



GADD SMP FUND

Monthly Report

May 2025

NAV EUR 2'423.95*

Inception date 05.04.2011 = EUR 1'000

* at 30.05.2025

	Jan.	Feb.	Mars	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Year
2016	-4.8%	1.3%	2.1%	3.4%	3.5%	-5.3%	3.4%	2.5%	2.1%	0.1%	-2.3%	2.2%	7.9%
2017	0.9%	2.8%	-2.9%	3.9%	1.3%	0.1%	-3.0%	-1.6%	3.7%	1.4%	-1.3%	-1.1%	4.0%
2018	1.5%	1.1%	-3.0%	2.5%	1.1%	-0.6%	0.6%	3.4%	-0.9%	-5.5%	-2.0%	-2.9%	-5.1%
2019	5.7%	4.6%	-0.1%	4.2%	0.1%	1.1%	0.1%	-1.6%	0.5%	0.1%	3.1%	1.8%	21.4%
2020	1.6%	-4.7%	-15.9%	9.2%	4.3%	1.1%	3.1%	3.9%	2.7%	-3.4%	5.1%	3.3%	8.1%
2021	0.0%	3.1%	2.8%	3.8%	7.2%	0.0%	4.6%	1.3%	-1.1%	5.9%	1.5%	3.8%	38.2%
2022	-7.0%	-1.8%	5.4%	-1.6%	0.8%	-9.5%	7.7%	-5.0%	-3.5%	4.1%	3.1%	0.4%	-8.1%
2023	3.2%	-1.2%	-1.6%	-0.4%	-2.8%	1.9%	2.2%	-2.9%	-2.3%	-1.0%	2.5%	5.4%	2.7%
2024	-0.1%	1.5%	5.4%	1.8%	1.4%	-0.7%	4.6%	0.1%	-1.5%	-1.8%	-0.6%	-2.3%	7.7%
2025	4.3%	0.2%	-5.1%	1.7%	2.3%								3.3%

Market Comment

The financial market has long had a penchant for acronyms, FOMO, TINA and Fed-put to name a few. The Fed-put refers to an expectation that the central bank (Fed) will intervene in the event of sharp market declines to stabilise developments. During the month, a new expression has taken hold, "TACO", which stands for "Trump Always Chickens Out". The acronym was coined after the US's recurring trade threats, where President Donald Trump has often announced strong tariff measures and then backed down, mitigated or postponed them. A recent example is the threat of 50% tariffs against the EU, something that was quickly mitigated after a phone call with European Commission President Ursula von der Leyen. The tariff pause has now been extended to July 9, which gives more time for negotiations. The strong market development this month suggests that Trump's statements have had a waning impact, perhaps the market has now swapped the Fed-put for TACO?

Trump narrowly passed his "big beautiful bill" in the House of Representatives. It is a comprehensive tax and budget package that stops the tax increases that would otherwise have taken effect next year and also includes new tax cuts. In classic Trump fashion, it also includes increased defence spending, more money for border security, but also some savings. Although the president loves his package, the fixed income market is much less impressed. The proposal is expected to further inflate the already large budget deficit, which increases upward pressure on long-term interest rates.

Moody's has lowered the US credit rating from Aaa to Aa1, citing growing budget deficits and national debt. This places the US at the second highest level on Moody's scale and follows in the footsteps of previous cuts by S&P and Fitch. US interest rates reacted somewhat after the announcement.

The White House quickly dismissed the downgrade as "politically motivated" and said that credit rating agencies have often been wrong, a comment that sounds like something taken

Index	31.12.24	30.05.25	YTD
MSCI World (USD)	3'707.837	3'863.48	4.2%
STOXX50 (EUR)	4'895.98	5'366.59	9.6%
S&P 500 (USD)	5'881.63	5'911.69	0.5%
Nasdaq Comp (USD)	19'310.792	19'113.77	-1.0%
Dax (EUR)	19'909.14	23'997.48	20.5%
SMI (CHF)	11'600.9	12'227.08	5.4%
OMX30 (SEK)	2'483.123	2'496.04	0.5%
MSCI Russia (USD)	0	0.00	
MSCI China (USD)	64.49	72.25	12.0%
NIKKEI (YEN)	39'894.54	37'965.10	-4.8%
Swe. Gov Bond. 10 y	2.34%	2.35%	

directly from a Trump tweet.

The Fed left the interest rate unchanged at 4.25 to 4.50 percent. The economy has so far shown resilience despite the tariff threat, but uncertainty about both growth and inflation is high. Powell raised the risk that inflation and employment targets could clash, which means that the Fed continues to be data-dependent. The market interpreted the announcement as hawkish and the probability of a June cut decreased slightly.

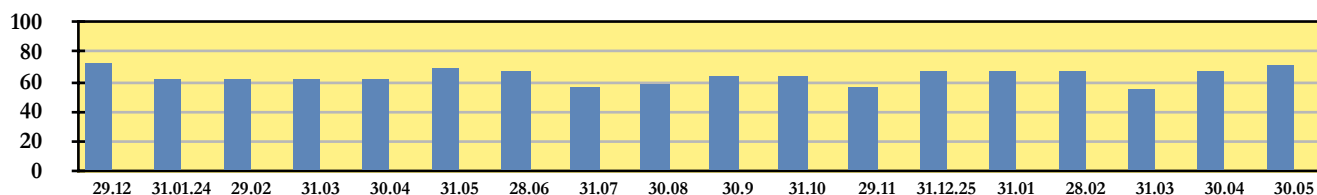
The Swedish Riksbank left the interest rate unchanged as expected and gave somewhat softer signals than predicted. The market interprets this as meaning that the interest rate

will remain unchanged in June, but that a cut is not completely ruled out.

Inflation in the eurozone fell to 1.9% in May. It was the first time in eight months that it has been below the ECB's 2% target and only the second time since mid-2021. This is a

The fund has purchased 1% of the fund's value in Gränges as a new holding. The company is a global player in aluminum solutions with customers primarily in the automotive, packaging and refrigeration industries. Gränges operates in North and South America, Europe and Asia. With significant production in the USA, the impact of any new tariffs is consi-

GADD SMP FUND: Net Equity Exposure (%)



clear slowdown compared to 2.2% in April. With this development, a 25 basis point interest rate cut at the ECB meeting on June 5 is almost a given. An interesting observation is that Trump's "Make America Great Again" has had unexpected consequences, not only for the US but also for Europe. As a result of his uncertain trade policy, the euro strengthened and oil prices fell, which pushed down inflation in the eurozone significantly more than expected. In a way, MAGA has contributed to making the European economy almost "Great Again".

In an unusual and historic turn of events, Christian Democrat Friedrich Merz was elected as Germany's new Chancellor, but only after a second ballot. In the first, he received only 310 of the 316 votes required. It was the first time since World War II that a proposed chancellor was not elected directly. A few hours later, however, Merz received 325 votes, thus securing the post. Now major challenges await Europe's largest economy, where Merz has presented a comprehensive reform package with reduced taxes and investments in infrastructure with the aim of lifting Germany out of stagnation.

The OECD sees a slowdown in the world economy, but Sweden and parts of Europe are resisting better than expected. Swedish GDP is expected to grow by 1.6% this year and 2.3% next year, supported by rising real incomes and a gradual recovery in consumption. At the same time, the global picture is weighed down by trade conflicts and weak demand from important economies such as the United States, Canada and Mexico. However, Germany and China are expected to get some boost from increased public investment, but protectionism and geopolitical uncertainty dampen the outlook.

The world index MSCI World (USD) rose by 5.7% during the month. The S&P 500 in the US rose by 6.2% while the Nasdaq rose by a whopping 9.6%. In Europe, the STOXX50 rose by 4.0% and the Dax by 6.7%. The SMI remained at 0.9% and the OMX in Stockholm rose by 2.6%. The MSCI China USD rose by 2.4% and the Nikkei in Japan by 5.3%. The Swedish 10-year government bond yield increased by 2 basis points during the month, from 2.33% to 2.35%.

Activities of the month

dered limited.

The holding in Cinis Fertilizer has been divested in its entirety. Within existing holdings, the position in Epiroc was increased, financed by a reduction in Sandvik.

Despite a strong month, the short-term technical trend remains neutral. The medium-term and long-term trends continue to show weak sell signals for the Stockholm Stock Exchange.

The fund began the month with a neutral to slightly overweight equity exposure of 68%. The strong development and the absence of major rebounds meant that the exposure was maintained throughout the month. With the addition of Gränges, the month ended with an equity exposure of 70%.

The strongest performance of the fund's holdings during the month was accounted for by Implantica, which rose by a whopping 49.8%. Other holdings that increased significantly were Lundin Gold 19%, Yabie 15.4%, Lundin Mining 13.7%, Cibus 7.8% and Fleming Properties 7.7%. On the negative side, Vostok Emerging Finance was the most notable, which fell (6.9%). JM fell by (5.4%), Lundbergs (3.9%), Nibe (3.7%), Wahlborgs (3.7%) and Latour (3.6%). The results above are not dividend-adjusted.

Investment strategy

We are now entering a historically weaker summer period, which contributes to a cautious market view. At the same time, the fund hopes that Trump's threats of new tariffs and trade measures will subside. A development that would give companies a better opportunity to focus on their core businesses. If the OECD forecasts are correct, with stabilization and gradual recovery in the Swedish and European economies, this should benefit the fund's holdings. The fund remains cautious, but continuously adjusts its risk level based on market developments and prospects and intends to benefit from any positive developments.

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