



GADD SMP FUND

Monthly Report

September 2025

NAV CHF 2'243.23*

Inception date 05.04.2011 = CHF 1'000

* at 30.09.2025

	Jan.	Feb.	Mars	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Year
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%	2.1%	0.6%	-0.2%	2.4%	-0.7%				4.6%

Market Comment

August was characterised by continued positive market performance, with the fund posting a 2.5% gain. This confirmed the relevance of maintaining high equity exposure, despite subdued seasonal patterns and somewhat cautious technical signals. In the US, second-quarter GDP surprised on the upside with annual growth of 3.3%, supporting market optimism. On the geopolitical front, trade uncertainty persisted, particularly due to new US tariffs on Indian goods and ongoing tension in Ukraine.

President Trump returned to the spotlight in August following his announcement on Truth Social that he had dismissed Federal Reserve Governor Lisa Cook. The dismissal was linked to allegations of inconsistencies in a 2021 mortgage application, prior to her tenure at the Fed. Reports suggest Cook declared two different primary residences within a short period, typically resulting in more favorable loan terms. Cook disputes the allegations and has sued Trump, bringing the case to court. These developments raise concerns about the independence of the central bank and add to market uncertainty.

The US government also disclosed that it had acquired a 9.9% stake in Intel for \$8.9 billion. The purchase was financed through previously allocated but unused funds from the CHIPS Act and the Secure Enclave program. The objective is to strengthen US leadership in semiconductors and safeguard technological sovereignty. Trump emphasized that the deal would not burden taxpayers, calling it a "great deal for America and Intel." Critics within his own party, including Senators Rand Paul and Thom Tillis, warned that the move risks excessive state intervention in private enterprise.

Tariffs remain central to Trump's economic agenda. The US doubled tariffs on Indian goods from 25% to 50% in response to India's continued purchases

Index	31.12.24	30.09.25	YTD
MSCI World (USD)	3'707.837	4'306.70	16.2%
STOXX50 (EUR)	4'895.98	5'529.96	12.9%
S&P 500 (USD)	5'881.63	6'688.46	13.7%
Nasdaq Comp (USD)	19'310.792	22'660.01	17.3%
Dax (EUR)	19'909.14	23'880.72	19.9%
SMI (CHF)	11'600.9	12'109.42	4.4%
OMX30 (SEK)	2'483.123	2'662.80	7.2%
MSCI Russia (USD)	0	0.00	
MSCI China (USD)	64.49	89.44	38.7%
NIKKEI (YEN)	39'894.54	44'932.63	12.6%
Swe. Gov Bond. 10 y	2.34%	2.63%	

of Russian oil. The impact was immediate: the rupee fell to record lows, Indian equity markets declined, and much of the export sector now risks a rapid loss of competitiveness, although sectors such as electronics and semiconductors remain exempt. Washington has also signaled that other countries importing Russian energy could face similar measures.

Trump's focus on tariffs is unsurprising, given that they are projected to generate roughly \$4 trillion over the next decade, equivalent to just under 1.5% of GDP annually. This revenue will partially offset the sizeable budget deficit, which the OECD estimates at 7.5%

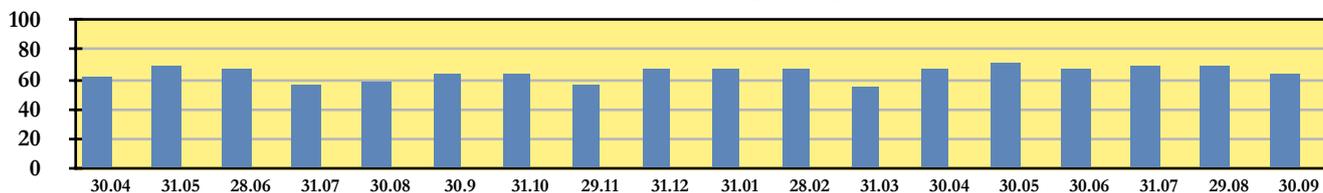
of GDP. Still, additional measures will be necessary to restore long-term fiscal sustainability.

In Sweden, the Riksbank's August minutes confirmed the Board's readiness to cut rates, but only if inflation continues to decline. While the economy is recovering slowly and labor market conditions remain weak, the prerequisites for stabilisation exist. The fund main-

The fund began August with an equity exposure of 69%. In the absence of major negative market moves, this level was broadly maintained through the month. At the time of writing, exposure has been reduced to 55%, as heightened caution is warranted ahead of US labor market data and France's confidence vote.

The best performer among the fund's holdings in August was Lundin Gold, up 28%. Other notable gai-

GADD SMP FUND: Net Equity Exposure (%)



tains its forecast for a rate cut on September 23, provided that August inflation moves lower.

Political uncertainty resurfaced in France, which has struggled to balance its finances for more than 50 years. Prime Minister François Bayrou faces a pivotal confidence vote on September 8, with potentially dramatic consequences. Should he lose, the outcome could be new elections, the appointment of a new prime minister by President Macron, or a caretaker government taking over for an extended period. The government's 2026 budget proposal could be delayed, forcing France to operate on prior budgets without new spending authority. Public sentiment favors change, with 63% supporting new elections, while the government is attempting to pass a €44 billion austerity package aimed at reducing the deficit, now at 5.4% of GDP. Bayrou has warned that "the country is about to be crushed by its debts," though he has also invited the opposition to negotiations. A negative outcome would risk triggering both political and economic instability, with repercussions across the euro-zone.

Global equities delivered solid gains in August. The MSCI World index (USD) rose 2.5%. In the US, the S&P 500 advanced 1.9% and the Nasdaq 1.6%. In Europe, the STOXX50 edged up 0.6%, while the DAX fell 0.7%. The Swiss SMI rose 3.0%, and Stockholm's OMX gained 1.8%. MSCI China USD advanced 4.9%, while Japan's Nikkei rose 4.0%. The yield on Swedish 10-year government bonds increased by 7 basis points during the month, from 2.44% to 2.51%.

Activities of the month

No new positions were added in August. However, following strong gains in Lundin Gold and IPC, the fund trimmed these holdings slightly. Toward the end of the month, both short- and medium-term technical signals turned weakly negative, while the long-term trend shifted from neutral to sell for the Stockholm Stock Exchange.

ners included Novo Nordisk (+14.1%), VNV Global (+13.1%), Lundin Mining (+11.3%), Hexatronic (+10.2%) and VEF (+9.5%). On the negative side, Nibe fell 14%, Implantica 10.3%, Sdiptech 4.7%, Latour 4.2%, Lifco 3.9% and JM 2.8%. The results above are not dividend-adjusted.

Investment strategy

As of the end of August, the Stockholm Stock Exchange (OMXS30) had gained about 5.7% year-to-date, though nearly all of this increase occurred in the early months of 2025. Since tariff reductions in April and May, the market has stagnated and has yet to break above its first-quarter highs. A contributing factor is that earnings forecasts for Stockholm-listed companies have been steadily revised downward since the start of the year, creating uncertainty about the outlook.

Encouragingly, the second-quarter reporting season suggests this downgrade cycle is beginning to stabilise. Banks largely reported in line with expectations, with lower rates already priced in, while effective cost control and resilient credit quality supported optimism for the second half of the year. At an investor seminar, several industrial companies presented more upbeat assessments of their future prospects than their latest figures implied—an indication of improved sentiment regarding upcoming results.

Looking ahead, the Swedish equity market could offer relatively solid upside over the next 12 months. This outlook is based on expectations that the global economy will continue expanding at a moderate pace—fast enough to sustain growth, but not so rapid as to reignite inflation, and not so weak as to trigger recession. Such a balance provides a stable foundation for corporate earnings. In the near term, a rate cut by the Federal Reserve could serve as a catalyst, boosting equity momentum and allowing the fund to move from a neutral to an overweight allocation. Striking the right balance between steady growth and cautious monetary policy will therefore remain central to the fund's market outlook.