



GADD SMP FUND

Monthly Report

September 2025

NAV EUR 2'491.53*

Inception date 05.04.2011 = EUR 1'000

* at 30.09.2025

	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%	0.8%	0.0%	2.5%	-0.5%				6.1%

Market Comment

September was a strong month for global equity markets, led by the United States after the Federal Reserve cut its key rate by 25 basis points to 4.00–4.25%. The move was widely expected following weak August job data, but markets responded positively to the Fed's signal of further easing in 2025. The S&P 500 advanced just over 3%, marking its best September in more than a decade. In Europe, both the STOXX 600 and DAX reached new record highs, while Nordic markets traded more cautiously. Despite concerns over a potential US budget shutdown, sentiment remained upbeat, supported by lower interest rates and continued investor risk appetite.

In the US, second-quarter GDP growth was revised upward to 3.8% from 3.3%, primarily due to stronger-than-expected household consumption. This revision helped ease fears of a broader economic slowdown, even if the first half of the year still reflected some deceleration. Political tensions around the Federal Reserve persisted. The US Supreme Court ruled that President Trump could not immediately remove Fed Governor Lisa Cook, allowing her to retain voting rights during this fall's two rate meetings. Meanwhile, the Senate narrowly confirmed Stephen Miran to the Fed Board. Miran, appointed by Trump, dissented from the latest rate cut, preferring a 50-basis-point move and advocating a long-term policy rate of 2.5%. His stance aligns with Trump's call for sharply lower rates, underscoring growing divisions within the central bank.

In Sweden, the Riksbank cut its policy rate to 1.75%. Simultaneously, the manufacturing PMI rose for a third consecutive month to 55.6 - the highest since

spring 2022 and well above its historical average - confirming the strongest quarterly performance in three years. Expansionary fiscal policy further supports growth. The 2026 budget introduces SEK 80 billion in reforms, including tax cuts and a reduced VAT on food. Combined with falling inflation and lower interest rates, these measures should bolster household consumption - already visible in August retail sales, which rose 4.4% year-on-year.

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%	

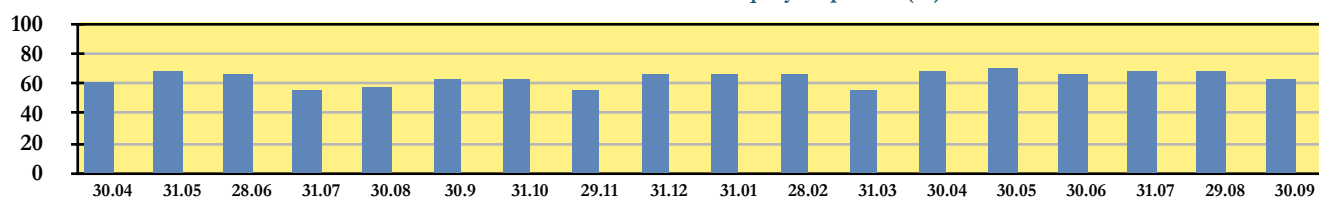
In Europe, the ECB left rates unchanged, but President Lagarde emphasised that the disinflation phase in the euro area is nearing its end. As a result, the likelihood of a December rate cut has diminished alongside market expectations.

France remained a focal point of political uncertainty. Prime Minister François Bayrou resigned on 9 September after losing a confidence vote in the National Assembly. President Emmanuel Macron appointed Sébastien Lecornu as his successor. Lecornu, facing a fragmented parliament, has already been forced to compromise - including abandoning plans to eliminate two public holidays. Trade unions continue to strike over pension reforms and are demanding higher taxes on the wealthy, demands Lecornu has rejected. He pledged to present a compromise budget for 2026. Reflecting this instability, Fitch downgraded France's credit rating from AA- to A+, projecting the debt ratio could reach 121% of GDP by 2027.

and the Fed delivered a rate cut, exposure was increased to 64%.

The best performer in September was Lundin Mining, up 26.4%. Other strong contributors included VNV Global (+14.8%), Lundin Gold (+6.8%), Nordea (+6.7%), ABB (+6.4%), and RevolutionRace (+6.4%). On the downside, Hexatronic declined 16.8%, Yabie 16.7%, Gränges 15.9%, Swedencare 15.1%, IPC 10.4%, and NYAB 8.4%. Returns are not dividend-adjusted.

GADD SMP FUND: Net Equity Exposure (%)



A rare sign of progress emerged in the Middle East as President Trump hosted Israeli Prime Minister Netanyahu at the White House. Together, they presented a peace proposal for Gaza centered on a ceasefire, the release of hostages, Israeli troop withdrawal, and the disarmament of Hamas. The plan envisions temporary international administration of Gaza. If implemented, it could pave the way for greater regional stability and renewed diplomatic engagement.

The MSCI World Index (USD) rose 3.1% in September. In the US, the S&P 500 gained 3.5%, and the Nasdaq climbed 5.6%. In Europe, the STOXX50 advanced 3.3%, while the DAX slipped 0.1%. The SMI declined 0.6%, and Stockholm's OMX gained 1.4%. In Asia, the MSCI China USD surged 9.5%, and Japan's Nikkei added 5.2%. The Swedish 10-year government bond yield increased by 12 basis points, from 2.51% to 2.63%.

Activities of the month

The fund added a new bond position in IPC, a five-year USD-denominated bond with a fixed 7.5% coupon. The holding in Dometic was slightly increased to 1% of the portfolio. Allocations to ABB and Lundin Mining were raised from 3% to 4%, while Lifco was trimmed from 4% to 3%.

Following the strong market performance, both short- and medium-term technical signals turned positive from previously weak sell indicators. The long-term trend also shifted to neutral from sell for the Stockholm Stock Exchange. The fund began the month with 55% equity exposure amid uncertainty over US labor data and France's confidence vote. As the market proved resilient

Investment strategy

Looking ahead, equity markets appear well-positioned, though the ongoing US budget shutdown represents a short-term risk. According to S&P Global, each week of federal closure could reduce US GDP growth by 0.1–0.2 percentage points, creating temporary volatility and weighing on global activity. Nevertheless, the global economy continues to balance moderate growth with falling inflation - a historically favourable mix for equities that also opens the door to further monetary easing.

In Sweden, the outlook is distinctly positive. Industrial activity is strengthening, fiscal policy is expansionary, and interest rates are trending lower. These factors collectively support domestic demand. Rising real wages are improving household purchasing power, offering solid prospects for consumption growth across non-export sectors.

Overall, Sweden remains a stable and attractive market with meaningful upside potential over the coming year. Continued monetary easing, resilient domestic demand, and a more balanced growth environment could act as key catalysts for further positive market developments - even against a backdrop of short-term global uncertainty.