# 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 |
|---|---|---|---|---|---|
| 2.42 | 2.42 | 1.89 | 9.20 | 9.07 | 147.81 |

## Fund information

| | |
|---|---|
| Date | 31 January 2026 |
| Current AUM | EUR 479m |
| 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) | 8.88 |
| Volatility (%, annualized)[3] | 13.97 |
| Max drawdown (%, since inception) | -18.05 |
| Sharpe ratio | 0.59 |
| Risk free rate[4] | 0.69 |

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.

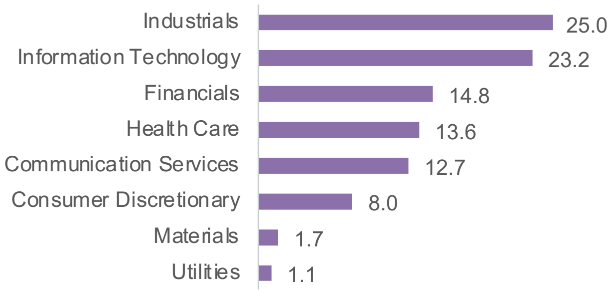
# Cape Equity Fund

Cape Capital SICAV-UCITS

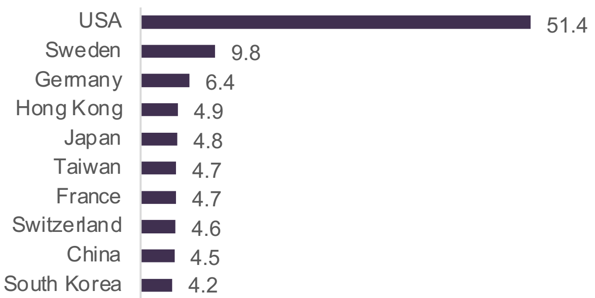
## Top holdings

| Company | Country | Weight (%) |
|---|---|---|
| Epiroc | Sweden | 5.68 |
| Alphabet | USA | 5.63 |
| Corning | USA | 5.07 |
| Alibaba | Hong Kong | 4.91 |
| Hitachi | Japan | 4.85 |
| No. of positions | | 28 |

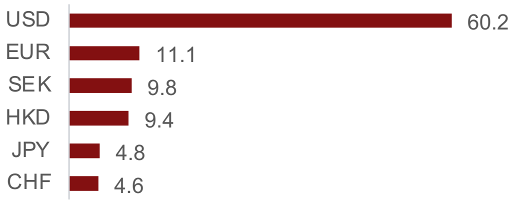
## Sector allocation (%)




## 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 | 247.81 |
| Institutional B EUR Acc. | CACEIBE LX Equity | LU1200254495 | 31/01/2020 | 1.00 | 117.0 | 165.38 |
| Internal A CHF Acc. | CCSCEAC LX Equity | LU1200255385 | 08/07/2023 | 0.50 | 70.0 | 125.40 |
| Internal A USD Acc. | CSCVIAU LX Equity | LU1200255625 | 22/07/2024 | 0.50 | 41.0 | 117.78 |

## 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 | -2.11 | -0.77 | 4.53 |
| 2026 | 2.42 | | | | | | | | | | | | 2.42 |

MONTHLY COMMENT – JANUARY 2026

# Cape Equity Fund

## Still waters, shifting currents

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## Market update

In the US, monthly returns masked a volatile and eventful month beneath the surface, as markets largely looked through geopolitical and institutional noise and focused on economic momentum, rates and earnings quality. Despite developments ranging from Venezuela to renewed questions around Fed independence culminating in the late-month nomination of Kevin Warsh as the next Federal Reserve Chair, US equities finished higher (S&P 500 +1.37%, Nasdaq +0.95%). Beneath the surface, leadership broadened materially, with the Russell 2000 (+5.31%) and equal-weight S&P 500 (+3.28%) outperforming, reflecting a rotation away from crowded mega-cap duration. Earnings season reinforced this dispersion: while blended S&P 500 earnings growth tracked around 12%, the hurdle for positive share-price reactions was high, particularly in software and large-cap technology, where concerns around AI monetization, cloud growth and elevated capex weighed on sentiment. The nomination of Warsh was interpreted by markets as a signal of stronger inflation discipline and reduced tolerance for policy-driven debasement, prompting a sharp unwind in crowded inflation-hedge positioning most visibly in precious metals while reinforcing the ongoing style rotation toward “picks-and-shovels” beneficiaries, including semiconductors and industrials, where order commentary and AI infrastructure spending remained robust.

European equities extended their upward trend in January, supported by resilient macro data, constructive earnings and stable central-bank expectations, despite elevated geopolitical noise. The STOXX Europe 600 rose +3.18%, reaching fresh all-time highs, led by cyclical sectors, with industrials, basic resources and financials outperforming on infrastructure spending, higher metals prices and improved capital-return visibility. Earnings generally cleared a high bar, reinforcing the rotation toward real-economy exposure, while defensives lagged as markets largely looked through political headlines.

Asian equities posted strong gains in January, with the MSCI Asia Pacific ex-Japan up ~8%, driven by semiconductors and hardware in Korea and Taiwan amid sustained AI infrastructure spending. Japan outperformed on election optimism and reflation dynamics, despite rising ultra-long JGB yields, while China and Hong Kong advanced on valuation-driven rebounds in energy and select internet names. Performance was underpinned by earnings resilience in export-oriented sectors, as markets focused on growth visibility over policy uncertainty.

## Fund performance

The Cape Equity Fund (CEF) delivered a +2.42% return in January, outperforming global equities (+1.65%), as positioning in industrials, semiconductors and infrastructure-linked businesses aligned well with the prevailing rotation.

January was characterized by a clear rotation toward industrial capex, electrification and infrastructure exposure, with strong contributions from Epiroc (+21.9%), Corning (+16.6%), Volvo (+12.2%), Hitachi (+9.6%), Infineon (+9.5%), Rockwell Automation (+7.1%) and Siemens (+6.8%).

Markets favored companies leveraged to tangible investment cycles, order visibility and pricing power, as investors rotated away from long-duration growth into near-term earnings delivery tied to real-world spending.

Semiconductor performance was driven less by AI enthusiasm and more by cycle discipline and strategic manufacturing assets, with Samsung (+31.7%) and TSMC (+13.0%) leading gains. Investors rewarded hardware platforms with capacity control, improving utilization and balance-sheet resilience, while more speculative AI-adjacent exposures delivered only modest returns.

Select positions benefited from valuation support and earnings resilience, including Alibaba (+14.4%), Novartis (+6.1%), Pfizer (+5.0%), MSCI (+5.0%) and Intercontinental Exchange (+6.1%). Performance reflected a combination of mean reversion from depressed valuations and demand for cash-generative, low-beta business models in a market undergoing style rotation.

Long-duration growth and balance-sheet-sensitive exposures detracted, notably Salesforce (-20.8%), Microsoft (-12.0%), Netflix (-12.0%), KKR (-11.4%) and JPMorgan (-6.2%). Higher real-rate sensitivity, crowded positioning and concerns around leverage, exit environments and expectation management drove a period of valuation compression rather than a deterioration in underlying fundamentals.

## Portfolio activity

During the month, we made a number of targeted portfolio adjustments aimed at improving the overall risk-reward profile. We realized gains in positions where valuation upside had become more limited, reduced exposure to areas facing rising regulatory or execution uncertainty, and redeployed capital into opportunities with clearer near-term catalysts and more attractive valuation support. These changes reflect our ongoing focus on disciplined capital allocation and active portfolio management.

**Sell – Cisco Systems (c. +50% since fund inception)**

We exited our position in Cisco after a strong run, as the market has now fully priced in expectations around AI-related demand and product refresh cycles. While we initially invested with a clear understanding that Cisco's core networking franchise is mature, we saw scope for incremental revenue support from AI infrastructure spending. That optimism has since been reflected in valuations, which have moved to decade-high levels, leaving the risk-reward skewed toward a more challenging execution phase. Cisco remains the dominant incumbent across enterprise IT networks; however, in cloud and hyperscale data centres, Arista continues to lead in the higher-growth segments that Cisco is increasingly targeting to sustain elevated growth expectations and valuation.

**Buy – Samsung Electronics (HBM exposure)**

We reallocated capital into Samsung as a more attractive near-term growth opportunity within AI infrastructure. Samsung's investment case is centred on High Bandwidth Memory (HBM), a critical component paired with GPUs in AI accelerators and data centres to enable ultra-fast data throughput. HBM pricing has increased sharply since late 2025 due to tight industry supply, a dynamic we expect to persist into late-2026 or early-2027, while demand continues to expand as memory intensity per GPU rises.

Samsung's share gains in HBM are being driven primarily by structural supply constraints rather than outright technological leadership. With SK Hynix unable to meet demand on its own, customers are increasingly diversifying suppliers, positioning Samsung as the only scaled alternative. Samsung's aggressive expansion of TSV packaging capacity (from c.170k to c.220k wafers per month by end-2026) directly addresses the industry bottleneck, allowing the company to convert wafer scale into incremental HBM output. Additional demand from ASIC customers, alongside Nvidia GPUs, and delays in HBM4 qualification further extend this opportunity window. Valuation also supports the rotation, with Samsung trading at ~11.5x forward EPS, below its long-term average and materially cheaper than Cisco at ~18x.

**Sell – Visa**

We exited Visa as a risk-reward decision driven by the increasing political and regulatory overhang surrounding U.S. credit card routing. The renewed momentum behind the Credit Card Competition Act introduces an element of forced network optionality at large issuers, which, even if economically manageable, weakens one of Visa's core advantages: structural control and predictability of the credit rails. Mandating alternative network options creates scope for non-traditional payment pathways to gain marginal legitimacy, including account-to-account solutions and stablecoin-linked rails.

While we do not view stablecoins as an immediate threat to Visa's transaction volumes, regulatory encouragement of alternatives lowers barriers to experimentation at a time when Visa's valuation continues to assume high visibility, durable pricing power, and steady growth. In our view, the key risk is not near-term earnings pressure, but the potential for multiple compression associated with policy uncertainty. Given the asymmetric downside from regulatory headlines, limited near-term catalysts to offset that risk, and more attractive capital deployment opportunities elsewhere, we chose to exit the position.

**Buy – Volvo Group (Cyclical recovery)**

We initiated a position in Volvo Group to position the portfolio for a cyclical recovery in heavy-duty trucks. Order trends have recently turned more constructive, with gradual improvement in Europe and a sharper rebound in North America, although several uncertainties must clear before 2026 can be considered a full recovery year. Improved freight conditions, easing tariff risks, EPA '27 pre-buy dynamics, and easier order comparisons provide potential support, but we expect near-term fundamentals to remain mixed, with global truck sales flat to slightly down as European stabilisation offsets North American softness.

Importantly, truck equities have historically led order cycles by three to nine months, with share prices typically inflecting well ahead of a visible recovery in orders and volumes. This dynamic creates a constructive tactical setup, even in the absence of a confirmed demand rebound, supporting our decision to add exposure at this stage.

**Sell - LVMH (Visible challenges ahead)**

We exited our position in LVMH following the results, as the investment case has become increasingly asymmetric at current valuations. While the Group once again demonstrated strong cost discipline and margin resilience, the expected top-line inflection failed to materialise, particularly in the core Fashion & Leather Goods division, where growth remains fragile and visibility limited. With management signalling that 2026 will be challenging, limited scope for earnings upgrades, and the shares trading at ~25x 2026e EPS, we see a higher probability of sideways to downside price action in the near term. In our view, the risk-reward no longer justifies the valuation, prompting us to reallocate capital toward opportunities with clearer growth momentum and more attractive entry points.

# Cape Equity Fund

Cape Capital SICAV-UCITS

Cape Capital

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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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Updated May 2025