Cape Long/Short Equity Fund

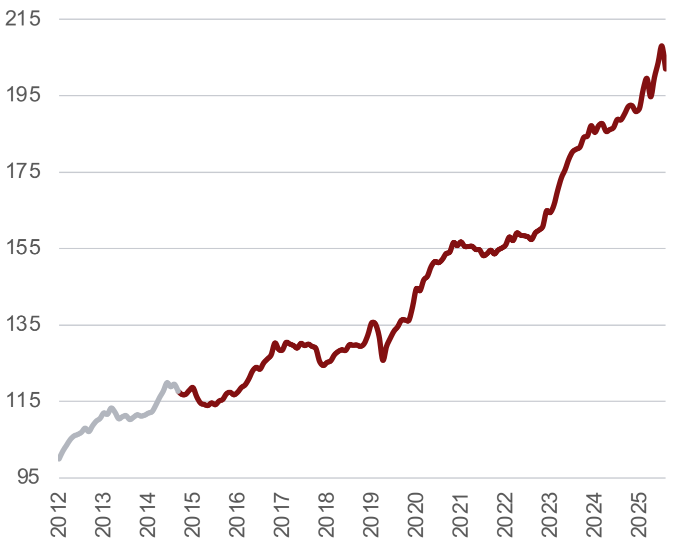
Cape Capital SICAV-SIF II

Fund strategy

The objective of the fund is to deliver sustainable long-term capital appreciation, predominantly through investments in a diversified portfolio of 8 to 15 long/short equity funds, managed by reputable investment managers.

The Fund provides exposure to the global equity markets, while offering downside protection in difficult market conditions by ensuring diversification across regions, sectors, and investment strategies.

Performance[1] (%)



Current month	YTD	1Y (p.a.)	3Y (p.a.)	5Y (p.a.)	Since inception
-2.89	5.36	7.06	8.67	5.83	101.99

Fund information

Date	31 July 2026
Current AUM	USD 290m
Fund type	SICAV-SIF
ISIN	LU1633134058
Bloomberg	CSCLUII LX Equity
Fund inception	03 August 2015
Minimum investment	USD 125,000
Available currency	USD
Subscription	Monthly / 10 business days
Redemption	Monthly / 23 business days
Management fee	0.50% p.a.
Fund domicile	Luxembourg
AIFM	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 (%, annualised)	5.31
Volatility (%, annualised)	4.00
Max drawdown (%)	-7.19
Sharpe ratio	0.81
Risk free rate[2] (%, annualised)	2.06

Note: past performance is not a reliable indicator of future results.

Please see page 2 for detailed share class information.

1. Monthly NAV from August 2015 fund inception as Cape Capital SICAV-SIF, since July 2017 as Cape Capital SICAV-SIF II. Previous track record (grey) is derived from composite returns of managed accounts since January 2013.
2. Risk free return is calculated as the annualised return of SOFR 3-month.

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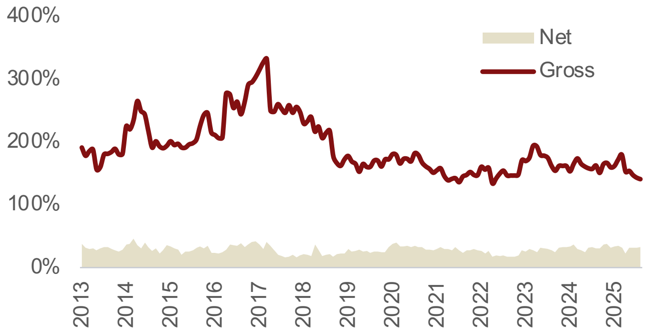
Cape Capital SICAV-SIF II

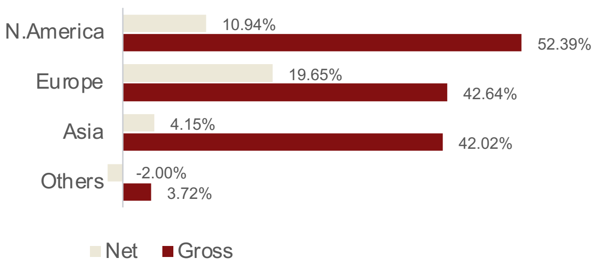
Top holdings

Fund	Weight (%)
Tyrus Special Situations	14.5
MW Global Opportunities	12.9
White Creek	12.7
CRM Long Short Opportunities	11.4
Alphacore Capital	10.7
Exposure	**%**
Gross Exposure (%)	140.77
Net Exposure (%)	32.74

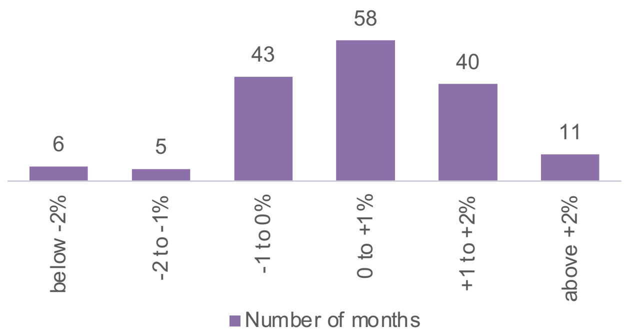
Equity Exposure (%)



Geographic Distribution (%)



Distribution of Returns (%)



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
USD II	CSCLUII LX Equity	LU1633134058	03/08/2015	0.50	67.0	169.00

Investment returns[1]

in %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	2.02	1.50	1.45	0.89	0.38	0.53	1.01	-0.82	1.42	1.11	0.63	1.30	12.01
2014	-0.29	1.45	-0.95	-1.52	0.45	0.26	-0.91	0.54	0.58	-0.29	0.20	0.49	-0.03
2015	0.35	1.51	1.73	1.45	1.86	-0.86	0.54	-1.51	-0.72	0.01	0.90	0.58	5.93
2016	-2.01	-1.39	-0.34	-0.23	0.60	-0.41	0.83	0.39	1.27	0.30	-0.53	0.58	-0.98
2017	1.04	0.58	1.32	1.70	0.77	-0.38	1.33	0.82	0.85	2.42	-1.25	-0.16	9.38
2018	1.54	-0.30	-0.31	-0.49	0.93	-0.44	0.30	-0.47	-0.38	-2.62	-0.89	0.64	-2.53
2019	0.33	1.26	0.68	0.35	-0.12	1.12	-0.06	0.05	-0.27	0.54	1.76	2.36	8.26
2020	-0.19	-2.38	-4.75	2.85	1.65	1.41	0.87	1.27	0.04	-0.07	2.61	3.38	6.59
2021	-0.35	1.93	0.70	1.70	0.87	-0.20	0.57	1.00	0.26	1.61	-0.52	0.63	8.48
2022	-0.75	-0.02	0.03	-0.55	-0.05	-0.98	0.32	0.60	-0.63	0.67	0.34	0.49	-0.53
2023	1.34	-0.57	1.25	-0.34	-0.11	-0.16	-0.45	1.10	0.45	0.59	2.52	-0.26	5.44
2024	1.21	2.29	1.94	1.23	1.56	1.07	0.38	0.32	1.36	0.22	1.45	-0.93	12.77
2025	0.94	0.27	-1.06	0.24	0.28	1.11	-0.03	0.84	1.01	0.11	-0.79	0.45	3.40
2026	2.58	1.44	-2.40	2.59	1.93	2.15	-2.89						5.36

MONTHLY COMMENT – JULY 2026

Cape Long/Short Equity Fund

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Equity markets

July was a complicated month, fuelled by extended geopolitical uncertainty in the Middle East, an earnings season with unclear winners and losers, a divided Fed, and a final crescendo in the form of an AI-correction and margin calls in Korea toward the end of the month.

American equities had a slow start to the second half; the S&P 500 posted its first negative July since 2014, and the month ended roughly where it began. Mid-month, the market turned on its own leaders, with a sharp sell-off in memory and AI-infrastructure names as three forces converged: intensifying Chinese competition, unease over the financing of the build-out, and doubt about whether the spending can be sufficiently monetized. The unwinding found an accelerant in Situational Awareness, an AI-focused hedge fund swollen to some $45bn on roughly fourfold leverage, which was caught wrong-footed on both its infrastructure longs and its software shorts; unable to meet its margin calls, it was forced to hand its entire public book to Citadel, a fire sale that deepened the rout before it removed the seller. Money did not so much leave the market as move house within it, with investors rotating toward quality, favouring industrials, financials and the like. Whether that rotation marks a healthy broadening of the rally, as the optimists insist, or the first tremor of a reckoning for the AI trade, only the coming months will reveal. The macro backdrop offered no relief: thirty-year Treasury yields climbed to levels last seen in 2007, leaving investors to wonder whether Kevin Warsh has the stomach to tame inflation, a doubt his committee did little to dispel, splitting three ways in favour of a hike. Add a sticky conflict with Iran and jumpy oil prices, and the month's serenity looks less like tranquillity than a market holding its breath. To round it off, Amazon and Microsoft leapt by double digits on booming cloud earnings, a theatrical finish to a month that, for all the drama, ended largely flat.

Europe suffered more from heatwaves than from market performance, as companies continued to post solid earnings and the broader market was pushed to a fresh record despite renewed geopolitical tensions and sharp swings in energy prices, ending the month slightly up. The concentration of returns, however, is approaching all-time highs. Investors piled into European AI names as enthusiasm spread from the US hyperscalers to global semiconductor stocks, opening the second half with a greater risk of concentration and violent swings, and with technology expected to remain firmly in the driver's seat. The ECB held rates steady but paired the decision with hawkish commentary, prompting a brief repricing of hopes for lower rates and some drawdowns in the back half of the month. Aerospace and defense names delivered standout performances, consistent with the year's structural spending theme. Asia's aggregate was mostly flat, though the calm surface hid one of the most polarized months in memory. Korea dominated the global headlines, as the worldwide sell-off in chips sent its main index plunging, giving back a chunk of a historic rally in a matter of weeks even as investors kept trying to buy the dip in AI names. The market's fortunes had become inseparable from a handful of memory giants, and the concentration that had powered the ascent now worked ruthlessly in reverse, with retail leverage turning a correction into a rout and leaving policymakers scrambling to steady sentiment. China offered the month's central paradox: the very forces convulsing Seoul, a cheaper homegrown challenge to American AI and a resurgent domestic chip sector, were sources of national pride at home, even as Chinese technology leaders continued to trade at a fraction of the multiples enjoyed by their Western counterparts and the market as a whole lagged. Japan, the standout of the year, was not spared, its record-setting run interrupted by the same turbulence while a persistently weak currency went on flattering exporters and keeping the authorities on intervention watch. With global investors still underweight the region and Asia the source of both the month's scare and its cheapest expression, it remains where the argument over value is loudest and, as July made plain, where the fault lines run deepest.

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Hedge funds

July marked a sharp reversal from the strong first half, as crowded AI, technology and momentum positions came under significant pressure. Global hedge funds fell 0.9% during the month, while long/short funds declined 1.8%, bringing year-to-date returns to 9.1% and 11.1% respectively. Long alpha fell 7.5%, its worst month in more than fifteen years, while the long/short spread declined 6.1%, erasing more than half of the alpha generated through June. Dispersion also widened materially, with the strongest funds continuing to generate positive returns while the weakest suffered significant losses.

The US was at the centre of the unwind, experiencing its second-largest long/short de-grossing event since 2010. Managers initially rebuilt much of the AI exposure reduced in late June and early July, before cutting risk again during the sharp late-month momentum reversal. Gross leverage fell to 207%, its lowest level in twelve months, although net exposure remained broadly unchanged as short covering offset long selling. There were some signs of broadening into cyclicals, industrials, software, transports and financials, but much of the activity outside AI remained driven by short covering rather than meaningful additions to long books.

Europe proved considerably more resilient. Long/short funds were broadly flat during the month, despite managers reducing gross exposure in almost every session. De-grossing was more measured than in the US and Asia and was concentrated in crowded areas including aerospace and defence, luxury and financials. Importantly, managers did not capitulate on European semiconductors and continued adding selectively to longs, while also increasing exposure to energy, airlines, insurance, real estate and software.

Asia was the weakest region as crowded high-beta, momentum and AI-related positions reversed sharply. Long/short funds fell 2.5%, while the regional long/short spread declined by almost 19%, including particularly severe reversals in Japan and China. Net exposure across Japan, Korea and Taiwan fell materially from first-half peaks, although the reduction in Korea was driven largely by market moves rather than active selling. Japan experienced a more substantial unwind, reversing more than three months of previous buying, despite momentum exposure remaining elevated by historical standards.

Overall, July represented a significant normalization of the positioning and crowding that had built through the first half. Global de-grossing was the third largest on record, behind only March 2020 and January 2021, and spread from crowded long positions into a broader reduction in risk across regions and strategies. While managers reduced leverage substantially, there is still limited evidence of a decisive rotation away from the themes that drove first-half performance. The result is a cleaner and less crowded hedge fund book, but one where managers remain selective in redeploying risk.

Event-driven strategies posted a modest decline for the month, with weakness concentrated in special situations and multi-strategy managers. Special situations strategies were pressured by exposure to catalyst-driven equities as the broader market sell-off weighed on more directional positions, while activist strategies proved more resilient. Despite continued activity across deal-related and corporate catalysts, heightened equity market volatility and geopolitical uncertainty created a more challenging backdrop. Taken together, event-driven performance remained relatively resilient compared with other hedge fund strategies, with results more uneven beneath the surface.

Relative value arbitrage strategies declined modestly for the month, again showing greater resilience than more directional strategies. Rising interest rates created a mixed environment across fixed-income and rate-sensitive positions, with performance varying across underlying approaches. Fixed-income multi-strategy managers generally held up better, while sovereign fixed-income strategies faced greater pressure as yields moved higher. The relatively contained decline overall reflected the hedged nature of these approaches despite a more volatile environment across rates and risk assets.

Macro and CTA strategies detracted from performance, with losses concentrated in systematic trend-following managers. Currency markets remained an important area of activity, as the US dollar weakened against most major currencies, reversing its move from the previous month. Commodities delivered stronger performance as escalating geopolitical tensions pushed energy prices higher, with oil leading gains alongside aluminium and agricultural commodities. Commodity-focused strategies benefited from these moves, but gains were more than offset by weakness in systematic CTA managers as reversals across currencies and other established trends proved challenging for trend followers.

Equity Hedge strategies were the largest detractor for the month, with losses concentrated in technology and fundamental growth managers. Technology strategies were particularly weak as AI and semiconductor exposures reversed from strong year-to-date gains, while growth managers were also pressured by the broader unwind in high-momentum equities. Value strategies proved more resilient and generated modest gains, benefiting from their lower exposure to the areas at the centre of the sell-off. The sharp divergence between technology and value made positioning and factor exposure particularly important drivers of returns during the month.

Cape Long/Short Equity Fund

In July, the Cape Long/Short Equity Fund returned -2.89%, underperforming both the equity hedge fund index and the broader equity markets. Two buckets had negative returns, with the Fundamental segment detracting -2.89% and the Quant/Quantamental/Arbitrage bucket detracting -0.09%, while the Event Driven segment contributed 0.06%.

This resulted in a year-to-date performance of 5.36% for the fund. Annualized volatility increased to 4.00%. Over the month, net exposure increased from 31% to 33%, and gross exposure decreased from 143% to 141%. Three of the nine managers had negative returns over the month.

The largest positive performer this month was:

Callodine Capital Offshore Fund (4.10% return at 3.59% weight) was the strongest performer in July, having only just been added to the fund. Performance was broad-based, with the long book generating most gains while shorts detracted modestly. Consumer discretionary and energy led the contribution, followed by financials and health care, while the portfolio also benefited from its MLP exposure. The strongest results came from larger companies, with large and mega-cap positions accounting for most of the gains, while small caps contributed positively but more modestly. Industrials and technology were the principal offsets, with losses concentrated on the short side, alongside smaller detractors in real estate and hedges. Net exposure ended at around 40%, with gross exposure close to 180%, maintaining the fund's balanced long/short positioning.

The two main negative performers this month were:

Cooper Creek North American Long Short Fund (-11.85% return at 8.01% weight) was the largest detractor in July. The loss was driven primarily by the long book, which detracted 7.6%, while shorts also cost 4.6% in a difficult month for the manager's low-net, value-oriented approach. Small-cap exposure was the main source of weakness, with the portfolio's longs particularly affected, while mid-cap positions held up comparatively better and large caps were more balanced. At the sector level, losses were concentrated in industrials, retail and technology, while energy was the main positive contributor. The result came despite the broader US market finishing close to flat, highlighting the difficult environment for the fund's idiosyncratic stock selection. Gross exposure ended the month at 191%, split almost evenly between longs and shorts, leaving net exposure at just 3%. Despite the sharp July drawdown, the fund remains up 8.9% year to date.

CRM Long Short Opportunities Fund (-6.93% return at 11.37% weight) was the second worst performer. Technology was the largest detractor, followed by industrials, with additional losses from energy, materials and diversified positions. Consumer discretionary provided the main positive contribution, alongside smaller gains from staples and real estate, but these were insufficient to offset weakness elsewhere. The portfolio remained concentrated in small and mid-cap names, with industrials its largest net sector exposure, followed by consumer discretionary and technology. Gross exposure finished at approximately 136%, with net exposure at 36%, reflecting a significantly larger long than short book. Despite the difficult month, the fund remains up 7.4% year to date.

Cape Long/Short Equity 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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