GADD SMP FUND
Monthly Report
June 2026

NAV EUR 2'726.56*

Inception date 05.04.2011 = EUR 1'000

* at 30.06.2026

	Jan.	Feb.	Mars	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Year
2026	0.3%	5.4%	-4.4%	1.5%	1.3%	-1.1%							2.7%
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

June was characterised by a more mixed performance across global equity markets, in clear contrast to May when gains were broader and risk appetite more widespread. After several months in which the conflict between Israel, the US and Iran weighed on sentiment, concerns eased progressively as geopolitical tensions subsided. This contributed to lower energy prices and a gradual return of risk appetite among investors, with focus shifting back toward more fundamental drivers such as corporate performance, the economic cycle and central banks' next moves.

A notable difference from previous months was that Europe outperformed the US. Lower energy prices particularly benefited industrial and cyclical companies, and the gains were also broader than the AI-concentrated moves that dominated much of the spring.

The Federal Reserve held its policy rate unchanged at the June meeting, as expected. The central bank continues to describe an economy in good balance, with the labour market keeping pace with employment growth, but inflation stubbornly remaining above target. The meeting was also Kevin Warsh's first as Fed Chair. Warsh, who has previously criticised the central bank's forward guidance, chose not to submit his own forecast in the dot plot - a symbolically significant move. Other committee members leaned notably more hawkish compared to the March projections: half now see one further hike during the year, against only one expecting a cut. Market rates rose on the announcement, which was interpreted as somewhat more restrictive than anticipated. Concerns about the Fed's independence also eased slightly as Warsh proved to adopt a more traditional, inflation-focused stance than many had feared.

Swedish manufacturing PMI continued to rise in June - the fourth consecutive month of improvement - driven primarily by stronger order intake. Swedish industrial companies remain among the most optimistic in international comparison. At the same time, pricing plans remain at elevated levels, suggesting inflationary pressures have not yet fully normalised. The combination of stronger economic momentum and persistently high price expectations points toward the Riksbank's next move being a rate hike. The overall picture is of Swedish industry entering the second half with good momentum.

Index	31.12.25	30.06.26	YTD
MSCI World (USD)	4'430.38	4'825.50	8.9%
STOXX50 (EUR)	5'791.41	6'328.09	9.3%
S&P 500 (USD)	6'845.50	7'499.36	9.6%
Nasdaq Comp (USD)	23'241.99	26'213.72	12.8%
Dax (EUR)	24'490.41	24'995.81	2.1%
SMI (CHF)	13'267.48	14'193.92	7.0%
OMX30 (SEK)	2'882.97	3'203.22	11.1%
MSCI Russia (USD)	13'041.79	13'775.96	
MSCI China (USD)	82.58	69.45	-15.9%
NIKKEI (YEN)	50'339.48	70'062.32	39.2%
Swe. Gov Bond. 10 y	2.78%	2.67%	

The ECB raised its policy rate by 25 basis points at its latest meeting, as expected. The decision was unanimous and came without clear signals on the path ahead. The Iran conflict left its mark on the projections, with core inflation for

2026 and 2027 revised up above 2% while growth was revised down.

With the conflict now over, inflationary pressures may ease and it is reasonable to expect the ECB to revise its inflation forecasts downward at the next opportunity. At the same time, heat has emerged as a new and unexpected risk factor. ECB board member Frank Elderson warns that heat-waves are an underestimated economic risk - the extreme heat of summer 2022 already pushed up food prices and dragged down German GDP. In the midst of a new European heat-wave, it is becoming increasingly clear that weather and climate are playing a growing role in the inflation picture.

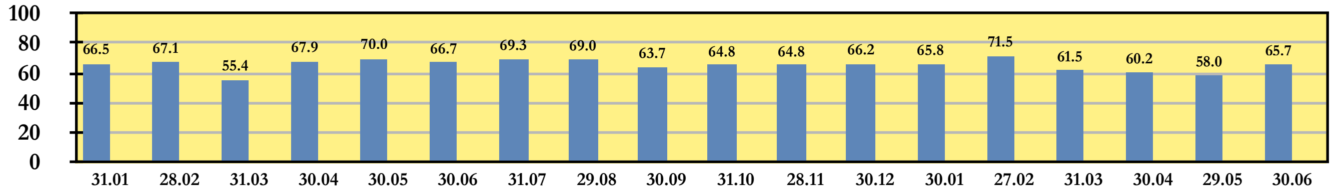
Following a slightly rising market, the short-, medium- and long-term trends all point in a positive direction. The fund began the month with equity exposure of just under 60%, increasing it to just above 65% after the ceasefire.

The strongest performer among fund holdings during the month was Beijer Ref, up 11.2% after purchase. Other gainers included Alfa Laval +11.1%, Atlas Copco +10.5%, JM +10.2% and Lifco +6.7%.

On the negative side, the main detractor was Dometic, down -22.6%. Lucara Diamond fell -21.1%, Vostok Emerging Finance -17.0%, Lundin Mining -16.2% and Lundin Gold -14.0%.

Returns above are not adjusted for dividends.

GADD SMP FUND: Net Equity Exposure (%)



Last month SpaceX was approaching its IPO at a valuation that already had many raising their eyebrows. The listing is now a fact, and the stock rose nearly 20% on its first trading day, helped by strong demand from investors of all types. For majority owner Elon Musk, the listing contributed to a personal fortune of over 1'000 billion dollars. Since then, the initial euphoria has faded somewhat. After trading as high as just above 220 dollars, the stock has pulled back and now moves around 150-160 dollars - still clearly above the IPO price of 135 dollars, but some way below the peak. The high valuation combined with a very small free float makes the stock unusually sensitive to price swings.

MSCI World (USD) fell -0.8% during the month, S&P 500 fell -1.1% and the Nasdaq fell -2.8%. In Europe, STOXX 50 rose 4.6%, DAX fell -0.5% and SMI rose 4.8%. MSCI Nordic Countries gained 0.2% and OMXS30 in Stockholm 2.5%. MSCI China (USD) fell -7.6% while the Nikkei in Japan advanced 5.6%.

The Swedish 10-year government bond yield fell 6 basis points during the month, from 2.73% to 2.67%.

Activities of the month

Following the decline in oil prices after the ceasefire, the fund reduced its holding in oil producer IPC from 4% to 3%, and the AAK holding was halved to 1%. A new holding representing 2% of the fund is Beijer Ref, active in refrigeration and heat technology. The stock had previously been weighed down by majority shareholder EQT gradually reducing its position. In June, EQT sold its remaining stake in full, and Melker Schörling AB becomes the largest voting shareholder after the transaction - a sign of more long-term ownership going forward.

Investment strategy

Looking ahead, July is met with a noticeably improved sentiment. Historically, July has been the Stockholm Stock Exchange's strongest month over the past decade, with an average gain of approximately 3.5%, and several factors suggest the seasonal pattern may get tailwinds this year as well. The Q2 reporting season kicks off, the krona has weakened slightly to the benefit of our export-dependent holdings, the technical picture has improved with broader gains, and the ceasefire along with normalised energy prices has lifted a significant risk premium from the market.

Overall, we enter the summer with cautious optimism. A favourable season, an improved technical picture, supportive currency effects and a calmer geopolitical landscape provide good conditions for continued positive development.

The team at GADD wishes you a wonderful summer - and if BCA Research turns out to be right, we can also look forward to an exciting World Cup final between France and Argentina, with the French taking the trophy. Here in Luxembourg, we suspect we would feel the celebrations quite keenly, given our neighbour.

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