

Reporting September 2025

Monthly Report as of 30.09.2025

Driven by hopes for progress in artificial intelligence, US equity markets posted significant gains in September, whereas European markets were overall more subdued. Considerable divergences in performance were visible across sectors and countries.

Current Assessment

After several months of strong performance, signs of fatigue have recently emerged in European markets. German equities in particular – having performed very well YTD – entered a consolidation phase and declined slightly. As a result, they lagged both the broader European indices and the highly concentrated, AI-driven US markets. The rally in the US – as well as the ongoing economic growth there – continues to be largely supported by enthusiasm around data centres and AI.

In France, political instability caused uncertainty, while in Germany, confidence in the new coalition government has waned. The general political uncertainty has, over recent months, dampened investor demand for European equities. Indices have been moving sideways since May, albeit without any meaningful selling pressure.

Our conversations with European corporates suggest that uncertainty around potential US tariffs has delayed investment deci-

sions and created additional costs. While the underlying trade agreements are broadly positive, many companies continue to seek bespoke arrangements. In addition, the stronger euro has eroded the competitiveness of European exporters.

We remain convinced that European small and mid caps continue to trade at attractive valuations. Many of our holdings are priced at substantial discounts to their historical averages and, in our view, offer upside potential of more than 50% once confidence and visibility improve.

As the third quarter is finished and the end of the year comes into view, attention is increasingly turning to 2026. Despite ongoing short-term risks, we hold a cautiously optimistic view of a gradual economic recovery in Europe in the year ahead. More importantly, we continue to identify idiosyncratic opportunities in selected individual stocks – names that have the potential to perform irrespective of the broader market backdrop.

Market Developments in September

Over the course of the month, European large caps clearly outperformed small and mid caps. Large cap growth names, in particular, delivered above-average returns, while the value segment lagged. Apart

from a brief setback at the beginning of the month, European equity markets traded relatively calmly. The STOXX Europe 600 TR advanced by +1.5%, while the DAX closed almost unchanged. The SDAX and MDAX also hovered around the zero line.

In contrast, US markets delivered another strong month: the S&P 500 rose by over 3%, and the Nasdaq gained more than 5%, supported by continued excitement surrounding artificial intelligence, quantum computing and broader technological applications.

The best-performing sectors in Europe were Basic Materials (+9%), Retail (+8%) and Technology (+7%), whereas Food & Beverages (-5%), Chemicals (-3%) and Telecommunications (-3%) lagged behind.

Fund Performance

The **GS&P Fonds – Family Business (G)** posted a decline of **-1.2%**, while the broader European market – as measured by the STOXX Europe 600 TR – rose by **+1.5%**. The divergence is primarily attributable to the outperformance of large caps relative to small caps, as well as to weakness in certain individual names.

Nevertheless, the fund remains up **+15.6% YTD**, compared with **+12.5%** for the index.

The month was characterised by consolidation within our segment. Many previously strong performers recorded moderate, single-digit pullbacks, which negatively af-

fected the fund's NAV. Notable detractors included **JET2 (-15%)**, impacted by weaker UK consumer sentiment, as well as **Koenig & Bauer (-13%)**, **Jumbo (-5%)** and **2G Energy (-14%)**. Even our top holdings **Elmos (-3%)** and **ABO Energy (-3%)** modestly detracted from performance.

On the positive side, **INIT (+16%)** stood out as a latecomer in the infrastructure investment theme and, as a top-10 holding, made the largest positive contribution to the fund's return. **Richemont (+7%)** also performed well.

Portfolio Changes in September

There were few changes to the portfolio during the month. We took advantage of strong price gains in **INIT** to realise some profits. We remain fundamentally positive on the company, which provides integrated solutions for public transport systems. However, given ongoing major projects, we recognise certain execution risks that may temporarily weigh on EBIT margins. With the stock trading at a valuation above 20 times earnings, we tactically used this strength to trim our position.

IPO: NOBA Bank

A particularly encouraging addition was the initial public offering of Stockholm-based **NOBA Bank**. Despite being more than ten times oversubscribed, we received a relevant allocation for the fund. The share price jumped 35% immediately after listing, reaching our price target within days – prompt-

ting us to realise part of the gains.

NOBA Bank is a leading Nordic specialist lender and the market leader in its segment. Operating under the brands Nordax Bank, Bank Norwegian and Svensk Hypotekspension, it offers retail customers a wide range of financial products – from consumer loans and credit cards to specialised mortgage products.

With a loan portfolio of SEK 128 billion (as of June 2025) and a RoTE exceeding 26%, the business model is exceptionally profitable and efficient. A record-low cost/income ratio (CIR) below 22% underscores its scalability. NOBA is also expanding across Europe, with offerings in Germany, Spain, the Netherlands and Ireland, creating further opportunities for growth and diversification. The IPO was supported by several renowned institutional cornerstone investors.

As we have repeatedly emphasised, participating in IPOs is an integral component of our strategy to unlock additional value for our investors. The IPO – the birth of a listed company – remains an inherently fascinating moment. At that point, all investors largely share the same informational base. Only the sellers – one might recall the “lemon principle” from market theory – hold a significant informational edge. The rest often becomes a matter of game theory.

Company Assessments

As indicated in last month’s report, the

past few weeks were intensive. September featured a dense calendar of conferences – ODDO BHF Corporate Conference, IAA, Berenberg German Corporate Conference and Baader Investment Conference – alongside numerous company meetings. These direct corporate interactions remain our most important source of information for assessing the economic conditions and prospects of individual companies.

Pfisterer

Pfisterer once again delivered a strong performance, rising 11% in September. A detailed discussion with the CEO confirmed our original investment case – and business momentum is proving even stronger than anticipated. Order books remain well-filled, and for the coming quarters, book-to-bill ratios above 1.3x are expected, implying pricing power. Combined with an improved product mix in favour of higher-margin high-voltage solutions, we anticipate significantly better results in both revenues and margins. **We expect the company to exceed its 2025 guidance across all key metrics and even to reach or surpass its mid-term targets ahead of schedule.**

In our view, these positive developments have not yet been reflected in analyst consensus estimates. The stock currently trades on roughly 30 times expected 2026 earnings; assuming stable valuation multiples, rising profits could compress this to the low-20s – creating further upside potential.

The prevailing trend clearly favours Pfis-

terer. How far such trends can extend – and how high previously undervalued companies can re-rate – remains a recurring lesson that value-oriented investors like ourselves often underestimate. In hindsight, our reduction of the position was somewhat premature; we are maintaining the remaining exposure.

ABO Energy

A key development concerned our #3 holding **ABO Energy**. The Wiesbaden-based company, majority-owned by the founding families Ahn and Bockholt, announced plans to strategically expand its business model beyond project development – towards owning and operating renewable-energy parks and battery-storage assets. The objective is to evolve into an Independent Power Producer (IPP).

This strategic pivot carries far-reaching implications. On the one hand, it indicates that the traditional project-development model has lost some of its appeal. In several countries and project phases, the market has shifted somewhat from a seller's to a buyer's market, compressing margins for developers.

On the other hand, ABO Energy lacks the internal financing capacity to realise its **34 GW project pipeline** independently. The previously planned limited-partnership structure (KGaA), intended to facilitate additional capital measures, has – unfortunately, as we had anticipated – proved counterproductive.

In this context, the company is even considering **reverting to a standard joint-stock company structure**, and a **full sale of the business** cannot be ruled out. According to management, discussions with several potential investors are already under way and are at varying stages of progress. In our view, these include both **strategic players**—such as utilities or companies like Encavis—and financial investors, including KKR and other specialised market participants.

We believe these **negotiations have already reached an advanced stage**, especially since a capital increase from authorised capital has been explicitly mentioned. One drawback is that ABO Energy is listed only on the Freiverkehr (open market) segment, meaning no mandatory tender offer to shareholders would be required in the event of a change of control. Nevertheless, we expect that – given the high employee ownership and the long-term trust relationships underlying major renewable-energy projects – the other shareholders will also be offered a buyout proposal to secure a substantial overall stake for the new investor.

ABO Energy unquestionably possesses the operational expertise and capabilities to deliver a large part of its project pipeline. What has been lacking so far is the financial firepower to fully unlock this potential. We view the current situation as precisely that opportunity – and therefore remain invested.



The price of the fund units is subject to fluctuations and may particularly in the event of negative economic or stock market developments be permanently and significantly below the purchase price. The fund is not suitable for investors who are seeking a risk free investment or who wish to withdraw their money from the fund within a period of five years.

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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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