

Monthly Report as of 31.01.2026

The start of the year was characterised by geopolitical developments and the ongoing debate regarding the implications of artificial intelligence.

Current assessment

The new stock market year has already brought several extraordinary movements: new all-time highs in many equity indices, dramatic price turbulence in precious metals and other commodities, collapsing crypto markets, geopolitical interventions in foreign territories and, not least, the all-dominant question of the consequences of artificial intelligence. The latter topic in particular is currently determining the fate of many share prices. The AI axe is now moving from sector to sector and trimming valuations significantly.

AI eats software...

... and more. At present, one sector after another is being challenged by AI – whether traditional software companies, platforms, brokers, intermediaries, insurers or logistics providers. On the assumption that these companies will, over time, have to contend with lower growth and increased price competition, their valuation multiples are already declining.

Even if many of these companies current-

ly have robust business models with high barriers to entry and strong customer loyalty, an overarching market narrative has initially taken hold, creating uncertainty. In the short term, the principal issue is that, as long as the rhetoric prevails that no software is safe, the market is recognising neither the intrinsic value of these companies nor their appropriate re-rating potential. A normalisation of this thesis in the sense of mean reversion could enable swift share price gains – but from what starting level?

In some sectors favoured for years, valuation multiples remain high. Accordingly, the downside risk is considerable if many investors head for the exit simultaneously. For the GS&P Fonds – Family Business, this means that, on fundamental grounds, we have held and continue to hold only a small number of highly valued software companies. At the same time, it can prove advantageous to invest outside the major indices, as many of our holdings rarely appear in the relevant short baskets of leading banks.

Developments in January

The European market started 2026 strongly. In January, small and mid caps performed similarly well to large caps. The STOXX Europe 600 gained 3.2%, the MDAX 1.8% and the SDAX 5.0%, while the DAX closed

unchanged due to weak performance by index heavyweight SAP.

At sector level, value areas such as basic resources (+13%), oil and gas (+9%) and utilities (+8%) once again recorded significant gains, while consumer-related sectors such as media (-5%), auto and suppliers (-4%) and travel and leisure (-4%) were weaker.

Fund Developments

The **GS&P Fonds – Family Business (G)** also enjoyed a strong start to the year, delivering a gain of 3.1%.

There were numerous very positive developments in the past month. In the case of **Elmos** (+14%), the market increasingly began to share our conviction that the company is evolving into a growing cash cow. Most recently, Elmos announced an initial, small share buyback programme and also recorded share price gains in February.

At the end of February, both the publication of the annual results including the outlook for 2026 and the capital markets day we anticipate are scheduled. On that occasion, Elmos is expected to specify and reaffirm statements on higher capital distributions as well as the path towards its 2030 targets – €1 billion in revenue at a 25% EBIT margin. We expect that, structurally, almost the entire free cash flow will be distributed to shareholders in future, which should support a further re-rating of the share. Statements regarding Elmos' market potential

for ICs in humanoid applications could, alongside the optionality of the China joint venture, generate additional interest.

SGL Carbon (+30%) is in the midst of a turnaround following challenging quarters of restructuring. A ten-year framework agreement has been concluded with the US company X-Energy for the supply of graphite for use in small modular reactors (SMRs), specifically for the Xe-100. This could result in further follow-on orders in the high hundreds of millions of euros.

The share price of **Rocket Internet** (+15%) also developed positively, supported by increased media attention to the undervaluation of its investment portfolio. Contributing factors included recent reports on the valuation of **SpaceX** in the context of the acquisition of xAI at a reported valuation of USD 1.25 trillion, as well as the announcement of a possible IPO on 28 June – Elon Musk's birthday, which in 2026 is said to coincide with a rare cosmic constellation of particular significance to him.

The share price of **Schaeffler** (+29%) experienced a veritable buying wave from theme-driven investors without any material news. The automotive supplier has been engaged in a protracted turnaround for years. A clear undervaluation encountered several thematically attractive developments, primarily in the field of humanoid robotics, which is likely to require numerous high-quality joints, ball bearings and actuators.

Uzin Utz (+11%) advanced following convincing announcements in its most recent strategy update. The company is targeting revenue growth of 8–12% per annum over the cycle (vs. ~5% p.a.), representing an acceleration. In addition to market share gains as well as volume and price growth, M&A is intended to contribute, with the aim of reaching the upper end of this range. Furthermore, an EBIT margin of over 10% is being targeted within the next five years (currently around 8%).

ABO Energy performed negatively and we have now almost fully divested the position, as the prospects for equity and the share price deteriorated significantly following another unexpected earnings downgrade in January.

The principal negative contributors were **Jet2** (-12%), **Jumbo** (-12%) and **Richemont** (-13%), all of which suffered from continued weakness in consumer confidence. We reduced all three positions during 2025 but continue to consider them sufficiently attractive on valuation grounds to remain invested should sentiment improve.

A positive contribution to fund performance was participation in the IPO of the Czech family-owned company and conglomerate **CSG Group**, previously wholly owned by 33-year-old Michal Strnad. In the heavily oversubscribed IPO, we received an allocation. The share was issued at €25 per share – at a clear discount to the most comparable peer, Rheinmetall – and rose by more than 30% on the first day of trading.

After the shares reached our target price of around €35 as early as the second trading day, we realised most of the gains. Since then, sentiment towards the sector has deteriorated.

Around month-end, we also participated in the likewise heavily oversubscribed (>15x) IPO of Austria's **Asta Energy Solutions**, whose share rose by 35% on the first day of trading. The corresponding performance contribution will only be reflected in the February results.

Asta develops and produces high-quality and efficient insulation and conductor solutions for power grids, energy generation and selected applications in mobility and e-mobility, thereby addressing precisely those areas currently in thematic demand. Further details will follow in the next monthly report.

Portfolio Changes in January

The remaining position in **2G Energy** was fully sold. We reduced **Mayr-Melnhof** following a strong recovery. We also took profits in the very successful IPO of **NOBA Bank**, as in light of the AI theme we anticipated weakening sentiment towards the business model as well as further placements.

The position in **Schaeffler** discussed above was almost entirely sold during the buying wave, as we consider the foreseeable contribution of the new business fields to the group to be too limited and believe the valuation already anticipates a substantial amount.

Addendum: momentum

The lessons learned in 2025, discussed in the last report, provide a helpful framework for developments at the beginning of 2026:

1. **Momentum** remains (unfortunately) the decisive factor.
2. **Management quality** is indispensable.
3. **Weighting** determines performance.

Particularly in times of pronounced market rhetoric, it is essential to anticipate at an early stage how general sentiment towards individual shares, factors and sectors is likely to evolve. In the face of substantial capital flows into theme-driven ETFs, factor-based strategies and increasingly benchmark-oriented active funds that trade predefined baskets from various investment banks up and down, pure valuation arguments have limited short-term impact.

Capital follows performance – a self-reinforcing mechanism.

As a result, prices are determined less by fundamental valuations than by positioning, flows and relative weightings. Momentum is therefore no longer merely one factor among many, but the dominant driver. As long as inflows continue, concentration intensifies, correlations increase and valuation levels lose their inherently disciplining effect.

The structurally rising share of passive investors in the free float of many companies

ultimately leads to a less efficient market. This becomes particularly evident in periods of stress, as ETFs do not make discretionary decisions. A typical momentum crash, which often sets in abruptly after prolonged trend movements, can scarcely be cushioned. At the same time, the relative influence of a small number of large active investors on price formation continues to increase.

As other active investors lose market share, the plurality of opinions on individual shares diminishes, leading to increasing synchronisation of decisions, a phenomenon we can unfortunately also observe in similar form in politics. Minor earnings misses can in some cases trigger dramatic price reactions.

This crowding arises from simultaneous risk management: everyone seeks to pass through the same ever-narrowing door called liquidity, which, given the high proportion of passive investors, is often more theoretical than real. It is therefore essential, despite all efforts to follow trends, to remain faithful to our valuation discipline and, with a long-term perspective, to seize opportunities counter-cyclically when the investing crowd changes direction.

In recent weeks, we have therefore used several share price increases to take profits and have raised the liquidity ratio accordingly. This provides us with room to manoeuvre in order to respond to market dislocations or excesses and to participate in upcoming IPOs.



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