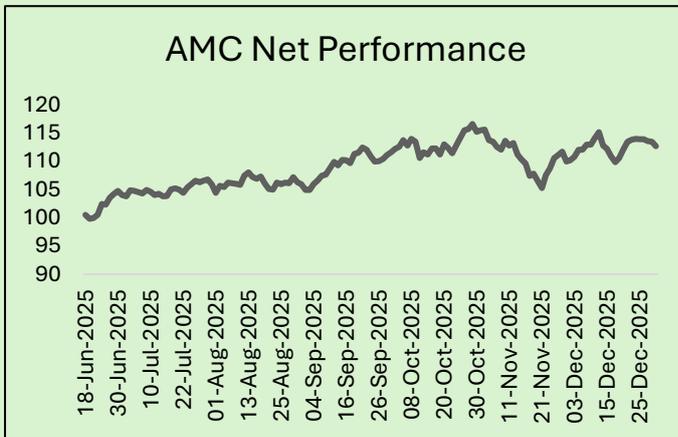


LENNOX CAPITAL

Global Equities Strategy: 18-Jun-25 to 31-Dec-25

Lennox Capital Global Equities (“The Strategy”) is a long-only equities strategy executed via an Actively Managed Certificate (“AMC”) issued by UBS Jersey. It is designed to capture long-term total returns through active stock selection. The Strategy seeks to achieve this mainly through capital appreciation, with dividends providing a secondary source of returns. The portfolio is industry-agnostic and is limited to public equities that have a minimum market capitalization of \$10 billion, are headquartered in an Advanced Economy (as defined by IMF) and have at least 10 years of trading history. The Strategy follows a rules-based approach that is primarily designed to capture highly profitable companies with consistently strong relative performance, but may also capture other factors such as value, growth and momentum. The Strategy is managed with a long-term horizon and will typically be fully invested in 100 stocks. The Strategy is unhedged, unlevered and does not use derivatives. The AMC charges a 1% Management Fee and no Performance Fee. Additional charges may apply.



Net of fees. Source: UBS

Name	Lennox Capital Global Equities
ISIN	CH1457739824
Inception Date	18-Jun-2025
Legal Structure	Actively Managed Certificate
Base Currency	USD
Fee Structure	1% Management Fee
Return (Period)	+13%
Return (ITD)	+13%
Volatility (Period)	14% (Ann.)
Volatility (ITD)	14% (Ann.)
Max. Drawdown (Period)	-10%
Max. Drawdown (ITD)	-10%

From launch in mid-June through the end of December 2025, the portfolio’s performance was shaped by alternating enthusiasm and scepticism toward a common set of themes: the multi-year build-out of AI infrastructure, electrification, defence capability and industrial capacity. Equity leadership was driven not by consumer demand or financial leverage, but by capital intensity, technological indispensability and balance-sheet capacity to fund long-cycle investment. The portfolio was positioned accordingly, with exposure to semiconductor equipment, electronic components, industrial automation and infrastructure services. This alignment drove strong gains for much of the period before being challenged by a sharp, valuation-driven reversal in November.

The initial weeks following launch coincided with a stabilisation in global monetary policy expectations. When the Federal Reserve held rates steady in June while maintaining guidance for eventual easing, markets extended risk appetite into long-duration assets. This was immediately supportive for the portfolio’s core holdings tied to AI infrastructure and semiconductor capital expenditure. ASML, Tokyo Electron, Applied Materials and Disco performed strongly as investors extrapolated sustained demand for advanced manufacturing tools. At the same time, electrification and automation enablers such as Eaton, Parker-Hannifin and Trane Technologies benefited from expectations that data-centre expansion would require significant power infrastructure and efficiency upgrades. These dynamics carried into July, when record highs in US equities and Nvidia’s surge reinforced confidence that AI spending was translating into real orders across the supply chain. Portfolio gains during this phase were driven primarily by Electronic Technology and Producer Manufacturing, reflecting broad participation across semiconductors, electronic components and capital goods.

August marked a transitional phase. Softer inflation data increased expectations for rate cuts, weakening the US dollar and dispersing market leadership. This had two effects on the portfolio. Currency movements provided a meaningful tailwind to non-USD holdings, particularly in Japan and Europe, while crowded growth exposures paused as investors rotated toward defensives and materials. This reduced returns from software-oriented holdings such as ServiceNow, Microsoft and Constellation Software, but was partially offset by strength in real-asset and materials exposures including Lundin Gold and Cameco, which benefited from falling real yields and renewed interest in inflation-resilient assets.

September and October represented the strongest alignment between market leadership and portfolio construction. Improving global data, renewed optimism around trade and rising confidence in corporate capex plans drove re-engagement with cyclical, investment-led sectors. Semiconductor equipment rebounded sharply, with Lam Research, ASML, KLA and Tokyo Electron among the largest contributors. Electronic and aerospace-defence companies such as Rheinmetall, Hanwha Aerospace, Curtiss-Wright and TransDigm benefited from rising defence budgets and heightened geopolitical urgency. Industrial services companies exposed to grid expansion and energy infrastructure, including Quanta Services, Emcor and Comfort Systems, also contributed meaningfully as markets priced in sustained infrastructure spending. This period accounted for a large share of the portfolio's cumulative gains.

November marked a clear inflection point. After several months of strong performance, markets reassessed valuation and positioning in AI-linked equities. The resulting sell-off was broad and factor-driven, affecting semiconductors, equipment suppliers and software simultaneously rather than reflecting company-specific deterioration. Holdings such as Nvidia, ASML, Tokyo Electron, ServiceNow and Palo Alto Networks declined in tandem as investors reduced exposure to high-beta growth and long-duration cash flows. Producer Manufacturing and Technology Services were the largest detractors, reflecting exposure to the areas most directly de-risked. Defensive and diversifying positions, including financials, healthcare and gold-related holdings, provided partial offsets, but were insufficient to counter the scale of the rotation.

December brought a further shift driven more by policy than sentiment. The Federal Reserve's rate cut supported broader equity indices, but leadership rotated internally as investors balanced lower discount rates against lingering valuation concerns in technology. Financials such as Arthur J. Gallagher, Iron Mountain and select European banks performed well, while foreign-exchange movements, particularly related to Japan, became a more prominent driver of returns. Portfolio contributions were more balanced, with dividends and currency effects playing a larger role than earlier in the period.

Overall, the portfolio finished the June to December period positively. Gains were driven primarily by Electronic Technology, Producer Manufacturing, Industrial Services and Financials, and were partially offset by weakness in Technology Services during periods of valuation compression. The return profile reflects coherent exposure to the dominant market forces of 2025: long-cycle investment, technological indispensability and capital-intensive growth, alongside the volatility inherent in crowded leadership when sentiment shifts.

Top 5 Contributors

Celestica (Canada) +1.3% return contribution

Celestica is an electronics manufacturing services company providing design, manufacturing, and supply-chain solutions for enterprise, communications, and industrial customers. The shares performed well during the period as investor interest remained strong in companies leveraged to data-centre build-out, networking equipment, and broader electronics supply-chain investment.

Fujikura (Japan) +1.3%

Fujikura manufactures cables and related components, including fibre-optic and power infrastructure

products. Performance benefited from continued demand for data-centre connectivity, fibre deployment, and infrastructure investment themes that were prominent in developed markets during the second half of 2025.

Advantest (Japan) +1.0%

Advantest is a leading producer of semiconductor test equipment. The stock contributed positively amid sustained capital expenditure in advanced semiconductor manufacturing and testing, which supported suppliers across the semiconductor equipment ecosystem.

Comfort Systems USA (United States) +0.9%

Comfort Systems provides mechanical, electrical, and plumbing services, primarily for commercial and industrial buildings. Its contribution reflected ongoing strength in non-residential construction and infrastructure-related spending, areas that were relatively resilient during the period.

Lam Research (United States) +0.8%

Lam Research supplies equipment used in semiconductor fabrication. Performance was supported by continued investment in advanced chip manufacturing, as markets favoured companies tied to long-term semiconductor capacity expansion.

Top 5 Detractors

Sprouts Farmers Market (United States) -0.5%

Sprouts is a grocery retailer focused on natural and organic products. The shares detracted as food retail remained a competitive, margin-sensitive sector and investor preference shifted toward more cyclical and investment-driven areas of the market.

ServiceNow (United States) -0.4%

ServiceNow provides enterprise workflow and automation software. Despite strong long-term fundamentals, the stock underperformed during the period, consistent with broader market pressure on higher-valuation software companies as interest-rate expectations remained restrictive.

Xero (Australia) -0.4%

Xero develops cloud-based accounting software for small and medium-sized businesses. The shares detracted amid ongoing valuation sensitivity within growth software and concerns around customer spending conditions in a higher-rate environment.

Kongsberg Gruppen ASA (Norway) -0.3%

Kongsberg is an industrial technology group with significant defence and maritime exposure. It detracted over the period, indicating that even within generally supported defence/industrial areas, returns were not uniform and stock-specific de-rating can dominate short windows

Constellation Software (Canada) -0.3%

Constellation Software acquires and operates vertical market software businesses. Performance lagged as investor appetite moderated for highly valued compounders during a period when returns broadened toward more cyclical and capital-intensive sectors.

Current Positioning

As of 1 January 2026, the portfolio is tilted toward capital-intensive, engineering-led and technology-enabled businesses. This is reflected in its largest industry exposures to Aerospace and Defence, Packaged Software and Semiconductors, alongside meaningful allocations to industrial machinery, electrical products, engineering and construction, and telecommunications equipment. The resulting positioning emphasises long-cycle, mission-critical investment themes rather than short-cycle consumer demand. Defence and aerospace holdings are tied to multi-year procurement, retrofit and sustainment programmes; software exposure is concentrated in enterprise, infrastructure and security platforms with high switching costs; and semiconductor exposure spans compute, memory, power

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management and manufacturing equipment that sit at the core of ongoing data centre and AI infrastructure build-out.

Geographically, the portfolio remains anchored in the United States at around 60% but is meaningfully diversified relative to ACWI through higher exposure to Canada, Taiwan and parts of Europe. These regions play a central role in global industrial supply chains, defence manufacturing, advanced engineering and semiconductor production. At the aggregate level, the portfolio exhibits materially higher profitability than the benchmark, with stronger gross and net margins and a significantly higher return on invested capital. Balance sheets are conservatively structured, with moderate leverage and substantially higher interest coverage than ACWI, albeit at the cost of higher valuation multiples on both trailing and forward earnings. This reflects a preference for businesses with durable cash flows, pricing power and long reinvestment runways rather than deep-cyclical or purely valuation-driven exposures.

The current market environment is broadly supportive of this positioning. Two dominant capex cycles continue to shape global equity markets: the acceleration of AI-related and data-centre investment, and structurally higher defence spending driven by geopolitical tensions and revised national security priorities. Elevated spending on compute, networking, storage and power infrastructure supports demand across semiconductors, electrical products and industrial automation, while defence modernisation underpins multi-year order visibility for aerospace and defence suppliers.

Importantly, the portfolio is not a narrow expression of these themes. Healthcare holdings provide exposure to non-cyclical demand and medical innovation; insurers, exchanges and selected financials benefit from disciplined pricing, market activity and structurally higher nominal rates; and allocations to precious metals and selected materials offer diversification and partial protection against renewed inflationary or geopolitical shocks.

The principal headwind is valuation sensitivity. With higher-than-benchmark multiples and long-duration cash flows, performance is more dependent on earnings delivery and sustained capital expenditure than on multiple expansion. Any sharp slowdown in AI investment, delays in defence procurement, or renewed upward pressure on real yields could weigh on returns. Offsetting this, easing inflation dynamics and a less restrictive policy outlook reduce the risk of broad valuation compression, while the portfolio's emphasis on profitability, cash generation and balance-sheet strength is intended to provide resilience across a range of macroeconomic outcomes.

Portfolio Characteristics

Sector	Portfolio	ACWI
Electronic Technology	25%	21%
Finance	17%	17%
Producer Manufacturing	11%	5%
Technology Services	11%	14%
Health Technology	8%	8%
Non-Energy Minerals	8%	2%
Commercial Services	3%	1%
Industrial Services	3%	1%
Distribution Services	3%	1%
Consumer Services	3%	2%
Consumer Non-Durables	3%	4%
Utilities	2%	2%
Retail Trade	1%	6%
Miscellaneous	1%	3%

Country	Portfolio	ACWI
United States	60%	61%
Canada	10%	3%
Japan	4%	5%
Taiwan	4%	2%
Netherlands	4%	1%
Italy	3%	1%
United Kingdom	3%	4%
South Korea	3%	2%
Germany	2%	3%
Switzerland	2%	2%
France	2%	2%
Norway	1%	<0.5%
Denmark	1%	<0.5%
Finland	1%	<0.5%
Belgium	1%	<0.5%

Metric	Portfolio	ACWI
Gross Margin	40%	31%
Net Margin	16%	11%
ROIC	18%	8%
LTM Sales Growth	17%	5%
LTM Income Growth	36%	14%
LTM P/E	43	24
NTM P/E	37	19
Debt / Equity	1.05X	0.77X
Interest Coverage	19X	7X

Important Information

This document is a financial promotion intended solely for professional investors as defined by the Financial Conduct Authority (“FCA”) and is not intended for retail clients. The Strategy described herein is available via an Actively Managed Certificate (“AMC”) issued by UBS Jersey, which is not subject to regulation by the FCA. Investment in the AMC involves risks, including the potential loss of capital together with market risk, issuer risk and liquidity risk. The Strategy's methodology involves systematic investment in public equities and does not guarantee positive returns. Past performance is not a reliable indicator of future results. Investments can be denominated in foreign currencies and may be subject to fluctuations in value due to movements in exchange rates. Prospective investors should consult their own independent financial, tax, legal, and other professional advisers before making any investment decision.

The information contained herein does not constitute an offer to buy or sell any security or investment product. Any reference to specific securities is for illustrative purposes only and should not be considered a recommendation. This material is not a substitute for a full offering document or prospectus, which is available on request and should be reviewed carefully before investing.

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