

OYAT ADVISORS – QUARTERLY COMMENTARY

3Q 2026

Investment landscape

The third quarter of 2026 was characterized by a tense geopolitical backdrop and growing macroeconomic pressures.

War in the Middle East pushed oil prices higher once again, impacting headline inflation and prompting the Federal Reserve (Fed), the ECB and the BoJ to raise policy rates and signal further monetary tightening in the months ahead.

Simultaneously, the competition for capital is intensifying, with growing fiscal deficits and large corporate debt issuances to finance the AI buildout all combining to propel bond yields higher. As a result, global bond markets faced a challenging quarter.

Equity markets, by contrast, reached record highs during the quarter and largely absorbed the rise in bond yields for the time being, as resilient growth and strong corporate earnings dominated investor sentiment.

The U.S. remained the main engine of economic growth in the developed world, largely driven by the enormous level of AI-related capital expenditure, which is projected to represent the largest capital investment cycle in corporate history. This has fueled an earnings supercycle in the technology and energy sectors, supporting equity prices even in the face of rising bond yields.

We shared our guarded outlook regarding the global race to build out AI infrastructure in our last quarterly commentary, highlighting the fact that much of the earnings growth it has created is obscured by the various forms of circular financing arrangements, which account for a sizable share of sector-wide financing and forward revenue. We also noted the huge surge in AI-related corporate debt issuance and the impact that this was having across debt markets. Finally, we reminded readers of the premise on which so much of the current market narrative ultimately rests: that the AI boom will deliver substantial productivity gains across sectors, that these can effectively be monetized, and that the ultimate returns on these massive investments more than cover their capital costs. Any disappointments in that regard could trigger a significant tightening of financial conditions across markets.

Against this challenging backdrop, we remain focused on weighing the prices we are asked to pay against the cash flows a company can realistically deliver, with our traditional focus on high-quality businesses. For the most part, these are companies that earn a return on invested capital that is vastly superior to their capital costs, have good pricing power in the face of rising input costs, and typically operate with little to no debt (some with very sizable cash balances) so that rising interest rates are of little concern. Perhaps surprisingly, beneath the surface of the technology mega-caps, several such businesses trade at free cash flow yields that are far superior to that of the broader market, providing investors with a suitable margin of safety. A diversified collection of such businesses, together with our permanent stabilizer and counterbalance in the form of physical gold, continue to form the portfolio with which we aim to preserve and grow capital in real terms across the coming market cycle.

Asset allocation

The tables below display the Oyat Investment Fund's allocation of capital across asset classes, as well as the Fund's top-10 positions:

Asset allocation & top-10 positions as of September 30, 2026

Asset allocation	%	Top-10 positions	%
Global equities	72.1%	Gold - physical	17.7%
Precious metals	25.2%	Gamma Communications PLC	6.5%
Cash	2.7%	M&A Capital Partners Co Ltd	5.5%
		Strike Group Co Ltd	3.8%
		Cognizant Technology Solutions Corp	3.7%
		Michael Page PLC	3.5%
		JAC Recruitment Co Ltd	3.1%
		Berkshire Hathaway Inc	3.0%
		Roche Holding AG	3.0%
		SHIFT Inc	2.9%

Performance

Annual performance as of September 30, 2026, in CHF

Period	Oyat Investment Fund	MSCI World Net TR
2026 YTD	+11.5%	+17.9%
2025	+19.7%	+5.8%
2024	+17.7%	+27.9%
2023	+3.0%	+12.7%
2022*	-2.4%	-5.1%
Since inception (cumulative)	+57.9%	+70.5%
Since inception (annualized)	+12.5%	+14.7%

* Inception Date: November 10, 2022. Source: [Swiss Fund Data](#), LSEG

Risk metrics as of September 30, 2026, in CHF

Oyat Investment Fund vs. MSCI World, since inception

11.2% vs 14.2%

Annualized volatility

0.43

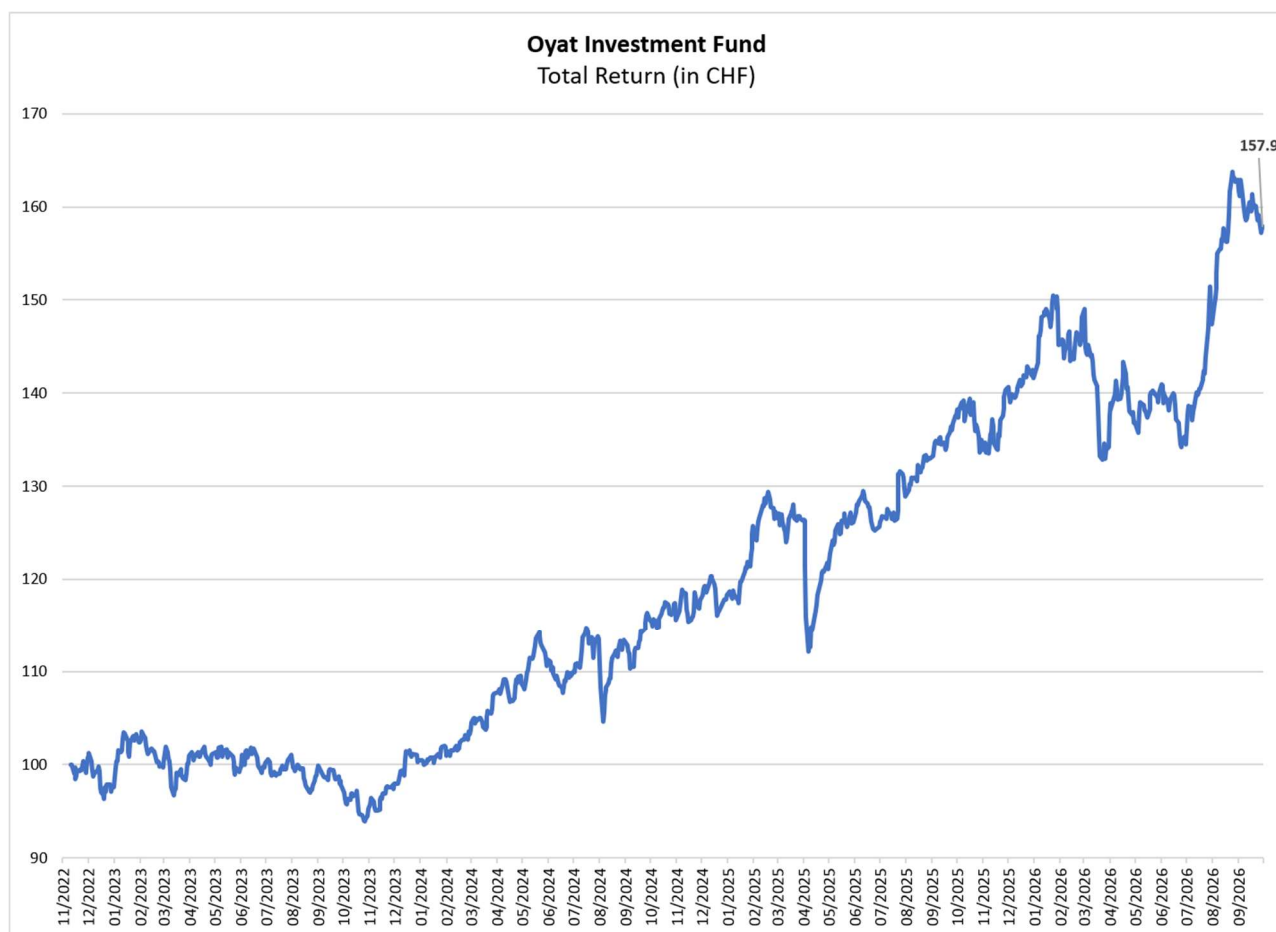
Beta to global equities

-13.3% (65d) vs -21.7% (202d)

Maximum drawdown (Days to recover)

-4.9% vs -9.4%

Worst rolling 12-month return



In the third quarter of 2026, the Oyat Investment Fund returned 17.4% in CHF.

Since inception, the Fund's total annualized return stands at 12.5% in CHF.

Let us now briefly discuss some of the Fund's main performance contributors and detractors this past quarter. Please note that all return figures discussed below are in Swiss francs (CHF), unless stated otherwise.

Gamma Communications was a significant performance contributor, as the company officially agreed to recommend a £1.02 billion (£11.20 per share) cash takeover by UK private equity firm Epiris on September 1, 2026. Concurrently, Dutch private equity firm Waterland emerged as a potential rival, however the company eventually ruled out a bid, clearing the way for the Epiris deal to be voted on by shareholders on October 20, 2026. Gamma also released solid H1 2026 results in early September, briefly shifting the focus back on fundamentals and highlighting a steady overall performance.

Michael Page officially changed its corporate name from PageGroup in July, consolidating its global recruitment services under its best-known brand. The company also reported H1 2026 results that showed tentative signs of normalization across global hiring markets, with solid growth in the Americas, Asia, and Southern Europe – while the UK and the rest of Europe remained challenging. Still, gross profit declined year-on year (yoy), and the interim dividend

was cut, but the situation finally appears to be stabilizing. Moreover, the company made good progress on its cost saving initiatives, reporting a substantial increase in operating profit yoy, and setting itself up for strong operating leverage when overall growth eventually resumes. As a result, the stock price experienced a very strong rally from extremely depressed levels.

M&A Capital Partners also contributed positively as it reported strong fiscal 3Q 2026 results in late July, achieving all-time records for number of deals closed, revenues, and profits. In the first nine months of fiscal 2026, sales grew 27% yoy to over JPY 20 billion, while operating profit increased 40% yoy to over JPY 8 billion. As a result, the company revised its annual guidance upward, while also increasing its dividend payment for fiscal 2026. Overall, M&A Capital remains one of our highest conviction ideas and largest portfolio positions.

Other positive performance contributors included Paycom, Alten, and Shift Inc.

Moving on to the less positive news and performance detractors.

Novo Nordisk's stock price gave back nearly all of its gains from last quarter, as the company's 2Q 2026 results and guidance upgrade were overshadowed by its Capital Markets Day in late September. During the event, investors were left disappointed by the firm's 2030 financial projections, which pointed to revenue growth only in line with industry peers – highlighting intense competition in the obesity market, as well as looming patent expiries. On the plus side, there were a number of clinical trial successes, including CagriSema, as well as further pipeline diversification with the \$2.6 billion deal with Gengrui Pharma to license an early-stage once-weekly oral metabolic treatment. The company also continues to execute its DKK 15 billion share repurchase program, which we consider to be value-adding at the current stock price.

GQG Partners also saw its stock price decline meaningfully in late August and September, as underwhelming investment performance intensified outflows, which is likely to weigh on results in the periods ahead. The company also surprised investors – ourselves included – by shifting its portfolio positioning once again, albeit at the margin, back into mega-cap US tech and chip stocks. This, together with the high level of uncertainty regarding the future development of flows, leads us to remain very prudent in the manner in which we manage our investment in the company, despite its clear current undervaluation. In other words, we need to see signs of stabilization regarding investment performance and flows before considering increasing our position in GQG Partners.

Gentex was also a modest performance detractor, as the stock price declined due to a challenging overall environment for automotive OEMs. For 2026, the company expects global light vehicle production to decline by about 3% yoy to 75.5 million vehicles, with a mid-single-digit decline in China as a result of geopolitical tensions, trade tariffs, as well as soft local demand. Tariff tensions between the U.S. and Canada also contributed to weakening overall automotive parts and consumer cyclical stock sentiment towards the end of the quarter. Overall, we see the current stock as fairly attractively priced, and our long-term investment thesis on the company remains unchanged.

Other small performance detractors included Fielmann and Ambev.

Trading activity throughout the quarter included the initiation of two new positions.

We initiated a new position in Digital Arts Inc., a Tokyo-listed cybersecurity software company that holds a leading position in Japanese web filtering through products such as i-FILTER, m-FILTER and FinalCode, with roughly equal revenue exposure to enterprise and public/education customers. The investment thesis rests on Digital Arts' fundamental profile – including net income margins averaging 30% over the past decade, return on invested capital of around 20% despite excessively large cash balances, revenue growth bordering double digits, and strong free cash flow conversion rates. The completed transition from one-time licenses to software as a service (SaaS) has lifted recurring revenues to nearly 70% of the business, while its localized web categorization databases, entrenched school and government relationships, and a debt-free balance sheet with a net cash position exceeding total shareholders' equity provide a defensible competitive moat and considerable downside protection. Key risks include a potential normalization of public-sector contract intake once Phase 2 of Japan's GIGA School Concept winds down, bundling pressure from larger global security platforms, and a persistent cash drag from management's conservative capital allocation, although recent dividend increases and buybacks point to gradual improvement there. On valuation, our discounted cash flow analysis implies a fair value of approximately JPY 7,000 per share. We believe this offers a meaningful margin of safety and prompted the initiation of a base position in the Fund.

We also initiated a new position in Adobe Inc., a global software leader in creative, document, and digital experience platforms, with flagship products including Photoshop, Illustrator, Premiere Pro, and Acrobat, sold predominantly on a subscription basis to professionals, marketers, and enterprises. The investment thesis rests on Adobe's fundamental profile – including return on invested capital that reached close to 40% in 2025, net margins averaging above 28% over the past decade, subscription revenues that continue to grow at a double-digit pace (13% in the latest quarter), and strong free cash flow generation. After a sharp de-rating driven by concerns over generative AI, we believe the market is overestimating the threat to Adobe's professional and enterprise franchise, where file-format standards, specialist functionality, workflow integration, and brand-safe AI such as Firefly remain meaningful barriers. Moreover, there is early evidence of AI monetization, with AI-first ARR above USD 650 million and growing more than 150% yoy. Key risks include the shift from seat-based to usage-based economics, margin pressure from AI compute costs and freemium expansion, a CEO transition and interim CFO, as well as excessive stock-based compensation for the former executives (which we expect to be largely reset by the new management team). On valuation, our discounted cash flow analysis, which treats stock-based compensation as a real economic cost, implies a fair value in excess of USD 380 per share. Together with a double-digit free cash flow yield and substantial buybacks, this provides a comfortable valuation buffer and justifies the initiation of a base position (c. 2.0%) in the Fund.

As always, we would like to thank our investors for their continuing trust in Oyat Advisors.

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