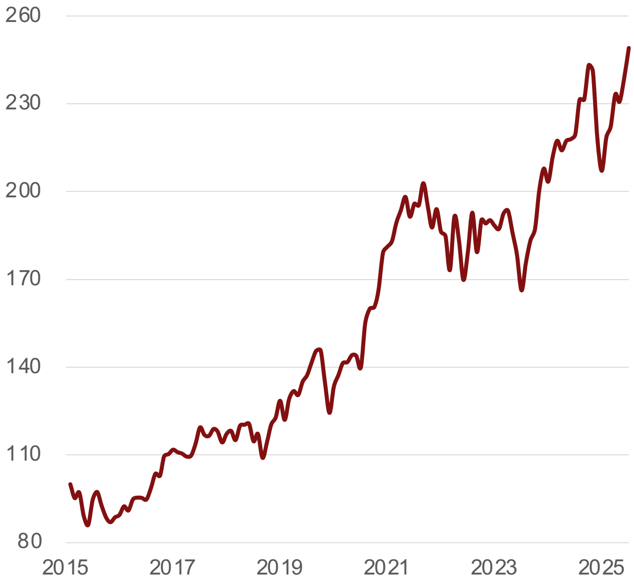
Cape Equity Fund

Cape Capital SICAV-UCITS

Fund strategy

The objective of the Cape Equity Fund is to create long-term capital appreciation by investing in a global portfolio of equity securities. The Fund holds 20-30 large-cap global quality firms which are leaders in their industries, hold strong franchises, have moderate debt, and generate solid cash flows that can be distributed through dividends or share buybacks on a sustainable basis. ESG considerations are integrated into the investment process.

Performance (%)



Current month	YTD	1Y (p.a.)	3Y (p.a.)	5Y (p.a.)	Since inception
4.27	7.61	13.49	11.51	12.22	149.08

Fund information

Date	31 October 2025
Current AUM	EUR 599m
Fund type	SICAV-UCITS
Fund inception[2]	01 June 2015
Minimum investment	EUR 5,000
Available currency	EUR, CHF, USD
Redemption	Daily by 3pm C.E.T
Management fee	0.50% p.a.
Share class	Internal A EUR Accumulating
Fund domicile	Luxembourg
Management company	MultiConcept Fund Management
Central administration	UBS Fund Administration Services Luxembourg S.A.
Auditor	PwC (Luxembourg)
Legal advisor	Arendt & Medernach
Depositary bank	UBS Europe SE, Luxembourg Branch

Fund statistics[1]

Return (%, annualized since inception)	9.16
Volatility (%, annualized)[3]	14.09
Max drawdown (%, since inception)	-18.05
Sharpe ratio	0.60
Risk free rate[4]	0.65

Note: past performance is not a reliable indicator of future results. Please see page 2 for detailed share class information.

1. Fund performance is shown based on the NAV (net of fees) of the share class Internal A EUR, inception 01 June 2015.
2. Fund inception in June 2015 as Cape Capital SICAV-SIF. Converted to Cape Capital SICAV-UCITS in July 2017.
3. Annualized standard deviation using monthly return since inception.
4. Risk free return is calculated as the annualized return of EURIBOR 3 month since the inception of the Fund.

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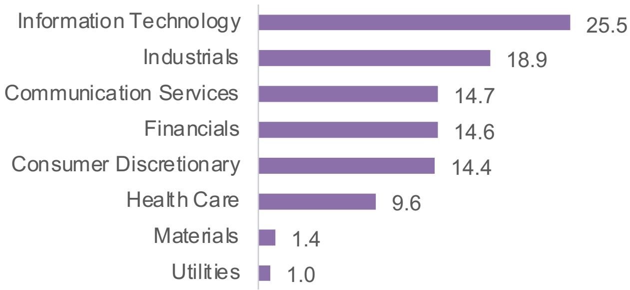
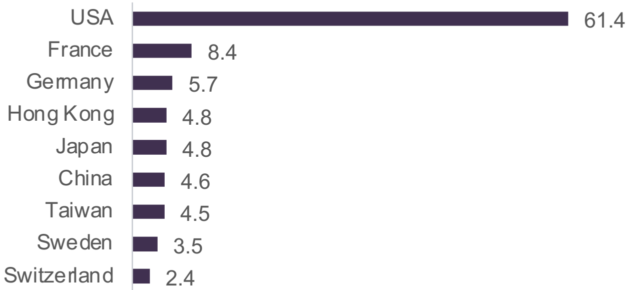
Top holdings

Company	Country	Weight (%)
Corning	USA	5.05
Thermo Fisher	USA	4.86
Alibaba	Hong Kong	4.79
Hitachi	Japan	4.79
Nvidia	USA	4.64
No. of positions		30

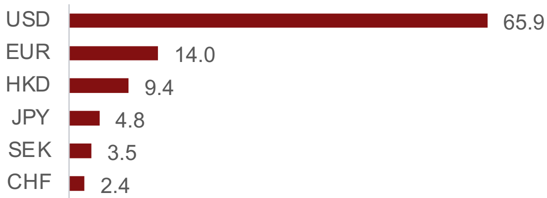
Sector allocation (%)



Geographic distribution (%)



Currency exposure (%)



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
Internal A EUR Acc.	CSCVEII LX Equity	LU1200255203	01/06/2015	0.50	71.0	249.08
Institutional B EUR Acc.	CACEIBE LX Equity	LU1200254495	31/01/2020	1.00	117.0	166.42
Internal A CHF Acc.	CCSCEAC LX Equity	LU1200255385	08/07/2023	0.50	70.0	126.75
Internal A USD Acc.	CSCVIAU LX Equity	LU1200255625	22/07/2024	0.50	41.0	117.83

Investment returns[1]

in %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015						-4.74	1.96	-8.31	-3.31	10.07	2.71	-4.91	-7.43
2016	-4.36	-1.69	1.91	0.94	3.26	-1.53	4.17	0.62	-0.12	-0.52	4.00	5.05	11.89
2017	-0.65	6.37	0.76	1.36	-0.75	-0.44	-0.91	0.26	3.61	4.99	-2.14	-0.27	12.50
2018	2.01	-0.74	-3.14	2.55	0.87	-2.65	4.28	0.26	0.27	-4.94	2.16	-6.96	-6.46
2019	5.06	5.11	2.06	4.62	-5.08	5.80	2.15	-1.01	3.43	1.71	3.09	2.84	33.53
2020	0.10	-7.38	-7.83	7.20	2.96	2.97	0.25	1.67	-0.17	-2.70	10.83	3.15	9.91
2021	0.38	3.52	7.73	1.15	1.05	3.44	2.27	2.35	-3.41	2.31	-0.27	3.85	26.81
2022	-4.03	-3.58	3.35	-3.97	-0.84	-6.25	10.58	-4.35	-7.29	5.79	7.31	-7.00	-11.61
2023	6.13	-0.63	0.59	-0.98	-0.57	2.76	0.51	-3.92	-4.03	-6.79	5.71	4.32	2.24
2024	2.13	7.08	3.68	-2.14	4.23	2.52	-1.51	1.50	0.27	0.72	5.45	0.01	26.26
2025	5.07	-0.83	-9.57	-5.05	5.15	1.73	4.92	-1.07	3.54	4.27			7.61

Cape Capital

MONTHLY COMMENT – OCTOBER 2025

Cape Equity Fund

US flexes, Europe stabilizes, Asia splits

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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 Fund continued its upward trajectory (+4.27%), outpacing the global markets slightly (+4.08%), helped by a strong presence in the AI/cloud theme, industrials, and premium consumer names.

AI, Cloud & Digital Infrastructure, the Fund's largest structural theme, was again a key positive contributor in October, supported by continued AI-driven capital expenditures and strong earnings momentum across the semiconductor and cloud ecosystem. NVIDIA (+10.7%) and TSMC (+16.2%) remained central beneficiaries of the high-performance compute build-out. Alphabet (+18.0%) and Amazon (+13.5%) outperformed as both advertising and cloud revenues proved more resilient than expected, while early signs of AWS re-acceleration were well received by the market. Salesforce (+12.1%) continued to demonstrate improving margin discipline and free cash flow generation, as software continues to face scrutiny from investors. Corning (+10.8%) benefited from datacenter-related fiber and glass demand.

Industrial technology holdings were another strong driver of performance as global capex remained firmly directed toward electrification, automation and grid modernisation. Hitachi (+32.4%) was the top performer in the portfolio, supported by strong order intake across power grids, rail systems and digital infrastructure. Siemens (+7.1%) and Rockwell Automation (+7.5%) also saw improving sentiment as inventory destocking eased and long-cycle infrastructure spending continued to flow into automation platforms. Infineon (+3.3%) posted a modest gain as semiconductor inventories in automotive and industrial end-markets began to normalise, helping stabilise pricing expectations. Epiroc (+2.3%) delivered a smaller contribution but remained supported by resilient mining-equipment demand tied to copper and battery-metal supply chains.

Performance within **premium consumer** names was mixed, with high-end brands outperforming while travel and streaming exposures lagged. LVMH (+17.6%) rebounded as demand in Fashion & Leather Goods held up better than expected and the luxury sector retraced part of its earlier de-rating. EssilorLuxottica (+15.0%) also performed well, supported by structurally resilient demand for premium eyewear and strong execution in its retail network. By contrast, Booking (-4.1%) and Netflix (-4.8%) detracted from returns as investors took profits following strong year-to-date gains and adopted a more cautious stance toward discretionary spending into year-end.

The **Financials** delivered a mixed outcome, with clear divergence between public-market and private-market exposures. Visa (+1.8%) and MSCI (+5.8%) held up well, supported by firm travel-related payment volumes and higher index-linked AUM, respectively. In contrast, KKR (-7.1%) and Intercontinental Exchange (-11.4%) detracted as renewed scrutiny of private-market valuations, slower fundraising cycles and ongoing regulatory discussions weighed on sentiment.

Chinese platform holdings remained a drag on performance as macro headwinds and subdued foreign capital flows continued to pressure sentiment. Alibaba (-2.7%) and Tencent (-3.1%), following stellar YTD performances both declined despite ongoing buybacks and undemanding valuations, in a sign of profit taking and continued regulatory limitation hampering international flows.

Healthcare & Life Sciences posted uneven results, with idiosyncratic strength offset by weakness in defensives. Thermo Fisher (+19.3%) led performance after delivering stronger-than-expected results and signalling the first signs of normalisation in life-science tools demand after an extended destocking phase. Novartis (0.0%) was flat, reflecting steady fundamentals but limited catalyst momentum over the month. The dispersion within the theme reflected investor preference for earnings inflection stories rather than low-beta stability.

Portfolio activity

The Equity team initiated a new position in MSCI and trimmed its holdings in KKR and Salesforce.

MSCI is deeply entrenched within the investment landscape and stands at the intersection of two powerful structural trends: the globalization of equity markets and the secular rise of passive investing. Unlike S&P Global, whose franchise is deeply anchored in U.S. markets, or LSE with its small-cap (Russell) and regional focus, MSCI has built an unrivaled moat around indexing international equity markets, becoming the de facto reference for global portfolio construction and performance measurement. This position has translated into a powerful flywheel effect: as institutional and retail investors allocate more capital to MSCI-based products, the company’s advantage continuously compounds, making it harder for competitors to catch up and driving structural topline growth with minimal incremental cost. ETF assets under management (AUM) linked to MSCI indices (for which the company charges flat and proportional licensing fees) have compounded at 18.25% annually since its IPO (20 years ago) and at 25.5% over the past year.

Moreover, with fewer than 10% of households globally invested in equities, market penetration remains low, highlighting MSCI’s significant untapped total addressable market as emerging and international markets deepen participation.

MSCI is uniquely positioned to capture long-term structural inflows and is expected to deliver the highest organic revenue growth (~9% in 2026) among peers, underpinned by recurring index licensing and analytics revenues. Yet, it currently trades below its historical valuation multiples (~30x estimated 2026 earnings versus ~65x at its peak), presenting a compelling entry point into a secular compounder.

Best in class Business:

High Top-Line Visibility & Defensiveness:

- 97% recurring revenue base (74% subscription) with a 93% client retention rate, providing exceptional revenue visibility.
- Subscription-based model anchors revenues, making the business highly resilient in downturns.
- Once the infrastructure is built, annual capex is only ~4% of revenue, supporting low capital intensity and attractive cash conversion.

Scalable Model with High Operating Leverage:

- Index and analytics products have near-zero marginal cost after development; incremental revenue is driven primarily by sales and distribution.
- Operating leverage and disciplined expense management support ongoing margin expansion; operating margin currently stands at ~55% and rising.
- This scalability enables strong earnings compounding even at moderate top-line growth rates.

Shareholder Friendly:

- Consistent capital return policy with a 40/50% payout ratio of adjusted EPS and a long history of share buybacks, underscoring management's confidence in the franchise.

High Barriers to Entry & Competitive Moat:

- Trusted brand and benchmark status drive customer demand and create network effects.
- Replicating MSCI's products requires significant upfront investment, deep market data infrastructure, and regulatory acceptance.
- High switching costs tied to fund mandates, regulatory approvals, and tracking error risks result in exceptional customer stickiness and pricing power.

Cape Equity Fund

Cape Capital SICAV-UCITS

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Management Company: MultiConcept Fund Management S.A.
Fund type: SICAV-UCITS
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: ACOLIN Fund Services AG
Paying agency: UBS AG

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