Marketing Communication

GS&P Fonds | Family Business

Reporting April 2025

GS&P Kapitalanlagegesellschaft S.A.

Monthly Report as of 30.04.2025

Political announcements and weak economic data shaped market activity in April. The introduction of reciprocal tariffs by US President Trump at the beginning of the month led to significant turbulence, with major equity indices suffering losses of up to 20% at their lows. These declines were driven by growing uncertainty around global trade policy and increasingly erratic communication from the White House.

Strong Rebound

As the month progressed, market conditions stabilised notably. Trump's economic policy U-turn provided support and triggered one of the sharpest technical recoveries in recent years. The episode highlights the unpredictability of US economic policy under Trump: while short-term reversals can calm markets, the credibility of such announcements continues to deteriorate. Market reactions suggest that political decision-making is increasingly aligned with investor expectations. Much of the initial drawdown has since been recovered and several indices are now trading at new all-time highs.

Unexpected Market Dynamics

It is noteworthy that traditional safe havens such as the US dollar and US Treasuries did not benefit meaningfully from the episode of risk aversion. Instead, the euro and Swiss franc appreciated, while yields on 10-year US Treasuries rose – contrary to historical patterns. This unusual development has since partially reversed.

The ECB, meanwhile, responded to the deteriorating growth outlook with another rate cut, despite inflation remaining above target. This underscores the persistent policy trade-off between price stability and economic support.

Recovery in European Small and Mid Caps

Despite elevated volatility, European small and mid caps proved resilient. Following years of relative underperformance, selective inflows have begun to return – particularly into cyclical stocks with attractive valuations or structural catalysts. Institutional investor appetite for this segment appears to be recovering.

Political Tailwind from Germany

The election of Friedrich Merz as German Chancellor has reduced political uncertainty in Germany, at least in the short term. The new administration, which includes several industry professionals, may offer early economic stimulus. This, in turn, could generate attractive opportunities in the German and broader European small and mid cap segment, supporting a selective investment approach.

Market Developments in April

The broader European equity market, as measured by the STOXX Europe 600 TR, declined slightly by -0.7 % in April. Small and mid caps outperformed large caps by a wide margin. On a sector level, real estate (+6 %), retail (+6 %) and utilities (+5 %) delivered the strongest performance, while oil & gas (-11 %), basic resources (-7 %) and healthcare (-3 %) underperformed. Commodities such as oil (WTI -19 %) and copper (-9 %) also exhibited weakness.

Fund Performance

The **GS&P Fund – Family Business** (G) ended the volatile month of April with a **decline of -1.3 %**, but remains up approximately **5% year-to-date**. As of 15 May, the fund has returned **+9.3 %** since the beginning of the year – slightly ahead of the STOXX Europe 600 TR (+9 %).

The strongest contributor in April was **Jet2** (+22 %), a top-10 position. The leisure airline delivered a solid trading update and announced a £250 million share buyback programme (equivalent to 9 % of its market capitalisation) – a clear signal of capital discipline and focus on EPS growth. Adjusted PBT for FY25 is expected at £565–570 million, at the upper end of previous guidance. One-off gains from the sale of retired aircraft are not included. The company reported total liquidity of £3.2 billion, including £1.1 billion in own cash (excluding customer deposits). Despite continued late booking patterns, capacity expansion remains at +8%, while pricing, load factors and product mix are actively managed to optimise margins. With an FY26E P/E ratio of just 8 (prior to adjusting for the company's substantial net cash position), the shares continue to offer an attractive valuation.

Zalaris (+1 %) benefited from strong Q1 results and the announcement of new midterm targets. The strategic review currently underway is expected to conclude within the quarter and could act as a further catalyst for our #1-position. **Hellenic Telecom** (+9 %) was supported by falling bond yields, improving sentiment in the telecom sector and the exit from its Romanian operations. **Aumann** (+14 %), **HelloFresh** (+12 %) and **Jumbo** (+6 %) also delivered positive contributions. Jumbo continues to demonstrate sustained profitable growth, backed by a net cash position that supports regular special dividends and share buybacks.

On the negative side, **Energiekontor** (-16 %) detracted from performance as prior market expectations for 2025 proved optimistic. **Roche** (-9 %) and **Elmos Semiconductor** (-4 %) also declined amid trade tensions.

Portfolio Adjustments

Only selective, tactical adjustments were made during the month, as the fund remained broadly fully invested. Gains in **Koenig & Bauer**, **Jet2** and **ASR Nederland** were used to trim positions moderately. **Aumann**'s buyback offer was accepted, with most of the remaining position sold to fund **two new investments – including a successful recent German IPO**. Further details will be provided in the next report.

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For detailed product specific information, in particular on the investment objectives, investment principles, opportunities and risks and explanations of the fund‘s risk profile, please refer to the sales prospectus, the terms and conditions of investment, the key information document (PRIIP) and the latest annual and semi annual reports. This information is available to you free of charge in German on the Internet at **https://gsp-kag.com**.

You can also obtain this information free of charge in German from the registered office of the management company GS&P Kapitalanlagegesellschaft S.A., 7, Op Flohr L-6726 Grevenmacher, Luxembourg, the depositary and the distributor. The depositary is DZ PRIVATBANK S.A., 4, rue Thomas Edison L-1445 Strassen, Luxembourg. These documents form the sole binding basis for the purchase of the fund. Please read the fund‘s prospectus and key information document (PRIIP) before making a final investment decision.

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