



MARCH 2026 • PARTNER LETTER

Dear Partners,

Protean Small Cap declined by -0.9% in March. The benchmark index declined -3.1%. Since launching in June 2023, the fund has gained 55.6%. The Carnegie Nordic Small Cap Index is up 22.1% in the same period.

The hedge fund **Protean Select** returned 0.5% in March.

Protean Aktiesparfond Norden returned -2.8%. The benchmark was down by -2.6%. Since inception, twelve months ago, the fund is up 18.3%, and in the same period the VINX Nordic Cap index is up 12.8%. The fund now manages 1.7bn SEK.

All figures are net of fees.

This month's letter elaborates on Aktiesparfonden's encouraging first year, the Fog of War that plagued markets in March, why we remain cautious but not as cautious as mid-March and why we were unusually active. Plus, as always, commentary on the month's various winners and losers.

Thank you for being an investor!

// Team Protean

Nowhere to hide

MARCH 2026 • WRITTEN BY PONTUS DACKMO

Wouldn't it have been convenient to write this month's missive about something completely different? A company deep-dive, a reflection on Nordic small cap valuations, perhaps an observation about the underappreciated capital cycle in some obscure industrial niche. We'd have preferred that. You'd probably have preferred that too.

The instinct, as a Nordic-focused fund manager, is to treat geopolitical events as background noise. We don't trade oil futures, we don't run a macro fund, and we certainly don't have an edge on the intentions of the Iranian Revolutionary Guard or US Commander in Chief. It would be comfortable to dismiss the Middle East crisis as someone else's problem and retreat to the familiar terrain of Nordic company fundamentals.

The problem is: there is no such retreat. An inconvenient fact about the Nordic equity markets is that most of our listed companies have international operations and are deeply embedded in global supply chains. A Swedish industrial company might report in kronor, hold its AGM in Stockholm, and have a thoroughly Nordic board – but its input costs are denominated in dollars, its customers are in Germany and China, and its order book is a function of global capex cycles. An energy shock in the Strait of Hormuz doesn't stop at the Persian Gulf. It travels through Brent crude, through European gas prices, through the front end of rate curves, through the krona, through sentiment, and eventually lands on the desk of a CFO in a mid-sized Swedish town, wondering whether to revise guidance.

There is nowhere to hide from a physical supply shock. Not in Scandinavia, not in small caps, not in "quality compounders".

The fog

General Carl von Clausewitz coined the term "fog of war" almost two centuries ago. In the chaos of conflict, the information available to decision-makers is incomplete, contradictory, and often deliberately

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misleading. The rational response, he argued, is not to seek certainty, but to make decisions robust enough to survive being wrong.

March offered a masterclass in modern fog of war, except now the fog is generated not by cannon smoke but by tweets and nonsense.

We have no edge in forecasting the outcome of the Middle East conflict. None. We do not know whether the Strait of Hormuz will reopen next week or remain contested for months. We do not know if escalation leads to a ground operation or if a face-saving deal materializes over Easter. And critically, we don't think anyone else knows either – regardless of how confidently they narrate it. What we can control is how we position for the range of outcomes.

Active Portfolio Management

March was, in all likelihood, the most active month we have had in a long while. Possibly ever.

That warrants some explanation. We do not celebrate turnover. Trading is, at its core, a necessary evil since every ticket is connected to a commission cost borne by the fund, every spread has two sides. We are fully aware that activity for activity's sake is a reliable way to erode returns whilst just producing a feeling of being busy.

What happened in March is that prices moved, on a daily basis, in ways that had very little to do with company fundamentals. Tariff announcements, reversals, threats, walk-backs - the signal-to-noise ratio collapsed. When the market reprices a business by 10% because a politician said something on a Sunday, and then reprices it back 8% two days later, the question we ask ourselves is not "should we trade?" but "can we afford not to?" The disconnect between price and value was, on certain days, wide enough to drive a truck through.

So we traded. We trimmed things that moved too far. We added to things that got dragged down indiscriminately.

We do not fetishize this. The goal is never to be active. It is to own businesses at prices that make sense. Some months that means sitting on our hands. March was not that month. When the market hands you volatility as a gift, and the underlying thesis hasn't changed, the correct response is to use it.

The honest addendum: a fair few trades in March were wrong. Some we were too early on; some we shouldn't have touched at all. Elevated activity is a double-edged sword: more opportunities to profit, but also more chances being wrong.

What we're watching

The honest answer is: we're watching the same thing as everyone else. The Middle East. The Strait of Hormuz. The oil price. But we're also watching for the second-order effects that tend to arrive with a lag and matter more than the headlines.

More speculatively: we are watching for the moment when the market shifts from treating this as a binary event (resolved / not resolved) to treating it as a new baseline. That shift, when it happens, tends to be where opportunity is greatest. Because once the question changes from "will things go back to normal?" to "what does the new normal look like?", the answer requires fundamental analysis rather than geopolitical punditry.

But you don't always need to wait for the fog to lift. Some conclusions are robust regardless of how the binary question resolves. Here's an example from our own process.

In the middle of March, we bought a meaningful amount of Nibe. The thesis is not that the war ends tomorrow, nor that it drags on for months. The thesis is that regardless of outcome, this crisis will put energy efficiency and reduced oil dependence back on the political agenda across Europe – forcefully, and probably durably. It happened after the 2022 Ukraine shock, when heat pump sales exploded and energy renovation became a political priority. That impulse then faded as gas prices normalised and populist backlash pushed governments to soften their climate ambitions. Well, here we are again. Except this time, the lesson should be harder to forget: Europe's energy dependence is not a theoretical risk discussed at think tanks. It's a physical vulnerability that disrupts economies when things go wrong in places we can't control.

Nibe is the dominant European manufacturer of heat pumps. The stock has been in the penalty box for two years – inventory destocking, normalising demand, increasing competition, a weak Swedish housing market. It's down 70% from its peak. We think the market is pricing a permanently impaired business, while the structural case for energy-efficient heating has just been handed another powerful catalyst.

This is the kind of analysis we prefer: not "will there be a ceasefire by April 6th?" but "what is likely true about the world on the other side of this, no matter what?" The best investments tend to come from conclusions that don't depend on the impossible task of predicting the unpredictable.

Aktiesparfond Norden – One Year In

March 31st marked one year since launch. The fund has returned +18.3% against the VBCSKN index's +12.8%. That is an outperformance of 5.5%.

Twelve months is not a track record. It's a start. A better start than a bad start, which is all we'll claim.

The more instructive number is the 1.7bn SEK in assets attracted. To understand why that matters, you need to remember the problem we set out to solve.

The active fund management industry has a well-documented flaw: virtually all serious research shows that actively managed funds underperform their benchmarks after fees. Not because the underlying stock-picking is necessarily bad, but because fees are too high, portfolios too bloated, and the incentive structure backwards. Fund companies optimize for asset gathering. Banks optimize for captive distribution. Neither optimizes for the person actually trying to compound their savings.

The obvious counter is the index fund. Cheap, transparent, honest. Except it owns everything indiscriminately - the frauds, the fads, the structurally declining businesses - with no judgment or overlay.

Our argument has always been that there is a gap between these two options. A white space that nobody has an incentive to fill: a low-fee, genuinely active, long-term oriented fund owning decent Nordic businesses. Just a manager with skin in the game, focused on long-term cash flow generation, making decisions without anyone else's approval required.

The Aktiesparfond was built on the premise that a long-term Nordic saver deserves access to that kind of independent, genuinely active management. At 0.5% per year, with daily liquidity, alongside every expensive active fund and index fund in existence.

That 1.7bn SEK after one year suggests the gap was real. Whether the performance holds is a separate question, the last one year tells us almost nothing with statistical significance. But the structure is working, the thesis is intact, and the alignment of interests remains the foundation.

A Punch In The Mouth

The Prussian military strategist Helmuth von Moltke was a contemporary of Clausewitz. He is remembered for the observation that no plan survives first contact with the enemy (a version of which Mike Tyson famously converted to "Everyone has a plan until they get punched in the mouth."). The investment equivalent is that no portfolio survives first contact with a real-world shock.

We came into 2026 positioned for a world of monetary tailwinds, deregulation, and an improving European outlook. That world has been



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interrupted – perhaps temporarily, perhaps not.

Months like March are uncomfortable. They are supposed to be. Comfort is rarely where returns are found. We remind ourselves – and you – that our process is designed to compound over years, not months. The key is to stay in the game, avoid big draw-downs, suffer intelligently when suffering is unavoidable, and be ready to act when the fog lifts.

Thank you for being an investor.

// Team Protean

Protean Select

MARCH 2026 • WRITTEN BY PONTUS DACKMO

Protean Select returned +0.5% in March. After two softer months to start the year, this is a welcome result, and more importantly, it is the kind of month that gives the strategy its reason for existing.

Nordic indices were down between 5 and 10% this month, depending on which one you pick. We ran an average net exposure of around 20%. The fund made a small positive return. That is roughly what we designed this thing to do.

We are not a market-neutral fund. Or a short-biased fund. We are a fund that believes, with some conviction, that things generally want to work out in the end, and that the majority of long-term returns are made by owning businesses, not by being overly clever about when to be short them. That belief is why we almost always keep a positive net exposure, even in difficult conditions. The shorts are there not just to make money in isolation, but to act as an airbag: you don't drive with an airbag hoping it deploys, but you're grateful it's there when it does. Like this month.

Biggest contributors were the **OMX future** short position (plus put-spread), **Rusta** long, **NIBE** long and **Electrolux** short, in that order.

Biggest detractors were **Devyser**, **Lundin Mining** (although offset by a short in Boliden), **Volvo** and **Getinge** long positions.

We enter April at 19% net exposure. Gross is now at 117%, having nudged it upward from more cautious levels, moving gradually back toward our historical average of around 135%. This is a deliberate, incremental decision, not a conviction call. The market feels non-linear right now. If conditions continue to feel constructive enough to justify additional risk, we will add. If not, we won't.

We said going into the year that we wanted to earn the right to take more risk. March was a small step in that direction. Let's see what April has to say about it.

Lowering the capacity limit

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We announced during the month that we are lowering the capacity limit for Protean Select from SEK 2 billion to SEK 1 billion. The fund currently manages approximately SEK 970 million. We are, in other words, very close.

Some context. When we originally set the cap at SEK 2 billion, we assessed capacity based on the fund in isolation. That was reasonable at the time. But circumstances have changed. We now manage institutional mandates alongside the fund, applying a similar investment strategy in the same universe of Nordic small- and midcap companies. Running larger aggregate capital through the same opportunity set degrades the things that matter most: execution quality, the ability to take meaningful positions in less liquid names, and the speed of decision-making that comes with being small. We'd rather close too early than too late.

Here is how it will work. Once we pass SEK 1 billion, we will communicate that the fund is closing. There will then be a final subscription window of approximately one month. After that, the fund is closed to new capital. Withdrawals are always possible – this only affects new deposits.

Readers of these letters will recognise the philosophy. We have said since day one that we optimise for performance, not for convenience, size, or marketing. We have written at length - perhaps at tedious length - about the perverse incentives in fund management, how AUM-maximising behaviour dilutes returns, and how size is one of the primary ways performance dies. We have said we would cap the fund early. We have said we would sacrifice revenue for return quality. And now, approaching the moment where those words become action, it feels worth pausing to acknowledge what this means.

On a personal level, the prospect of actually closing the fund is a source of pride. Not because turning away capital is clever business – it obviously isn't. But because it means we are doing what we said we would do. When we started Protean, the motivation was to invest our own savings in an institutional setting, not to build an asset gathering machine. Every structural choice we've made has pointed in this direction: the quarterly redemptions that scare off allocators, the size cap that limits our fee income, the high hurdle rates that make performance fees genuinely hard to earn. None of this is "How to Build a Big Profitable Fund Management Business". If there were a textbook on the subject, we'd feature as a cautionary tale.

But here's the thing. Almost four years in, the fund has delivered competitive risk-adjusted returns. We even won an actual prize for it. Assets have grown to the cap not through marketing campaigns, but through performance and word of mouth. Our investors include some of the most sophisticated allocators we know, alongside friends, family, and



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our own savings. That this motley crew has collectively brought us to the point of closure feels like vindication of a philosophy.

We recognise this limits flexibility for both existing and prospective investors. That trade-off is deliberate. Protecting the conditions for good long-term returns is, in our view, the most important thing we can do for the people who have already entrusted us with their capital.

Protean Small Cap

MARCH 2026 • WRITTEN BY CARL GUSTAFSSON

Protean Small Cap returned -0.9% in March. Our benchmark CSRXN (SEK) was down **-3.1%** during the month. Hence, the fund outperformed the index by 2.3%. Since inception in June 2023, the fund has outperformed the index by 33.5%. Total performance since inception is 55.6% net of fees.

The fund now manages c. SEK 990m following a continued inflow of funds, thank you for believing in us.

March recap

Top contributors were Cint, Rusta, BTS, Smartoptics and Nibe. Notable detractors were Devyser, Balder, Arctic Falls, Nyfosa and ITAB.

Cint reported a considerable sequential improvement in sales during the fourth quarter and we increased our stake in the company on the day of the report in February. Since then, the share has continued to climb and it became our biggest contributor in March. It's not a stock for widows and orphans but we believe the market is underestimating the growth opportunity within the business area Media Measurement. We acknowledge a string of operational issues, as well as about the impact of AI on the market research sector, but Q3 was likely the trough in terms of pain. The valuation is very appealing.

Rusta reported a very strong quarter, where the benefits of the stronger SEK started to have an impact. Healthy LFL, as well as a firmer outlook for store openings, lead to share to gain in an otherwise gloomy March for consumer exposure.

On the detractor side, **Devyser** continued its slump, with the share down by a third year to date. As we write this, the share now trades below its IPO price from 2021, despite clearly approaching cash-flow break-even and strong growth prospects in several areas. Devyser is active within genetic testing where DNA is used to assess disease risk as well as detecting them. Introducing new testing protocols takes time, but they are very sticky once established. The market might have overestimated the speed

at which Devyser can establish itself, but we believe it underestimates the duration of the opportunity.

Balder and **Nyfosa** suffered from concerns over long-term rates.

While March was less busy in terms of portfolio activity, we take the opportunity to catch-up on some of the changes we have made so far this year.

We have added **Vimian** as a mid-sized position. This is a Swedish animal health company, focusing mainly on pets. It has a relatively broad product offering partly due to an opportunistic acquisition strategy. As for many others, a string of acquisitions during the pandemic led to some issues, financially as well as operationally. The financial issues were resolved through a rights issue, while the operational issues have been gradually, but not fully, addressed through restructuring and cost savings.

Where does the attraction lie? Q4 was strong with improved earnings quality, as well as stronger cash flow. This positive step has been disregarded in the overall market turmoil, and the share is trading at the low-end of its post-pandemic range, and considerably below levels where the main owner Fidelio (the PE sponsor that owns 60% of the stock) has added shares as recently as this autumn. The valuation does not fully capture the thematic exposure, we believe. With continued margin improvement, a return to more M&A and upside towards sector valuation, we see good risk/reward.

We have also added smaller stakes in a few interesting growth stories where shares can typically be hard to come by. These include **Vertiseit**, which describes itself as a supplier of “in-store Experience Management (IXM) platforms”. This can be translated into ‘software that runs all the screens you see in stores’ to simplify. The appeal of the business lies in the execution, we believe. The company is led by owner-operators who have ten-folded annual recurring revenue over the last decade. This is partly due to organic growth but also complemented by successful acquisitions where there are considerable synergies that can be extracted. We visited Grassfish, one of Vertiseit’s subsidiaries, in Vienna earlier this month, and were enthused by the growth opportunities that remain.

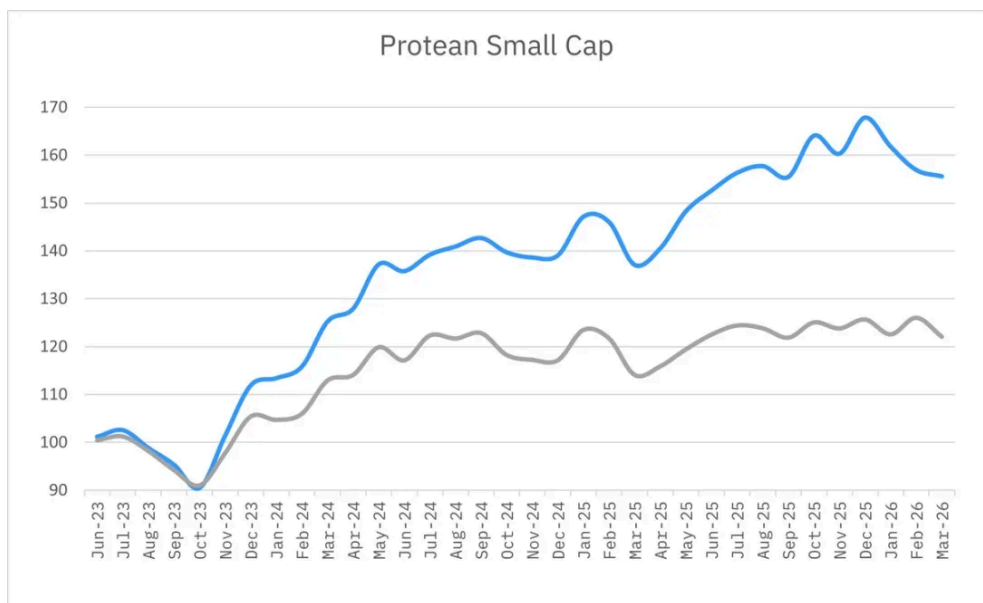
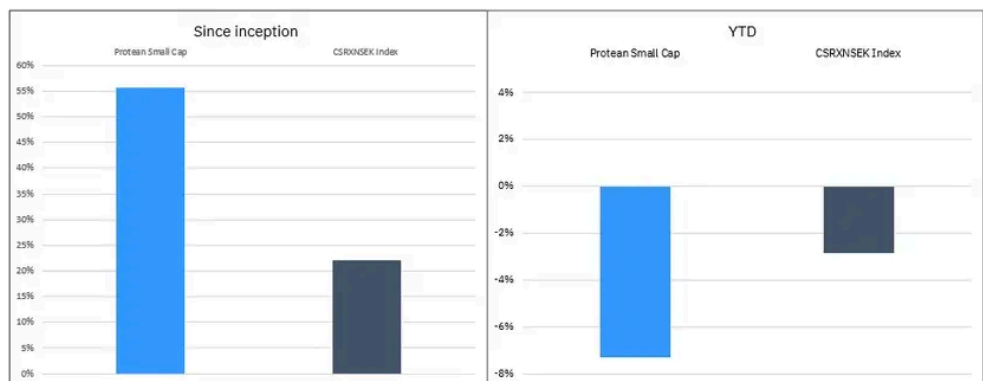
We have exited our positions in Hexpol and Sinch (as the buyback programme we alluded to last month led to some outperformance and provided a window of exit).

Our top ten positions as we enter April are as follows:

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Rank	Holding	% of portfolio	Rank	Holding	% of portfolio
1	Acast	4.5%	6	ITAB	3.3%
2	Storytel	4.1%	7	Storskogen	3.2%
3	Sdiptech	4.0%	8	Vimian	3.2%
4	BTS	3.7%	9	Devyser	3.1%
5	Cint	3.5%	10	Vitec	3.0%



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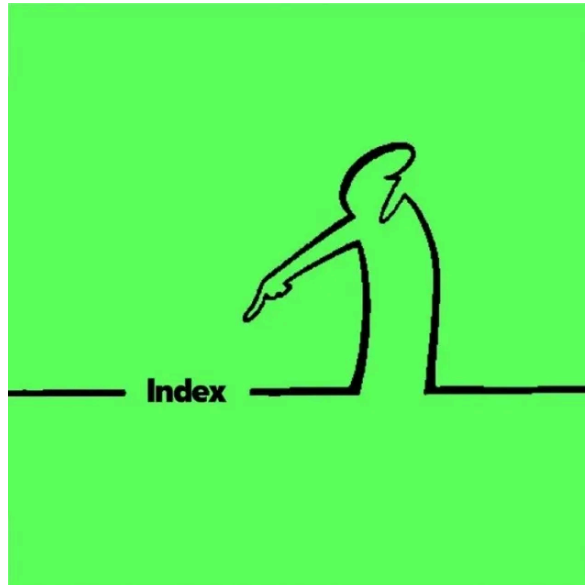
MARCH 2026 • WRITTEN BY RICHARD BRÅSE

Aktiesparfonden is a Nordic long-only fund aiming to generate above-market returns over the long term by active investing in value-creating companies and charging a low fee. A fee that is reduced further as the fund grows, sharing the scale advantages with investors.

Aktiesparfonden has, since inception one year ago, delivered a **18.3%** return, in the same period the **VINX Nordic Cap index is up 12.8%**. The fund now manages 1.7bn SEK.

Our communication for Aktiesparfonden is currently only in Swedish, and updates can be found at www.aktiesparfonden.se by clicking the headline “Anslagstavla”.

Thank you for your long-term perspective and trust in our process.



The monthly reminder

We optimize for performance, not for convenience, size, or marketing.
You can withdraw money only quarterly in Select (monthly in Small Cap).
We will tell you very little about our holdings.
Our strategy is tricky to describe as we aim to be versatile.
A hedge fund can lose money even if markets are up.
We charge a performance fee if we do well.
You do not get a discount if you have a larger sum to invest.
We only have a medium-sized track record.

Aktiesparfonden's reminder

We aim to generate above index returns over 3-5 years, but there are no guarantees.
The fund is trade daily, but that doesn't mean you should.
To beat the index, you need to deviate from the index. This means taking uncomfortable positions.
Be aware that the fund can underperform the index during periods.
Sometimes, long periods.
We lower the fee as the fund grows. The first 10 basis point cut comes at 10bn SEK in AUM.

Thank you for being an investor.

Pontus Dackmo
CEO & Investment Manager
Protean Funds Scandinavia AB