



# GADD SMP FUND

## Monthly Report

### April 2025

NAV CHF 2'149.02\*

Inception date 05.04.2011 = CHF 1'000

\* at 30.04.2025

	Jan.	Feb.	Mars	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Year
2015	0.8%	4.4%	-0.4%	1.9%	-0.7%	-4.4%	0.7%	-2.5%	-0.5%	4.0%	1.0%	1.4%	5.3%
2016	-4.9%	1.3%	2.0%	3.4%	3.6%	-5.0%	3.2%	2.4%	2.1%	0.1%	-2.4%	2.3%	7.7%
2017	0.8%	2.8%	-2.9%	3.8%	1.2%	0.0%	-3.0%	-1.5%	3.6%	1.5%	-1.4%	-1.2%	3.5%
2018	1.5%	1.0%	-3.0%	2.7%	0.9%	-0.8%	0.6%	3.3%	-0.9%	-5.6%	-2.0%	-2.9%	-5.5%
2019	5.7%	4.6%	-0.1%	4.2%	-0.0%	1.0%	0.1%	-1.7%	0.5%	0.1%	3.1%	1.8%	20.8%
2020	1.5%	-4.7%	-15.9%	8.9%	4.3%	1.1%	3.1%	3.9%	2.7%	-3.5%	5.1%	3.3%	7.6%
2021	0.0%	3.1%	2.8%	3.8%	7.2%	0.0%	4.6%	1.3%	-1.1%	5.9%	1.6%	3.8%	37.7%
2022	-7.1%	-1.8%	5.3%	-1.6%	0.8%	-9.4%	7.2%	-4.6%	-3.1%	4.4%	3.1%	0.3%	-7.6%
2023	3.2%	-1.5%	-1.6%	-0.5%	-3.3%	1.8%	2.0%	-3.0%	-2.3%	-1.3%	2.3%	5.0%	0.7%
2024	-0.3%	1.4%	5.4%	1.8%	1.3%	-0.9%	4.3%	-0.1%	-1.6%	-2.0%	-0.8%	-2.6%	5.7%
2025	4.2%	0.1%	-5.2%	1.3%									0.2%

## Market Comment

On April 2, President Trump declared what he called "Liberation Day" in connection with the US imposing reciprocal tariffs, which meant a 20% tariff increase on a number of European goods. The market reaction was immediate and the Eurostoxx 50 fell by almost 15% in the following days. The strong market movements prompted a temporary withdrawal and the tariffs have now been paused for 90 days. This triggered a relief rally, which recovered, also strengthened by good corporate reports, much of the initial fall. However, the fund remained vigilant despite the rapid stock market recovery. US GDP fell by 0.3% at an annual rate in the first quarter, which deviated significantly from expectations of an increase of 0.3%. At the same time, freight volumes from China to the US have fallen by up to 60% as a direct result of previous trade tensions. The combination of declining growth and disrupted supply chains increases the risk of a technical recession. If inventory levels are not normalised before mid-May, we risk seeing bottlenecks, price increases and staff reductions in sectors such as logistics, transport and retail, which could create shortages similar to those during the pandemic.

In April, statistics for February were published that showed that several economic indicators weakened compared to January in Sweden. Household consumption remained at low levels and unemployment rose to 9.4%, the highest level in over a year. The household confidence indicator also fell further, confirming the weak demand in the economy. However, some indicators showed resilience. Industrial production increased slightly and new car registrations also increased.

To address the continued challenging economic situation, the government presented a spring budget in April with

investments of SEK 11.5 billion. The focus is on, among other things, enhanced ROT deductions and increased investments in correctional and psychiatric care, with the aim of improving social services and supporting long-term economic stability.

Index	31.12.24	30.04.25	YTD
MSCI World (USD)	3'707.837	3'655.52	-1.4%
STOXX50 (EUR)	4'895.98	5'160.22	5.4%
S&P 500 (USD)	5'881.63	5'569.06	-5.3%
Nasdaq Comp (USD)	19'310.792	17'446.34	-9.7%
Dax (EUR)	19'909.14	22'496.98	13.0%
SMI (CHF)	11'600.9	12'116.98	4.4%
OMX30 (SEK)	2'483.123	2'434.06	-2.0%
MSCI Russia (USD)	0	0.00	
MSCI China (USD)	64.49	70.58	9.4%
NIKKEI (YEN)	39'894.54	36'045.38	-9.6%
Swe. Gov Bond. 10 y	2.34%	2.33%	

The ECB's interest rate decision was in line with expectations. The key interest rate was lowered by 0.25 percentage points, which means that the deposit rate now amounts to 2.25%. Analysts estimate that the interest rate will likely be lowered further at each meeting until September, when the level is expected to reach 1.50%.

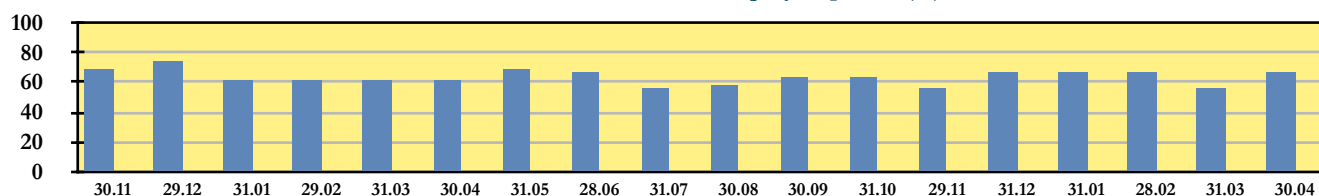
On April 22, 2025, terrorists carried out an attack in Pahalgam, Kashmir, which led to increased tension between

India and Pakistan. In response to the attack, India has suspended the 65-year-old “Indus Waters Treaty”, an agreement that regulates the water supply from the Indus River and has been kept intact despite three previous wars between the countries. India has also taken other measures such as closing its airspace to Pakistani aircraft, while Pakistan has responded with its own restrictions. The conflict has increased the risk of further escalation, making it an important geopolitical event to watch.

The strongest performance of the fund's holdings during the month was Lundin Gold, which rose by a total of 25.4%. Other holdings that increased significantly were VEF 22%, Epiroc 20% (since purchase), Sdiptech 17.4%, RevolutionRace 14% and Cibus 12.8%.

On the negative side, Cinis Fertilizer was the most notable, falling (64.8%). Dometic fell by (18.5%), VNV Global (18.1%), IPC (11.3%), Trelleborg (10.5%) and Volvo (10.4%). However, the results above are not dividend-adjusted.

**GADD SMP FUND: Net Equity Exposure (%)**



The IMF recently revised down its global growth forecasts. The organisation warns that the outlook could worsen further if the trade conflict escalates into a global trade war. The forecast for global growth in 2025 has been lowered to 2.8%. If this forecast comes true, it would mean the lowest growth rate since the Covid crisis in 2020 and the second lowest since the financial crisis in 2009.

The world index MSCI World (USD) fell by (0.7%) during the month. The S&P 500 in the US by (0.8%) while the Nasdaq rose by 0.9%. In Europe, the STOXX50 fell by (1.7%) but the DAX rose by 1.5%. The SMI fell by (3.8%) and the OMX in Stockholm fell by (2.4%). The MSCI China USD fell by (4.6%) while the Nikkei in Japan rose by 1.2%.

The Swedish 10-year government bond yield decreased by 33 basis points during the month from 2.66% to 2.33%.

## Activities of the month

A new holding in the fund is Epiroc. The company operates in the mining and construction industry and the fund expects the high demand from the mining industry to continue. The position got off to a good start and has already increased by 20%. In existing holdings, purchases were made in Wihlborgs, Peab, Investor, Hexatronic, ABB, Trelleborg, Sdiptech and Volvo. After a strong performance, the holding in Lundin Gold was reduced by 1% and the holding in Sandvik was reduced in favour of the aforementioned Epiroc.

After another weak month, both the short and medium-term technical trends show weak sell signals, while the long-term trend has turned to a weak buy signal in Stockholm. The fund started the month with a slight underweight, with equity exposure at 55%. Trump's "Liberation Day" resulted in large stock market falls, but when punitive tariffs were suspended for several countries, the fund chose to increase equity exposure. A decision that later proved to be correct. The fund ended the month with an equity exposure of 68%.

## Investment strategy

2025 is expected to be a year of economic transition, with the US facing a period of stagflation according to several analysts. In 2026, the German stimulus package will come into effect, which is expected to provide significant support to growth in the euro area. For the first time in 17 years, the euro area GDP is expected to grow faster than the US over a multi-year period. At the same time, valuations on US stock markets are close to historic highs, while euro area stocks are trading at near record lows. In line with these changes, we see indications that European stock markets have the potential to outperform the US market.

The interim reports for the first quarter show robust development, especially in the banking and industrial sectors, although consumer-related industries continue to face challenges. Most CEOs mention that uncertainty around US tariffs is still affecting investment decisions, especially for exporting companies. Although companies can move their production to where it is most profitable, they are unprotected against Trump's capricious foreign policy, which makes it basically impossible to make long-term investment decisions. A more stable trade climate could stimulate demand and create better conditions for globally operating companies.

The fund remains cautious in its view of the market and finds it difficult to express strong market confidence. The fund therefore continues to adjust its risk level on an ongoing basis in line with market movements and developments.

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