

Montly Report January 2026

Kavaljer Investmentbolagsfond

-5.7%
January 2026 return

+36.8%
5-year return



Monthly Comment

Weak small caps and strong large caps – again...

January was a very strong month for large caps, with the broad Stockholm Stock Exchange (OMXSPI-GI) rising by 2.1% (large-cap index +5%) and the global index (Dow Jones Global Index) gaining +3.1%. Just like throughout last year, the small-cap index (Carnegie Small Cap Return Index Sweden) once again performed weakly, declining by -1.7%.

Sentiment shifts, but fundamentals remain

The stock market is rarely rational in real time. Different parts of the market are in favor during different periods: sometimes growth is rewarded, sometimes value, sometimes large and stable companies, and sometimes smaller companies with higher potential. Capital moves in waves, and sentiment can shift quickly – often without the underlying companies changing very much.

When you own something that suddenly becomes “unpopular,” it is easy to start doubting yourself. The share price falls, the news flow turns more negative, and you almost feel foolish for having bought it. That is human nature: we tend to interpret short-term price movements as proof that we were wrong, even when it is simply the market temporarily favoring something else.

But in the end, a quality company is still a quality company. A strong business model, sustainable competitive advantages, disciplined capital allocation, and management that creates long-term value do not disappear just because sentiment shifts. On the contrary, it is often precisely when a good company is overlooked that long-term investors are given the best opportunities – provided the fundamentals remain intact.

That does not mean price is unimportant. Even the best company can be a poor investment if you pay too much. But if you own quality companies at reasonable valuations and give them time to deliver, returns tend to follow the underlying earnings growth. Popularity comes and goes – but quality endures.

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 841 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

	3Y	5Y
Alpha	-3.68	-4.48
Beta	0.77	0.96
Sharpe-ratio	0.3	0.36
Standard deviation	10.41	14.73

Risk measures for A-class

Fund performance

Kavaljer Investmentbolagsfond performed weakly during the month, declining by -5.7%. Over the past five years, the fund has returned 37%, compared with 57% for the Stockholm Stock Exchange (OMXSPI-GI) and 59% for the global index (Dow Jones).

The largest positive contributors among the fund's holdings during the month were Industrivärden, Investor, and HBM Healthcare Investments, contributing +0.3, +0.3, and +0.2 percentage points respectively. The largest negative contributors were Fairfax Financial Holdings, LVMH, and Berkshire Hathaway, contributing -0.8, -0.7, and -0.6 percentage points respectively.

Changes and holdings

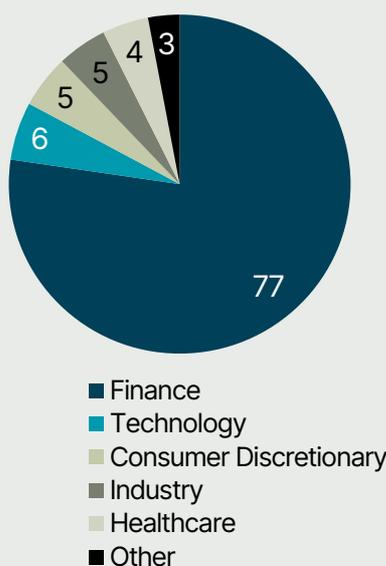
During the month, the fund reduced its holdings in Markel, Fairfax Financial Holdings, LVMH, Industrivärden, Danaher, Investor, and Berkshire Hathaway. We also increased our positions in Svolder and Latour and sold our holding in Sdiptech.

The equity exposure was 98%.

Top 20 holdings as % of portfolio

Investor	7.8
Berkshire Hathaway	6.9
Svolder	6.7
Ratos	6.1
Latour	5.8
Prosus	5.0
Lundberg	4.8
Industrivärden	4.8
Markel	4.5
Danaher	4.4
Fairfax Financial Holdings	4.4
HBM Healthcare Investments	4.1
LVMH	3.8
Linc	3.5
Microsoft	3.4
Byggmästaren AJ Ahlström	3.0
Idun Industrier	2.7
VNV Global	2.6
Vitec	2.1
Beijer Alma	2.0
Number of holdings	27
Top 20 as % of total	90.5

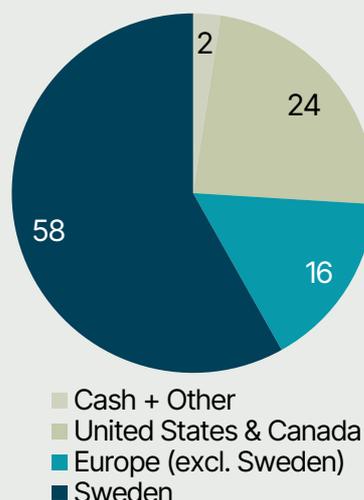
Sector Allocation %



Returns after fees



Geographical Allocation %



Top and Bottom Performers

Company	Contribution of return
Industrivärden	0.3%
Investor	0.3%
HBM Healthcare Investments	0.2%
Fairfax Financial Holdings	-0.8%
LVMH	-0.7%
Berkshire Hathaway	-0.6%

In-depth thoughts on our holdings

Latour – positioned for a comeback in 2026

Latour has a strong financial track record, having built net asset value over time that has grown faster than the stock market.

2025 was an unusually weak year in terms of share price performance, as a softer industrial cycle and lower volumes negatively affected several of Latour’s industrial businesses. As we highlighted in our October monthly report last year, in such periods the market tends to focus more on short-term margin movements and headline numbers than on the operational improvements taking place within the companies – and in this environment, we believe Latour stands out as particularly interesting.

Despite a challenging market, several portfolio companies have continued to perform relatively well. Cost efficiency measures have been implemented, pricing power remains generally solid, and we see potential for meaningful earnings improvement as volumes stabilize and demand begins to recover.

Our assessment is that Latour enters 2026 with strong conditions for a comeback. Expectations are lower than they have been in a long time, while the company retains the financial capacity to continue acting offensively, not least through acquisitions. The share is currently trading at a premium of just over 5%, compared with a 5-year average premium of 34% and a 10-year average of 23%.

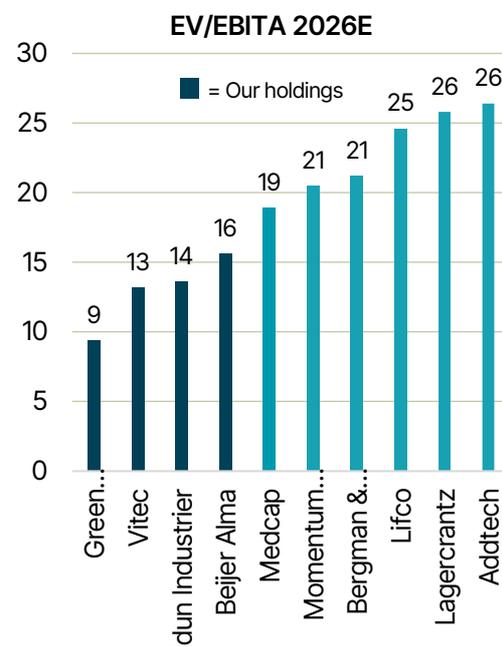
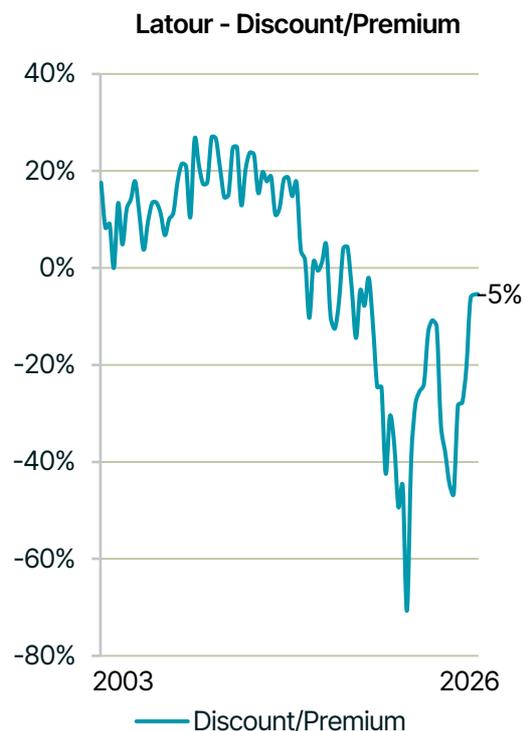
Latour represents 5.8% of Kavaljer Investmentbolagsfond.

The fund’s serial acquirers

In addition to investment companies, Kavaljer Investmentbolagsfond also invests in a number of serial acquirers – companies that build long-term value through stable cash flows, high returns on capital, and a proven ability to acquire and develop niche businesses at reasonable valuations.

Idun Industrier is an attractive example ahead of a gradual economic recovery, with around 20 subsidiaries across niche industrial segments providing both a stable base and operational leverage if industrial activity improves during 2026 and beyond. During Q4, Idun announced two acquisitions expected to add approximately 15% to EBITA in 2026 and improve the margin mix. At just over 14x EBITA 2026e, compared with a sector average of around 17x, Idun is trading at a clear discount.

Idun represents 2.7% of Kavaljer Investmentbolagsfond.



Time period	1M	YTD	1Y	3Y	5Y	Since inception*	Annualised return
Kavaljer Investmentbolagsfond	-6.5%	-5.7%	-4%	19%	37%	135%	12.7%
OMXSPI-GI	2.2%	2.2%	7%	38%	57%	109%	11.9%
Dow Jones World Index	3.1%	3.1%	20%	59%	59%	95%	9.7%

*may 2018

For Vitec Software, the impact of AI on vertical software has remained a key topic entering 2026. Our view is that AI-related risks and opportunities are best assessed based on customer type, system criticality, and depth of integration. A large part of Vitec’s portfolio consists of deeply integrated, mission-critical systems in areas such as energy balancing, healthcare, and finance, where switching costs are high and AI is more likely to drive upselling rather than disruption. The segment most exposed to AI disruption is instead simpler point solutions aimed at small and mid-sized businesses within certain niches.

One often underestimated factor is how difficult it is to build successful vertical software. Vitec’s products embed customers in workflows developed over 10–40 years and consist not only of code, but also extensive integrations, regulatory compliance, accumulated customer data, and proven operational reliability. Our assessment is that new entrants cannot quickly replace these systems with the help of AI.

Vitec’s customer base of approximately 26.000 clients typically lacks the resources and expertise to develop systems in-house and is dependent on a provider that takes full responsibility for operations, security, and compliance, while the company’s SME exposure implies somewhat lower switching costs than for larger enterprise customers.

Vitec has not chosen a passive strategy. The company consistently invests just over 10% of revenue in product development, a level that has at times been criticized as high but which we view as necessary to retain customers, grow organically, and continue delivering a stable customer experience. AI is already being actively implemented across several products.

This proactive approach differentiates Vitec from a short-term “harvesting strategy” and positions the company to strengthen its competitive moat. In a market where much of the AI risk is already priced in, we believe Vitec’s strong position in its core areas, together with continued product investments, provides a more resilient outlook than the current valuation implies.

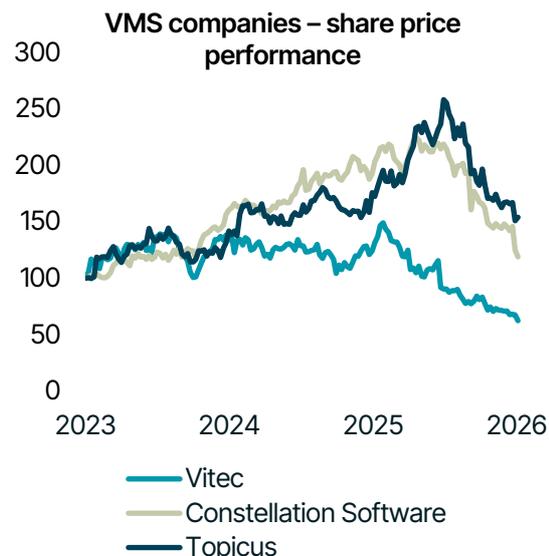
Vitec represents 2.1% of Kavaljer Investmentbolagsfond.

Beijer Alma continues to look attractive heading into 2026 and beyond, despite a strong share price performance during 2025. Beijer Tech serves as a solid platform for continued acquisition-driven growth, while Lesjöfors is gradually stabilizing and returning toward a more decentralized structure. With new management in place and a valuation around EV/EBITA ~15.5x on 2026 estimates, we continue to see potential for further re-rating if the company delivers according to plan.

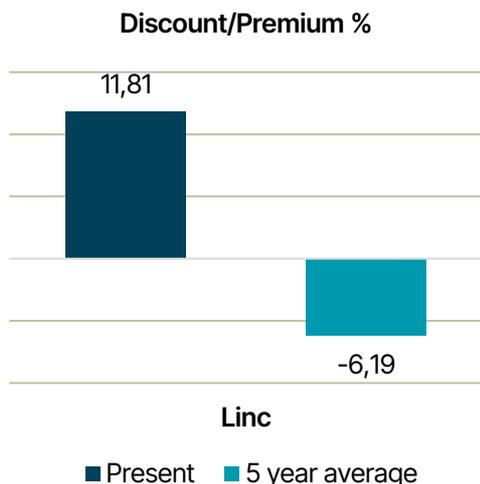
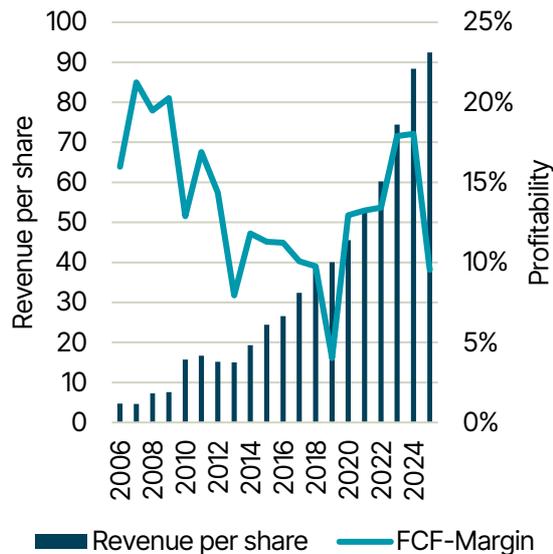
Beijer Alma represents 2.0% of Kavaljer Investmentbolagsfond.

Other selected report comments

Linc – Record-high discount: Linc is trading at a record-high discount to net asset value, despite being in its strongest financial position in a long time, with available liquidity and cash-like positions corresponding to just over 30% of NAV. The low valuation primarily reflects weak sentiment rather than fundamental issues, as share price volatility has been significantly greater than the underlying operational development of the portfolio companies.



Vitec: Strong track record – underlying earnings 10–20% higher than today, with 5–10% from margins and 5–10% from revenues



A positive signal highlighted in the company's Q4 report is that transaction activity has increased, primarily in the US biotech market. Interest rate cuts and reduced regulatory uncertainty could further support risk appetite and drive additional corporate transactions. Medcap (representing 35% of net asset value) continues to perform well, and the balance sheet provides Medcap with capacity for further acquisitions.

CEO Karl Tobieson: "2026 has all the conditions in place for strong development" – when sentiment turns, it often does so quickly.

Linc represents 3.5% of Kavaljer Investmentbolagsfond.

VEF: VEF ended Q4 2025 with +7% q/q NAV growth in USD. For the full year 2025, NAV increased by +23% in USD, but only +5% in SEK due to a weaker US dollar. This marks a clear shift compared to the 2022–2024 period, during which NAV declined sequentially. VEF's largest holding, the credit company Creditas, continues to perform well and has received approval for its banking license. In the most recent funding round, Creditas was valued at USD 3.3bn, leading VEF to revalue its holding by USD 33m to USD 220m.

After a couple of years focused on exits and balance sheet repair, we believe VEF is now entering a more offensive phase, with increased emphasis on pipeline development and new investments. The focus remains on the core markets of Brazil, Mexico, and India, while the company also sees attractive opportunities in markets such as Colombia and the Middle East.

The share is still trading at a NAV discount of around 48% (down from approximately 60% in 2023). Historically, sustained NAV growth has often led to a gradual narrowing of the discount.

VEF represents 1% of Kavaljer Investmentbolagsfond.

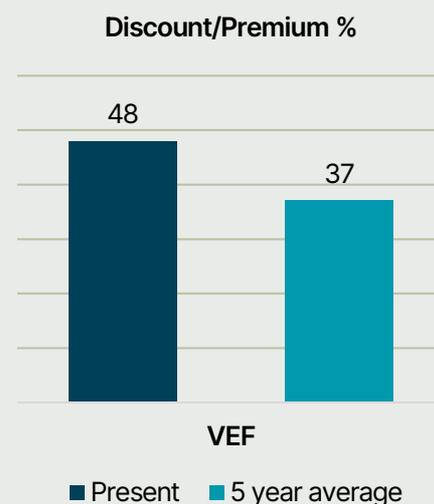
LVMH: LVMH ended 2025 with revenue of EUR 80.8bn (-5% reported, -1% organic). A clear improvement in the second half of the year (+1% organic growth vs. -3% in H1) signals stabilization after a challenging period. The recent negative margin trend appears to be turning, supported by improved cost control, higher efficiency, and disciplined resource allocation.

LVMH has a very strong financial track record and is well positioned to return to its long-term growth trajectory as the macro environment and consumer sentiment improve.

LVMH represents 3.8% of Kavaljer Investmentbolagsfond.

Nacka Strand February 10, 2026

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



"In the short run, the market is a voting machine but in the long run, it is a weighing machine."

Warren Buffett

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