

Monthly Report March 2026

Kavaljer Investmentbolagsfond

-5.9%
March 2026 return

+19.9%
5-year return



Monthly Comment

Geopolitical tensions drive market declines and volatility

March was a very weak month for equities, particularly large caps. The broad Stockholm market (OMXSPI-GI) declined by -7.5%, while the global index (Dow Jones Global Index) fell by -7.6%. The month was marked by the escalating conflict between the US/Israel and Iran, the associated blockade of the Strait of Hormuz, and the destruction of oil infrastructure across the Middle East. The latter two factors have driven higher oil and energy prices, which risk fueling inflation.

Our approach: assessing the situation and acting with discipline

As always, we believe that investors and funds should refrain from engaging in macro forecasting. The legendary economist John Kenneth Galbraith famously said:

"The only function of economic forecasting is to make astrology look respectable."

We fully agree with this view, but would add that it is important to assess how macro events may impact our portfolio holdings.

Our main observation is that the Iran conflict is already creating uncertainty among both consumers and businesses, leading to postponed investment decisions—particularly for larger investments where decisions can be delayed without significant consequences.

As a result, earnings for companies driven by large, discretionary decisions are likely to weaken in 2026, while companies with subscription-based business models are expected to remain largely unaffected.

During periods of macroeconomic uncertainty, markets tend to treat all companies alike, with most stocks declining by similar magnitudes. We use such periods to add to positions in companies whose underlying businesses are likely to remain stable even in more uncertain environments.

Fund facts

Launch date	May 2018
Risk level	4 out of 7
Number of holdings	25-40
Trading	Daily
Fund rating (Morningstar)	★★
Category	Global, Sweden
SFDR classification	Article 8
AUM	SEK 766 million
Management fee	A-class (0.3%) C-class (1%)
Total fee	A-class (0.56%) C-class (1.19%)
ISIN A-class	LU1777968246
ISIN C-class	LU2838471790
Fund managers	Peter Lindvall, Håkan Telander & Jesper von Koch

Risk measures

	3 år	5 år
Alpha	-3.72	-4.75
Beta	0.77	0.96
Sharpe-ratio	0.28	0.18
Standard deviation	10.82	14.59

Risk measures for A-class

Fund Performance

Kavaljer Investmentbolagsfond delivered a negative return of -5.9% during the month. Since inception, the fund has returned 128%, compared to 102% for the Stockholm market (OMXSPI-GI) and 83% for the global index (Dow Jones).

The largest positive contributors during the month were Fairfax Financial Holdings, HBM Healthcare Investments, and Linc. The largest negative contributors were Ratos, Latour, and Svolder.

Portfolio Changes and Holding

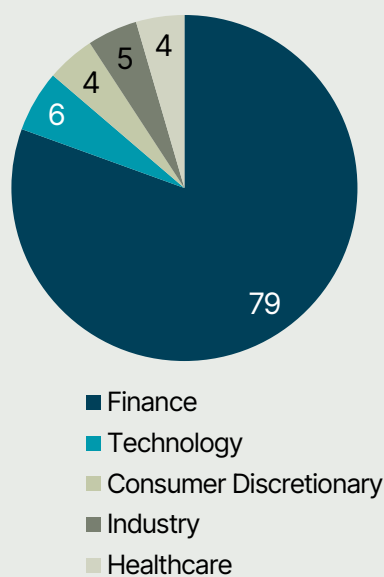
During the month, the fund reduced its holdings in Investor, Industrivärden, and Fairfax Financial Holdings, and increased its position in Beijer Alma.

The equity exposure stood at 99%.

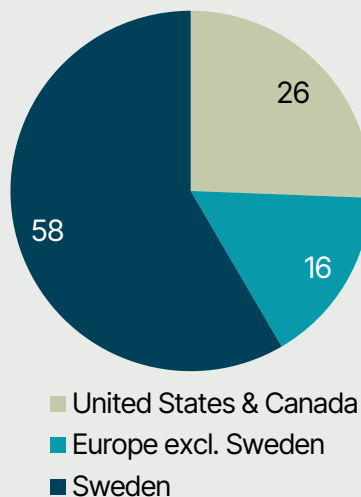
Top 20 holdings as % of portfolio

Berkshire Hathaway	8.0
Investor	7.5
Svolder	6.3
Latour	5.7
Ratos	5.6
Markel	4.9
Fairfax Financial Holdings	4.8
Industrivärden	4.7
Prosus	4.5
Lundberg	4.5
Linc	4.5
Danaher	4.4
HBM Healthcare	4.3
LVMH	3.6
Microsoft	3.4
Byggmästaren AJ Ahlström	3.0
Idun Industrier	2.8
Beijer Alma	2.4
VNV Global	2.4
Bure Equity	2.3
Number of holdings	27
Top 20 as a % of total	89.6

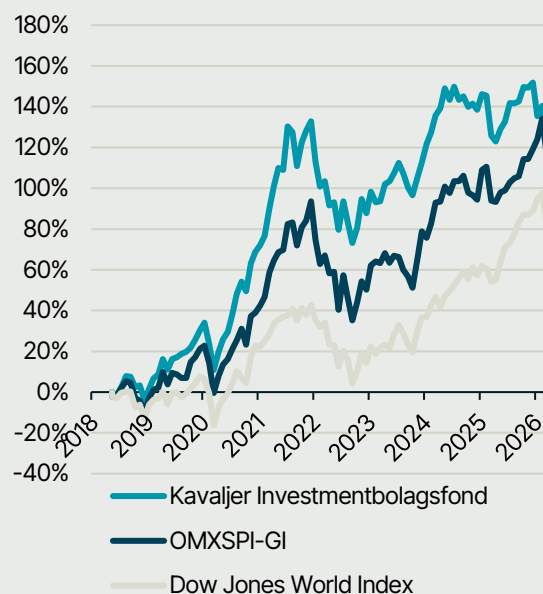
Sector Allocation %



Geographical Allocation %



Returns after fees



Top and Bottom Performers

Company	Contribution of return
Fairfax	0.2%
HBM Healthcare	0.1%
Linc	0.05%
Ratos	-0.8%
Latour	-0.7%
Svolder	-0.5%

In-depth Views on Our Holdings

Ratos: Takeaways from the Capital Markets Day

During the month, we attended Ratos' Capital Markets Day, where the company presented a new strategic direction and updated financial targets. The most significant change is that Ratos is moving away from being an operating company and returning to a pure investment company structure. From 2027, all portfolio companies will report Net Asset Value (NAV). At the same time, the investment mandate is being broadened to include minority stakes in both listed and unlisted companies.

The new financial targets imply annual sales growth of 5% through 2028 for the so-called core holdings (i.e., excluding Aibel, Sentia, Plantasjen, KVD, and Oase Outdoors), an adjusted EBITA margin of at least 10% (8.7% in 2025), and an adjusted ROCE of at least 10% (8.3% in 2025). The previous three business areas will be discontinued, and from Q1 2026, the portfolio companies will be reported on an individual basis.

During the 2026–2028 period, a key focus will be on divesting companies within the consumer segment. Plantasjen is one example which, in our view, has for a long time weighed on the perception of Ratos. Following the completed restructuring, the conditions for a divestment now appear more favorable than before. We believe a long-awaited divestment of Plantasjen could very well take place during this year.

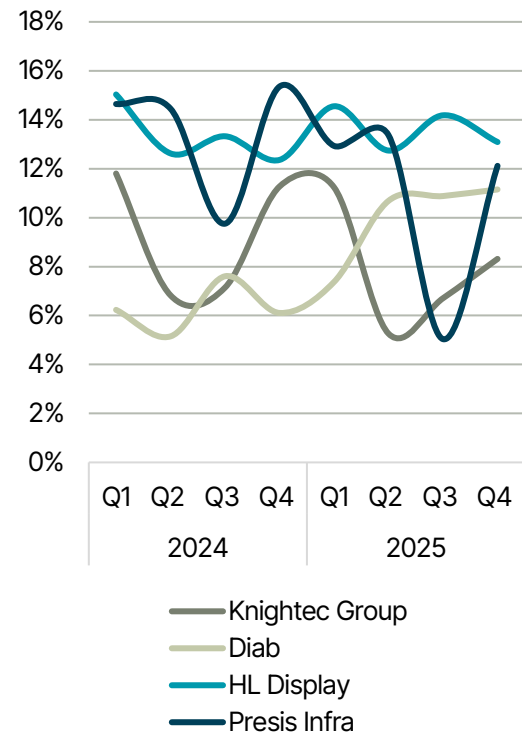
Looking ahead, performance in the core holdings (Diab Group, HL Display, Knightec, and Presis Infra) will be the main driver of Ratos' development. The 5% annual growth target is evenly split between organic and acquisition-driven growth. The current margin profile of 8.7% is depressed by weaker macro conditions, but there is clear upside potential in a normalized demand environment.

Acquisition activity among the core holdings has also been very low in 2025 compared to previous years, and all core holdings have explicitly signaled acquisition ambitions for 2026. Over the longer term, we see IPOs of HL Display and Diab Group as fully plausible, with the successful listing of Sentia demonstrating Ratos' ability to realize value in this way.

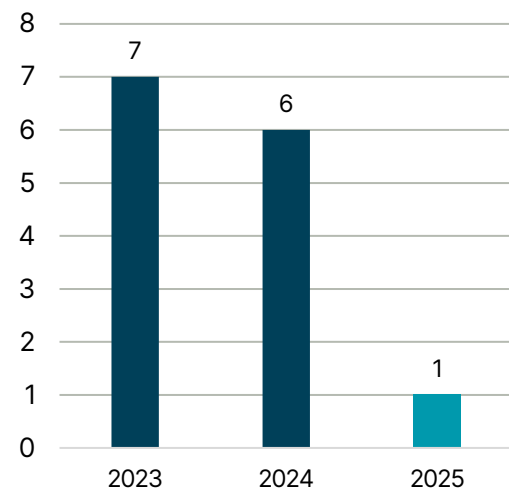
Once the consumer segment is divested, what remains is a portfolio of Nordic niche leaders within industry and infrastructure, characterized by low leverage, a clear strategy, and an acquisition pipeline ready to be activated. This represents a cleaner base than Ratos has had in many years. For investors willing to give management the benefit of the doubt in executing on its stated strategy, there is meaningful re-rating potential from current levels.

Ratos represents 5.6% of Kavaljer Investmentbolagsfond

Adj. EBITA-margin per core holding



Number of acquisitions



Time period	1M	YTD	1Y	3Y	5Y	Since inception	Annualised return
Kavaljer Investmentbolagsfond	-5.2%	-9.5%	1%	18%	19.9%	128%	12.2%
OMXSPI-GI	-7.5%	-1.2%	12%	33%	36%	102%	11.4%
Dow Jones World Index	-7.6%	-3.2%	19%	50%	42%	83%	8.8%

*may 2018

Svolder: A Challenging Start to 2026 for Small Caps

The Swedish small-cap segment has continued to perform weakly at the start of the year. During Svolder’s second quarter (December 2025 to February 2026), net asset value declined by 6.4%, compared to a 1.9% decline in the Carnegie Small Cap Return Index. Over the same period, the broader large-cap index (SIXRX) increased by 9.3%.

Large outflows from Swedish small-cap funds are by now a well-known phenomenon and have continued into 2026. During January and February alone, outflows from small-cap funds amounted to just over SEK 8 billion, and the trend appears to have persisted into March following the outbreak of the Iran conflict in late February.

Svolder’s largest holding, New Wave Group, which accounts for 13% of NAV, illustrates how companies with high ownership by small-cap funds can experience weak share price performance when funds are forced to sell due to outflows—despite fundamentally strong underlying performance. The company is gaining market share, has completed value-accretive acquisitions during the downturn, and is investing aggressively in new business systems, its sales organization, and brand building to strengthen the business going forward. Similar patterns can be observed across several of Svolder’s other holdings.

Svolder’s portfolio companies are trading at historically low valuations, while Svolder itself is trading at a significant discount to NAV. In other words, investors are buying an already depressed portfolio at an additional discount. The valuation gap between small caps and large caps is unusually wide. Historically, such periods—while challenging in the short term—have often created attractive opportunities for long-term investors.

Svolder represents 6.3% of Kavaljer Investmentbolagsfond.

Vitec: Proposes Share Buybacks for the First Time

In the notice for the Annual General Meeting issued on Monday, March 30, Vitec’s Board of Directors proposed, for the first time, that the AGM authorize the Board to repurchase the company’s own shares. Historically, Vitec has only repurchased shares to secure delivery of shares to employees participating in its share savings program.

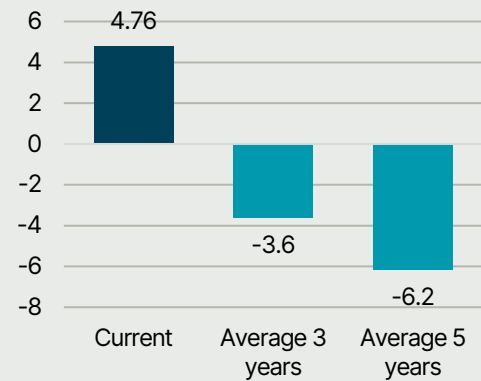
This carries a positive signaling effect. When the company’s own valuation multiple is low, buybacks should be considered alongside acquisitions. At the same time, our view is that capital allocation remains more attractive through continued acquisitions at 7–9x EBIT, given that Vitec itself is valued at just over 16x EBIT. However, should that relative valuation change, a buyback mandate could prove useful.

Vitec represents 2.2% of Kavaljer Investmentbolagsfond.

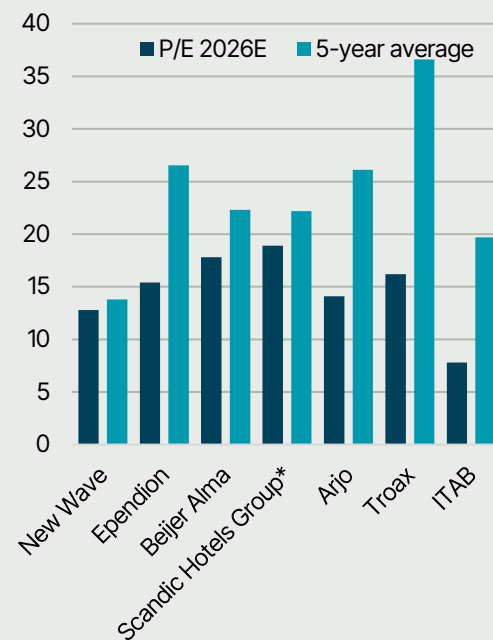
Nacka Strand April 7 2026

Peter Lindvall, Håkan Telander, Jesper von Koch, Jakob Wahlberg.

Svolder: Discount/Premium %



Svolder: Several portfolio holdings at historically low valuations



“The biggest investing errors come not from factors that are informational or analytical, but from those that are psychological.”

Howard Marks

More information about the fund can be found at: <https://kavaljer.se/>