Cape Equity Opportunities Fund

Cape Capital SICAV-SIF II

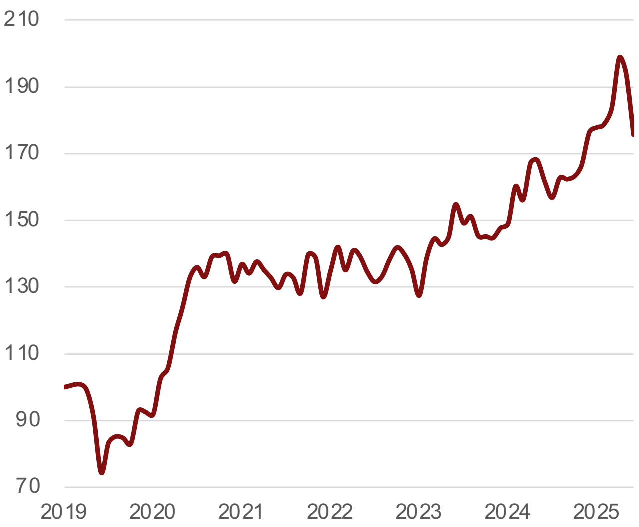
Cape Capital

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
-9.52	-4.32	8.77	9.29	5.75	75.67

Fund information

Date	31 March 2026
Current AUM	EUR 191m
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)	9.18
Max drawdown (%, since inception)	-26.26
Sharpe ratio	0.44
Upside/downside capture	0.87
Risk free rate[2]	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

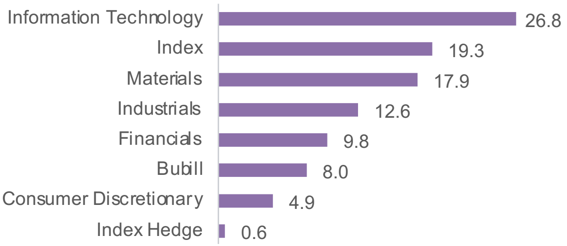
Portfolio holdings

Company	Country	Weight (%)
Diversified Contrarian Basket	Switzerland	15.2
Financial Services Technology	USA	9.9
Software & Hardware	USA	9.5
Software & Services	Canada	9.2
Short Term Bond	Germany	6.3
Metals Mining	Canada	6.0
Biotechnology	Switzerland	5.3
Gold Fund	France	4.7
Technology Conglomerate	China	3.9
Copper Fund	France	3.4
Chips Designer	USA	2.5
Financial Services	USA	2.5
Market Hedge	USA	0.5

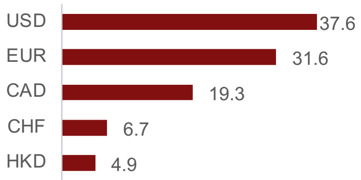
Portfolio profile

Ratio	Weighted	Median
Market Capitalisation ($bn)	675.5	141.9
Net Debt / EBITDA (x)	0.7	0.8
Revenue CAGR 2y (%)	15.4	18.2
EPS CAGR 2y (%)	22.1	16.3
EBITDA Margin (%)	33.8	37.3
FCF / Sales (%)	35.4	39.7
Net Profit Margin (%)	16.8	13.4
EV / EBITDA - NTM (x)	8.8	10.5
PE – NTM (x)	12.8	14.0
ROE (%)	20.0	16.0
ROIC (%)	14.0	10.2

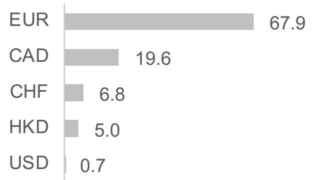
Sector allocation (%)



Currency exposure (%)



FX exposure - Hedged (%)



Portfolio holdings shown as % of total portfolio including cash
Other 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	130.96
EUR Class II (Internal)	CACEOIA LX Equity	LU2407999361	18/02/2022	0.50	254.0	133.30

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	-9.52										-4.32

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Cape Capital

MONTHLY COMMENT – MARCH 2026

Cape Equity Opportunities Fund

Prepared for the storm, surprised by the lightning.

Alex Vukajlovic: alex@capecapital.com

Market update

The U.S.-Israel strikes on Iran and the near-total closure of the Strait of Hormuz delivered the most severe oil supply disruption in modern history, removing an estimated 20 million barrels per day from global trade and wiping out roughly 17% of the world's liquefied natural gas export capacity. Brent crude surged toward $120 a barrel, inflation expectations were repriced violently higher, and central banks that had been charting a path toward easing pivoted sharply in the opposite direction. The fallout across equity markets was swift and indiscriminate: the S&P 500 fell more than 5%, the Stoxx Europe 600 suffered its heaviest monthly decline since 2022, and the MSCI Asia-Pacific ex-Japan index lost over 13%.

The damage across developed markets was broad, though its severity differed by region. In the United States, the headline decline masked a harsher reality beneath the surface: the index's largest constituents, predominantly technology companies, held up relatively well, masking steeper declines across the broader market where cyclicals and defensives alike were caught in the downdraft. In Europe, the pain was more uniformly distributed as the continent's structural dependence on imported energy, a vulnerability many had hoped the post-Ukraine diversification effort had meaningfully reduced, was laid bare anew. Natural gas prices hit their highest level since early 2023, and analysts warned of billions in additional import costs feeding through to corporate margins and household budgets on both sides of the Atlantic.

The macro backdrop offered no reprieve in either region. In the U.S., nonfarm payrolls contracted unexpectedly, unemployment edged up to 4.4%, and with energy-driven price pressures layering on top of an already cooling labour market, the stagflation debate began to take on uncomfortable resonance. The Federal Reserve struck a notably hawkish tone, holding rates steady while warning that progress on core goods inflation remained insufficient to justify cuts. Europe experienced an even more dramatic shift: within a single month, markets swung from pricing European Central Bank cuts to pricing as many as three hikes by year-end, while the Bank of England, dovish as recently as February, signalled its readiness to tighten. Futures markets on both sides of the Atlantic now reflect a world in which the next move from central banks is as likely to be a hike as a cut. Adding to the unease, a cluster of private credit headlines, from loan markdowns at JPMorgan to restricted redemptions at several large asset managers and rising default warnings, introduced a secondary source of financial tightening. Officials moved quickly to downplay contagion risk, but for markets already contending with an energy shock, hawkish central banks and deteriorating growth data, the timing could hardly have been worse.

Asia suffered the steepest losses of any region. The MSCI Asia-Pacific ex-Japan index fell more than 13%, as energy-import-dependent economies were caught in a triple bind of slowing growth, rising inflation and weakening currencies. India, acutely exposed through its reliance on crude imports and thin reserves, saw its main benchmarks drop roughly 15%. South Korea's Kospi plunged over 23%, with losses compounded by Google's release of its TurboQuant compression algorithm, which hammered the semiconductor complex. Currencies buckled as the dollar strengthened, with the Korean won sliding to 17-year lows and the Japanese yen drawing verbal intervention warnings from Tokyo. China was a relative bright spot, supported by solid domestic data and a more resilient yuan, but its decision to ban fuel exports, stoking fears of shortages in Vietnam and Thailand, served as a sharp reminder that in a crisis of this magnitude, one country's shelter comes at the cost of its neighbours' exposure.

Fund performance

The Cape Equity Opportunities Fund (in EUR) recorded a loss of 9.5% in March, giving back our gains since the beginning of the year and bringing performance into negative territory at -4.3% year-to-date. Since its inception in November 2019, our annualized return has been 9.2% in EUR.

It would be an understatement to say that March's performance is frustrating—not because of the percentage loss, but rather because things really didn’t work out the way we envisioned or the way the portfolio was constructed. So, what went wrong?

We entered the year with the expectation that: a) broadening of the market was inevitable given high concentrations and the number of sectors that were mispriced; b) tensions in Iran could, and probably would, result in some form of military escalation; c) volatility in the markets was mispriced and was not going to remain so muted given geopolitical concerns, the upcoming mid-term elections in the U.S., issues at the Fed, and AI disruption; d) the USD would not move much and, if anything, would continue to depreciate given changes at the Fed and its likely aggressive policy of cutting rates.

As such, we took action and rebalanced the portfolio after a strong 2025 by: A) creating a “contrarian basket” of 20 companies that we believed were undervalued, neglected, overlooked, and had the potential to perform and outperform in both strong and weak markets. We allocated 15% of the portfolio to it and increased that allocation to 20% at one point during the first quarter. B) We continued to be overweight in commodities, with a 20% allocation split evenly between gold and copper miners, which benefited from tailwinds of money flows and central bank policies, as well as very attractive valuations. C) We implemented a tail hedge through call options on the VIX, covering 50-100% notional, to protect us from unexpected and likely tail events such as war in Iran. D) We allocated more than 10% of the portfolio to the pharma/biotech sector, given low valuations and likely resilience to the risks we anticipated. E) We increased our cash position at the end of February to 20% to reduce volatility and risk (!). The remaining 30% of the portfolio was allocated to companies with rather attractive valuations.

So, what went wrong?

After a strong start to the year, when nearly everything except our hedge performed exceptionally well, March brought devastation to our fund. A) The hedge didn’t work, as despite extraordinary events, risks, and the oil price shock that rightly revived fears of hyperinflation and stagflation, the market remained rather calm on the surface and took the stairs rather than the elevator. That meant the VIX rose, but nowhere near panic levels, as investors chose to rebalance portfolios and switch between themes, sectors, and regions rather than sell equities. B) Commodities, on the other hand, took the elevator down—gold in particular—as major central bank buyers in the Middle East and Asia paused their gold purchases or had to sell some to fund local needs, while copper suffered from stagflationary fears. Owning miners is a leveraged play on commodities, so the result was a drop that exceeded those of Middle Eastern property developers, hotels, and shopping mall operators. Not something we would have guessed, even with a crystal ball in hand at the end of March. C) USD strengthened, affecting our relative performance to the index, given our nearly fully hedged portfolio.

The only two things that worked as anticipated were our Contrarian Basket, which rose about 12% in the first quarter in both strong and weak markets, and our pharma/biotech exposure, which also recorded positive returns year-to-date and remained stable in March.

Rest of the portfolio drifted pretty much in line with the market.

Hence, looking back we are frustrated as other than reaction of gold and copper to some extent, most of other actions we don’t regret or see as wrong. Go figure.

Portfolio positioning

As the conflict in the Middle East erupted, we stayed close to the portfolio and became much more active, adopting a pragmatic approach to certain positions that detracted from performance. The actions we took included increasing our cash position by trimming positions and reshuffling the portfolio by selling three holdings to purchase three others.

Top-down – Hedges, Cash Management and FX:

- Our tail risk hedged strategy via VIX calls (1–1.5% of annual performance in insurance costs) currently hedges 100% of the portfolio, since the VIX futures curve moved into backwardation last month.

- We ended the month with a cash position of ~25%, a net increase of 5% compared to last month. That said, we did quite a bit of repositioning underneath as we trimmed exposure to our contrarian (from about 19% to 15%), decreased gold miners (from 10% to 5%) and sold three positions (-13%) to buy three new positions for ~17% of the NAV.
- We partially removed our hedge on the U.S. dollar on the 2nd of March, anticipating investors' move into U.S.-denominated cash and Treasuries, which led to a strengthening of the dollar in an environment where the USD remains the world's primary reserve and funding currency. We will keep this position depending on how long the conflict and the oil supply chain disruptions last.

Bottom-up – Single Names:

We divested from two names within our event-driven theme and one within our technology theme:

- European names: we redeemed both European consumer stocks (temporarily) due to macro and money flow views – Europe and European consumer are in a tough spot, and markets will continue to avoid it in our opinion. Additionally, one of our holdings had a sizeable Middle East exposure that introduces an additional geopolitical overhang that could impair near-term earnings resilience. We will look to buy it back at some point as valuation further corrects.
- Pharmaceutical investor: While we had a profitable run, its profile increasingly behaves like a long duration "bond proxy" at a time when the macro backdrop is turning less supportive. A scenario of persistent inflation or mild stagflation would weigh on rate sensitive assets. With more compelling opportunities elsewhere in the portfolio—offering higher upside and clearer cyclical catalysts—we choose to monetize gains and reallocate to strategies better aligned with the current macro regime.
- U.S. chip producer: The company benefited from the reshoring theme and renewed strategic importance within U.S. semiconductor policy. With the shares now fully reflecting these tailwinds, valuations appear stretched relative to near-term fundamentals. We also see rising policy driven volatility and execution risk as the company undergoes a multiyear turnaround. Hence, we prefer to switch exposure to other technology names.

We added two technology names and one AI proxy play:

- We introduced a new "theme" in the portfolio called – Mission Critical Software with 2 positions. One being a **leading vertical-market software group** following a sharp sector-wide derating driven by exaggerated fears of AI-driven disruption. With deeply embedded, mission-critical systems, exceptionally low churn, and a proven decentralized capital-allocation model, the business continues to compound value through disciplined acquisitions and durable cash flows. Trading at a substantial discount (PE in low teens) despite resilient fundamentals and high returns on invested capital, we viewed this dislocation as an attractive entry point into a structurally defensive compounder for the long-term. The other position is Microsoft – no comment needed other than it trades at 18x next year's earnings.
- We also added exposure to a **global edge-cloud and security provider** undergoing a successful strategic pivot from commoditized delivery services toward higher-growth security, compute and AI-inference workloads. Its unique, globally distributed footprint—reinforced by integration with NVIDIA hardware—offers a differentiated advantage for latency-sensitive enterprise AI use cases. While current capex is elevated, we see these investments enabling strong medium-term earnings optionality. With valuation levels reflecting little credit for this transition, we found the risk-reward compelling and bought it again (we used to own it 2 years ago)
- We initiated exposure to **Nvidia**, where valuation has become more attractive relative to the company's still impressive- revenue and profit trajectory. In an environment where earnings revisions are increasingly concentrated in a handful of mega cap technology leaders, we believe NVIDIA remains- uniquely positioned to deliver upward estimate momentum. The stock also offers asymmetric upside should geopolitical tensions ease or supply constraints normalize, and we view it as a core beneficiary of accelerating global AI infrastructure investment.

With all these rotations in the portfolio and a meaningful cash position while sticking to some of our convictions (contrarian and miners), we believe we are well equipped to weather the various potential scenarios ahead as the newly introduced name should benefit from their strong fundamentals while our ~25% cash position will enable us to remain agile and act quickly depending on which direction the wind will blow.

Portfolio construction

Our portfolio does not mirror the market in any way; it is concentrated and historically for the 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** (~15% of NAV much higher 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** (~15% 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 because 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. Regarding 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%. This “bucket” also includes a pharma royalties’ company that we have held for a long time and see more potential for rerating.
- **Technology** (~30% of NAV) – We are positive on technology, especially following recent valuations reset – both in software and across the spectrum. As such, we are approaching technology from two angles – Mission Critical Software (20%) that are companies with strong moats unlikely to be disrupted by AI but will rather benefit and leading semiconductor producers in Asia and the US at reasonable valuations.
- **Event Driven** (~5% 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 2026