

Southern Rock Capital

Allegro Strategy update
September 2026

Market update

Global equity markets had a volatile September as oil prices jumped by around 20%, raising concerns about inflation and slower economic growth. This prompted major central banks to increase interest rates. Importantly, the US Federal Reserve raised rates for the first time since July 2023, signaling that inflation remains a concern despite pressure to keep borrowing costs down.

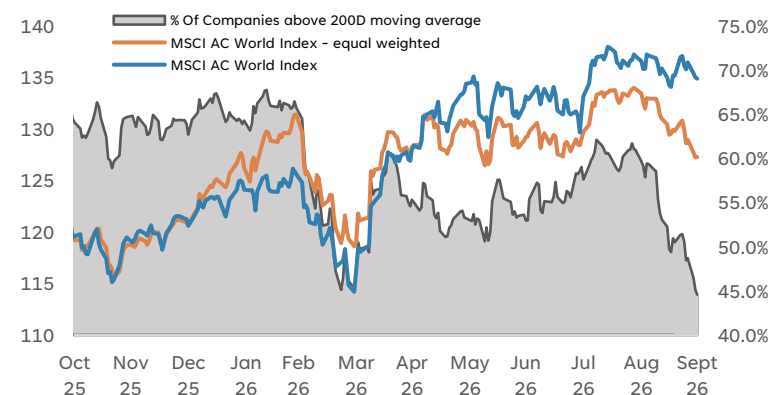
Higher interest rates and rising bond returns placed pressure on share prices, as investors reassessed what they were willing to pay for future company profits. However, technology shares recovered during the month, supported by continued enthusiasm for artificial intelligence and strong demand for computer chips. For now, resilient economic growth and rising profits could continue to support the market. Market gains remained concentrated in a small group of large technology companies, leaving much of the wider market behind and increasing the risk of a setback.

Risks remain. High oil prices, conflict in the Middle East and the upcoming US midterm elections could lead to further market swings. Even so, continued investment in artificial intelligence remains a powerful source of growth for global companies.

The Allegro strategy ended the month higher by +11.8%, handsomely outperforming its benchmark, which added +3.4% over the same period.

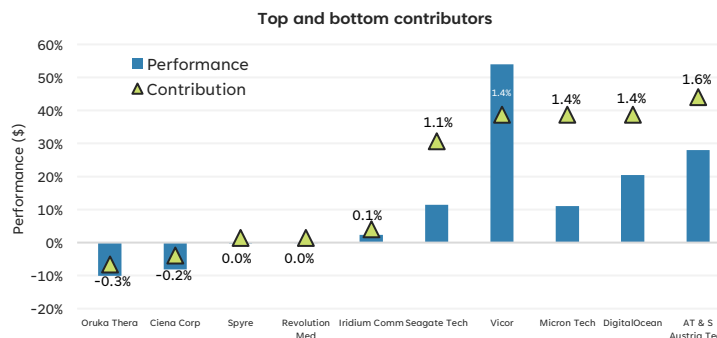
Global Equities Lose Momentum

The MSCI ACWI daily chart shows how quickly market momentum has faded in recent weeks, with global equities stalling as underlying participation weakens.



The strategy

September told a different AI story. While much of the market's attention remained fixed on the biggest technology companies, the strategy benefited from the businesses working behind the scenes to keep the AI boom running.



The strongest gains came from the building blocks of AI: memory, storage, cloud capacity, chip testing and power delivery. **AT&S** was the largest contributor, adding 1.6%, after expanding its relationship with **Marvell** to supply advanced components for AI infrastructure. **DigitalOcean** added 1.4% as demand for its AI-focused cloud services accelerated. **Micron** contributed 1.4% and reported record annual results, while **Seagate** and **SK hynix** benefited as AI systems created an ever-growing need to store and process data. **Vicor** rose 54.0% after lifting its quarterly growth forecast on stronger income from its power-delivery technology.

Notably, **Western Digital**, the largest holding, rose only 0.9% and added 0.1%. This shows that performance was driven by stock selection across the AI supply chain, rather than simply by the portfolio's largest position.

The gains were not limited to one or two winners: 18 of the 22 holdings rose. However, six companies still generated roughly two-thirds of the total return. The month's lesson was clear - the AI opportunity is moving beyond the headline names towards the companies supplying its essential infrastructure. The key question is whether today's shortages become lasting advantages or encourage enough new supply to bring the cycle back down to earth.

Rebalance into October

CareDx (CDNA) - is a precision-medicine company best known for helping doctors protect transplanted organs. Its non-invasive molecular tests can detect early signs of rejection in heart, kidney and lung recipients - often from a routine blood sample - while its software, pharmacy and patient-support services help coordinate care throughout the transplant journey.

CMC Markets (CMCX) - is a global financial-services company that provides online trading and investment platforms to retail investors, banks and other institutions. Founded in 1989, it gives clients access to more than 12,000 instruments - including shares, currencies, indices, commodities and cryptocurrencies - and increasingly supplies its technology to major financial partners such as Westpac.

Lenovo Group (992) - is a global technology company best known as the world's largest PC manufacturer, with brands such as ThinkPad, Yoga, Legion and Motorola. Beyond personal devices, it supplies the servers, data-centre infrastructure, software and IT services that businesses use to run cloud and AI workloads. Lenovo now operates in 180 markets, holds roughly a quarter of the global PC market and provides technology for major events including the FIFA World Cup and Formula 1.

Penguin Solutions (PENG) - designs, builds and manages the powerful computing infrastructure behind artificial intelligence and high-performance computing. Rather than manufacturing its own AI chips, it combines processors, advanced memory, networking, software and services from technology partners into complete "AI factories" for businesses, governments and specialist cloud providers.

Hewlett Packard Enterprise (HPE) - supplies the technology that businesses and governments use to run data centres, networks, hybrid clouds and artificial-intelligence workloads. Unlike HP Inc., which focuses on PCs and printers, HPE specialises in servers, storage, supercomputing and enterprise networking - strengthened by its acquisition of Juniper Networks. Its systems range from everyday corporate infrastructure to El Capitan, one of the world's most powerful supercomputers.

Advanced Micro Devices (AMD) - designs the high-performance processors and graphics chips that power PCs, gaming consoles, data centres and artificial-intelligence systems. Its best-known products include Ryzen PC processors, Radeon graphics cards, EPYC server CPUs and Instinct AI accelerators, while its Xilinx technology is used in adaptable chips for industries such as telecommunications, aerospace and healthcare. AMD does not manufacture most of these chips itself; it focuses on design and software, making it a major competitor to both Intel in processors and Nvidia in AI computing.

Allegro Strategy

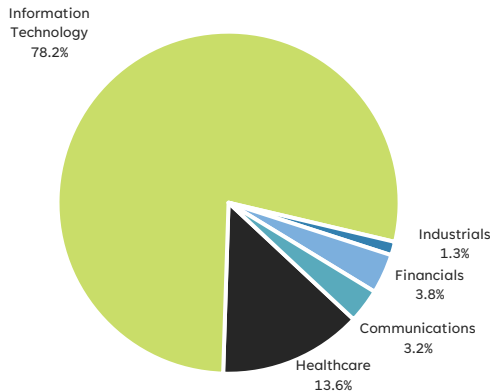
September 2026



Key facts

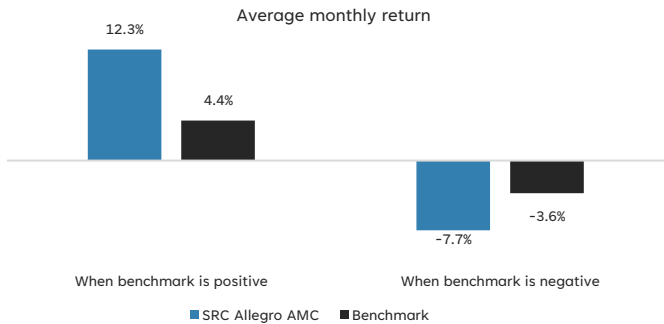
Structure	Actively Managed Certificate
Issuer	UBS AG, Zurich
Issuer rating	S&P A+ Moody's Aa2 Fitch AA
Exchanges	SIX (Switzerland) JSE (South Africa)
SIX JSE Symbol	ALEGRU ALEGRO
ISIN	CH1365474316 ZAE000342325
Number of holdings	25
Strategy objective	An actively managed global equity strategy that seeks to achieve long-term capital growth.
Portfolio Advisor	Southern Rock Capital Limited
Investment strategy	The strategy seeks to buy global companies with the highest quality price momentum.
Strategy assets	\$26m R130m
Benchmark	iShares MSCI World Momentum Factor ETF

Sector allocation

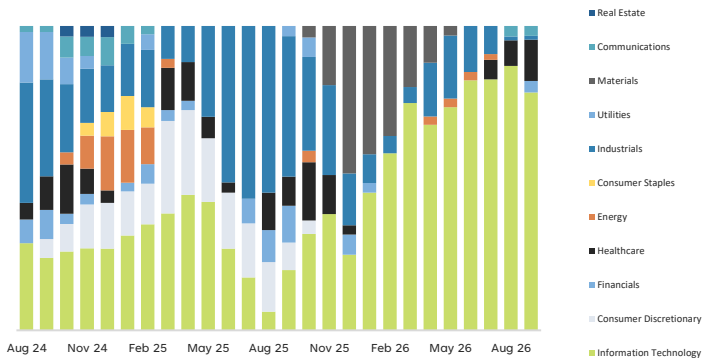


Top 10 holdings

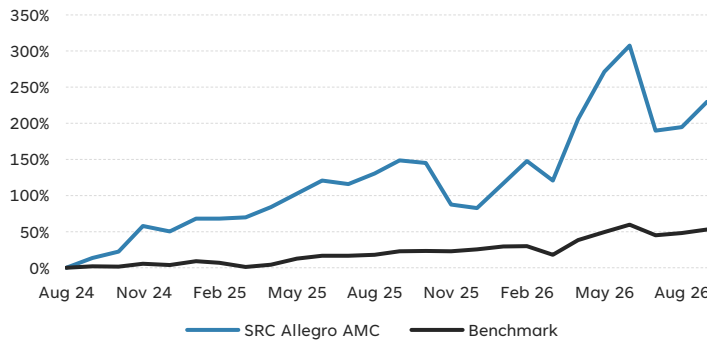
1 Western Digital Corporation	6 Technoprobe SpA
2 Seagate Technology Holdings PLC	7 Oruka Therapeutics, Inc.
3 Micron Technology, Inc.	8 Spyre Therapeutics, Inc
4 DigitalOcean Holdings, Inc.	9 Marvell Technology, Inc.
5 Dell Technologies, Inc. Class C	10 CareDx, Inc.



Sector allocation over time



Net Performance (U.S. Dollar)



%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024									13.6	7.9	29.0	-5.0	50.1
2025	11.9	0.0	1.0	8.5	10.1	8.8	-2.2	6.8	8.0	-1.5	-23.5	-2.7	21.5
2026	18.8	14.3	-11.0	38.7	21.5	9.7	-28.8	1.7	11.8				80.7

Inception : 30/08/2024
Source: UBS

Risk statistics (since inception)

	Allegro	Benchmark
Alpha	176.7%	-
Beta	2.1	1.0
Annualised Return	77.3%	22.6%
Annualised volatility	49.1%	18.7%
Sharpe Ratio	1.5	1.0
Sortino ratio	2.0	1.5
Tracking error	35.7%	-
Information ratio	1.5	-



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Returns are net of fees, custody and brokerage and reference the UBS published reference portfolio level. Returns are calculated by UBS underlying securities of the model portfolio via the NEO engine. For periods greater than one year the returns have been annualised. Any illustrations prior to 30 August 2024 are back tested information.

Source: UBS

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