GADD SMP FUND
Monthly Report
March 2026

NAV CHF 2'388.03*

Inception date 05.04.2011 = CHF 1'000

* at 31.03.2026

	Jan.	Feb.	Mars	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Year
2026	0.0%	5.1%	-4.5%										0.5%
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%
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%
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%
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%
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%
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%
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%
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%
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%

Market Comment

March 2026 was characterised to an even greater extent than previous months by an intense and rapidly changing news flow, with geopolitics at the centre of market developments. The escalation of the conflict in the Middle East, where the US and Israel entered into war with Iran, contributed to a sharply increased uncertainty. Iran's response targeted both Western infrastructure and energy installations, disrupting global flows of oil and natural gas, not least through the Strait of Hormuz.

Energy markets reacted immediately. Oil prices surged and peaked at nearly 120 dollars per barrel, corresponding to a doubling since the beginning of the year. The supply disruptions, combined with fears of further escalation, contributed to a broad risk aversion across the financial markets. Leading stock exchanges fell during the month, while investors had to contend with difficult-to-interpret political signals from the American president.

The sharp rise in energy prices quickly fed through into inflation expectations. Rising producer costs, particularly in energy-intensive sectors such as the chemical industry, have already begun to be passed on in the form of higher prices. This contributed to a clear shift in interest rate expectations, with the market moving from pricing in rate cuts to a 'higher for longer' scenario without clear relief during 2026.
Central bank communication reinforced this picture. ECB representatives signalled that the inflation risks linked to the energy shock may require tighter monetary policy than previously anticipated. The ambition is clear to avoid a repetition of the inflation dynamics that followed in the wake of Russia's invasion of Ukraine.

At the same time, extensive measures were taken to stabilise the energy market. The International Energy Agency (IEA) announced the largest release of strategic oil reserves to date, with support from the US among others. These measures helped dampen the most acute price movements, but uncertainty surrounding the continued development remains.

In parallel with the tensions in the Middle East, another energy-related dispute created concern in Europe. An agreed EU loan package of 90 billion euros for Ukraine remained blocked after the summit in Brussels in March, primarily due to Hungary's demand that the damaged Druzhba oil pipeline, which supplies Hungary and Slovakia with Russian oil, must be repaired first. Although this is a regional issue rather than a global supply crisis, it illustrates how quickly political and energy-related conflicts can create fragmentation and uncertainty even within the EU.

Index	31.12.25	31.03.26	YTD
MSCI World (USD)	4'430.38	4'258.31	-3.9%
STOXX50 (EUR)	5'791.41	5'569.73	-3.8%
S&P 500 (USD)	6'845.50	6'528.52	-4.6%
Nasdaq Comp (USD)	23'241.99	21'590.63	-7.1%
Dax (EUR)	24'490.41	22'680.04	-7.4%
SMI (CHF)	13'267.48	12'776.79	-3.7%
OMX30 (SEK)	2'882.97	2'929.33	1.6%
MSCI Russia (USD)	13'041.79	12'798.70	
MSCI China (USD)	82.58	75.15	-9.0%
NIKKEI (YEN)	50'339.48	51'063.72	1.4%
Swe. Gov Bond. 10 y	2.78%	2.81%	

Monetary policy was characterised by a continued wait-and-see stance despite increased uncertainty surrounding energy and geopolitics. Fed Chair Jerome Powell signalled that the central bank is currently inclined to look through the oil price rise and await further data, as energy shocks have historically been temporary. At the same time, he emphasised that inflation expectations are being monitored closely and that a more sustained rise in energy prices may require action.

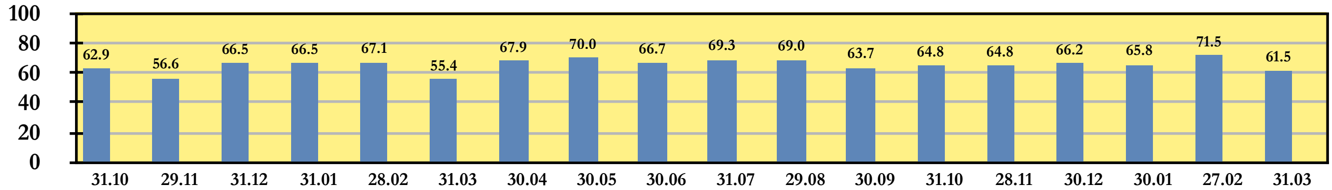
This cautious line was broadly shared. Central banks in the eurozone, Japan, the United Kingdom, Switzerland and Sweden all chose to leave policy rates unchanged during the month, reflecting a clear international consensus to wait in an uncertain environment.

Trump signalled an imminent end to the conflict, the exposure was increased to approximately 60%.

The strongest performance among the fund's holdings during the month was IPC, which rose by a total of 25.7%. Other holdings that rose were Hexatronic 14.7%, Nibe 4.1%, Logistri B 3.2% and Sdiptech 3.1%.

On the negative side, Dometic fell by (32.2%). Lundin Mining retreated by (22.3%), Epiroc by (15.7%), Lundin Gold by (15.5%), Lucara Diamond by (14.3%) and Volvo by (13.2%).
The returns above are not adjusted for dividends.

GADD SMP FUND: Net Equity Exposure (%)



The risks within private credit have become increasingly prominent after several years of strong growth and generous credit terms. The widespread prevalence of "covenant light" structures, with higher leverage and weaker protection for lenders, makes the segment vulnerable in an environment with higher interest rates and a weaker economy. Several actors, including JP Morgan's CEO Jamie Dimon, have warned that the asset class may suffer above-average losses when the credit cycle turns. Although the risks are primarily in the US, spillover effects to Europe cannot be ruled out.

The MSCI World Index (USD) fell by 6.6% during the month. S&P 500 in the US declined by 5.1% and Nasdaq by 4.8%. In Europe, STOXX50 fell by 9.3%, Dax by 10.3% and SMI by 8.8%. MSCI Nordic Countries retreated by 5.3% and OMXS30 in Stockholm by 9.1%. MSCI China USD fell by 7.7% and Nikkei in Japan by as much as 13.2%.

The Swedish 10-year government bond yield rose by 21 basis points during the month, from 2.6% to 2.81%.

Activities of the month

During the broad downturn, the fund chose to increase its holdings in Atlas Copco, Investor, Wihlborgs, Lifco, Volvo, Epiroc, Hexatronic and Trelleborg. No new holdings were added during the month. AstraZeneca increased its share in the fund to 3% from the previous 2%.

Despite the weak market development, short and medium-term trends continue to show slightly positive signals, while the long-term trend is neutral.

The fund entered the month with an equity exposure of 71.5% but this was reduced at the outbreak of war in the Middle East to 50% and subsequently to a low of 40%. When

Investment strategy

The rapid reversal in market sentiment during March illustrates how sensitive the current environment is to geopolitics and energy prices. In a short space of time, the focus has shifted from growth and rate cuts to inflation risks and a more sustained higher interest rate level. At the same time, the downturn means that valuations in several segments have come down to more attractive levels.

It is, however, important to nuance the picture. Leading economic indicators continue to show resilience in the economy. Purchasing managers' indices in both the US and Sweden remain above the 50 level, indicating expansion, while Europe as a whole shows a more mixed but still stable development. Overall, this suggests that underlying economic activity remains relatively robust, despite the more challenging external environment.

At the time of writing, the fund has dynamically adjusted its equity exposure during the month and currently stands at approximately 60%. Uncertainty surrounding the conflict's development and its impact on the energy market persists, and the risk of continued volatility is assessed as high, particularly in Europe given the region's energy dependence.

At the same time, markets have historically had the ability to recover quickly when uncertainty diminishes. The fund therefore continues to balance caution with a readiness to increase exposure when the risk picture clears and attractive opportunities arise.

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