# GADD SMP FUND
## Monthly Report
## August 2026

NAV CHF 2’485.81*

Inception date 05.04.2011 = CHF 1’000

* at 31.08.2026

| | Jan. | Feb. | Mars | Apr. | May | June | July | Aug. | Sep. | Oct. | Nov. | Dec. | Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2026 | 0.0% | 5.1% | -4.5% | 1.4% | 1.1% | -1.3% | 1.3% | 1.6% | | | | | 4.6% |
| 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

August was another strong month for equity markets, despite rising long-term interest rates and a higher oil price. The rising oil price, driven by continued concerns around the Strait of Hormuz and developments in the Middle East, contributed to renewed inflation fears in the US. Combined with a large US budget deficit and continued high supply of government bonds, this helped keep US long-term rates elevated for much of the month. Despite this, equity markets continued to advance. The S&P 500 reached a new record early in August and closed the month higher than July.

In Europe, the picture was equally positive. The STOXX 50 reached new record highs during the first half of the month and the Stockholm Stock Exchange continued upward as well. The resilience of equity markets in the face of both higher rates and a more expensive oil price can primarily be explained by strong corporate earnings and continued strong conviction in AI investment, which appears to be outweighing short-term concerns about rates and energy prices.

At the Jackson Hole central banking symposium at the end of August, Kevin Warsh delivered his first major speech as Fed Chair. The message was more hawkish than markets had expected. Warsh argued that the slightly brighter inflation figures of the summer were not sufficient to convince him that the underlying inflation trend had improved, and signalled more clearly than before that a rate hike may be necessary. Markets reacted quickly - the US two-year yield rose approximately eleven basis points to 4.34%, while the probability of a rate hike at the Fed's 16 September meeting rose from approximately 35% to 60% over the course of the speech. Warsh also set out a clearer direction for Fed communication going forward. He wants to avoid both forward guidance and overly explicit signals about when the Fed intends to act, arguing that overly precise communication risks creating false reassurance among market participants. September is therefore expected to be a significant month, not only for the rate decision itself but also for how Warsh shapes the Fed's new communication style.

The Riksbank left its policy rate unchanged at 1.75% at its 20 August meeting, as expected, and noted that the June forecast remains broadly on track. It was primarily underlying inflation that gave cause for concern, with CPIF excluding energy rising to 0.6% in July, clearly above the expected 0.3% - the second consecutive month above the Riksbank's forecast. At the same time, corporate pricing plans have eased, disruptions to global supply chains have diminished and the labour market has developed more weakly than expected, leading the board to assess a wait-and-see approach as well balanced. The

| Index | 31.12.25 | 31.08.26 | YTD |
|---|---|---|---|
| MSCI World (USD) | 4'430.38 | 4'967.92 | 12.1% |
| STOXX50 (EUR) | 5'791.41 | 6'420.16 | 10.9% |
| S&P 500 (USD) | 6'845.50 | 7'686.14 | 12.3% |
| Nasdaq Comp (USD) | 23'241.99 | 26'370.89 | 13.5% |
| Dax (EUR) | 24'490.41 | 26'258.11 | 7.2% |
| SMI (CHF) | 13'267.48 | 14'286.43 | 7.7% |
| OMX30 (SEK) | 2'882.97 | 3'309.18 | 14.8% |
| MSCI Russia (USD) | 13'041.79 | 14'279.50 | |
| MSCI China (USD) | 82.58 | 75.10 | -9.1% |
| NIKKEI (YEN) | 50'339.48 | 66'254.44 | 31.6% |
| Swe. Gov Bond. 10 y | 2.78% | 3.12% | |

Riksbank maintained that a rate hike later in the year cannot be ruled out, but did not signal that the risk had increased since June - a more dovish message than markets had anticipated. Should the elevated underlying inflation prove to be the beginning of a more persistent rise, however, the bank is clear that monetary policy will be tightened. Short-term rate expectations fell slightly following the announcement, but markets continue to price in a rate hike before year-end.

Geopolitics continued to leave its mark on the oil market in August. The US tightened sanctions against Iran during the month, as the war between the US/Israel and Iran passed the six-month mark. The continued restricted passage through the Strait of Hormuz kept the risk premium in oil prices elevated for much of the month. Toward the end of August, however, a counterbalancing development emerged from the other side of the oil map, as the US announced it had entered into an agreement granting American interests majority control over more than 65 billion barrels of Venezuela's oil reserves. The agreement is expected, according to Venezuela, to generate approximately 100 billion dollars in investment and aims to strengthen US access to crude oil. Although several details regarding the agreement's structure and duration remain unclear, the development represents a potential offset to the geopolitical risk premium that has characterised the oil market throughout the year.

Icelandic voters voted on 29 August against resuming EU membership negotiations, with 52.8% against 47.2% in an unusually close referendum. The result means the government will not resume negotiations during the current parliamentary term. Fishing was one of the central issues in the campaign, with EU opponents warning that membership could limit Iceland's control over its fish stocks.

MSCI World (USD) rose 2.5% during the month, S&P 500 gained 2.6% and the Nasdaq 3.9%. In Europe, STOXX 50 rose 1.0%, DAX 2.5% and SMI 0.4%. MSCI Nordic Countries gained 2.6% and OMXS30 in Stockholm 1.9%. MSCI China (USD) fell -0.4% and the Nikkei in Japan fell -8.2%.

The Swedish 10-year government bond yield rose 9 basis points during the month, from 3.03% to 3.12%.

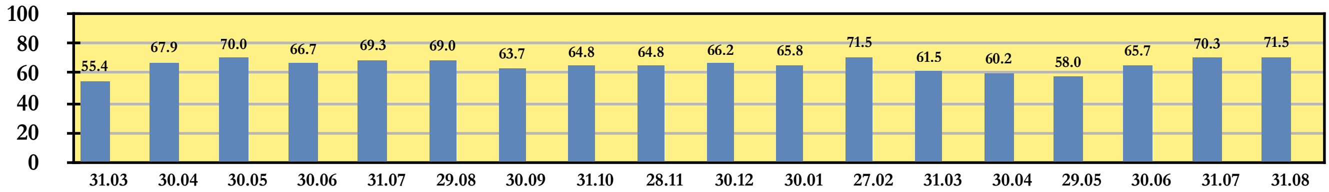
Following a continued rising market, the short-, medium- and long-term trends all point in a positive direction. The fund began the month with equity exposure of approximately 70%, which was maintained throughout.

The strongest performer among fund holdings during the month was Lundin Gold, up 25.5% in total. Other gainers included NYAB +14.3%, Nibe +12.1%, Lucara Diamond +9.7% and IPC +8.9%.

On the negative side, the main detractor was RevolutionRace, down -8.6%. Dometic fell -6.2%, Logistri Fastigheter -5.7%, Volvo -5.0% and Pandox -4.0%.

*Returns above are not adjusted for dividends.*

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




## Investment strategy

The fund enters autumn with a more cautious stance than earlier in the summer. August brought a form of hidden turbulence that was not visible in the headline numbers. The broad Stockholm Stock Exchange index OMXSPI fell for eleven consecutive days from 4 August - the longest losing streak in 25 years - yet the total decline amounted to just over 2%. Unlike the considerably more violent market stress of the spring, when large moves could wipe out several percent in a single trading day, August was more of a slow puncture where air leaked gradually out of individual stocks. The recovery then came as quickly as the decline had been drawn out, and by 25 August OMXSPI was back around the same level as before the drop.

The speed of the recovery is broadly positive, but it does not change the fact that September is historically one of the weakest months of the stock market year. Since 1980, the broad Stockholm Stock Exchange index has fallen in 22 of 44 September months - only August has been worse over time. The combination of this seasonal headwind and recent concerns about higher long-term rates means the fund enters September with greater caution. Equity exposure has accordingly been reduced to 55% at the time of writing, pending whether the historically weak pattern for equity markets in September breaks or persists.

## Activities of the month

The Alfa Laval holding was increased by 1 percentage point to 3%. The fund also increased positions in Atlas Copco, Indutrade, Trelleborg and Wihlborgs, while IPC was reduced following strong performance.

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