

INVESTMENT LETTER

Monthly letter

March 2026

Independent Investment Firm

Long-Term Perspective – Fundamental Analysis – Disciplined Capital Allocation

SEN Asset Management – Monthly Report March 2026

Head of Research Commentary

Carl-Fredrik Ekström, Head of Research

This report covers key portfolio developments, market conditions, and strategic positioning during March 2026. The month was defined by significant geopolitical turbulence in the Middle East, equity market volatility, and continued fundamental conviction in our core holdings. Carl-Fredrik Ekström, Head of Research, provides a market and portfolio overview, while Henry covers RaySearch Laboratories in depth.

EXECUTIVE SUMMARY & PORTFOLIO PERFORMANCE

March proved to be a challenging month for equity markets globally, driven by a sharp escalation in Middle East tensions following US and Israeli military action and the temporary closure of the Strait of Hormuz. Swedish equities were not spared. OMXS30 fell approximately 11% during the month, while broader indices saw significant drawdowns. Against this backdrop, our portfolio held up relatively well, supported by disciplined positioning and a tilt toward quality businesses with strong balance sheets.

The portfolio generated year-to-date return of -0.58% , compared with OMXPI at -1.88% . Relative performance was supported by our exposure to quality industrials and niche growth businesses, which proved more resilient in the downturn. Consumer-facing holdings faced more pressure, consistent with broader market trends.

Entering April, we maintain a disciplined and selective approach. Geopolitical uncertainty remains elevated and markets may stay volatile in the near term, particularly as the Q1 2026 earnings season gets underway. We are monitoring our holdings closely but see no reason to change our long-term convictions.

MARKET ENVIRONMENT & SECTOR DEVELOPMENTS

March 2026 was defined by a sharp escalation in geopolitical tensions following US and Israeli military action against Iran and the temporary closure of the Strait of Hormuz. Global equity markets reacted swiftly, with OMXS30 falling approximately 11% over the month and S&P 500 declining around 6%. Markets were characterized by rapid swings in both equities and currencies. Brent crude rose sharply, and gold reached new highs above 4,400 USD per ounce. Despite the volatility, analyst consensus has not materially revised earnings forecasts for 2026 and 2027, suggesting the market views the current situation as a temporary shock rather than a structural disruption.

Fixed income markets also repriced meaningfully during the month. Long-term Swedish and European yields rose quickly, compressing the spread between short and long rates. The Swedish krona weakened against major currencies, trading around 9.47 USD/SEK and 10.90 EUR/SEK. The Riksbank is expected to remain data-dependent, balancing the inflation implications of rising energy costs against slowing domestic demand. For our portfolio, this environment reinforces our preference for companies with strong cash generation, low leverage, and pricing power.

Defense & Industrials: The geopolitical escalation in March served as a further reminder of the structural nature of European defense spending. MilDef Group continues to benefit directly from this trend. The company enters 2026 with an order backlog exceeding 2.1 billion SEK, more than 80% higher than the prior year, and recently opened its expanded production facility in Rosersberg. We view the short-term share price weakness as disconnected from the company's operational momentum and long-term positioning. Atlas Copco and Epiroc also demonstrated resilience consistent with our expectations.

RaySearch Laboratories (*Henry, Equity Analyst*): RaySearch delivered record revenue and strong earnings growth for full-year 2025, with an EBIT margin well ahead of the prior year despite significant currency headwinds. Management has confirmed its operating margin target of at least 25% for 2026. RayStation and RayCare are embedded in clinical workflows across more than 1,100 cancer clinics in 48 countries, providing strong switching costs and recurring revenue. The Royal Marsden NHS Foundation Trust recently adopted RayStation for online adaptive treatments, further validating the platform at leading institutions. With a strong balance sheet and continued R&D investment, we remain positive on RaySearch as a long-term compounder within oncology software. Following the share price correction since our entry, valuation looks increasingly attractive.

Swedish Economy & Real Estate: Despite the difficult global backdrop, the Swedish economic recovery remains on track. Domestic demand is gradually improving, supported by fiscal stimulus and easing monetary conditions. Intea Fastigheter continues to benefit from stable long-term social infrastructure contracts and improving interest coverage ratios. The Nordic property market stabilization observed in February appears to be holding. Within the consumer segment, RugVista and Hacksaw faced near-term pressure in line with broader market sentiment, though our long-term view on both companies is unchanged.

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 remains concentrated around high-conviction names with strong earnings visibility, robust balance sheets, and clear structural growth drivers. We are overweight industrials and niche growth businesses, with meaningful exposure to defense technology through MilDef, oncology software through RaySearch, and Nordic real estate through Intea Fastigheter. Consumer-facing holdings are kept at modest weights given near-term uncertainty. No new positions were initiated during March. Our focus was on monitoring existing holdings through the turbulence rather than making reactive changes.

March 2026

Key portfolio developments during March:

- **MilDef Group:** Position maintained. The fundamental investment case remains intact despite short-term share price pressure. The company's order backlog and structural tailwinds from European defense rearmament continue to support a positive long-term outlook.
- **RaySearch Laboratories:** Conviction reinforced following the full-year 2025 report. Record revenues and strong earnings growth despite currency headwinds confirm the scalability of the business model. Management's 25% margin target for 2026 remains in place.

March represented a period of consolidation and discipline rather than significant portfolio activity. With geopolitical uncertainty dominating market sentiment, our focus during the month was on monitoring existing holdings and assessing the resilience of our investment theses under stress, rather than initiating new positions or making reactive allocation changes.

“In the short run, the market is a voting machine. In the long run, it is a weighing machine.”
//Benjamin Graham

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SEN Nordic Equity Portfolio - Monthly Report

Top Ten Equity Holdings

Top ten holdings = 75% of portfolio

Company name	Sector	% Portfolio	Monthly Return
MilDef Group	Industrials	9.43%	5.97%
Hacksaw	Industrials	9.11%	2.34%
Sweco B	Industrials	9.04%	-0.15%
Essity B	Consumer	8.27%	-0.41%
Protector Forsikring	Insurance	7.76%	2.08%
RugVista Group	Consumer	7.72%	1.43%
Svedbergs Group B	Consumer	6.98%	2.71%
Epiroc B	Industrials	6.81%	2.25%
Hufudstaden A	Real Estate	6.11%	0.67%
SEB A	Financials	5.87%	0.94%

Gainers and Losers

Five Largest Portfolio% Gainers

Company name	% Portfolio	Monthly Gain
MilDef Group	9.43%	5.97%
Epiroc B	6.81%	2.25%
Svedbergs Group B	6.98%	2.71%
Protector Forsikring	7.76%	2.08%
Hufudstaden A	6.11%	0.67%

Five Largest Portfolio% Losers

Company name	% Portfolio	Monthly Loss
RugVista Group	7.72%	-16.01%
SEB A	5.87%	-12.32%
Sweco B	9.04%	-10.09%
Adtraction	5.51%	-1.22%
Essity B	8.27%	-0.41%

Total Portfolio Statistics

Return & Risk	Portfolio	Benchmark-OMX PI
Last Month	-5,51%	-7,95%
Year To Date	-0,58%	-1,88%
Last 12 Months	N/A	N/A
Since Inception	-0,58%	-1,88%
Average Yearly Return	N/A	N/A
Volatility (12m)	N/A	N/A
Sharpe Ration	N/A	N/A

Allocation	Weight %
Equity	99%
Cash	1%

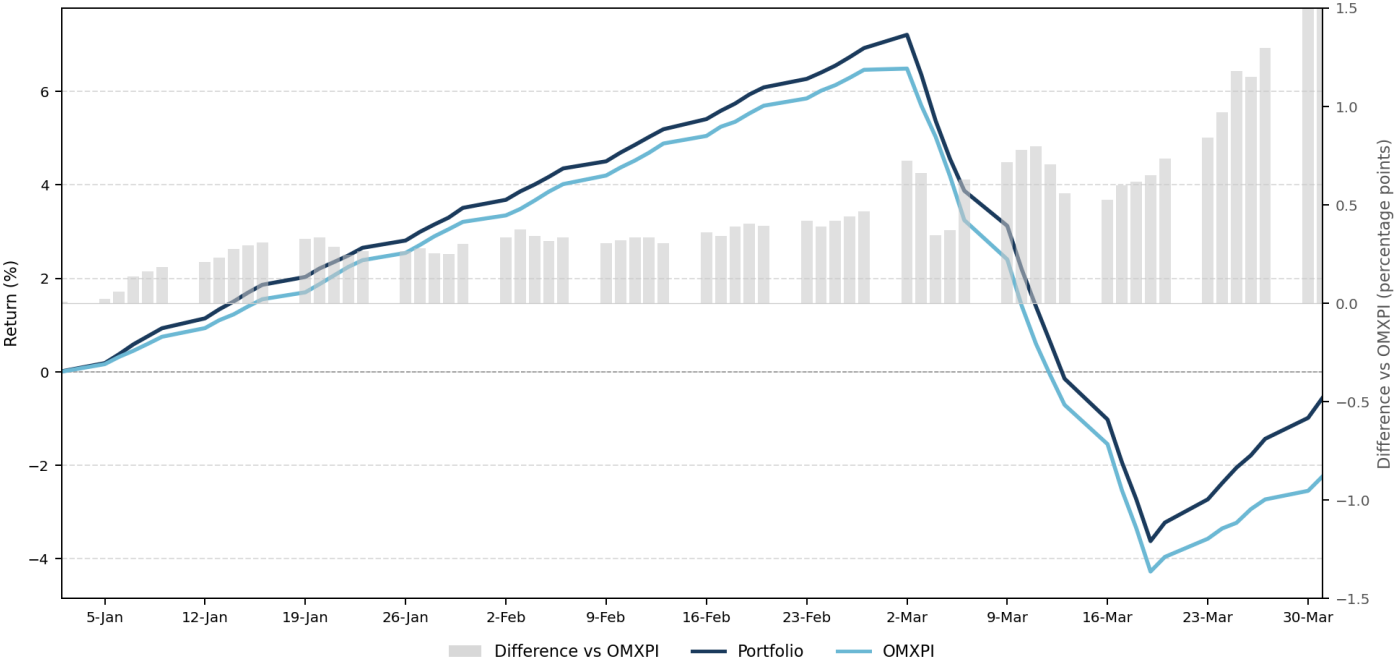
Currency Exposure	Weight %
SEK	91%
EUR	8%
NOK	1%

Equity Portfolio Statistics

Sector	Weight %
Industrials	39.41%
Financials	11.35%
Consumer Staples	8.27%
Consumer Discretionary	14.62%
Real Estate	12.07%
Insurance	7.76%
Technology	6.52%

Country	Weight %
Sweden	92%
Norway	8%
Denmark	0%
Finland	0%

Portfolio Performance



Sincerely,

SEN Asset Management

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