

Tycho Arete Macro Fund



Objective

The Tycho Arete Macro Fund is an actively managed Global Macro Strategy with strong focus on China and Developed Markets. The strategy aims to deliver competitive risk-adjusted returns while maintaining low correlation with all major asset classes. The investment process is centred around a top down macro-analytical framework to incorporate the rapidly changing economic conditions around the world, especially within China. The Fund is managed by Will Li, CIO and Arete Founder, supported by the Arete Investment team. Investments are across multiple asset classes and in liquid instruments only. The Fund is actively managed and is not managed in reference to a benchmark. This is a disciplined process and replicable strategy with a strong focus on managing risk through different market environments.

Commentary

April Review

In our March letter, we described the investment landscape as a collision between two opposing supply shocks: a short-term *negative* shock from energy markets and a **long-term positive shock from AI**. One month later, the tension between these forces—and which narrative markets choose to prioritize—remains the dominant theme.

April delivered two contrasting stories. **Energy, rates, and FX markets issued a clear note of caution.** Brent crude held above \$100, and the 30-year US Treasury yield tested 5% as the US-Iran standoff dragged on, with diplomatic deadlines repeatedly extended. Even as talks inch toward de-escalation, the prolonged uncertainty has embedded a persistent risk premium in energy prices. This keeps secondary risks— inflation and demand destruction—firmly in play.

Equity markets told a far more bullish tale. The Nasdaq surged over 14% in its strongest monthly gain since 2020, as capital rotated decisively into the AI monetization narrative. The key catalyst was a robust 1Q earnings season: hyperscalers not only reaffirmed but, in several cases, increased their capital expenditure plans. Critically, this occurred against a backdrop of improving monetization clarity. Anthropic's ARR, for example, reached \$30 billion in April— up from roughly \$1 billion in January 2025. The market's verdict was unambiguous: the long-term positive supply shock from AI is not only intact but accelerating rapidly across every layer of the technology stack.

At its core, this divergence reflects the perennial tension between growth investors (concentrated in tech) and value investors (more attuned to energy supply risks and cyclical pressures). Reconciling these narratives is difficult—but that tension also creates opportunity.

Our portfolios posted solid gains in April. Performance was driven by equity holdings with a clear "growthy" AI bias, complemented by a cautious macro overlay. The largest contributors were:

- AI hardware** positions spanning the full supply chain—semiconductors, memory, PCBs, and optical components—across the US, Asia, and China;
- Chinese financials**, particularly insurers and banks, which benefited from stronger 1Q results, stabilizing net interest margins, and tailwinds from household wealth reallocation toward equities.

These equity gains were reinforced by our short exposure in US Treasuries and gold. The month illustrated that these are not contradictory bets, but two coherent expressions of the same nuanced macro environment.

Current Outlook

What stands out in today's macro landscape is that its two seemingly contradictory forces point to the same destination. Whether viewed through the optimistic lens of AI-driven productivity and infrastructure demand, or the cautious lens of energy disruption and geopolitical fragility, the conclusion is identical: the global economy requires substantially more investment, across more sectors and geographies, than the capital allocation patterns of the past decade can support.

Fund Details

Launch Date:	5 th July 2018																
Fund Size:	\$867m																
Ocean Arete AUM:	\$1.3bn																
Fund Structure:	UCITS																
Domicile:	Ireland																
Min Investment:	Class SI: \$50,000,000 Class I: \$1,000,000 Class R: \$10,000																
Currencies:	USD (base); GBP, CHF, EUR, JPY, SEK, (all hedged)																
Management Fee:	Class SI: 1.05% Class I: 1.25% Class R: 1.75%																
Pricing:	Daily																
Liquidity:	Daily																
Performance Fee:	All share classes: 20% with a high watermark																
Manager:	Waystone Management Company (IE) Limited																
Investment Manager:	Kepler Partners LLP																
Sub Inv. Manager:	Ocean Arete Limited																
Portfolio Manager:	Will Li																
Inv. Universe:	Global																
UK Reporting Status:	Yes																
Country Registrations:	<table border="0"> <tr> <td>Ireland</td> <td>Italy (Inst.)</td> </tr> <tr> <td>UK</td> <td>Luxembourg</td> </tr> <tr> <td>Austria</td> <td>Norway</td> </tr> <tr> <td>Belgium</td> <td>Spain</td> </tr> <tr> <td>Denmark</td> <td>Sweden</td> </tr> <tr> <td>Finland</td> <td>Switzerland</td> </tr> <tr> <td>France</td> <td>Singapore</td> </tr> <tr> <td>Germany</td> <td>(Res.)</td> </tr> </table>	Ireland	Italy (Inst.)	UK	Luxembourg	Austria	Norway	Belgium	Spain	Denmark	Sweden	Finland	Switzerland	France	Singapore	Germany	(Res.)
Ireland	Italy (Inst.)																
UK	Luxembourg																
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Commentary Continued

The AI story is gaining clarity and momentum. The rise of AI agents—systems capable of handling complex, multi-step workflows with increasing autonomy—dramatically expands the addressable market for compute and inference. Equally important is the emergence of tokenized, metered usage models. These innovations help resolve the long-standing capex-versus-ROI debate by converting upstream infrastructure spend into visible, recurring cash flows. The result is sharper demand visibility across the supply chain, extending planning horizons and intensifying capacity constraints in semiconductors, high-bandwidth memory, advanced substrates, optical interconnects, and power infrastructure.

Energy markets are on a parallel but distinct path. Renewables are transitioning from policy preference to critical factor of production. Their importance is reinforced from two directions: as the essential power source for AI data centers and as a strategic hedge against the geopolitical fragility of hydrocarbon supply chains. The Middle East conflict has made this risk tangible. In response, major economies are accelerating deployment of renewables across generation, storage, and transmission. The investment thesis has shifted from pure economics to energy security—with security concerns now reinforcing the underlying economics. Though these forces differ in their near-term market signals—buoyant equities versus elevated commodities and rates—they converge structurally in three key ways:

- 1. Structurally higher cost of capital.** Simultaneous demand surges from AI infrastructure, renewable build-out, defence spending, and supply chain reconfiguration are colliding with constrained savings. Long-duration yields reflect this reality. We view 30-year US Treasury yields above 5% as closer to a new equilibrium than a temporary spike. In this environment, gold faces gradual pressure as central banks and investors rotate from passive reserves toward higher-returning productive assets. In a capital-scarce world, the least productive stores of value become natural sellers.
- 2. HALO assets (Hard Assets, Low Obsolescence) are positioned for structural outperformance.** In AI, this includes leading-edge semiconductors, high-bandwidth memory, advanced substrates, optical interconnects, and

supporting power/data center infrastructure. In energy transition, it covers utility-scale solar/wind, grid storage, high-voltage transmission, and critical materials. Asia and China possess deep competitive advantages across both supply chains through manufacturing scale, materials access, and policy support.

- 3. China’s “stability premium” is becoming more visible and investable.** Energy shocks that pressure dollar-based importers leave RMB-settled renewable supply chains relatively insulated. China’s manufacturing base has demonstrated resilience, supported by domestic energy advantages and vertical integration. Notably, the RMB has strengthened amid oil price volatility, behaving more like a safe haven. As global procurement diversification accelerates, China’s role as a stable, competitive supplier is increasingly reflected in asset prices.

These convictions drive four core positions:

1. Short long-end US Treasuries — reflecting structurally higher real yields amid sustained investment demand
2. Short gold — as capital rotates toward productive assets in a rationed environment
3. Long HALO assets across AI and renewable supply chains in the US, Asia, and China, where earnings visibility and capacity constraints are improving
4. Long RMB and Chinese A-shares — capturing the re-rating driven by China’s stability premium

We believe this framework positions portfolios to navigate—and capitalize on—the multi-year investment supercycle unfolding at the intersection of technology and energy.

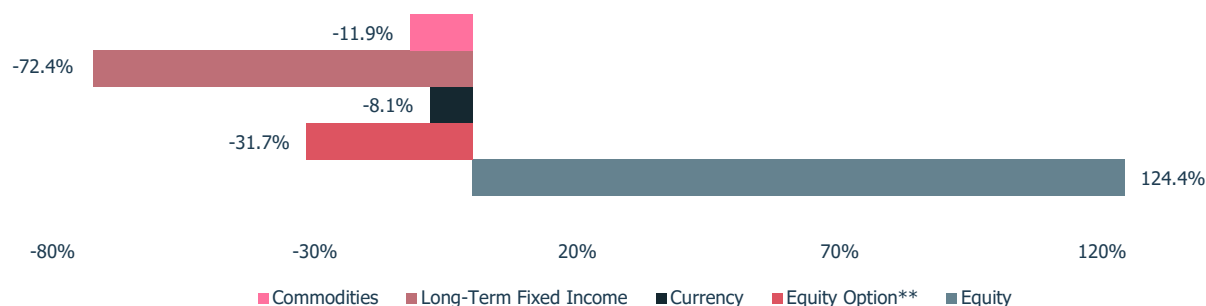
Performance*

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD (%)
2026	5.2%	1.0%	-5.7%	5.0%									5.1%
2025	-3.9%	2.9%	0.6%	-9.3%	2.8%	6.2%	4.8%	6.8%	4.0%	-4.6%	-3.7%	2.3%	7.6%
2024	2.2%	0.0%	1.5%	1.7%	0.0%	0.9%	0.3%	-0.9%	7.4%	3.4%	1.5%	0.1%	19.3%
2023	2.5%	-0.8%	-1.8%	-1.7%	6.0%	0.0%	-1.7%	4.3%	1.6%	1.4%	-0.0%	1.7%	11.5%
2022	-4.8%	-1.6%	1.6%	-2.8%	-0.0%	-0.1%	1.3%	1.4%	-1.0%	2.9%	-5.7%	0.5%	-8.5%
2021	1.4%	1.8%	1.2%	0.4%	-0.8%	0.4%	2.3%	1.8%	-1.2%	0.8%	-0.2%	0.2%	8.2%
2020	-4.6%	2.7%	2.2%	3.3%	1.9%	2.1%	0.2%	-0.1%	-3.2%	0.6%	4.1%	1.9%	11.3%
2019	1.7%	0.1%	0.9%	2.1%	0.0%	1.5%	-1.0%	0.0%	1.4%	0.6%	1.3%	0.9%	9.8%
2018							0.5%	0.9%	-0.3%	0.1%	0.4%	-2.4%	-0.8%

*Class F USD Net Total Return. Performance period is since inception 5th July 2018. Past performance is not a reliable indicator of future results. The value of investments and the income from them may fall as well as rise and you may not get back the amount of your original investment. The return of your investment may increase or decrease as a result of currency fluctuations if your investment is made in a currency other than that used in the past performance calculation.



Net Asset Type Exposure*



*Please be aware these figures report net exposure, gross exposure could be much higher.

**Equity option calculations are based on delta-adjusted exposures.

Net Regional Exposure*

CURRENCY		EQUITY		EQUITY OPTION		COMMODITIES		LONG-TERM FIXED INCOME	
China	-5.0%	China	58.5%	China	0.3%	United States	-11.9%	United States	-72.4%
Europe	-4.8%	Europe	-0.3%	Hong Kong	-20.0%				
Japan	1.8%	France	-0.8%	United States	-12.0%				
United States	-0.0%	Germany	0.8%						
		Hong Kong	22.3%						
		Japan	3.0%						
		South Korea	5.5%						
		Switzerland	-0.0%						
		Taiwan	6.9%						
		United States	28.5%						
Total	-8.1%	Total	124.4%	Total	-31.7%	Total	-11.9%	Total	-72.4%

*This table reports country exposure by asset class. Country exposure is defined by where the security is listed. Please be aware these figures report net exposure, gross exposure could be much higher.

Profit & Loss Attribution

Gross returns YTD*

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Equity Indices	2.1%	4.7%	-1.6%	0.7%									6.0%
Equity Sectors	3.7%	-2.5%	-5.9%	5.6%									0.3%
Commodities	0.2%	0.0%	0.5%	-0.1%									0.7%
FX	0.3%	0.1%	-0.2%	-0.1%									0.1%
Fixed Income	0.0%	-1.0%	0.3%	0.6%									-0.2%
Multi Asset	-0.1%	0.0%	-0.0%	0.0%									-0.1%
Total	6.2%	1.3%	-6.9%	6.6%									6.7%

*This table reports gross profit and loss, by month and before expenses and fees have been included. Returns are summarised to provide an illustration of where the profit and loss is being generated. Past performance is not a reliable indicator of future results.

Source: Ocean Arete Limited



Gross Returns Since Inception*

	2018	2019	2020	2021	2022	2023	2024	2025	2026**
Equity Indices	-2.6%	18.2%	11.1%	13.9%	-6.8%	8.6%	12.6%	3.2%	6.0%
Equity Sectors	1.8%	-4.6%	1.9%	-3.6%	-5.6%	-5.8%	0.6%	8.7%	0.3%
Commodities	-	0.3%	1.0%	-0.2%	-0.1%	0.2%	0.1%	0.1%	0.7%
FX	-0.0%	-0.4%	-0.7%	-0.3%	2.2%	4.7%	-1.1%	0.2%	0.1%
Fixed Income	0.1%	1.0%	1.2%	1.3%	3.1%	5.6%	5.4%	2.6%	-0.2%
Multi Asset	-	-	-	-	-	-	5.3%	-2.5%	-0.1%
Total	-0.7%	14.6%	15.0%	11.1%	-7.2%	13.3%	25.2%	11.1%	6.7%

*This table reports gross profit and loss, by calendar year and before expenses and fees have been included. Returns are summarised to provide an illustration of where the profit and loss is being generated. Returns are since inception of the Tycho Arete Macro Fund on 5th July 2018. Past performance is not a reliable indicator of future results.

** YTD as at 30th April 2026

Source: Ocean Arete Limited.

Share Classes

	NAV PER SHARE	ISIN	INCEPTION DATE
F USD	180.62	IE00BDRV1V45	05/07/2018
F GBP	172.61	IE00BDRV1X68	05/07/2018
SI USD	171.95	IE00BFZ11G51	05/07/2018
SI USD Distributing	144.77	IE0001H8RIR5	14/11/2022
SI EUR	155.18	IE00BFZ11H68	21/09/2018
SI EUR Distributing	137.80	IE000IM5NMO2	14/11/2022
SI GBP	166.29	IE00BFZ11J82	05/07/2018
SI GBP Distributing	143.16	IE000TMH67A9	14/11/2022
SI CHF	137.77	IE00BFZ11K97	14/05/2020
SI SEK	1,406.12	IE00BFZ11L05	15/07/2020
I USD	169.59	IE00BFZ11431	04/10/2018
I EUR	150.57	IE00BFZ11548	18/10/2018
I EUR Distributing	127.24	IE00BKKFT524	30/09/2021
I GBP	162.98	IE00BFZ11654	10/05/2019
I GBP Distributing	159.89	IE00BKKFT631	17/02/2020
I CHF	120.16	IE00BFZ11761	12/04/2021
R USD	152.58	IE00BFZ11985	31/03/2020
R EUR	126.75	IE00BFZ11B07	09/03/2021
R CHF	95.05	IE00BFZ11D21	08/10/2025

All data as at 30th April 2026 unless otherwise stated.

Source: Tycho Capital unless otherwise stated.



Disclaimer

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