



GADD SMP FUND

Monthly Report

May 2026

NAV CHF 2'447.73*

Inception date 05.04.2011 = CHF 1'000

* at 31.05.2026

	Jan.	Feb.	Mars	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Year
2026	0.0%	5.1%	-4.5%	1.4%	1.1%								3.0%
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

May 2026 was marked by improved market sentiment and broad gains across global equity markets. After the geopolitical anxiety of the spring, focus shifted back to corporate earnings and the long-term growth themes continuing to drive markets - not least artificial intelligence.

The US market remained the strongest engine. S&P 500 rose 5.2% while the Nasdaq advanced 8.4%, supported by strong earnings and continued optimism around AI investment. As a net oil exporter, the US has also been less sensitive to the higher energy prices stemming from the Middle East conflict.

European equities also posted gains during the month, though more modest than in the US. The region's dependence on imported energy and weaker economic growth continue to create uncertainty, while exposure to the fastest-growing AI companies is considerably lower than in the US market.

Despite lingering geopolitical risks, a strong reporting season and reduced concerns about energy market disruptions contributed to MSCI World rising 4.4% in May.

The US Senate has confirmed Kevin Warsh as the new Fed Chair. Jerome Powell steps down as his term expires but is expected to remain as a board member. Warsh chairs his first rate meeting on 16-17 June, making upcoming Federal Reserve communication particularly significant for markets.

US inflation surprised to the upside in April. CPI rose from 3.3% to 3.8% year-on-year - the largest increase in three years and clearly above market expectations. The move is primarily explained by higher energy prices stemming from the

Middle East conflict. Long-term inflation expectations have also edged higher, though they remain relatively close to the Fed's 2% target. Markets have consequently adjusted rate expectations progressively. According to CME FedWatch, no rate cuts are now priced in for 2026, while the probability of a rate hike in 2027 has increased.

Swedish industry continues to develop strongly. The Purchasing Managers' Index (PMI) rose to 57.3 in May - the third consecutive month of improving prospects. Production plans are at their highest levels in over four years and the export sector continues to show solid growth. Despite higher commodity prices and some supply chain concerns, the impact on production has so far been limited. Overall, indicators point to continued strong performance for Swedish industry in 2026.

Index	31.12.25	29.05.26	YTD
MSCI World (USD)	4'430.38	4'864.59	9.8%
STOXX50 (EUR)	5'791.41	6'050.54	4.5%
S&P 500 (USD)	6'845.50	7'580.06	10.7%
Nasdaq Comp (USD)	23'241.99	26'972.62	16.1%
Dax (EUR)	24'490.41	25'104.70	2.5%
SMI (CHF)	13'267.48	13'542.66	2.1%
OMX30 (SEK)	2'882.97	3'138.09	8.8%
MSCI Russia (USD)	13'041.79	13'754.61	
MSCI China (USD)	82.58	75.16	-9.0%
NIKKEI (YEN)	50'339.48	66'329.50	31.8%
Swe. Gov Bond. 10 y	2.78%	2.73%	

In Denmark, the question of government formation has been resolved after an extended period of negotiations. Mette Frederiksen continues as Prime Minister, leading a broad coalition comprising the Social Democrats, Socialist People's Party, Danish Social Liberal Party and the Moderates. The new government is expected to provide political stability at a time when both economic and security policy issues feature prominently on the Nordic agenda.

In May, space company SpaceX took a decisive step toward a public listing, filing its prospectus for a planned Nasdaq IPO. If the listing proceeds as planned, it is expected to be the largest in modern history, with an anticipated market capitalisation of between 1'500 and 2'000 billion dollars. In parallel, the details of founder Elon Musk's new compensation programme have come under intense scrutiny. The programme is structured around exceptionally ambitious targets: SpaceX must not only reach a market capitalisation of 7'500 billion dollars, it must also have established a permanent human colony on Mars with at least one million inhabitants. Only when both milestones are achieved does the majority of the compensation vest - an arrangement that ties Musk's financial incentives directly to the company's most long-term and visionary ambitions.

Activities of the month

The fund chose to divest its equity holdings in Latour and VNV Global, as well as the VNV Global bond. Trelleborg, ABB and Gränges were each increased by 1% while Lundin Gold was reduced by 1%.

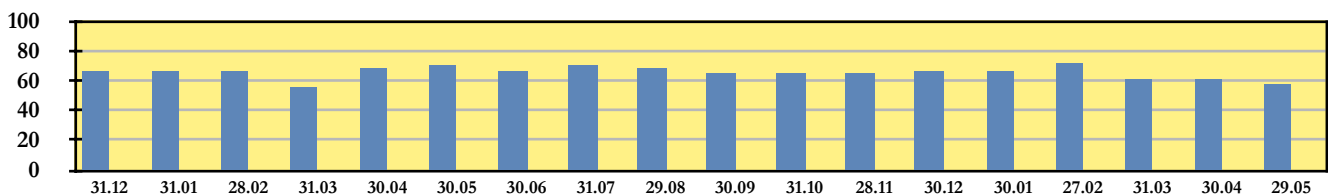
Following a rising but volatile market, the short-term trend shows a slightly positive tendency. The medium-term trend is neutral and the long-term trend remains positive. The fund began the month with equity exposure of approximately 60%, which was maintained throughout.

The strongest performer among fund holdings during the month was Implantica, up 31.9% in total. Other gainers included Lundin Mining +18.5%, Hexatronic +15.3%, VEF +10.6% and Gränges +9.6%.

On the negative side, the main detractor was Lucara Diamond, down -20.8%. Nibe fell -12.2%, IPC -9.4%, AAK -5.8%, Skistar -5.7% and Assa Abloy -5.3%.

Returns above are not adjusted for dividends.

GADD SMP FUND: Net Equity Exposure (%)



The Middle East conflict has entered a new phase characterised by intense diplomatic activity. Although the situation remains fragile and ceasefire rumours continue to circulate, shipping through the critical Strait of Hormuz remains severely restricted compared to pre-war levels. Commodity markets are nevertheless showing signs of meaningful relief. Having traded near 120 USD per barrel during the spring's most intense period of crisis, Brent crude fell in May to levels around 93 USD/barrel. The price decline signals that markets are breathing easier in anticipation of a diplomatic resolution and reopening of the strait, though a significant risk premium remains as long as commercial shipping lanes are blocked.

MSCI World (USD) rose 4.4% during the month, S&P 500 gained 5.2% and the Nasdaq 8.4%. In Europe, STOXX 50 rose 2.9%, DAX 3.3% and SMI 3.1%. MSCI Nordic Countries gained 3.0% and OMXS30 in Stockholm 2.5%. MSCI China (USD) fell -3.4% while the Nikkei in Japan rose 11.9%.

The Swedish 10-year government bond yield fell 5 basis points during the month, from 2.78% to 2.73%.

Investment strategy

The recent period has been characterised by strong risk appetite, with global equities performing better than expected given the geopolitical situation in the Middle East. In the meantime, the macro picture has become more challenging. Long-term interest rates in the US, Europe and Japan have risen to multi-year highs, tightening financial conditions. The US 30-year yield is near a 10-year high, while Japan has surprised to the upside with the 10-year yield above 2.5%.

A Bank of America survey shows that 62% of investors expect the US 30-year yield to exceed 6% within a year, confirming upwardly revised rate expectations and a possible rotation toward more cash-flow-stable assets.

The fund's equity exposure remains at approximately 60%, maintaining the balance between structural growth and a more challenging rate environment. The portfolio is positioned to increase risk upon stabilisation of long-term rates and improved visibility on the Middle East conflict.

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