SEN Asset Management

INVESTMENT LETTER

Monthly letter

June

Independent Investment Firm

Long-Term Perspective – Fundamental Analysis – Disciplined Capital Allocation

SEN Asset Management – Monthly Report June 2026
Head of Research Commentary
Carl-Fredrik Ekström, Head of Research

This report summarizes key portfolio developments, market conditions, and strategic positioning during June 2026. After May's sharp rebound, markets moved into a calmer, more macro-driven phase. Easing geopolitical tension and falling energy prices dominated the narrative, while a new addition to the portfolio, Octave Intelligence, gave us a chance to lean into a technically driven dislocation rather than a fundamental one.

EXECUTIVE SUMMARY & PORTFOLIO PERFORMANCE

June was a quieter month for the SEN portfolio after May's outsized gain. The portfolio was roughly flat, down -0.08%, compared with an estimated +0.57% for the OMXSPI benchmark. Since launch, the portfolio has returned +15.44%, compared with +7.36% for OMXSPI – a wide margin that has held up well even through a choppier month.

Performance was mixed at the position level. MilDef Group and Hacksaw remain the standout long-term contributors, both up more than 30% since we invested. Sweco and RugVista continued to weigh on returns. The main portfolio change during the month was the addition of Octave Intelligence, discussed in more detail below.

MARKET ENVIRONMENT & KEY THEMES

MACRO BACKDROP

Markets spent June digesting the sharp reversal in geopolitical risk that had driven much of May's rally. The ceasefire framework between the US/Israel and Iran held through the month, oil prices fell back toward levels last seen before the conflict began, and shipping through the Strait of Hormuz began to normalize. Together, this took a meaningful chunk of the earlier inflation scare off the table and supported risk appetite more broadly.

Central banks provided more cross-currents than clarity. The Fed's new chair, Kevin Warsh, struck a notably hawkish tone at his first meeting, and the market has since priced in the possibility of a hike later this year rather than a cut, cementing the Fed's independence but unsettling the shorter end of the US rate curve. The ECB, in what we view as a policy misstep, raised its deposit rate to 2.25%, a decision we think it may need to reverse within the next year. The Riksbank held steady at 1.75%; Swedish inflation remains below target, but the board is reluctant to ease while the energy picture stays unsettled.

For the krona, June was a mixed month. Earlier weakness against the euro has left it looking technically oversold, and with much of our book concentrated in domestic Nordic names, currency has been a relatively modest driver of returns compared with our internationally exposed peers.

A NOTE ON FROTH

One theme we want to flag, without turning this into a top-down macro call, is that several markers of investor sentiment are now running hot. Volatility across asset classes has compressed noticeably, positioning surveys show private investors leaning firmly bullish, and a small handful of global mega-cap companies continue to account for a historically large share of index returns – a level of concentration we associate with the late stages of a cycle rather than the early ones.

None of this means the rally has to end soon. Earnings trends are still broadly supportive, and valuations measured against forward profits are not extreme in aggregate once you look past the most crowded names. But it does mean we are paying closer attention to where enthusiasm has run ahead of fundamentals, particularly around the most richly priced parts of the technology and semiconductor complex, and we would rather leave some of the last leg of a rally on the table than be over-extended when sentiment eventually turns. Practically, that has meant staying selective rather than chasing the most expensive corners of the market, and keeping a modest cash buffer on hand.

COMPANY COMMENTS

NEW ADDITION TO THE PORTFOLIO: OCTAVE

Analysis by Viktor Söderberg

During the past month, we have bought shares in Octave, Hexagon's recent spin-off, where we believe an opportunistic approach offers an attractive risk-reward ratio. Octave consists of a mix of former Hexagon software acquisitions and provides software used to protect, manage and design critical infrastructure and industrial assets. Its customers operate in areas where reliability, precision and safety are critical, which we believe makes the software deeply embedded in customer workflows and reduces the risk of disruption. This is also why we do not view AI as a significant threat to Octave's business. The majority of sales are generated in the US, and the company serves 60% of the Global Fortune 500 with its solutions. In our view, the spin-off has created an interesting investment opportunity.

Spin-offs often create short-term pressure. Put simply, there is typically significant rotation in the shareholder base as investors in the original company either do not want to, or are not allowed to, own shares in the spin-off. This can create temporary selling pressure, where price is not necessarily driven by fundamentals. On June 22, the stock reached a low of SEK 151.6 per share, corresponding to a market cap of SEK 40.6 billion. At these levels, the company was trading at around 8x market cap to adjusted EBIT based on our 2026 estimates, which are in line with the company's financial target. We use adjusted EBIT as the relevant metric since the company is currently undergoing a transition toward SaaS revenues, which is temporarily weighing on the income statement.

Our investment thesis is based on the view that Octave is a high-quality software company with its origins in Hexagon, which we consider a strong endorsement of the underlying business. At the same time, the company is transitioning toward a more SaaS-like revenue model, which should improve the quality and predictability of earnings over time, but is currently creating some pressure on reported results. Combined with the temporary selling pressure often associated with spin-offs, weak sentiment toward software companies, and what we view as an undemanding valuation, we believe the current setup offers an attractive opportunity. In our view, these factors have created a temporary dislocation between the quality of the business and the valuation of the company.

MILDEF GROUP & HACKSAW

Analysis by Carl-Fredrik Ekström
Head of Research

MilDef Group and Hacksaw remain the two strongest contributors in the portfolio, both up more than 30% since initiation. Neither had material company-specific news in June, and we read the continued strength as the market taking more time to digest the strong Q1 reports both companies delivered earlier in the year. We remain comfortable holders of both and see no reason to change course.

Sweco & Rugvista

On the other side of the ledger, Sweco and RugVista continued to underperform. Sweco has been caught up in broader concerns about softer construction and infrastructure spending across the Nordics, while RugVista has faced a more cautious consumer. We view both setbacks as cyclical rather than structural: Sweco's diversified engineering franchise across the Nordics remains intact, and RugVista continues to take e-commerce market share even as near-term demand has cooled.

PORTFOLIO STRATEGY & POSITIONING

The portfolio remains well ahead of the benchmark since launch (+15.44% vs +7.36% for OMXSPI), and June's flat result does not

- Strong long-term growth drivers
- Healthy balance sheets
- Skilled management teams

Key themes in the portfolio:

- Defense technology: MilDef continues to benefit from elevated European defense spending
- Oncology software: RaySearch has long-term catalysts in China and beyond
- Industrial companies: Epiroc and Atlas Copco benefit from structural mining and automation demand
- Real estate: Intea in positioned for a continued recovery
- Special situations: Octave Intelligence offers a technically driven entry point into a Hexagon-related growth business
- Consumer stocks: RugVista and Svedbergs face short-term pressure but retain long-term potantial

OUTLOOK

We enter July with the portfolio comfortably ahead of the benchmark, even after a quiet June. The immediate backdrop is supportive – falling oil prices, receding geopolitical tension, and inflation expectations that have started to roll over again. At the same time, we are mindful that sentiment and positioning have become stretched in parts of the market, and we would rather stay selective than chase the last leg of a rally that has, in places, started to look a little overextended. We remain disciplined in our approach, with a continued focus on long-term value creation through fundamental analysis.

Report June 2026

SEN Nordic Equity Portfolio - Monthly Report

Top Ten Equity Holdings

Top ten holdings = 82% of portfolio

Company name	Sector	% Portfolio	Return %
Svedbergs Group B	Consumer Discretionary	9,77%	0,00%
Sweco B	Industrials	9,63%	-11,54%
RugVista Group	Consumer Discretionary	9,24%	-7,15%
SEB A	Financials	8,77%	0,82%
MilDef Group	Industrials	8,39%	45,39%
Intea Fastigheter B	Real Estate	7,82%	8,84%
Octave Intelligence SDB	Technology	7,11%	-0,38%
Hacksaw	Technology	7,09%	34,74%
Protector Forsikring	Insurance	7,08%	-2,98%
Epiroc B	Industrials	6,81%	15,88%

Gainers and Losers

Five Largest Portfolio % Gainers

Company name	% Portfolio	Return %
MilDef Group	8,39%	45,39%
Hacksaw	7,09%	34,74%
Adtraction	6,41%	28,96%
RaySearch Laboratories B	6,67%	18,92%
Epiroc B	6,81%	15,88%

Five Largest Portfolio % Losers

Company name	% Portfolio	Return %
Sweco B	9,63%	-11,54%
RugVista Group	9,24%	-7,15%
Protector Forsikring	7,08%	-2,98%
Octave Intelligence SDB	7,11%	-0,38%
Svedbergs Group B	9,77%	0,00%

Total Portfolio Statistics

Return & Risk	Portfolio	chmark-OMX PI
Last Month	**-0,08%**	0,57%
Year To Date	**15,44%**	7,36%
Last 12 Months	15,44%	7,36%
Since Inception	15,44%	7,36%
Average Yearly Return	N/A	N/A
Volatility (12m)	N/A	N/A
Sharpe Ratio	N/A	N/A

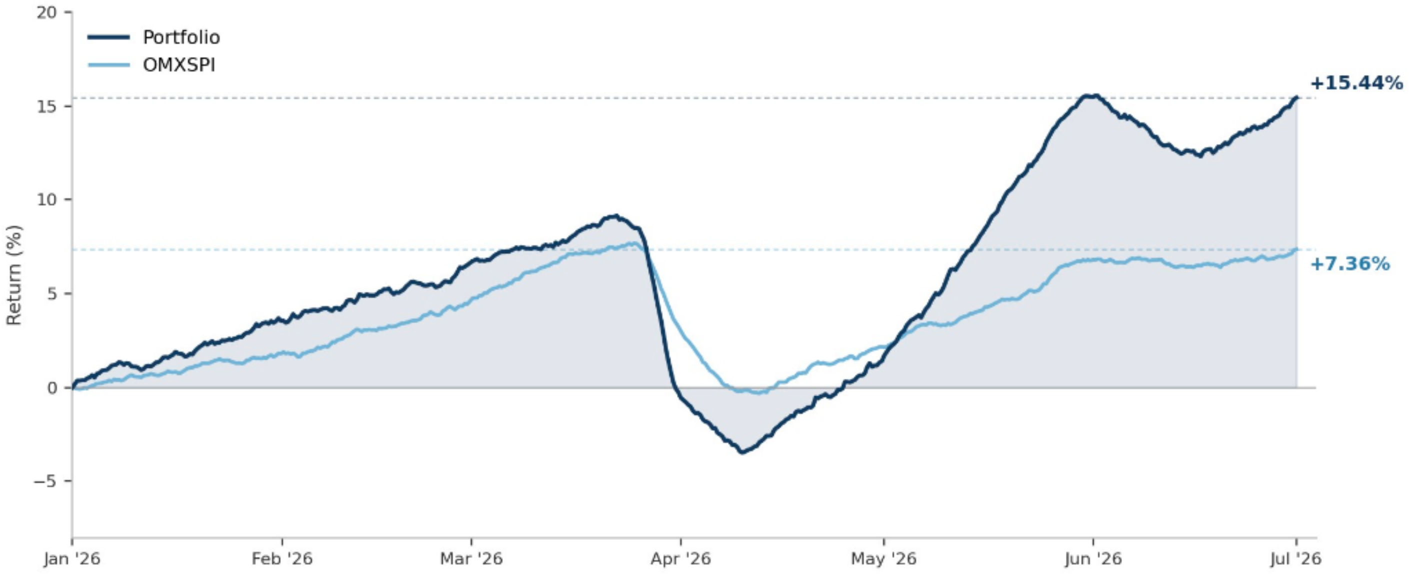
Allocation	Weight %
Equity	96%
Cash	4%

Currency Exposure	Weight %
SEK	93%
EUR	0%
NOK	7%

Equity Portfolio Statistics

Sector	Weight %
Industrials	30,04%
Technology	20,61%
Consumer Discretionary	19,02%
Financials	8,77%
Real Estate	7,82%
Insurance	7,08%
Healthcare	6,67%

Country	Weight %
Sweden	93%
Norway	7%
Denmark	0%
Finland	0%



Last month	3 months	Year to date	Since inception	OMXSPI (1m)
-0.08%	+16.10%	+15.44%	+15.44%	+0.57%

Sincerely,

SEN Asset Management

Contact Information
SEN Asset Management
senassetgroup@gmail.com

Important Disclosures

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