



# GADD SMP FUND

## Monthly Report

### January 2026

NAV EUR 2'662.32\*

Inception date 05.04.2011 = EUR 1'000

\* at 31.01.2026

|      | Jan.  | Feb.  | Mars   | Apr.  | May   | June  | July  | Aug.  | Sep.  | Oct.  | Nov.  | Dec.  | Year  |
|------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2026 | 0.3%  |       |        |       |       |       |       |       |       |       |       |       | 0.3%  |
| 2025 | 4.3%  | 0.2%  | -5.1%  | 1.7%  | 2.3%  | 0.8%  | 0.0%  | 2.5%  | -0.5% | 3.2%  | 2.1%  | 1.1%  | 13.1% |
| 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%  |
| 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%  |
| 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% |
| 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% |
| 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%  |
| 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% |
| 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% |
| 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%  |

## Market Comment

January 2026 continued in the positive direction seen at the end of 2025, with risk appetite remaining solid and markets demonstrating resilience despite ongoing geopolitical uncertainty. The sectors and stocks that dominated performance during the previous year continued to outperform, while weaker segments lost ground. Large-cap equities, represented by the OMXS30, maintained their relative strength versus small- and mid-cap companies during January, supported by banking, industrial, and commodity-related stocks. In the United States, however, the small-cap Russell 2000 index clearly outperformed both the S&P 500 and the Nasdaq, indicating a rotation toward broader market exposure and more value-oriented segments. It remains to be seen whether this broader upside, beyond a limited number of dominant names, will also extend to European and Swedish equity markets.

The US reporting season began with predominantly negative market reactions in the technology sector, where the software-as-a-service (SaaS) segment was particularly affected. Concerns that generative artificial intelligence may replace or reduce demand for traditional subscription-based business models, such as Microsoft 365, led to sharp share price declines in several leading companies. Overall, the sector declined during the month, with many stocks falling by 10–20%.

On the domestic front, ABB, Swedbank, and Epiroc delivered generally stable reports. ABB reported strong order growth and solid revenue development, Epiroc continued to grow organically despite currency headwinds, and Swedbank showed stable credit quality and healthy margins. Taken together, these reports supported the banking and industrial sectors and contributed to a relatively stable start to the year for the OMXS30 index.

Commodity markets were characterised by high volatility. Metals linked to electrification, artificial intelligence, and the green transition rose sharply at the beginning of the month, alongside strong movements in gold and silver. Toward the end of January, however, a sharp correction occurred, driven by profit-taking, increased margin requirements in the futures market, and changing interest rate expectations. The nomination of Kevin Warsh as Chairman of the Federal Reserve on January 30 contributed to a stronger US dollar and reduced expectations of rapid interest rate cuts, putting pressure on precious metals.

| Index               | 31.12.25  | 30.01.26  | YTD   |
|---------------------|-----------|-----------|-------|
| MSCI World (USD)    | 4'430.38  | 4'527.59  | 2.2%  |
| STOXX50 (EUR)       | 5'791.41  | 5'947.81  | 2.7%  |
| S&P 500 (USD)       | 6'845.50  | 6'939.03  | 1.4%  |
| Nasdaq Comp (USD)   | 23'241.99 | 23'461.82 | 0.9%  |
| Dax (EUR)           | 24'490.41 | 24'538.81 | 0.2%  |
| SMI (CHF)           | 13'267.48 | 13'188.26 | -0.6% |
| OMX30 (SEK)         | 2'882.97  | 3'026.57  | 5.0%  |
| MSCI Russia (USD)   | 13'041.79 | 13'524.30 |       |
| MSCI China (USD)    | 82.58     | 86.42     | 4.7%  |
| NIKKEI (YEN)        | 50'339.48 | 53'322.85 | 5.9%  |
| Swe. Gov Bond. 10 y | 2.78%     | 2.76%     |       |

As expected, the Federal Reserve left its key policy rate unchanged in the range of 3.50–3.75%. Inflation remains elevated, but the economic outlook has improved and the labor market has stabilised. Chair Powell emphasised that the risks of both higher inflation and a weaker labor market have

declined and noted that the current policy rate is at the upper end of what is considered neutral.

Swedish industry continued its recovery in January. The Purchasing Managers' Index (PMI) rose to 56.0, clearly above both the expansion threshold of 50 and its historical average. The improvement was mainly driven by increased new orders and stronger production, confirming continued expansion in the industrial economy despite geopolitical uncertainty and a relatively strong Swedish krona. In Germany, investor optimism increased sharply during the month, as measured by the ZEW Institute's expectations index, which climbed to 59.6. This followed increased government investment in public spending, supporting the manufacturing sector. The indicator for the current economic situation also improved more than expected. Overall, these signals suggest that 2026 may represent a turning point for the German economy.

The United States stood out with a clear improvement in manufacturing activity. The ISM Manufacturing PMI rose to 52.6, indicating expansion for the first time in approximately one year. Strong new orders and increased production suggest that US industry is regaining momentum and provide a supportive foundation for the remainder of the year. The recently announced trade agreement between the United Sta-

## Activities of the month

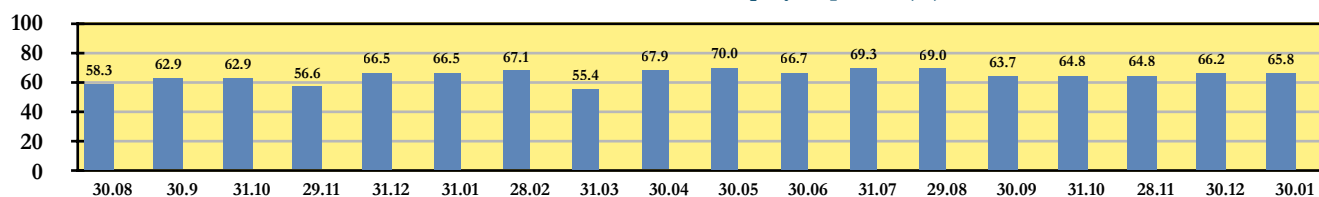
During the month, the fund initiated a new position in Lucara Diamond by participating in the company's share issue, which finances the transition to underground mining at the Karowe mine. This investment strengthens the company's production capacity for large, high-quality diamonds.

The holding in Alleima was sold in its entirety following a weaker-than-expected quarterly report and cautious comments from the company's CEO. The fund continues to monitor the company for potential re-entry.

Following a continued positive market month, medium- and long-term technical trends remain supportive, while the short-term trend is neutral. The fund began the month with an equity exposure of 65%, which was maintained throughout January.

The strongest contribution to performance came from Lucara Diamond, which rose by 54.7%. Other holdings that performed well included Epiroc (+19.0%), Lundin Mining (+14.9%), Novo Nordisk (+13.6%), ABB (+11.6%), and Alfa Laval (+11.1%). On the negative side, Swedencare declined by 36.8%, followed by Dometic (-18.1%), VNV Global (-16.3%), Indutrade (-13.1%), and Lifco (-13.0%). The performance figures above are not dividend-adjusted.

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



tes and India may have implications beyond trade alone. Under the agreement, the US will reduce tariffs on Indian goods from previously levels of up to 50%, including a 25% punitive tariff linked to Russian oil imports, to around 18%. India has committed to reducing or discontinuing imports of Russian crude oil, increasing purchases from the US and potentially Venezuela, and lowering tariffs and trade barriers on US goods. By reducing its dependence on discounted Russian oil, one of the world's largest oil importers may weaken its economic ties to Moscow. Over time, this could limit Russia's energy export revenues and, together with existing sanctions and subdued global energy prices, increase economic pressure on the Russian state, with potential implications for the war in Ukraine.

During the month, the MSCI World Index (USD) rose by 2.2%. In the United States, the S&P 500 increased by 1.4% and the Nasdaq by 0.9%. In Europe, the STOXX Europe 50 rose by 2.7%, the DAX advanced by 0.2%, while the Swiss SMI declined by 0.6%. The MSCI Nordic Countries Index rose by 3.7%, and the OMXS30 in Stockholm gained 5%. In Asia, the MSCI China Index (USD) rose by 4.7%, and Japan's Nikkei advanced by 5.9%. The Swedish 10-year government bond yield declined by 2 basis points during the month, from 2.78% to 2.72%.

## Investment strategy

January provided a positive start to the year, and the fund continues to see reasons for optimism. At the same time, the month highlighted an important lesson: the fund's net equity exposure should have been higher. The OMXS30 rose sharply, even as many other sectors performed weakly. The fund maintained a clear overweight in banks, industrials, and commodity-related companies and was therefore well positioned for the underlying market development.

The challenge arose from the fund's risk-reduction strategy, which involved selling OMXS30 futures and thereby lowering overall equity exposure. As the market advance was largely driven by the major sectors within OMXS30, the futures positions effectively offset gains from the fund's overweight holdings, creating a challenging structural outcome during the month.

Long-term trends remain positive. Investments in strategic independence within energy and critical commodities across Europe, combined with an improving household economy in Sweden, continue to support several of the fund's core holdings and investment themes. The fund maintains a disciplined and selective approach, while remaining prepared to increase net exposure more rapidly should market strength begin to broaden.