Cape Equity Opportunities Fund

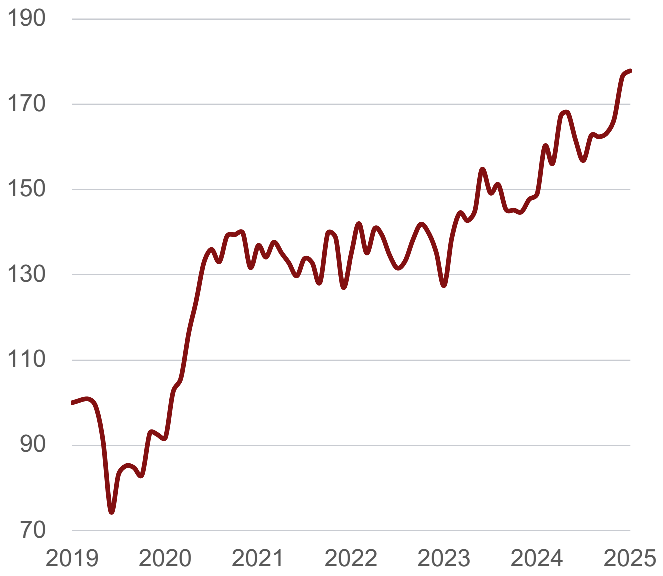
Cape Capital SICAV-SIF II

Fund strategy

The objective of the Fund is to create long-term capital appreciation by investing in a portfolio of global equity securities.

The portfolio is meant to assemble the best of our advisory opportunities to Cape Capital clients in a structured, concentrated manner – and to provide a complementary growth portfolio to client's classic equity exposure and private equity. The portfolio is aiming to hold 8-12 high conviction ideas with return expectations of 1.5-2x per position and generate 10-20% unleveraged return per annum on portfolio level over a 3-year cycle.

Performance (%)



Current month	YTD	1Y (p.a.)	3Y (p.a.)	5Y (p.a.)	Since inception
0.82	13.88	19.30	9.64	14.13	77.85

Fund information

Date	31 October 2025
Current AUM	EUR 120m
Fund type	SICAV-SIF
ISIN	LU2407998470 Share Class I
	LU2407999361 Share Class II
Fund inception	18 February 2022
Minimum investment	EUR 125,000 equivalent
Available currency	EUR
Subscription	Daily / 2 business days
Redemption	Daily / 5 business days
Management fee	1.0% p.a. share class I
	0.5% p.a. share class II
Performance fee	10% share class I
(High-on-High)	10% share class II
Fund domicile	Luxembourg
AIFM	MultiConcept Fund Management
Central administration	UBS Fund Administration Services Luxembourg S.A.
Auditor	PwC (Luxembourg)
Depositary bank	UBS Europe SE, Luxembourg Branch

Fund statistics

Return (%, annualized since inception)	10.07
Max drawdown (%, since inception)	-26.26
Sharpe ratio	0.50
Upside/downside capture	0.86
Risk free rate[2]	1.38

Note: past performance is not a reliable indicator of future results.

Please see page 2 for detailed share class information.

1. Historical data from November 2019 to February 2022 shows the performance of the Cape SelEquity Certificate. Fund performance is shown based on the NAV (net of fees) of the share class Internal II EUR, inception 18 February 2022.
2. Risk free return is calculated as the annualized return of EURIBOR 3 month since the inception of the Cape SelEquity Certificate.

Cape Equity Opportunities Fund

Cape Capital SICAV-SIF II

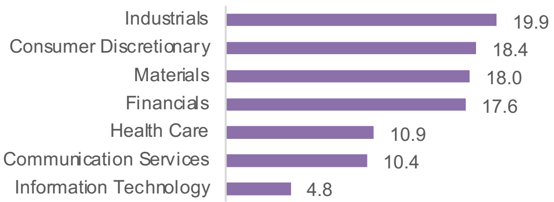
Portfolio holdings

Company	Country	Weight (%)
Diversified industrial investment	United Kingdom	10.3
Search Provider	USA	10.1
Technology conglomerate	China	9.4
Financial services technology	USA	9.1
Gold Fund	France	6.3
Copper Fund	France	5.7
Metals mining	Canada	5.5
Pharmaceutical products investor	USA	5.4
Health care	USA	5.3
Alternative investment company	Canada	4.9
Payment Services	USA	4.7
US Chip Manufacturer	USA	4.7
eCommerce Fashion	Germany	4.5
Biotechnology	Switzerland	4.2
Food delivery platform	Germany	4.1

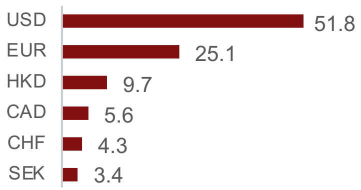
Portfolio profile

Ratio	Weighted	Median
Market Capitalisation ($bn)	483.3	18.0
Net Debt / EBITDA (x)	1.4	1.3
Revenue CAGR 2y (%)	5.8	10.8
EPS CAGR 2y (%)	26.9	13.8
EBITDA Margin (%)	30.8	22.2
FCF / Sales (%)	27.2	25.0
Net Profit Margin (%)	14.8	13.9
EV / EBITDA - NTM (x)	13.6	10.1
PE – NTM (x)	22.8	16.5
ROE (%)	8.5	10.0
ROIC (%)	7.4	5.7

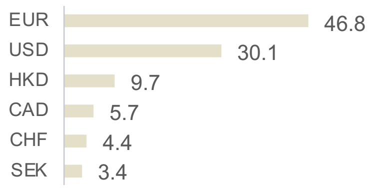
Sector allocation (%)



Currency exposure (%)



FX exposure - Hedged (%)



All allocations are calculated based on notional exposure (excl. cash).
FX exposure refers to the currency denomination of the security.
The Total Expense Ratio (TER) presented in this document reflects final TER for the previous year.

Share class information

Share class	Bloomberg	ISIN	Inception	Fee p.a. (%)	TER (bp)	Current NAV
EUR Class I (External)	CACEOIE LX Equity	LU2407998470	18/02/2022	1.00	186.0	132.84
EUR Class II (Internal)	CACEOIA LX Equity	LU2407999361	18/02/2022	0.50	154.0	134.95

Investment returns[1]

in %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019											-1.23	2.15	0.89
2020	-1.75	-8.23	-18.22	11.87	2.40	-0.58	-1.95	11.81	-0.40	-0.73	11.58	3.26	4.87
2021	10.07	6.17	7.42	2.36	-2.12	4.51	0.24	0.30	-5.81	3.94	-2.01	2.61	30.09
2022	-1.89	-1.68	-2.29	3.11	-0.76	-3.43	9.01	-0.78	-8.37	6.21	5.25	-4.86	-1.84
2023	4.25	-1.05	-3.44	-2.23	1.26	3.67	2.70	-1.45	-3.26	-5.74	8.71	4.25	6.94
2024	-1.23	1.63	6.71	-3.59	1.33	-3.86	-0.10	-0.29	2.06	0.91	7.44	-2.50	8.09
2025	7.06	0.49	-3.87	-2.91	3.75	-0.20	0.55	2.00	5.94	0.82			13.88

1. Historical data from November 2019 to February 2022 shows the performance of the Cape SelEquity Certificate. Fund performance is shown based on the NAV (net of fees) of the share class Internal II EUR, inception 18 February 2022.

MONTHLY COMMENT – OCTOBER 2025

Cape Equity Opportunities Fund

"All in" for year end

Alex Vukajlovic: alex@capecapital.com

Market update

Global equities rose in October, led by the U.S., where cooling inflation and strong, tech-led earnings pushed indices to new highs despite brief, tariff-related volatility. Europe stabilized on modest earnings improvements, while Asia saw mixed performance, with semiconductor strength offset by continued weakness in China.

The S&P 500 posted its sixth consecutive monthly gain, with technology-heavy indexes (e.g., the Nasdaq Composite) reaching all-time highs. The market's strength was driven by a combination of softer-than-expected inflation data—which revised expectations for Fed rate cuts in 2026, leading to a rally in risk assets—and a stronger-than-forecast Q3 earnings season, particularly across large-cap technology and industrial names. While the earnings beat was broad, mega-cap tech once again led performance, supported by sustained AI-related capital expenditures, improved monetization trends, and resilient cloud and advertising revenues.

However, volatility briefly spiked mid-month after Donald Trump threatened to impose 100% tariffs on Chinese imports and hinted at tighter export controls on advanced technology following China's export-control measures on rare earths. The announcement triggered a short-lived pullback in risk assets, led by Semi/AI-related names, before markets stabilized as investors reassessed the likelihood and timing of policy implementation.

In Europe, earnings growth in Q3 turned slightly positive, with companies in the STOXX 600 now expected to report modest revenue and earnings growth, up from previously estimated declines. While the outlook remains muted compared with that of the U.S., the change in direction is noteworthy.

Moreover, Eurozone data in October confirmed a weak but stabilizing backdrop. Headline inflation is now close to the ECB's 2 % target and core slightly above, allowing rates to remain on hold after earlier cuts. Growth, however, remains soft, with Q3 GDP at ~0.2 % and full-year forecasts near 1 %. With inflation easing but activity subdued, the ECB has signaled policy is "in a good place", maintaining a steady stance that supports markets but reflects Europe's limited growth momentum.

Asian equities delivered mixed returns in October. China remained volatile, with modest policy support helping stabilize markets, but continued weakness in property, consumer confidence, and exports kept sentiment fragile. By contrast, Taiwan and South Korea benefited from stronger visibility in the AI and semiconductor cycle, with export data and earnings guidance pointing to a gradual recovery in tech hardware demand. Japan continued to attract foreign inflows, supported by corporate governance reforms, ongoing share buybacks, and a weaker yen that lifted earnings for global manufacturers. Across the region, earnings season was uneven—tech-linked markets surprised positively, while China lagged on softer macro data. Overall, dispersion remained high, with performance driven more by sector- and country-specific factors than by broad regional momentum.

Fund performance

The Cape Equity Opportunities Fund (in EUR) recorded a gain of 0.8% in October, bringing its year-to-date performance to +13.9% since the start of the year. Since its inception in November 2019, our annualised return has been 10.1%. Overall, we are pleased with the Fund's low downside correlation during challenging periods over the first five months of the year, combined with a stronger upside capture than the MSCI ACWI (EUR) over the last quarter, resulting in meaningful outperformance versus the broader market, which has recorded a gain of 8.6% so far this year.

Having said that, we underperformed broader equity markets this month. From a top-down perspective, although we had two concentrated positions in tech mega caps (Alibaba and Alphabet), which amounted to about 20% of the portfolio, this is far from the approximately 60% seen in US indices that drove equity market performance. In addition, we also held put options on US indices, which resulted in us having around 0% net exposure (and even being net short at times) to the technology sector, and especially to the Mag 7. Therefore, while we partially delivered in terms of security selection, we could not fully benefit from the ongoing positive momentum in the sector. Furthermore, there were no themes that particularly stood out during the month, as we saw dispersion within the components of our themes. For example, from a regional perspective, the European infrastructure basket continued to perform well, but our exposure to European digital platforms detracted from performance. Within commodities, copper miners continued to surge, while gold miners experienced a period of consolidation. Among tech mega caps, Alphabet's performance was outstanding, whereas Alibaba corrected after a long period of outperformance. From this perspective, we saw a few positions within the same theme offsetting each other in terms of performance contribution.

In terms of bottom-up performance, the clear leader in terms of contribution was Alphabet (+1.7% contribution), as the company issued a strong earnings report, showing revenues above USD 100 billion for the first time and beating EPS expectations. The company delivered strong growth from both the cloud business (+34% year-on-year as backlog surged) and YouTube & search (both grew at 15% year-on-year). Positive news also came from the AI front, as Gemini showed more than 650 million active users on the app, and a strategic partnership was announced with Anthropic for the rollout of TPU Ironwood chips. Lastly, a few analysts raised their price targets. The second largest contributor was the European infrastructure basket (+0.5%), mainly driven by strong earnings announcements and exposure to Finnish industrial machinery, a Turkish constructor, a Swedish constructor, as well as a Hungarian bank. Exposure to copper miners (both basket and single name) also did well after supply shortages intensified following the closure of the world's second largest mine.

The largest negative contributor was Alibaba (-0.6%), which underperformed due to concerns over its declining free cash flow (down 31% year-on-year) and heavy capital expenditures in instant commerce and AI, which pressured short-term profitability. We retain conviction, as this pullback is roughly 2% and comes after a meaningful gain of 110% year-to-date. The other two names that lagged were the German eCommerce platform—which acquired its biggest competitor and is working on integrating that company—and the food delivery platform, which is on the verge of being bought back or restructured. Both are somewhat event-driven investments, currently unloved by investors. However, we remain positive on these two situations and expect to see developments within the next year.

Our positioning

October can be summarised by three key actions: closing put options, reducing cash exposure, and adding three positions (including two we had previously owned).

Top down – Hedges, cash management and FX:

- As explained in our previous month's letter, we decided to buy put options to remain true to our absolute return mindset. The aim was to strike the right balance between holding the names in which we have high conviction (and therefore maintaining a lower cash position), while mitigating downside risk. Unfortunately, this move has not worked in our favour over the past two months, as US indices, and more specifically the Mag 7, have maintained their winning streak. Hence, we closed our put positions to avoid being short the Mag 7 and to prevent further relative losses in a continued AI-driven rally.
- We ended the month with a cash position of 4.5%, which is 9.0% lower than the previous month. This reduction was primarily used to finance the addition of three positions, including two that we had previously owned.
- After closing our USD hedges last month, we decided to reinstate USD hedges. So far, the dollar has remained stable—and even strengthened a bit—supported by flows into US equities. On the other hand, a further 25bps cut in rates this month led to a mechanical drop in the dollar. From that perspective, keeping about half of the exposure seemed reasonable. This brought our USD net exposure down from 52% to 30% (excluding cash).

Bottom-up – Single names:

- As we regretted not having greater exposure to the technology sector, we sought a more diversified approach. We therefore added the following two names, being mindful of valuations while aiming to invest in differentiated subthemes within our AI proxy theme: 1) This US chip manufacturer is uniquely positioned to drive AI circular financing by vertically integrating chip design and manufacturing, thereby enabling domestic control over critical AI infrastructure. With the US government now holding a 10% stake—funded through the CHIPS Act—it gains strategic backing to reshore production, reduce reliance on foreign fabs, and secure national technological independence. 2) The US payment services company is a play on stablecoins, which, in our view, could disrupt the way transactions are conducted by enabling fast, low-cost, borderless payments. The recent launch of its stablecoin marks a bold move into this space, leveraging its extensive user base to normalise crypto payments and bridge traditional finance with Web3. By offering a regulated, fiat-backed digital dollar, the company can capture transaction volume that would otherwise flow through decentralised channels. This positions it to lead in digital payments innovation, potentially unlocking new revenue streams.

- In addition to increasing our technology exposure, we sought to expand our positions in healthcare and biotech to participate in the current wave of innovation (such as AI-powered discovery and gene editing), the significant growth potential in big pharma—which is likely to drive M&A activity in the sector—and the ongoing valuation reset. We believe the most effective way to gain exposure to this theme is through a Swiss healthcare investment company that offers both private and public exposure (approximately 30% of its portfolio is allocated to private companies, providing access to pre-IPO growth, while 49% is invested in public companies, ensuring liquidity and valuation transparency). The company has a global reach and a proven track record, with a hands-on approach from management. Notably, the stock is trading at a very attractive discount to NAV (-27%), which we expect to narrow within the next two years if the current environment persists.
- In terms of position sizing, we took some profits on Alphabet and Alibaba and trimmed both positions to 10%, indicating that they remain high-conviction holdings. The proceeds were used to double our positions in the US payment services company and the US chip manufacturer from 2.5% to 5%, as our conviction in these names grew throughout the month. More broadly, this allowed us to achieve a wider and more diversified technology exposure.

From a top-down perspective, we are comfortable entering November fully invested, while mitigating risk in the portfolio through diversification. On the bottom-up side, we are satisfied with the composition of the portfolio, as we have high conviction in our new additions, and almost all existing positions (with the exception of the European digital platforms) continue to perform well.

Portfolio construction

Our portfolio does not mirror the market in any way; it is concentrated and does not hold any of the mega caps that dominate global benchmarks, which has been unfortunate over the last two years. It demonstrates revenue growth above inflation and is likely to achieve double-digit earnings growth over the next two years. Last but not least, it is attractively valued, trading at a significant discount to both historical market averages and current market valuations. Given these characteristics, we believe we can afford to be both concentrated and optimistic for the months and quarters ahead, as we expect value to be unlocked.

In addition to our concentration in the 16 positions (including the three thematic baskets), we are positioned for a variety of outcomes and will continue to remain agile, making adjustments as we see fit.

- **AI Proxy Theme (~57% of NAV)** – We are strong believers in the power of AI to redefine the corporate landscape and our lives in the years and decades to come. We are constantly searching for names that can drive and enable this transition, but at attractive valuations—which currently limits the investment spectrum, given the run-up in prices. More importantly, we are not only looking to monetize AI through “direct enablers” (think of Google in the internet age) but also through “second-derivative beneficiaries” (think of luxury goods firms like LVMH in the internet age). We are focusing on financials, healthcare, administrators, marketplaces, and other companies where cost-cutting can provide a boost to earnings and multiple expansions, in addition to accelerating top-line growth. These opportunities allow us to find companies that fit our philosophy and criteria: primarily, not overpaying for growth and maintaining a superior/asymmetric risk-return profile.

Additionally, we are highlighting a sub-theme—Electrification—as we anticipate a positive momentum in spending on the energy transition in Europe, infrastructure in the US, and the onshoring of supply chains. More broadly, we foresee a significant imbalance between supply and demand ahead, which will lead to attractive investment opportunities.

- **European Infrastructure Reset (~10% of NAV)** – This theme is built on three pillars:
  - We anticipate a tailwind in spending on infrastructure upgrades as Europe needs to shift from an analogue to a digital economy.
  - The need to rebuild Ukraine will emerge as the market is bracing for some sort of peace between Russia and Ukraine in 2025, which will lead to imbalances in several infrastructure subsectors.
  - The valuation gap between European and US equities is at its widest in 20 years.

This theme is currently implemented through a basket of 16 names across different industries, such as construction and buildings, transport and logistics, electrification, infrastructure, and banks. Four out of the 16 names are traded in Austria, Turkey, and Hungary. We find the risk-reward profile very attractive, given the solid growth expectations based on "business as normal" (high single-digit top-line and bottom-line growth), low valuations of 11x forward earnings, strong profitability ratios (e.g., ROE of 12%), and a dividend yield of just under 4%. This basket was custom-made internally and is managed as an actively managed account with a third-party provider.

- **Commodity Miners (~18% of NAV)** – Gold miners' stock prices rallied in 2024, in line with the price of gold, but in our opinion, not enough, given the extraordinary cash flow generation and margin expansion. We expect the trend of European and emerging market central banks increasing their gold reserves to continue, given the political uncertainty, while investors have so far remained on the sidelines. We also take positions in copper miners, which we increased recently via another basket as we believe the market still under appreciates the need for the metal as part of the AI buildout, while supply/demand cracks are imminent. Overall, valuations of the mining sector remain attractive, with most companies in our portfolio trading at single-digit P/Es and cash flow yields above 20%. We anticipate that industry consolidation will accelerate and, as such, we prefer to own a diversified basket rather than just a few single names. Finally, by actively managing the portfolio, we ensure exposure to higher-quality companies operating in stable jurisdictions and adhering to strong environmental practices.
- **Value Arbitrage (~13% of NAV)** – As opportunism is part of the Fund's DNA, we sometimes take positions in what we call "special situation/value arbitrage" opportunities. These are typically names whose prices have dropped significantly over the past few months as their businesses faced difficulties due to macroeconomic challenges or idiosyncratic events. However, after conducting our due diligence and identifying concrete short- to medium-term positive catalysts, we believe these names have strong potential to rebound and regain investors' confidence. Thus far, we have mainly invested in the healthcare and technology sectors through this theme.
- **Hedges via options** – It is important to remind investors that this Fund aims to generate a target return of 10% per annum while experiencing much less downside during market corrections. Although we have delivered on this promise in the past (for example, flat performance in 2022), we recognise that our beta has been very high, particularly when markets experience sharp turns. To mitigate this, we have historically traded our existing positions, which often resulted in a loss of performance and alpha. We have tested our hypothesis over time, and the system we are now introducing should be seen more as a "volatility" trade than a true "hedge." This approach should lead to less turnover in key positions and themes, and more "tail trading" using puts and leveraged index ETFs. Our VAR for this theme/book is 3% per annum. So far this year, it has made an important contribution by reducing the volatility of the fund during the challenging March-April period.

All that said, we remain excited about the fund's prospects and will continue to manage it in an optimistic, agile, and cautious manner as we do not like to lose money, and we prioritize absolute over relative performance.

Cape Equity Opportunities Fund

Cape Capital SICAV-SIF II

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Alternative Investment Fund Manager: MultiConcept Fund Management S.A.

Fund type: SICAV-SIF

Domicile: Luxembourg

Central administration: UBS Fund Administration Services Luxembourg S.A.

Independent auditor: PwC (Luxembourg)

Legal advisor: Arendt & Medernach, Luxembourg

Depositary bank: UBS Europe SE, Luxembourg Branch

Swiss representative: UBS Fund Management AG

Paying agency: UBS AG

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