

# Solidar's Slow and Steady June

Stockholm (HedgeNordic) – Solidar SmartBeta Trend fund reported an increase of 0.44% for June, a stable development for the fund amid wider stock market upheaval in the wake of Brexit. The increase was by comparison to a fall of -3.3% on the Swedish Stock Exchange and a dead flat 0.03% movement in the NHX composite for the month.

The Solidar SmartBeta Trend fund, previously **eTurn** and renamed earlier this year after it was acquired by Solidar in 2015, experienced a generally quiet month with an average daily movement of 0.3%, by comparison to daily fluctuations averaging 1.7% on the Swedish *börsen*. The modest gains enabled the fund to post gains above zero (0.35%) for the first time in 2016, by comparison to a downturn of about -5% for the Swedish stock exchange for the year so far. Solidar SmartBeta Trend reduced its equity exposure prior to July, now maintaining it at the low rate of roughly 15% due to its models indicating continuing long-term negative trends.

Due to Brexit, June was largely an anxious month on the Swedish stock market. As polls showed increasing concern for a Leave vote leading up to the middle of the month, the *börsen* declined -7%. As polls swung towards Remain in the last week before the referendum and markets rallied, the *börsen* rose back up 7%. The day following the vote saw the Swedish stock market fall by 8%, before it recovered 6% in the last few days of the month. This reflected, to some degree, the Brexit 'non-event' on the Nordic Hedge Index Composite, though it remains to be seen what Brexit will mean in the longer term as more practical events relating to the vote unfold.

The Solidar SmartBeta Trend fund is managed according to a systematic model whose objective is to exploit major upturns on the stock exchange and protect capital during major downturns. The management model consists of dozens of sub-models, combined resulting in allocation divided into the main categories of individual shares, stock index futures, and debt.

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