

# Cape Equity Opportunities Fund



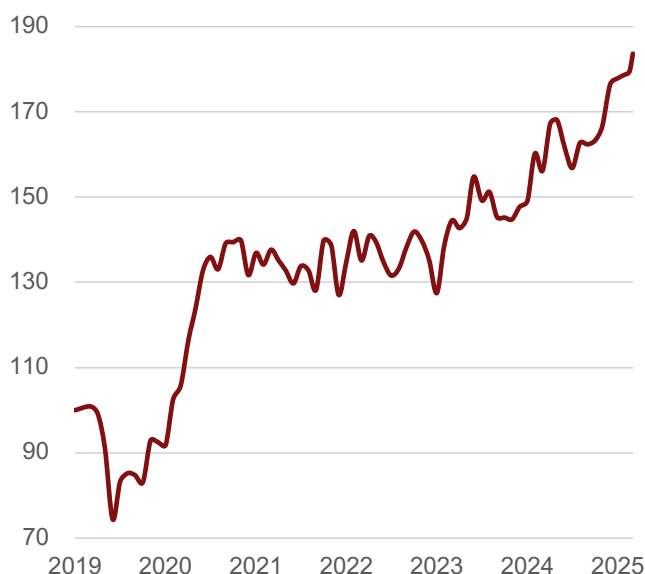
Cape Capital SICAV-SIF II

## 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
2.76	17.57	17.57	10.76	11.65	83.61

## Fund information

Date	31 December 2025
Current AUM	EUR 161m
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)
Depository bank	UBS Europe SE, Luxembourg Branch

## Fund statistics

Return (% , annualized since inception)	10.36
Max drawdown (% , since inception)	-26.26
Sharpe ratio	0.52
Upside/downside capture	0.88
Risk free rate <sup>2</sup>	1.42

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

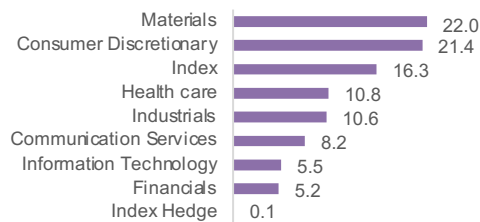
## Portfolio holdings

Company	Country	Weight (%)
Diversified Contrarian Basket	Switzerland	15.0
Gold Fund	France	10.0
Financial Services Technology	USA	9.8
Miscellaneous Services	Germany	7.6
Search Provider	USA	7.5
Technology Conglomerate	China	7.2
Metals Mining	Canada	5.2
Copper Fund	France	5.1
Biotechnology	Switzerland	5.1
US Chip Manufacturer	USA	5.0
eCommerce Fashion	Germany	5.0
Pharmaceutical Products Investor	USA	4.9
Financial Services	USA	4.8
Market Hedge	USA	0.1

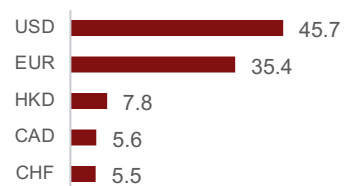
## Portfolio profile

Ratio	Weighted	Median
Market Capitalisation (\$bn)	452.8	10.4
Net Debt / EBITDA (x)	1.6	1.4
Revenue CAGR 2y (%)	13.3	13.7
EPS CAGR 2y (%)	29.5	20.4
EBITDA Margin (%)	27.8	34.4
FCF / Sales (%)	28.9	29.3
Net Profit Margin (%)	13.7	13.9
EV / EBITDA - NTM (x)	10.4	9.7
PE – NTM (x)	24.5	15.1
ROE (%)	4.0	10.3
ROIC (%)	5.5	5.7

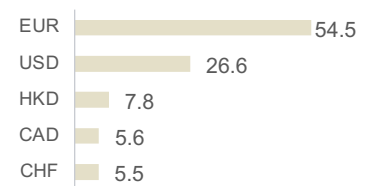
## Sector allocation (%)



## 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	137.04
EUR Class II (Internal)	CACEOIA LX Equity	LU2407999361	18/02/2022	0.50	154.0	139.32

## Investment returns<sup>1</sup>

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	0.47	2.76	17.57

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 – DECEMBER 2025

# Cape Equity Opportunities Fund

## Good year behind us – more to harvest in 2026

Alex Vukajlovic: [alex@capecapital.com](mailto:alex@capecapital.com)

### Market update

Global equity markets ended December in a consolidation phase, with headline indices remaining largely range-bound as investors digested a strong year of returns, supportive but shifting policy signals, and evolving leadership beneath the surface. Market activity was increasingly shaped by positioning, liquidity dynamics, and selective risk-taking, rather than by a broad macro re-rating.

U.S. equity markets were broadly flat in December following a strong run earlier in the year, with the S&P 500 and Nasdaq ending marginally lower and the Dow Jones ending modestly higher, as indices consolidated just below record highs. Beneath the surface, risk appetite broadened significantly, particularly early in the month, as stronger services data and constructive corporate commentary supported a rotation into cyclical and higher-beta segments led by banks, industrials, and select semiconductors. Meanwhile, a softer inflation print later in the month reinforced confidence in the disinflationary trend. Mid-month, the Federal Reserve delivered an expected 25bp rate cut and signalled a more dovish tilt, alongside reserve management purchases, reinforcing a supportive liquidity backdrop into early 2026. Market action remained range-bound into year-end, shaped by typical seasonal effects including slower retail single-name demand and hedge fund de-grossing, while momentum factors continued to normalise following their autumn unwind and Value and Quality held up relatively better. Within technology, leadership rotated as profit-taking in AI-related names gave way to renewed optimism, following supportive corporate updates and a selective easing of export restrictions. This contributed to a more balanced and healthier market structure. Overall, U.S. equities absorbed these cross-currents constructively, closing the year on a firm footing after a third consecutive year of double-digit gains, with conditions increasingly supportive of broader participation.

European equity markets moved higher in December, with indices closing the year near record levels as risk appetite broadened and performance rotated toward more cyclical areas of the market. Cyclical outpaced defensives, defence exposure remained a preferred expression of risk, and early signs of bottom-fishing emerged in areas previously left behind by the AI narrative, reflecting increasingly selective positioning. The move was supported by a stable monetary backdrop, with the ECB holding rates steady amid easing inflation and resilient domestic demand. This was further bolstered by supportive year-end flows, including strong options activity, incremental futures length, and record corporate buybacks. As enthusiasm around Germany's fiscal impulse faded, investor preference shifted toward defence and integrated utilities, particularly those leveraged to rising data center and power grid demand, reinforcing a broader but still disciplined risk environment.

Overall, Asia closed the year with a more selective yet constructive tone, as policy clarity and thematic exposure supported pockets of outperformance despite uneven regional growth. In Japan, equities consolidated near multi-decade highs as the Bank of Japan continued its gradual policy normalization, which reinforced confidence in improving wage and inflation dynamics without materially tightening financial conditions. In China, markets were more subdued but generally stabilized, as ongoing policy support and accommodative liquidity helped offset persistent headwinds in the property sector, while attention increasingly shifted toward targeted stimulus and incremental improvements in activity data. South Korean equities continued to outperform, driven by a sharp rebound in memory semiconductor demand linked to AI and data center investment, which supported earnings expectations for the country's largest technology exporters.

## Fund performance

The Cape Equity Opportunities Fund (in EUR) recorded a gain of 2.8% in December, bringing its year-to-date performance to 17.6%, which would correspond to +30% in USD – hence outperforming all relevant equity benchmarks. Since its inception at the end of November 2019, our annualized return has been 10.4% in EUR. Overall, besides compound returns, we are pleased with the Fund's low downside correlation during challenging periods over the first five months of the year and its uncorrelated returns in November and December, combined with a stronger upside capture than the MSCI ACWI (EUR) over Q3. This resulted in meaningful outperformance versus the broader market, which has recorded a gain of 9.7% so far this year.

In December, the Fund outperformed global equities by nearly 3%, primarily due to the strong performance of its commodity holdings—specifically copper and gold miners. Copper miners contributed 2% to the Fund's overall performance, while gold miners added 1%. Both positions outperformed their respective benchmarks, including both the commodity and mining sectors in general. We are also pleased that our newly added financial services company contributed 0.6% to the fund's performance, despite having a half-weight position of 5%.

Looking back at 2025, we are satisfied with our performance, security selection, and portfolio construction, despite a number of regrettable investments and actions from which we intend to learn.

As in every year, there are a handful of decisions that matter and contribute to performance. This year, these were clearly our exposures to European construction and materials companies, gold miners, copper miners, Alibaba, and Alphabet. It is worth mentioning our decision to enter the year with put options on the Nasdaq, an overweight position in Europe, and an underweight USD, which helped preserve capital and smooth volatility during periods of the Deep Seek crisis and tariff wars that rattled markets between February and April.

We regret having made and realized losses on two investments, as well as having made and not realized losses earlier on two other investments. Taken together, these decisions detracted 6.7% from the fund's performance in 2025.

Overall, we are entering 2026 with confidence in the risk management adjustments we made a year ago, which should once again help us navigate an increasingly volatile environment while maintaining our focus on the fundamentals of the companies in which we are invested.

## Our positioning and expectations for 2026

We remain constructive and optimistic for the year ahead. The combination of the Big Beautiful Tax Bill coming into effect in Q1 2026, upcoming changes in the Federal Reserve leadership, midterm elections, and the likely proliferation of benefits from AI implementation across the broader economy are all likely to continue driving market performance. We continue to worry about inflation getting out of hand, elevated valuations in a number of sectors, concentration risks, geopolitical risks, and the unpredictability of the current U.S. administration.

As such, we are entering the year almost fully invested (with less than 10% in cash) and positioned for a broadening of market performance. In other words, we are underweight in technology, overweight in commodities (miners), overweight in “contrarian” trades and themes, underweight in USD, and increasingly focused on instruments and securities that trade at a discount to their break-up value—yet have clear catalysts for the months ahead. As in the past two years, we remain prominently invested in beneficiaries of the AI rollout.

Given our expectation that volatility will remain elevated throughout the year, we have fine-tuned and implemented a “tail risk” hedging strategy that should help us stay invested and protect against unexpected events, while not consuming more than 1–1.5% of annual performance in insurance costs.

The two most significant unexpected headwinds that could derail our strategy and force us to adjust our stance are a correction in the commodity markets (gold and copper) and a strengthening of the USD.

## Portfolio construction

Our portfolio does not mirror the market in any way; it is concentrated and historically for most part did not own mega caps that dominate global benchmarks, which has been unfortunate over the last two years but did give us an edge in 2025. 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 13 positions (including the three thematic baskets/collective schemes), we are positioned for a variety of outcomes and will continue to remain agile, making adjustments as we see fit.

- **AI Proxy Theme** (~20% of NAV / c. 55% if double counting across themes) – 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.
- **Commodities / Miners** (~20% of NAV) – We have been invested in gold and copper miners for quite some time. We continue to believe that the accelerated debasement of currencies is occurring as a result of irresponsible central bank policies, which serve populations addicted to interventions and low interest rates—policies that can lead to inflationary shocks. Furthermore, geopolitical risks, a lack of trust in global institutions, the polarisation of global economic spheres of power, financial exuberance, and a weakening USD are all likely to favour an increased allocation to real assets such as gold. With regard to copper, the structural shortage of the metal in an increasingly electrified world provides a multi-year tailwind for producers, who are trading at very attractive valuations below market averages.
- **Contrarian Theme** (~15% of NAV) – Market concentration, combined with a blind appeal for technology and AI, has left many essential industries and sectors neglected and undervalued, despite their rather positive outlooks and financial profiles. In anticipation of a broadening of the market, as well as a potential correction at some point, we have created a basket of names that should provide us with exposure to utilities, energy, staples, and pharmaceutical companies—all of which are attractively valued, despite the prospects of high single-digit or double-digit earnings growth and a dividend yield of 3.6%.
- **Technology** (~20% of NAV) – While we believe the technology sector will continue to deliver growth, high valuations make us cautious and underweight. Our focus remains on the more conservative and contrarian segments of the technology spectrum, which we expect to experience further revaluation.
- **Event Driven** (~18% of NAV) – We have increased our event-driven allocation, which should deliver uncorrelated performance over the coming months. Both positions are trading at a significant discount (over 40%) to their break-up value or NAV, despite solid prospects and visible catalysts. It is worth noting that one of our positions is a biotech portfolio, which we see as a significant beneficiary of AI deployment and increased M&A and IPO activity.
- **Hedging** (0–2% of NAV) – We have enhanced our risk management system, transitioning from discretionary, opportunistic decision-making using put options on equity indices to a permanent, systematic, yet dynamic tail hedging approach employing VIX calls. This strategy should provide a cost-effective solution and hedge against unpredictable events that are likely to occur, in a world where unforeseen circumstances persist and result in spikes in the VIX. On the currency front, we will continue to hedge our USD exposure as we see fit, based on our outlook and opportunities for reversal.

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 prioritise absolute performance 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

Depository bank: UBS Europe SE, Luxembourg Branch

Swiss representative: UBS Fund Management AG

Paying agency: UBS AG

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Updated in May 2025