Cape Equity Opportunities Fund

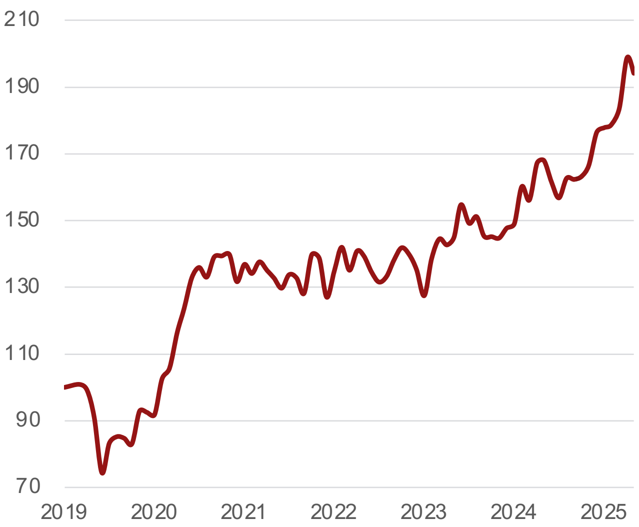
Cape Capital SICAV-SIF II

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
-2.31	5.74	15.55	11.68	9.44	94.15

Fund information

Date	28 February 2026
Current AUM	EUR 197m
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)	11.05
Max drawdown (%, since inception)	-26.26
Sharpe ratio	0.56
Upside/downside capture	0.91
Risk free rate[2]	1.41

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

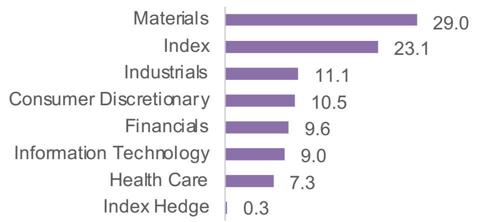
Portfolio holdings

Company	Country	Weight (%)
Diversified Contrarian Basket	Switzerland	18.7
Gold Fund	France	12.0
Financial Services Technology	USA	8.9
Copper Fund	France	6.1
Pharmaceutical Products Investor	USA	5.9
Metals Mining	Canada	5.3
Biotechnology	Switzerland	5.1
Software & Hardware	USA	4.9
Technology Conglomerate	China	4.3
Miscellaneous Services	Germany	4.1
Financial Services	USA	2.7
US Chip Manufacturer	USA	2.4
Market Hedge	USA	0.3

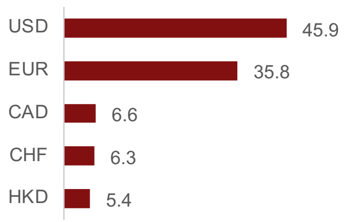
Portfolio profile

Ratio	Weighted	Median
Market Capitalisation ($bn)	364.0	15.4
Net Debt / EBITDA (x)	2.1	1.6
Revenue CAGR 2y (%)	15.0	15.6
EPS CAGR 2y (%)	26.6	17.3
EBITDA Margin (%)	36.9	36.2
FCF / Sales (%)	33.0	32.6
Net Profit Margin (%)	17.3	13.7
EV / EBITDA - NTM (x)	10.2	11.2
PE – NTM (x)	20.1	15.0
ROE (%)	7.9	11.5
ROIC (%)	7.4	5.7

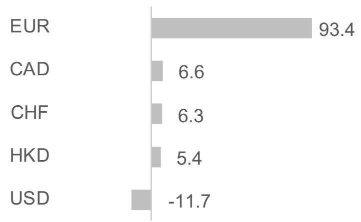
Sector allocation (%)



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	294.0	144.83
EUR Class II (Internal)	CACEOIA LX Equity	LU2407999361	18/02/2022	0.50	254.0	147.32

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	0.47	2.76	17.57
2026	8.24	-2.31											5.74

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Cape Capital

MONTHLY COMMENT – FEBRUARY 2026

Cape Equity Opportunities Fund

Software sinking, tensions syncing

Alex Vukajlovic: alex@capecapital.com

Market update

Global equities delivered mixed returns. The MSCI World Index rose modestly, but U.S. indices lagged. In contrast, Europe and parts of Asia outperformed, supported by cyclical exposure and a rotation into "old economy" sectors. This performance unfolded during a month defined less by macroeconomic data and more by narrative volatility, as investors rapidly repriced the implications of artificial intelligence across sectors. While headline index performance appeared relatively benign, beneath the surface, markets experienced significant rotation, dispersion, and sentiment-driven selling, with leadership expanding beyond the narrow group of mega-cap technology stocks that had dominated in previous periods.

The dominant theme was the rapid escalation of fears regarding AI disruption. Incremental product enhancements from leading AI developers triggered concerns about the durability of software, professional services, and data-driven business models, leading to a sharp de-rating across large parts of the technology sector. Hyperscaler announcements of substantial AI capex further unsettled investors, shifting the focus from long-term growth potential toward questions of capital intensity, payback periods and return on investment. As the month progressed, the debate broadened from software into adjacent industries, with investors increasingly questioning which business models could be structurally challenged by more capable and accessible AI tools. Importantly, much of the selling pressure was driven by speculative narratives and social-media-amplified scenarios rather than observable deterioration in earnings or demand. While the long-term transformative potential of AI remains compelling, the near-term market reaction suggests investors are demanding clearer evidence of monetisation and competitive durability before re-engaging. In that sense, positioning has shifted from enthusiasm to scrutiny, with sentiment toward the technology sector becoming markedly more cautious.

Against this backdrop, capital rotated decisively into what has become known as the “HALO trade”, heavy assets with low obsolescence risk. Industrials, materials, utilities and consumer staples outperformed, reflecting a renewed preference for tangible, capital-intensive businesses with visible cash flows and pricing power. This rotation was particularly evident in Europe, where sector composition naturally tilts toward these areas and where improving macro indicators, earnings momentum and strong investor inflows reinforced the trend. Banks and telecoms also benefited from stable balance sheets and capital return visibility, while basic resources were supported by firmer commodity prices and expectations of continued infrastructure and electrification demand.

Geopolitics re-entered the investment landscape late in the month, with US–Israel military action against Iran introducing a new risk factor. While markets have historically tended to look through geopolitical events, a more prolonged or escalatory conflict, particularly one that disrupts energy supply routes, could place renewed upward pressure on inflation and complicate the policy outlook. For now, markets are monitoring developments closely, but the episode serves as a reminder that geopolitical risk remains an important and unpredictable driver of market sentiment.

Fund performance

The Cape Equity Opportunities Fund (in EUR) recorded a loss of -2.3% in February, giving back some gains and relative performance after a strong month of January. Since its inception in November 2019, our annualized return has been 11.1% in EUR. Overall, we were pleased that nearly all of the top-down views we positioned for at the end of 2025 had already materialized and contributed positively to performance. Performance was somewhat hindered by idiosyncratic factors. Nevertheless, this led to an outperformance of +2.0% compared to the broader market so far this year.

Looking at top-down positioning, the largest driver of performance was our homemade contrarian basket, which benefited from its significant allocation to telecoms, energy, and utilities, as the rotation into more defensive sectors and out of technology continued. This basket represents the largest position in the portfolio, underscoring our conviction in the recovery of these sectors and in so-called “forgotten” names. Our commodity exposure was partially successful, as gold miners rebounded after an initial sharp decline. Investors recognized that the early-month sell-off was a temporary "reset," driven by profit-taking and the hawkish nomination of a new Fed Chair, rather than a shift in the fundamental bull market. Copper miners did less well as faltering Chinese industrial demand outweighed supply shortages, while high volatility was fueled by a fluctuating US Dollar clashing with speculative trading on the green energy transition. Despite our underweight position in technology and a rigorous focus on valuations, the allocation to AI and AI-related names was the largest detractor and outweighed the gains, driven by risks associated with “AI disruption”, company-specific earnings misses, and a lack of clear financial guidance.

In terms of bottom-up performance, five names almost equally contributed negatively:

1. Asian Tech platform: investors reacted to disappointing report and regulatory headwinds, compounded by high Capex and "quick commerce" that squeezed near-term profit margins
2. Financial service technology: market rotation away from technology stocks and unjustified investor concerns regarding AI-driven disruption to its core vertical software business, despite very positive quarterly report
3. Ticket platform: company withheld fourth-quarter guidance, citing difficulty in predicting consumer demand and visibility issues
4. Fashion e-commerce: analysts turned skeptical over disappointing profitability trends despite steady revenue from its B2B and platform expansion
5. Food delivery platform: majority-owned Middle East unit issued weak 2026 guidance

On the positive side, the pharmaceutical investor stock rose after a material earnings beat and record 2025 capital deployment; investors also welcomed a dividend increase and a $1.2 billion share repurchase program. One of our financial plays also had a good month driven by significant net inflows into high-fee products and the successful launch of new ETFs.

Portfolio Positioning

As volatility increased, we took a more active approach and sought to apply some of the lessons we had learnt—specifically, cutting losses early if the environment was not favourable. The actions we took included increasing our cash position, reshuffle and decrease our technology exposure and increasing our “tail risk” hedges.

Top down – Hedges, cash management and FX:

- Given our expectation that volatility will remain elevated throughout the year, we have fine-tuned and implemented a “tail risk” hedging strategy via VIX calls 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. We went into the year hedging about 50% of the portfolio, but as the VIX futures curve moved into backwardation throughout the month, we increased our hedge to a full 100%.
- We ended the month with a cash position of ~20%, an increase of 10% compared to last month. Exposure increased as we decided to cut losses on some of our AI second derivative exposure, which were impacted due to heightened fears regarding AI disruption in the e-commerce sector. In addition, we cut positions in names after a strong rally year-to-date.
- We maintain a full dollar hedge since last month.

Bottom-up – Single names:

- We divested from two AI second derivative positions:
  - E-commerce fashion: The stock struggled year-to-date as the company faced intensifying pressure from ultra-fast fashion competitors like Temu, Shein and TikTok Shop, which forced a strategic pivot toward a "lifestyle ecosystem" that has yet to prove its margin resilience in a crowded European market. Moreover, the name was

hurt as platforms like TikTok Shop use highly sophisticated AI recommendation algorithms that convert inspiration directly into sales, bypassing traditional search-and-click retailers.

- Ticketing platform: Recent selling has centered on fears that AI-driven automation could disrupt marketplace platforms by compressing fees, disintermediating matching mechanisms, or enabling new entrants to scale more quickly.

While we retain conviction in both companies' growth prospects and fundamentals, we prefer to step aside temporarily ahead of earnings (both in March, which could lead to further volatility) and allow the market to stabilize before revisiting the position.

- We switched our exposure from Alphabet to Microsoft. While we entered the position before a tremendous rally, its valuation at ~31x forward P/E makes it one of the most expensive "Magnificent Seven" names. Conversely, we viewed Microsoft's recent post-earnings sell-off as an attractive entry point, given its superior competitive moat—anchored by Azure's enterprise dominance and deep AI integration. Hence, we saw an opportunity to capture better relative valuation and compounding quality.
- We slightly increased our position in the contrarian basket, as we fill 20% cash exposure is defensive enough while sectors and underlying names in the contrarian basket should continue to benefit in this environment. This now the biggest position in portfolio (~19%).

From a top-down perspective, we are comfortable with our themes, regional exposure, currency positioning, and hedges, but we remain cautious as a US-Iran conflict seems close to implosion. We are working on new ideas within emerging markets, financials and mission critical software. That said, we prefer to be patient and see what happens on the geopolitical front before we may pull the trigger on these.

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 12 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** (~12% of NAV / c. 39% 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** (~24% 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** (~19% 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%. This “bucket” also includes a pharma royalties’ company that we have held for a long time and see more potential for rerating.

- **Technology** (~12% 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** (~15% of NAV) – The event driven allocation should deliver uncorrelated performance over the coming months. The consumer company is trading at a significant discount (over 40%) to its 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

Depositary bank: UBS Europe SE, Luxembourg Branch

Swiss representative: UBS Fund Management AG

Paying agency: UBS AG

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Updated in May 2025