

INVESTMENT LETTER

Monthly letter

January 2026

Independent Investment Firm

Long-Term Perspective – Fundamental Analysis – Disciplined Capital Allocation

SEN Asset Management – Monthly Report January 2026

Head of Research Commentary

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This report presents SEN Asset Management's first monthly portfolio commentary and outlines the key developments in portfolio construction, market conditions, and strategic positioning during January 2026.

EXECUTIVE SUMMERY & PORTFOLIO PERFORMANCE

January marked the launch of SEN Asset Management's active portfolio management and represented the firm's first month of operations. The period was characterized by a gradual and disciplined build-up of portfolio exposure, with a relatively elevated cash position maintained during the early phase due to a limited number of attractive entry opportunities within our investment universe. The primary focus remained on fundamental research, company-specific analysis, and the establishment of a robust long-term portfolio framework.

The portfolio generated a return of **+1.05%**, compared with **OMXPI at +2.2%**. The relative underperformance was mainly attributable to conservative initial positioning and limited exposure to the strongest performing sectors during the month. Toward month-end, market momentum moderated, reinforcing the importance of disciplined capital deployment and risk management.

Entering February, portfolio positioning has improved following investments in companies that delivered solid Q4 earnings results, while several additional holdings are scheduled to report in early February. Overall, we believe the portfolio is now better positioned to generate competitive risk-adjusted returns.

MARKET ENVIRONMENT & SECTOR DEVELOPMENTS

Global equity markets in January were supported by sustained investor risk appetite, driven by expectations of future interest rate cuts and signs of easing inflation across major economies. At the same time, geopolitical uncertainty remained elevated, particularly related to the war in Ukraine and rising tensions in the Middle East, contributing to intermittent volatility across financial markets.

Bond markets experienced a continued repricing of growth and inflation expectations, with investors increasingly discounting a more accommodative monetary policy stance later in the year. This environment favored cyclical assets and contributed to broad-based equity market strength.

Within the financial sector, Swedish online brokerage firms reported strong quarterly results, supported by elevated trading activity and resilient revenue generation. Despite this, we reduced exposure to Nordnet and Avanza, as valuation levels remain demanding and future growth initiatives, particularly expansion into the German market, introduce increased strategic and execution risk. Historical attempts by peers to enter this market have demonstrated limited success and uncertain profitability.

The industrial sector performed strongly and was a key contributor to portfolio performance. Holdings such as Atlas Copco benefited from continued solid demand and strong order intake. The defense sector also delivered notable gains, with MilDef rising approximately 15% during the month before experiencing a partial retracement driven by profit-taking and short-term sentiment shifts.

We continue to view MilDef's fundamentals as attractive, supported by a substantial order backlog, ongoing restructuring initiatives, and strategic inventory build-up throughout 2024. Ahead of the Q4 earnings release, we see potential for confirmation of the company's long-term growth trajectory and operational strength.

PORTFOLIO STRATEGY & ALLOCATION CHANGES

During the portfolio's inaugural month, the primary objective was to establish a balanced and resilient allocation framework grounded in fundamental analysis and clearly defined risk parameters. Investment decisions were guided by a disciplined risk–reward assessment, with particular emphasis on downside protection ahead of the Q4 earnings season.

The portfolio is currently overweight the industrial sector, reflecting our constructive outlook on companies with strong balance sheets, stable cash flow generation, and high visibility in order pipelines. In contrast, exposure to the energy sector remains limited, as we perceive increased structural uncertainty driven by geopolitical developments and shifting macro-level investment priorities.

Several portfolio reallocations were implemented during the month:

- **KONE** was divested due to limited near-term growth catalysts, an increasingly demanding valuation, and a weaker relative return profile compared to alternative opportunities within the industrial sector.
- Positions in **Nordnet and Avanza** were exited as a result of elevated valuation multiples and increased strategic risk related to international expansion initiatives.
- **SEB** was retained despite a quarterly result slightly below market expectations. We believe the market reaction was largely driven by previously elevated expectations, while the company continues to demonstrate solid profitability, strong capital adequacy, and an attractive risk profile relative to peers.

In summary, January was defined by disciplined capital deployment, extensive analytical groundwork, and the construction of a portfolio designed for long-term value creation. Entering February, we maintain a selective investment approach with increased exposure to companies exhibiting strong fundamental drivers, while remaining mindful of prevailing macroeconomic and geopolitical uncertainties.

We enter February with a more clearly defined portfolio structure and a continued focus on high-quality companies with strong fundamental characteristics. While market conditions remain supportive, geopolitical and macroeconomic risks warrant a disciplined and selective investment approach.

Report January 2026

SEN Nordic Equity Portfolio - Monthly Report

Top Ten Equity Holdings

Top ten holdings = 64.8% of portfolio

Company name	Sector	% Portfolio	Monthly Return
Sweco B	Industrials	9,80%	-2,25%
Essity B	Consumer	8,70%	1,82%
hacksaw	Industrials	8,40%	-2,09%
RugVista Group	Consumer	8,30%	-6,84%
Protector Forsikring	Insurance	8,00%	0,40%
Epiroc B	Industrials	7,40%	14,54%
MilDef Group	Industrials	6,50%	2,53%
Hufudstaden A	Real Estate	6,10%	0,54%
Electrolux B	Consumer	5,90%	12,51%
H&M B	Consumer	5,90%	-0,64%

Total Portfolio Statistics

Return & Risk	Portfolio	Benchmark-OMX PI
Last Month	1,05%	2,20%
Year To Date	1,05%	2,20%
Last 12 Months	1,05%	2,20%
Since Inception	1,05%	2,20%
Average Yearly Return	1,05%	2,20%
Volatility (12m)	N/A	N/A
Sharpe Ration	N/A	N/A

Gainers and Losers

Five Largest Portfolio% Gainers

Company name	% Portfolio	Monthly Gain
Epiroc B	7,40%	14,54%
Electrolux B	5,90%	12,51%
Atlas Copco B	5,30%	7,48%
MilDef Group	6,50%	2,53%
Essity B	8,70%	1,82%

Five Largest Portfolio% Losers

Company name	% Portfolio	Monthly Loss
Rugvista Group	8,30%	6,84%
Adtraction Group	4,10%	5,65%
Svedbergs Group	4,40%	5,09%
SEB A	3,20%	2,37%
Hacksaw	8,40%	2,09%

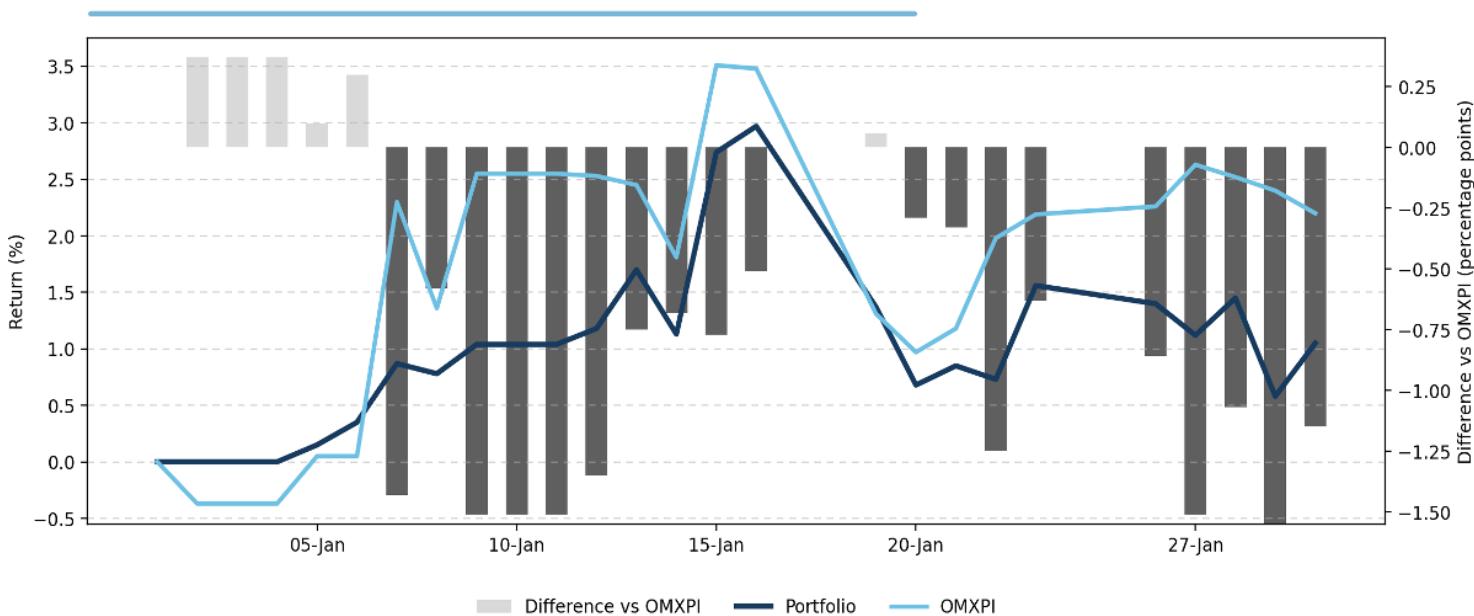
Equity Portfolio Statistics

Sector	Weight %
Financials	3,25%
Industrials	29,00%
Consumer	37,30%
Healthcare	0,00%
Real Estate	11,50%
Insurance	8,00%

Allocation	Weight %
Equity	97%
Cash	3%

Currency Exposure	Weight %
SEK	92%
EUR	8%
NOK	

Portfolio Performance



Sincerely,
SEN Asset Management
January 2026

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