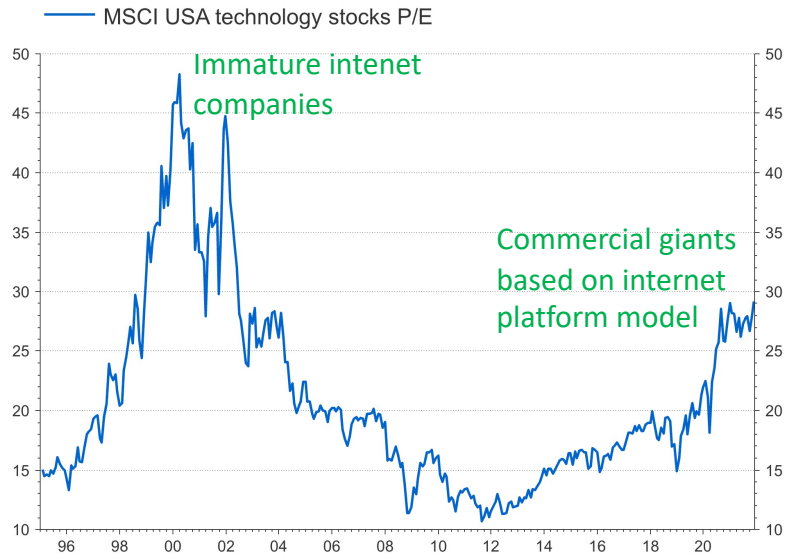
The platform business model is very profitable and will broaden out to other companies, sectors and regions in the coming decade.

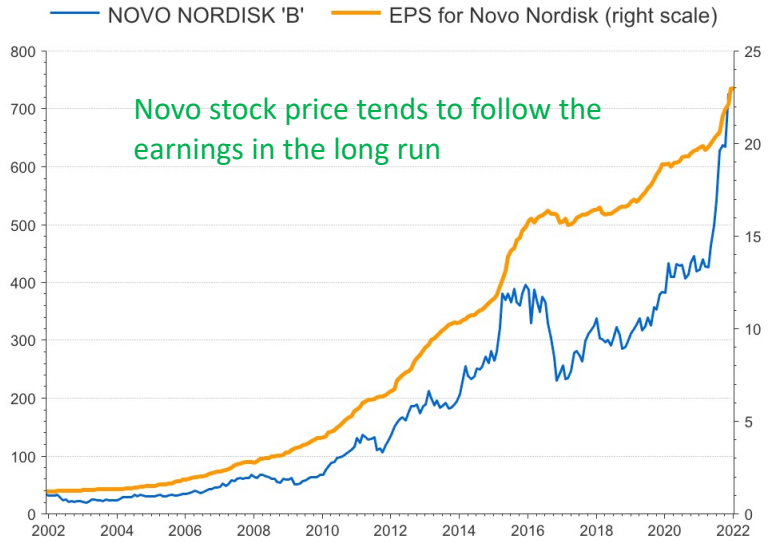
In terms of valuation there should not be a reason for great panic as long as alternative capital allocations such as bonds generate modest returns and the listed companies continue to expand, grow sales and earnings

Another illustration is Novo Nordisk that in the long perspective trail its earnings.

The only obvious things that can really rock the boat in 2022 is clumsy central bank actions

Happy New year





One more thing

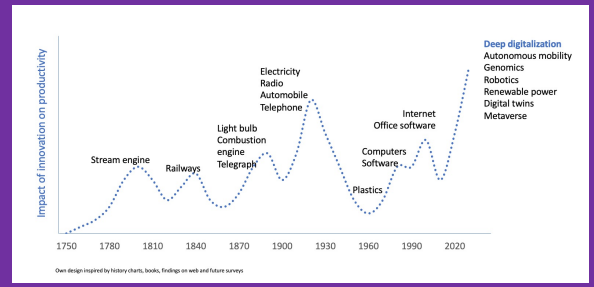
Human innovation has completely changed the Earth over the past 200 years.

Better healthcare, living standards and communication has made Earth smaller and the human population will soon reach 8 billion.

The way humans used to use Earths resources is unsustainable hence there's a big need for innovation in renewable energy, recycling, farming and transportation energy as well as digitizing almost anything.

It can be quite time consuming to invest in these trends and that's where my fund fits in

The fund aim to generate more than 10% return per year via prudent investments in structural growth companies and trends



Key investment view towards 2035

Economic pace since 2010 have been highly dependent on fiscal and monetary stimulus provided in the aftermath of the 2008 crisis. The stimulus have however created imbalances such as government debts. This will probably continue even as it gets beyond sustainable in some countries. Some region run large surpluses and more than enough to finance the government deficits elsewhere. A shift of power.

Global economic growth has been declining from 6% in 1960s to around 3% underlying. Productivity and population growth points towards lower economic growth in the coming decades. The underlying growth in global affluence will however continue and with Emerging Markets in lead as those economies grow double the speed of developed markets

There's nothing wrong with modest GDP growth, but many investors have been accustomed to 8% annual earnings growth, while the realistic forward growth towards 2035 is more likely to be around 4%. Dividends of 2% comes on top. Annual swings are likely to remain in the 15-20% interval, so the occasional declines will continue, but recoup times will be longer at 4% than at 8%

In an investment world on those conditions Advice Capital Vision Fund focus on identifying companies and business clusters with unique multi-year structural growth drivers and then invest in these when growth/profitability/valuation triangulation justifies it. The investment focus in Advice Capital Vision Fund is on identifying, holding and harvesting multibaggers based on these principles and with a focus on absolute return. Good stewardship and ESG applies to the companies invested in.

The traditional business and inventory cycle still applies, so from period to period growth and inflation will change. In a world with evermore data and analytics the efficiency of eco systems will likely reduce the magnitude of economic swings as end-to-end value chains reduce slack and inefficiency. Risks of financial mis-allocation of capital is the same

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