



GADD SMP FUND

Monthly Report

December 2025

NAV CHF 2'357.02*

Inception date 05.04.2011 = CHF 1'000

* at 30.11.2025

	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	4.3%	0.2%	-5.1%	1.7%	2.3%	0.8%	0.0%	2.5%	-0.5%	3.2%	2.1%	0.9%	10.8%

Market Comment

December concluded a strong year for global equity markets, characterised by relatively calm trading conditions and thinner liquidity around the holiday period. Some profit-taking was observed, although without any major or abrupt market movements. In Japan, market performance was broadly sideways during the month, while the Nikkei closed the full year with a gain of approximately 26%, primarily driven by strength in the technology sector. The Swiss SMI advanced by around 3% in December and approximately 14% for the full year, supported by defensive sectors such as healthcare, which contributed to overall stability.

In the United States, both the S&P 500 and the Nasdaq declined marginally during December, yet still posted solid full-year gains of approximately 16% and 20%, respectively. European equity markets developed steadily, with the DAX and Euro STOXX 50 recording annual increases in the range of 20% to 23%. The Stockholm Stock Exchange ended the year on a strong note, with the OMXS30 rising by approximately 3% in December and closing the year up around 16%, largely driven by the industrial and financial sectors.

Despite continued political uncertainty, markets demonstrated resilience towards year-end. Risk appetite remained relatively high, global equity performance was generally positive, and the US dollar weakened. Commodity markets showed a more mixed picture. Metals linked to electrification and artificial intelligence, such as copper, silver, and gold, performed strongly, while Brent crude oil declined to approximately USD 60 per barrel.

Looking ahead to 2026, the prospect of a more sustained sector rotation remains in focus. Technology stocks dominated returns in 2025, while healthcare demonstrated relative strength during periods of heightened uncertainty.

Towards the end of the year, a gradual rotation towards small- and mid-cap companies and more value-oriented stocks gained traction, supported by lower interest rates and broader earnings growth. Should the economic recovery continue at a moderate pace, this trend may strengthen further.

Index	31.12.24	31.12.25	YTD
MSCI World (USD)	3'707.837	4'430.38	19.5%
STOXX50 (EUR)	4'895.98	5'791.41	18.3%
S&P 500 (USD)	5'881.63	6'845.50	16.4%
Nasdaq Comp (USD)	19'310.792	23'241.99	20.4%
Dax (EUR)	19'909.14	24'490.41	23.0%
SMI (CHF)	11'600.9	13'267.48	14.4%
OMX30 (SEK)	2'483.123	2'882.97	16.1%
MSCI Russia (USD)	0	0.00	
MSCI China (USD)	64.49	82.58	28.1%
NIKKEI (YEN)	39'894.54	50'339.48	26.2%
Swe. Gov Bond. 10 y	2.34%	2.78%	

The US Federal Reserve reduced its policy rate by 25 basis points to a range of 3.50-3.75%, in line with expectations. However, a divided Federal Open Market Committee signalled a cautious approach going forward. The “dot plot” remained largely unchanged, indicating only one rate cut in both 2026 and 2027. The announcement of technical purchases of short-term Treasury securities, initially amounting to approximately USD 40 billion per month, was received positively. Updated forecasts showed higher growth expectations for 2026, while the inflation outlook was revised slightly lower. Chair Powell described the decision as a “close call” and emp-

hasised that the Federal Reserve can now await additional data ahead of its January meeting.

The Riksbank left its policy rate unchanged at 1.75%, as expected, and signalled that rates are likely to remain at this level for some time, provided that inflation and economic conditions evolve broadly as anticipated. The inflation forecast was largely unchanged, while the GDP forecast was revised slightly upward, reflecting stronger recent data and a continued economic recovery. Uncertainty remains, with risks of both lower inflation - partly due to a temporary VAT reduction on food - and stronger-than-expected growth.

Swedish industry continues to demonstrate solid momentum. The Purchasing Managers' Index (PMI) rose to 55.3 in December, up from 54.7 in November, remaining well above its historical average and significantly higher than corresponding levels in the euro area. The sixth consecutive month above average reinforces the assessment that Swedish economic growth has gained traction, with favorable prospects for further acceleration in 2026.

Swedish businesses have also raised their expectations for the economic outlook. GDP growth for 2026 is now forecast at approximately 3.5%, supported by increasingly positive signals regarding order intake, production, and investment activity.

The MSCI China Index (USD) declined by 1.5%, while Japan's Nikkei increased marginally by 0.2%. The Swedish 10-year government bond yield rose by 4 basis points, from 2.74% to 2.78%.

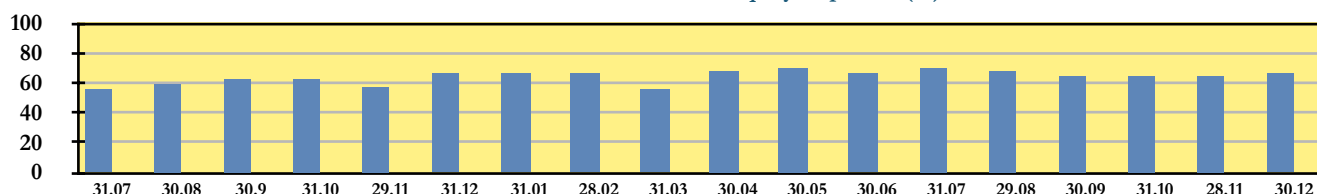
Activities of the month

The fund did not initiate any new positions during the month. Holdings in AAK, Alfa Laval, and Gränges were increased to 2% each, while positions in ABB and Lifco were reduced to 3%. The bond holding in Accroud was fully divested.

Following continued positive performance, short-, medium-, and long-term technical indicators remain supportive. The fund entered December with an equity exposure of 65%, which was maintained throughout the month, as there were no indications that the traditional year-end rally was at risk.

Lundin Mining contributed most positively, rising by 12.9%. Other strong performers included Hexatronic (+8.8%), Peab (+7.1%), RevolutionRace (+7.0%), Dometic (+6.1%), and Gränges (+5.6%). On the downside, Cibus declined by 10.3%, followed by Implantica (-5.8%), VEF (-4.3%), IPC (-4.1%), SkiStar (-3.5%), and AstraZeneca (-2.6%). Performance figures are not dividend-adjusted.

GADD SMP FUND: Net Equity Exposure (%)



On the geopolitical front, US President Donald Trump announced on 3 January 2026 that US forces had captured Venezuelan leader Nicolás Maduro and his wife during a nighttime operation. President Trump stated that the United States “will govern Venezuela until further notice,” with a particular focus on the country's oil resources. The operation was conducted without prior congressional approval and has drawn international criticism. Venezuela's Supreme Court has temporarily transferred presidential powers to Vice President Delcy Rodríguez, while the US has confirmed that sanctions on Venezuelan oil remain in place.

In connection with the operation, President Trump reiterated his interest in Greenland, citing security considerations. Danish Prime Minister Mette Frederiksen firmly rejected any notion of annexation, and Swedish Prime Minister Ulf Kristersson expressed full support for Denmark, stating that only Denmark and Greenland have the right to decide on such matters.

During the month, the MSCI World Index (USD) increased by 0.7%. In the United States, the S&P 500 declined by 0.1% and the Nasdaq by 0.5%. European markets performed more strongly, with the STOXX Europe 50 rising by 2.2% and the DAX by 2.7%. The Swiss SMI advanced by 3.4%, while the OMX Stockholm Index also rose by 3.4%.

Investment strategy

As we summarise 2025 and look ahead to 2026, the Fund maintains a cautiously optimistic outlook, while remaining mindful of prevailing risks. The political agenda in the United States is expected to continue contributing to geopolitical uncertainty, although upcoming midterm elections may limit the scope for more far-reaching initiatives.

In Europe, increasing emphasis is being placed on strategic autonomy in energy, technology, and critical raw materials. EU initiatives related to the energy transition and industrial policy provide long-term structural support, and the Fund is well positioned to benefit from these trends.

In Sweden, the outlook is supported by an expansionary fiscal budget for 2026. Combined with lower inflation, declining interest rates, and rising real wages, this is expected to strengthen household purchasing power and domestic demand. Overall, conditions for 2026 appear favorable, although a disciplined and selective investment approach remains essential.

We at GADD would like to thank you for your continued trust during 2025 and look forward to our ongoing cooperation in 2026.