GADD SMP FUND
Monthly Report
September 2026

NAV EUR 2'800.93*

Inception date 05.04.2011 = EUR 1'000

* at 30.09.2026

	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%	1.4%	1.7%	-0.4%				5.5%
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

September was a challenging month for global markets, as several central banks moved from words to action. The Federal Reserve raised its policy rate for the first time since 2023, by 0.25 percentage points to the range of 3.75-4.00%, a decision backed unanimously by the entire board. Both the ECB and the Bank of Japan also raised their policy rates during the month, to 2.50% and 1.25% respectively. US long-term yields rose sharply in the wake of the rate decisions and ongoing Middle East tensions. The ten-year US Treasury yield broke through 5% and the thirty-year traded as high as just above 5.6%, the highest level since 2002. Oil prices swung between 95 and 108 dollars per barrel, driven by fresh attacks around the Strait of Hormuz and against Saudi Arabian oil infrastructure, before retreating somewhat towards month-end. Against this backdrop, equity markets weakened across the board. The tech-heavy Nasdaq did reach a new record high at the end of September, but the broader US indices were pressured by the rise in yields and the month proved negative overall for US equities, despite the third quarter as a whole being positive. Europe also turned lower. Euro Stoxx 50 fell by just over 2% and the broader Stoxx 600 by a similar amount, marking the first monthly decline in six months for a European index. Stockholm's OMXS30 fared somewhat better, falling just under 1.2%.

The Riksbank left its policy rate unchanged at 1.75% at its 24 September announcement, as expected, but the rate path was considerably more hawkish than the market had anticipated, signalling approximately 65% probability of a hike as early as November. This marks a clear shift compared with the August announcement, when the Riksbank adopted a more dovish tone. The backdrop is the same as elsewhere: rising energy prices and a stronger economy have increased concerns that inflation will become entrenched above target. Several analysts now expect three hikes from the Riksbank, in November, February and May, bringing the rate to 2.5%.

Index	31.12.25	30.09.26	YTD
MSCI World (USD)	4'430.38	4'902.65	10.7%
STOXX50 (EUR)	5'791.41	6'269.02	8.2%
S&P 500 (USD)	6'845.50	7'651.54	11.8%
Nasdaq Comp (USD)	23'241.99	26'861.06	15.6%
Dax (EUR)	24'490.41	25'199.19	2.9%
SMI (CHF)	13'267.48	13'830.34	4.2%
OMX30 (SEK)	2'882.97	3'268.98	13.4%
MSCI Russia (USD)	13'041.79	13'812.95	
MSCI China (USD)	82.58	71.48	-13.4%
NIKKEI (YEN)	50'339.48	66'864.15	32.8%
Swe. Gov Bond. 10 y	2.78%	3.24%	

September was an unsettled month in Swedish politics. The parliamentary election on 13 September produced an unusually tight result, with the outcome not decided until overseas votes were counted several days later. The opposition ultimately gained a narrow majority, but government formation has since stalled. Negotiations between the parties continue, now in the second of four planned rounds, without any clear solution emerging. The Left Party confirmed it intends to vote to retain the Moderate Party's Andreas Norlén as Speaker, widely interpreted as a signal directed at the Social Democrats rather than support for a new government. Prosecutors have also been brought in to investigate suspected electoral fraud in Borlänge, where pre-marked ballots are alleged to have appea-

red. All told, it is an unusually protracted process and how long it will continue remains unclear.

A bright spot towards the end of September came from Swedish household data. The National Institute of Economic Research's barometer rose to its highest level since 2022 and consumer confidence passed the long-run average for the first time since 2021. Corporate hiring plans also improved, even as the labour market remains the weakest link in the Swedish economy. After several difficult years marked by rapid rate hikes, costlier mortgages and unsettling headlines that have eroded both consumer and business confidence, sentiment is now beginning to turn. Higher energy prices and mortgage rates could create some headwinds in the fourth quarter, but for the first time in a long while the indicators are pointing in the right direction for Swedish consumption.

The US/Israel-Iran conflict passed the six-month mark in September and escalated at times. Fresh attacks on vessels in the Strait of Hormuz and on Saudi Arabia's east-west oil pipeline kept the risk premium in the oil price elevated. At the UN General Assembly, President Trump warned Iran of what he called total destruction should the country fail to reach a deal with the US, while also leaving open the possibility that any agreement could wait until after the US midterm elections. Towards month-end, some hope of diplomatic progress emerged as Iran indicated it could reopen the Strait of Hormuz to traffic within a week if the US eased its blockade. Separately, Trump met Chinese President Xi Jinping in the US. The meeting extended the trade truce between the two countries to 10 January and reduced tariffs on certain imports, but produced no major breakthroughs on technology or trade.

MSCI World (USD) fell by -1.3% during the month, S&P 500 by -0.5%, while Nasdaq rose 1.9%. In Europe, STOXX 50 fell -2.4%, DAX -4% and SMI -3.2%. MSCI Nordic Countries fell -3.2% and OMXS30 in Stockholm -1.2%. MSCI China USD fell by as much as -4.8%, while the Nikkei in Japan rose 0.9%.

The Swedish 10-year government bond yield rose 12 basis points during the month, from 3.12% to 3.24%.

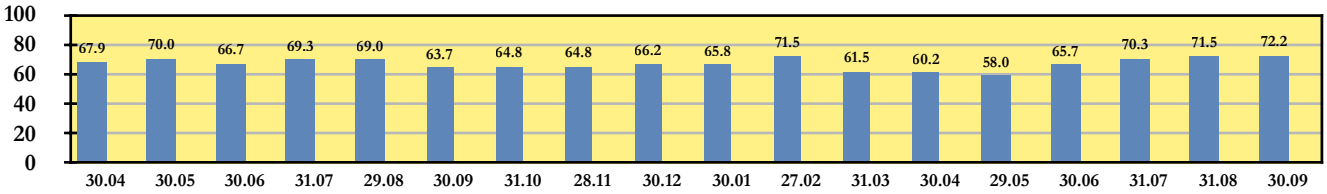
Activities of the month

Holdings in Swedbank and Sdiptech were each increased by 1 percentage point, to 4% and 2% respectively. Investor and Industrivärden were each reduced by 1 percentage point, to 1% each. The fund made modest sales in Nordea and IPC following their strong performance.

Following a weaker market during the month, the short-term trend now shows a neutral direction compared with its previously positive reading, while both the medium- and long-term trends retain positive directions.

The fund began the month with equity exposure of around 70%, but following the initial weakness this was reduced to approximately 55%. When the Stockholm Stock Exchange re-established itself above its support level, equity exposure was restored to approximately 70%.

GADD SMP FUND: Net Equity Exposure (%)



The strongest contributor among the fund's holdings during the month was Implantica, which rose a total of 23.6%. Other holdings that gained were NYAB 10.1%, Swedbank 8.3%, Beijer Ref 7.7% and Nibe 5.7%.

On the negative side, the main detractors were Cibus, which fell -13.1%, LunR -11.9%, RevolutionRace -11.2%, Lundin Gold -9.8% and Pandox -9.2%.

Returns above are not adjusted for dividends.

Investment strategy

Despite a difficult September, the fund views the equity market positively for the remainder of the year. Economic data has recently surprised on the upside in several areas, pointing to an improved economic environment in both the US and Europe. We are now entering the third-quarter reporting season and conditions favour companies delivering strong results. Seasonal patterns that have historically supported equities also come into play. The fourth quarter tends to be a strong period for equity markets, and this is especially true in years with US midterm elections, when markets have historically performed strongly right through to the following summer. The Stockholm Stock Exchange is once again displaying a stable upward trend, and against this backdrop the fund's equity exposure has been raised to approximately 70% heading into the fourth quarter. We continue to monitor developments in rates and geopolitics, but overall we enter the final quarter of the year with good reason to expect continued positive equity market performance.

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