

Candoris weekly update provided by Martijn van Vliet:

As of Feb 9, 2026 for professional investors only

Macro Economy/ Markets - Strategies offered by Candoris

[Click here to play the update](#)

Scroll down for the charts used and weekly summary

* When pictures do not open in your outlook, [click here](#) to view them in PDF)

For those in Scandinavia, Finland, or other cold places who have already been in full winter mode for six weeks...

Hang in there. Spring is close by (reached Holland) and will reach you too in a few months 😊



source: Martijn's iPhone

Let's look at the markets first as a lot happened last week...

and then at some US Labour market data..

Last week the Dow led the way in US Equity land +2.5%, followed by US Small Caps +2.15%, S&P 500 -0.13% and Nasdaq -1.9%

Big differences...



source: Bloomberg

Value massively outperformed Growth



source: Bloomberg

Mag 7 need a name change Lag 7? or Terrible 7?



source: Bloomberg

Microsoft vs S&P 500 is all the way back to Covid times after the recent sell off.



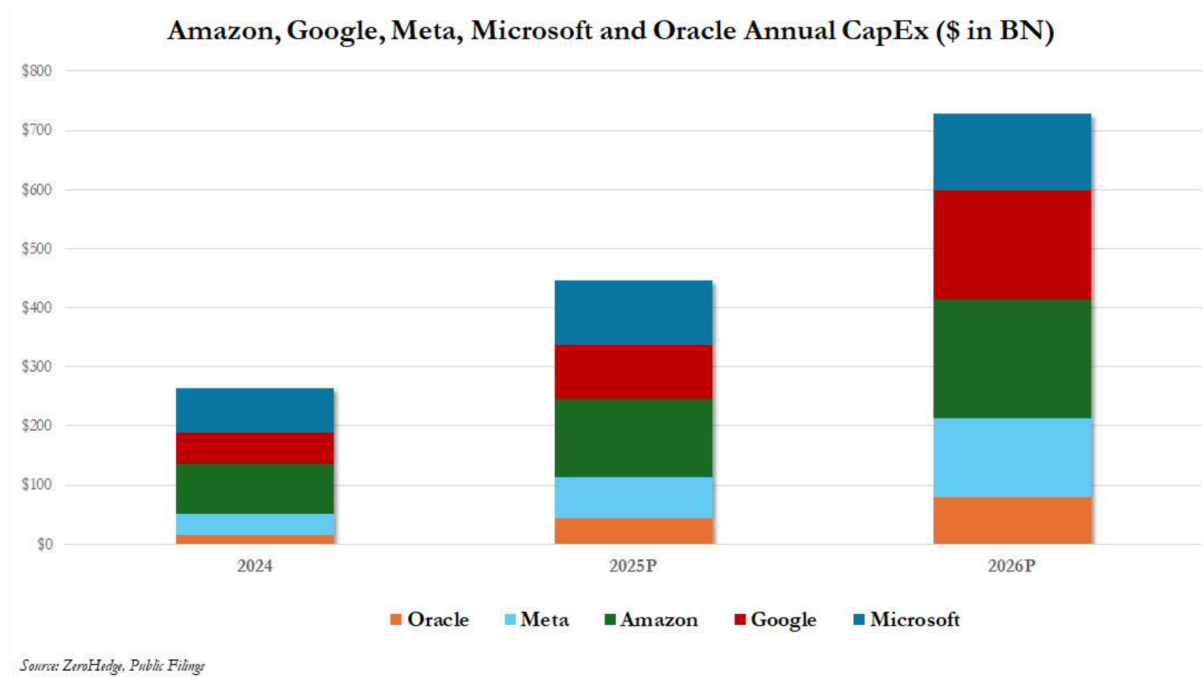
source: Bloomberg

There seems to be a pattern for the Nasdaq, P/E of 28 is a definite sell, remember if we would ever get back there..

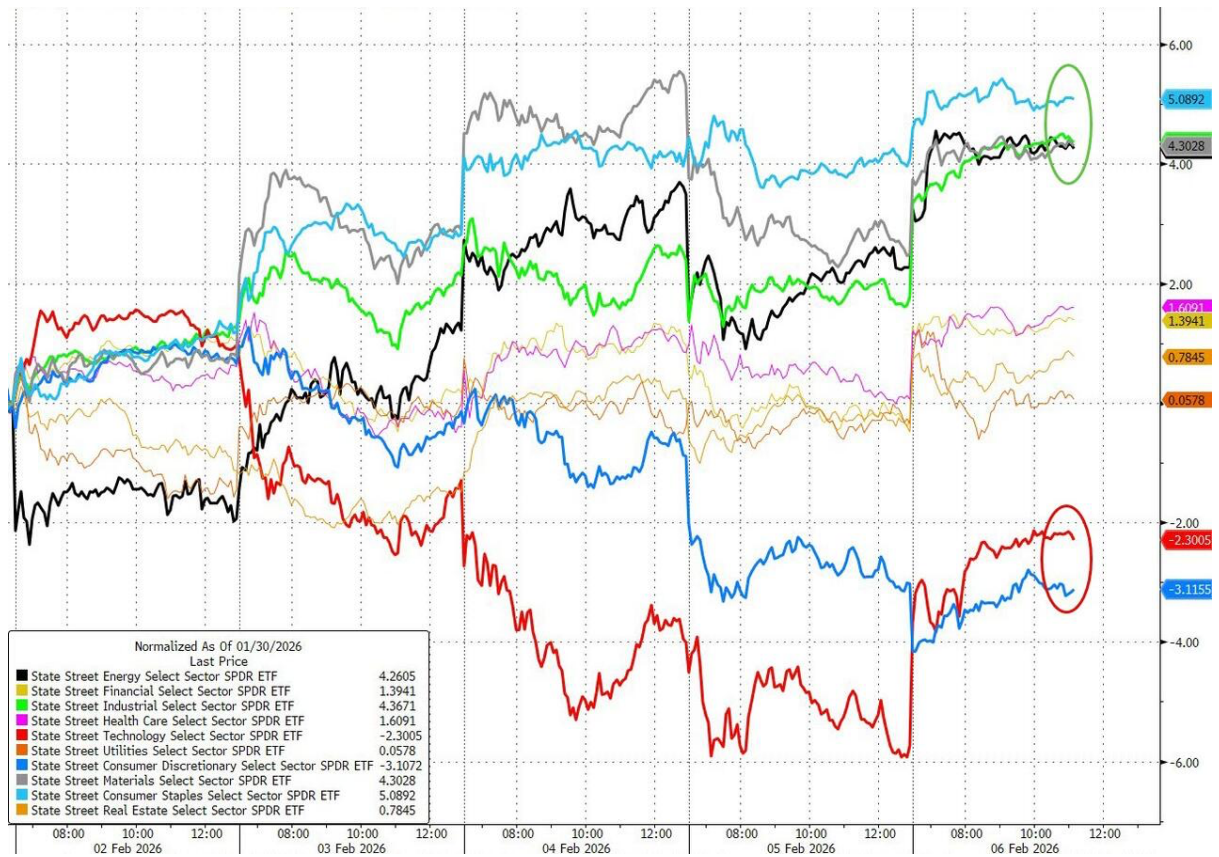


source: Bloomberg

Maybe 700 billion in 1 year is simply too much to be comfortable with for investors holding these stocks...



Sector wise differences were massive as well. Consumer staples leading, up 5.1% huh... :-)



source: Bloomberg

Software is as you probably know sold off like there is no tomorrow (for software) and maybe that isn't incorrect with AI



source: Bloomberg

Exhibit 2: The P/E of Software & IT services has fallen sharply...

12-month forward P/E



Source: Datastream, Goldman Sachs Global Investment Research

Fortunately Private Credit isn't invested in Software for 20 % 🧐

BDCs

A Business Development Company (BDC) is a US-regulated investment vehicle that:

Provides private credit and sometimes equity to middle-market companies

Is regulated under the Investment Company Act of 1940

Must distribute at least 90% of taxable income to keep pass-through tax status



source: Bloomberg

What a shit-show...

Private Credit giant Blue Owl (150 Billion invested in the space) with many pension funds in

Halved in value over the last 12 months (despite the bounce last Friday)

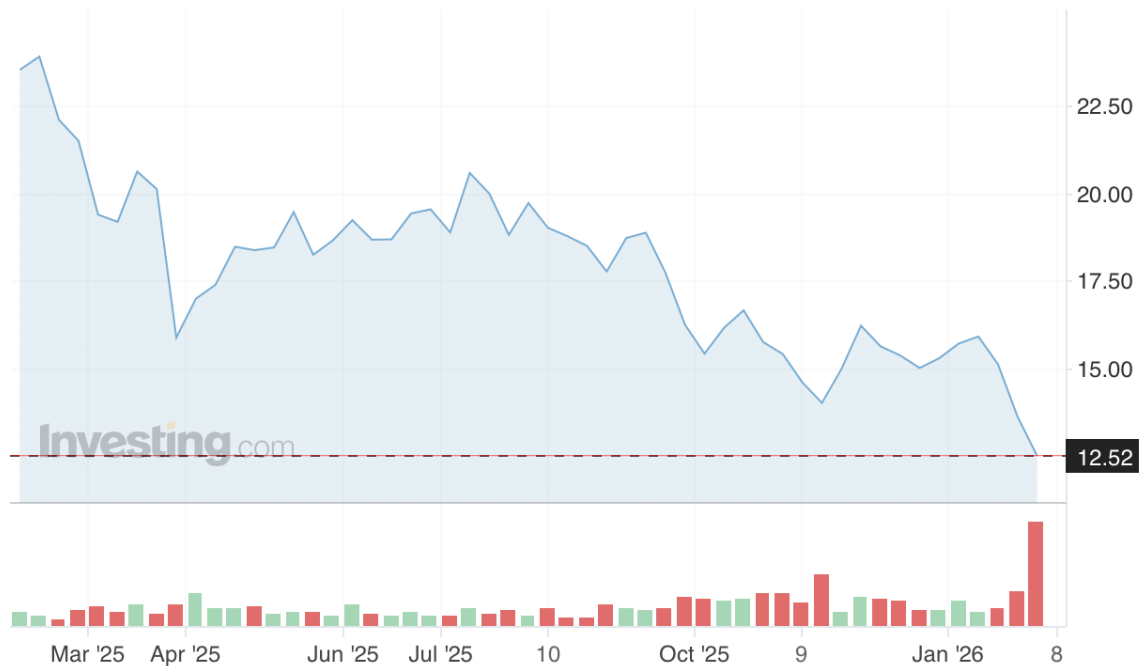
SiM, our HY manager warned years ago that this would happen... signs were there even without the software sell off.

Blue Owl Capital Inc ▲ 12.52 +0.89 (+7.65%)

Buy

Sell

 Analyze chart



Maybe good to mention Software issue it isn't just a Private Credit issue

Software represents nearly 16% of the leveraged loan universe but less than 5% of the HY bond market. The credit quality mix is also weaker in loans: 52% of software and computer services loans are rated below B- (B3), vs. less than 30% of HY sitting below that threshold (right, Exhibit 2). Put differently, even before considering the benefit of loan seniority the typical software corporate rating profile screens stronger in HY.

BofAML chief economist mr. Harnett:

“Bro Billionaire” trades (NVDA, META, PLTR, TSLA, ARKK, APO, BX, ORCL, COIN) are up just 6% since inauguration, versus small caps up 13%. That gap is why Harnett keeps pushing “long Main St, short Wall St” — and likely will until Trump pivots policy to fix affordability. That could take a while.

in short; to influence the mid-term outcome Trump will support Main Street, consumer and US Small Cap companies

Chart 2: Slumdog Billionaires

Bro Billionaires* vs Base (Russell 2000, RHS)



Source: BofA Global Investment Strategy, Bloomberg. *equal-weighted price index of NVDA, META, PLTR, TSLA, ARKK, APO, BX, ORCL, COIN, XBT.

BofA GLOBAL RESEARCH

Job Openings Crater Most Since 2023 To Lowest In 5 Years As Payrolls Set For Negative Print



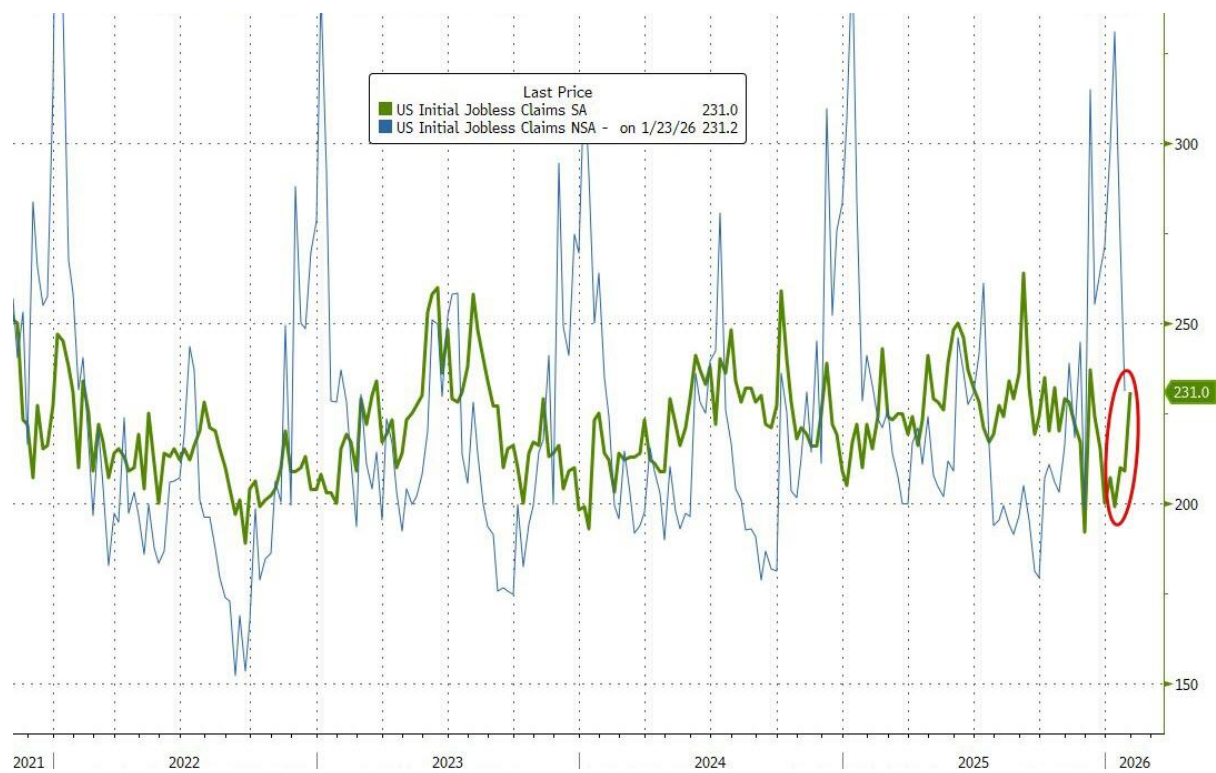
Ratio of job openings to unemployed: 0.9x

■ Total Job Openings (R1) 6542.0
 ■ Unemployed Persons (R1) 7503.0
 ■ Ratio of Job Openings to Unemployed (L1) 0.9

source: Bloomberg

Initial Jobless Claims Jump As YTD Job Cuts Hit Highest Since 2009, AI Blamed\

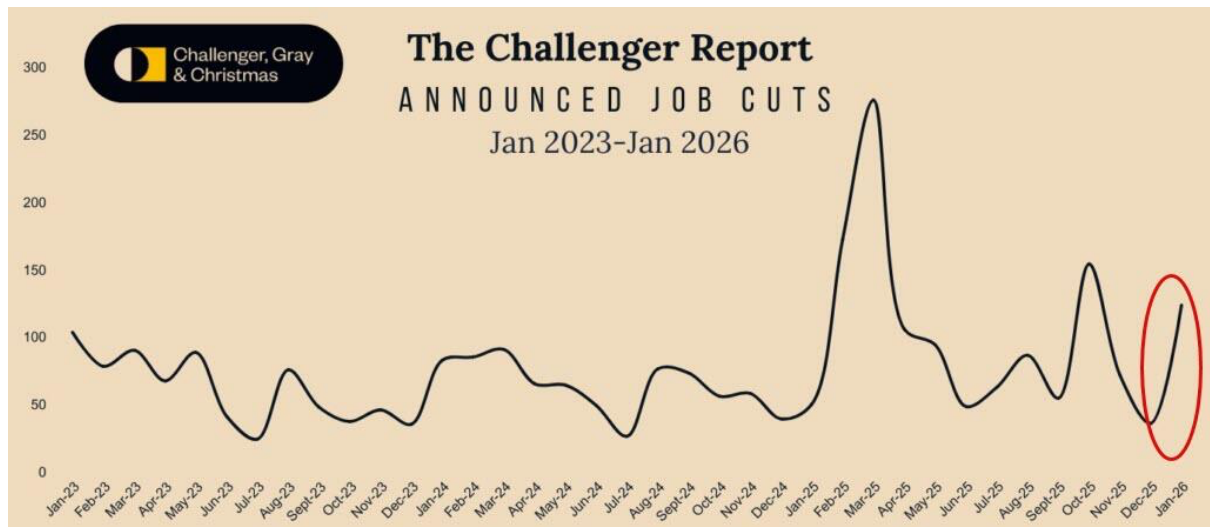
Still low though..



source: Bloomberg

But more to come?

U.S.-based employers announced 108,435 job cuts in January, an increase of 118% from the 49,795 cuts announced in the same month last year.



The US consumer does what it does best; live on credit, but will they keep doing this once their job is at risk?

Consumer credit jumped \$24.0bn, the biggest increase of 2025 and one of the largest since 2023.


source: Bloomberg

Also USD 2 trillion was wiped off in crypto, this will likely have an impact on US spending as well.

Bitcoin ▼ 69,784.5 -442.9 (-0.63%)

Buy

Sell

 [Analyze chart](#) 



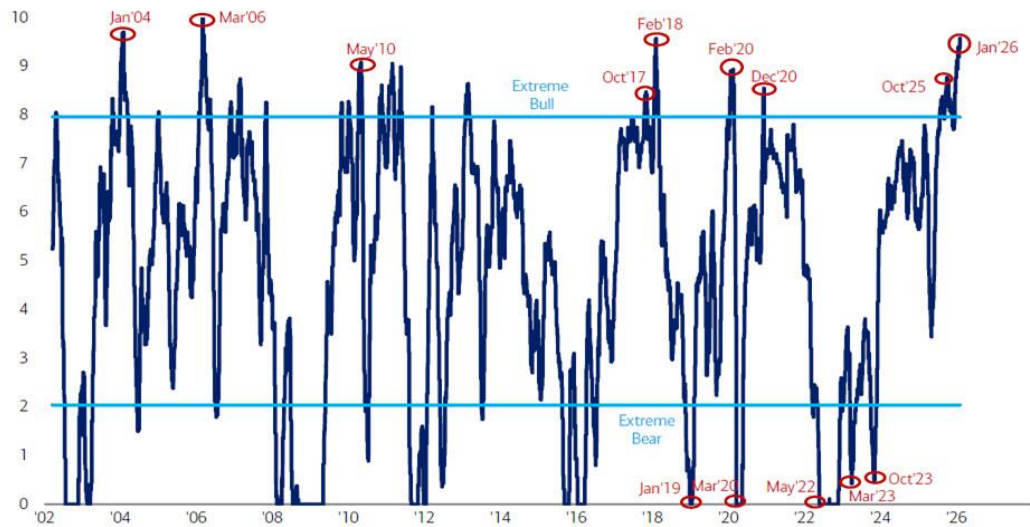
Be careful out there

Being out is always a bad idea, unless you are mr. always great at timing (call me if you are)

But perhaps it makes sense to join the club and rotate into areas that have better prospects and are cheaper (certain areas of EME, Small Caps, international stocks)

Chart 25: BofA Bull & Bear Indicator at 9.6






























































BofA Bull & Bear Indicator since 2002



Source: BofA Global Investment Strategy, EPFR Global, FMS, CFTC, MSCI.

Agenda

NFP finally 70k jobs added is the expectation... This will be a big event if it misses or beats... (I put my money on a miss)

Monday February 09 2026			Actual	Previous	Consensus
01:00 PM	 EA	ECB Lane Speech			
05:00 PM	 EA	ECB President Lagarde Speech			
05:00 PM	 US	Consumer Inflation Expectations JAN		3.4%	
05:30 PM	 US	3-Month Bill Auction		3.600%	
05:30 PM	 US	6-Month Bill Auction		3.525%	
07:30 PM	 US	Fed Waller Speech			
08:30 PM	 US	Fed Miran Speech			
09:15 PM	 US	Fed Bostic Speech			
11:00 PM	 US	Fed Miran Speech			
Tuesday February 10 2026			Actual	Previous	Consensus
12:00 PM	 US	NFIB Business Optimism Index JAN		99.5	99.9
02:15 PM	 US	ADP Employment Change Weekly		7.75K	
02:30 PM	 US	Retail Sales MoM DEC		0.6%	0.4%
02:30 PM	 US	Employment Cost - Benefits QoQ Q4		0.8%	
02:30 PM	 US	Employment Cost - Wages QoQ Q4		0.8%	
02:30 PM	 US	Employment Cost Index QoQ Q4		0.8%	0.8%
02:30 PM	 US	Export Prices MoM DEC			0.1%
02:30 PM	 US	Import Prices MoM DEC			0.2%
02:30 PM	 US	Retail Sales Control Group MoM DEC		0.4%	0.4%
02:30 PM	 US	Retail Sales Ex Autos MoM DEC		0.5%	0.3%
02:30 PM	 US	Export Prices YoY DEC		3.3%	
02:30 PM	 US	Import Prices YoY DEC		0.1%	
02:30 PM	 US	Retail Sales Ex Gas/Autos MoM DEC		0.4%	
02:30 PM	 US	Retail Sales YoY DEC		3.3%	
02:55 PM	 US	Redbook YoY FEB/07		6.7%	
03:20 PM	 US	NY Fed Bill Purchases 1 to 4 months			\$8.304 billion
04:00 PM	 US	Business Inventories MoM NOV		0.3%	0.2%
04:00 PM	 US	Retail Inventories Ex Autos MoM NOV		0.3%	
05:00 PM	 US	Total Household Debt Q4		\$18.59T	
05:30 PM	 US	6-Week Bill Auction		3.640%	
06:00 PM	 US	Fed Hammack Speech			
07:00 PM	 US	Fed Logan Speech			
07:00 PM	 US	3-Year Note Auction		3.609%	
10:30 PM	 US	API Crude Oil Stock Change FEB/06		-11.1M	
Wednesday February 11 2026			Actual	Previous	Consensus
02:30 AM	 CN	Inflation Rate YoY JAN		0.8%	0.3%
02:30 AM	 CN	Inflation Rate MoM JAN		0.2%	0.2%
02:30 AM	 CN	PPI YoY JAN		-1.9%	-1.5%
11:20 AM	 EA	ECB Cipollone Speech			
01:00 PM	 US	MBA 30-Year Mortgage Rate FEB/06		6.21%	
01:00 PM	 US	MBA Mortgage Applications FEB/06		-8.9%	
01:00 PM	 US	MBA Mortgage Market Index FEB/06		330.8	
01:00 PM	 US	MBA Mortgage Refinance Index FEB/06		1269.7	
01:00 PM	 US	MBA Purchase Index FEB/06		165.4	
02:30 PM	 US	Non Farm Payrolls JAN		50K	70K
02:30 PM	 US	Unemployment Rate JAN		4.4%	4.4%
02:30 PM	 US	Average Hourly Earnings MoM JAN		0.3%	0.3%
02:30 PM	 US	Average Hourly Earnings YoY JAN		3.8%	3.6%
02:30 PM	 US	Participation Rate JAN		62.4%	
02:30 PM	 US	Average Weekly Hours JAN		34.2	34.2
02:30 PM	 US	Government Payrolls JAN		13K	
02:30 PM	 US	Manufacturing Payrolls JAN		-8K	-5K
02:30 PM	 US	Nonfarm Payrolls Private JAN		37K	70K
02:30 PM	 US	U-6 Unemployment Rate JAN		8.4%	
04:15 PM	 US	Fed Bowman Speech			
04:30 PM	 EA	ECB Buch Speech			
04:30 PM	 US	EIA Crude Oil Stocks Change FEB/06		-3.455M	
04:30 PM	 US	EIA Gasoline Stocks Change FEB/06		0.685M	
04:30 PM	 US	EIA Crude Oil Imports Change FEB/06		1.101M	
04:30 PM	 US	EIA Cushing Crude Oil Stocks Change FEB/06		-0.743M	
04:30 PM	 US	EIA Distillate Fuel Production Change FEB/06		-0.005M	
04:30 PM	 US	EIA Distillate Stocks Change FEB/06		-5.553M	
04:30 PM	 US	EIA Gasoline Production Change FEB/06		-0.565M	
04:30 PM	 US	EIA Heating Oil Stocks Change FEB/06		-0.16M	
04:30 PM	 US	EIA Refinery Crude Runs Change FEB/06		-0.18M	
05:30 PM	 US	17-Week Bill Auction		3.595%	
06:00 PM	 EA	ECB Schnabel Speech			
06:50 PM	 EA	ECB Tuominen Speech			
07:00 PM	 US	10-Year Note Auction		4.173%	
08:00 PM	 US	Monthly Budget Statement JAN		\$-145B	

Thursday February 12 2026			Actual	Previous	Consensus
01:00 AM	 US	Fed Logan Speech			
10:00 AM	 EA	ECB Cipollone Speech			
02:30 PM	 US	Initial Jobless Claims FEB/07		231K	235K
02:30 PM	 US	Continuing Jobless Claims JAN/31		1844K	
02:30 PM	 US	Jobless Claims 4-week Average FEB/07		212.25K	
04:00 PM	 US	Existing Home Sales JAN		4.35M	4.25M
04:00 PM	 US	Existing Home Sales MoM JAN		5.1%	
04:30 PM	 US	EIA Natural Gas Stocks Change FEB/06		-360Bcf	
05:00 PM	 EA	ECB Machado Speech			
05:30 PM	 US	4-Week Bill Auction		3.630%	
05:30 PM	 US	8-Week Bill Auction		3.630%	
06:00 PM	 US	15-Year Mortgage Rate FEB/12		5.5%	
06:00 PM	 US	30-Year Mortgage Rate FEB/12		6.11%	
07:00 PM	 US	30-Year Bond Auction		4.825%	
07:30 PM	 EA	ECB Lane Speech			
10:30 PM	 US	Fed Balance Sheet FEB/11		\$6.61T	
Friday February 13 2026			Actual	Previous	Consensus
01:05 AM	 US	Fed Miran Speech			
02:30 AM	 CN	House Price Index YoY JAN		-2.7%	
11:00 AM	 EA	Balance of Trade DEC		€9.9B	
11:00 AM	 EA	Employment Change QoQ Prel Q4		0.2%	0.1%
11:00 AM	 EA	Employment Change YoY Prel Q4		0.6%	
11:00 AM	 EA	ECB Guindos Speech			
11:00 AM	 EA	GDP Growth Rate QoQ 2nd Est Q4		0.3%	0.3%
11:00 AM	 EA	GDP Growth Rate YoY 2nd Est Q4		1.4%	1.3%
01:00 PM	 EA	ECB Guindos Speech			
02:30 PM	 US	Core Inflation Rate MoM JAN		0.2%	0.3%
02:30 PM	 US	Core Inflation Rate YoY JAN		2.6%	
02:30 PM	 US	Inflation Rate MoM JAN		0.3%	0.3%
02:30 PM	 US	Inflation Rate YoY JAN		2.7%	2.5%
02:30 PM	 US	CPI JAN		324.05	
02:30 PM	 US	CPI s.a JAN		326.030	
07:00 PM	 US	Baker Hughes Oil Rig Count FEB/13		412	
07:00 PM	 US	Baker Hughes Total Rigs Count FEB/13		551	
	 CN	New Yuan Loans JAN		CNY910B	
	 CN	M2 Money Supply YoY JAN		8.5%	8.4%
	 CN	Outstanding Loan Growth YoY JAN		6.4%	
	 CN	Total Social Financing JAN		CNY2210B	

Upcoming Online Updates

Click on the strategy name to subscribe or reply to this email. The up dates are provided by the portfolio manager!

- **4 Mar** at 15.00 CET, [Marsham IG/HY European Transitional Bond Update](#)
- **11 Mar** at 15.00 CET, [Orchard US Small Cap Value Update](#)
- **18 Mar** at 15.00 CET, [NCG US Small Cap Growth Update](#)
- **15 Apr** at 16.00 CET, [SiM US High Yield Opportunities Fund Update](#)
- **6 May** at 15.00 CET, [VanEck Emerging Markets Debt Fund Update](#)
- **13 May** at 15.00 CET, [Orchard US Small Cap Value Update](#)
- **20 May** at 15.00 CET, [NCG US Small Cap Growth Update](#)

To schedule a call, please email to candoris@candoris.nl

Summary strategies offered by Candoris:

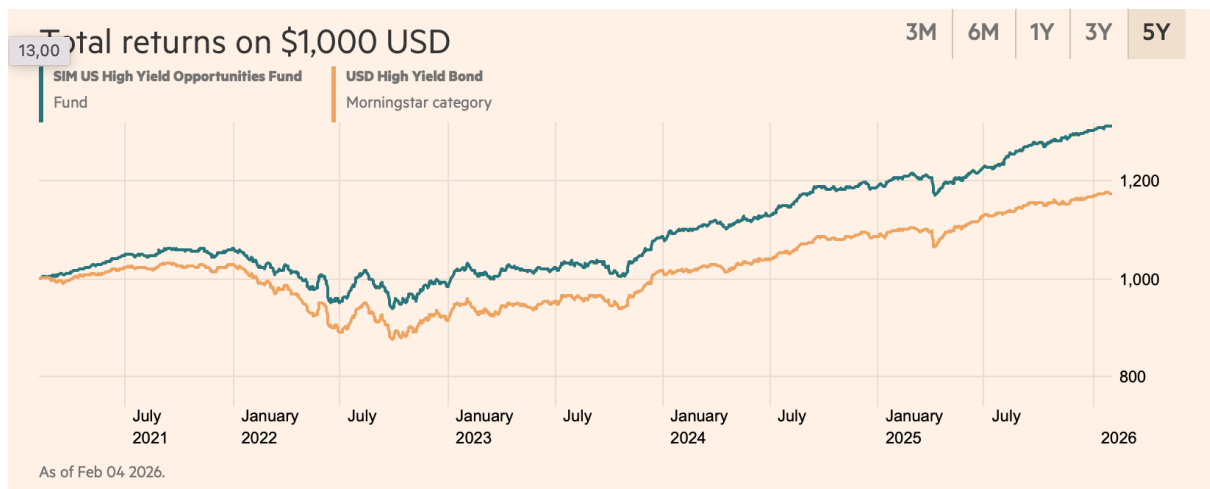
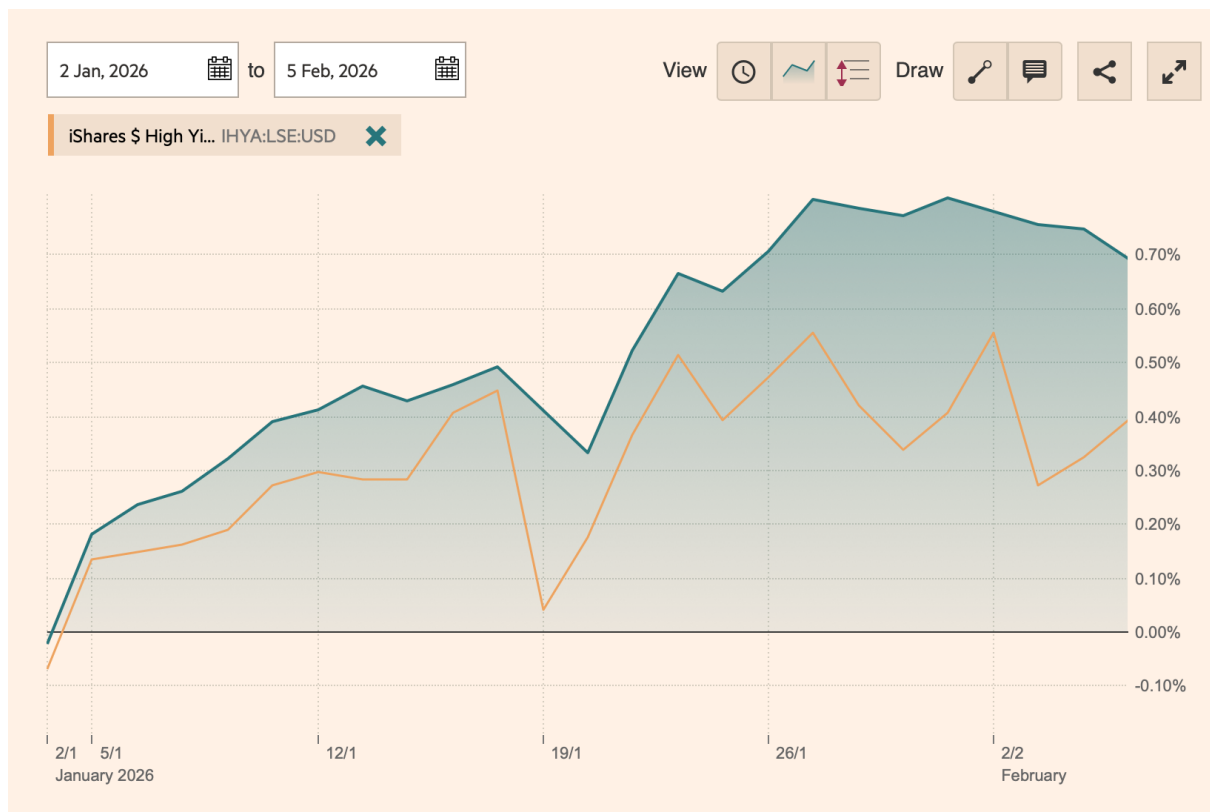
Fixed Income:

Strategic income Management US High Yield Opportunities:

Please click to read the Q4 or full 2025 UCITS fund commentary, or scroll down for a summary.

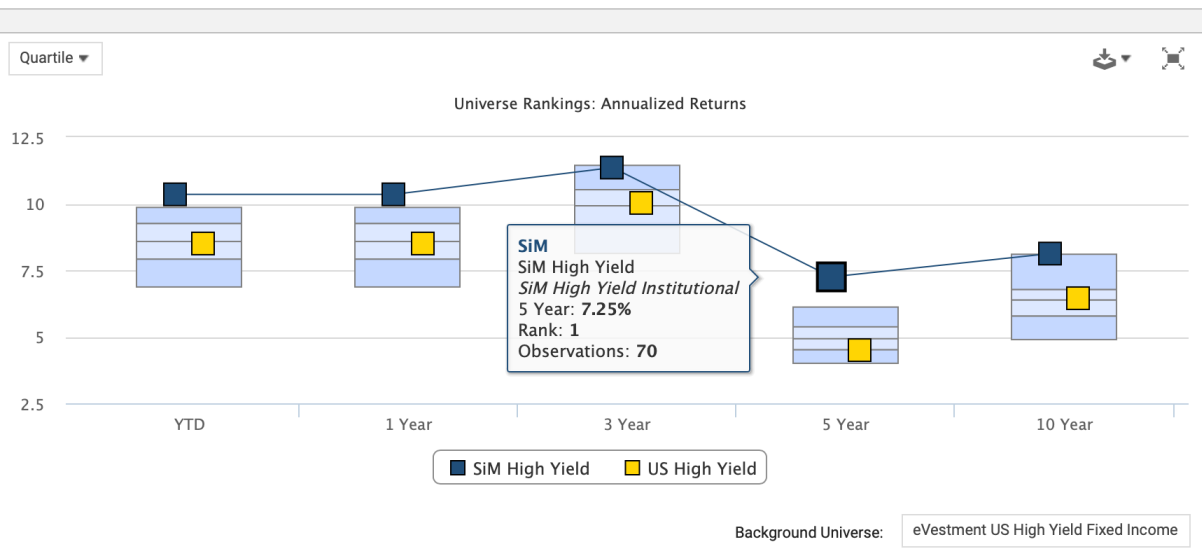
[Q4 commentary](#)

[2025 commentary](#)



source: FT

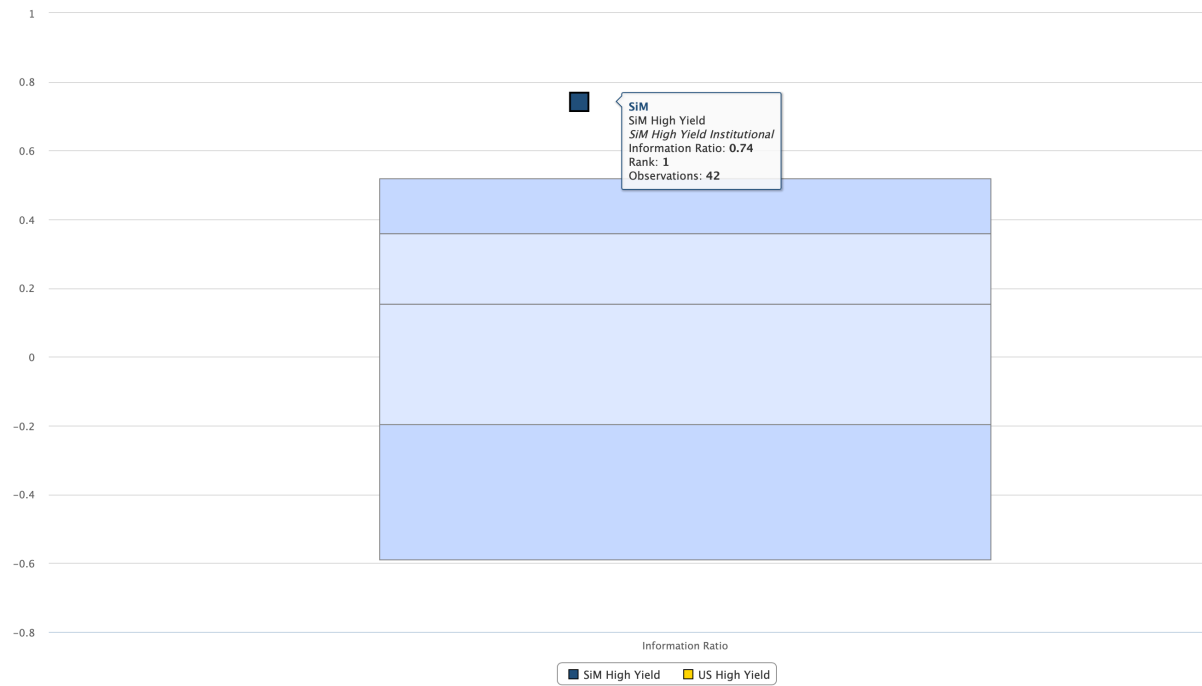
Configuration - Monthly Returns from Mar 2011 to Dec 2025 displayed in US Dollar (USD)



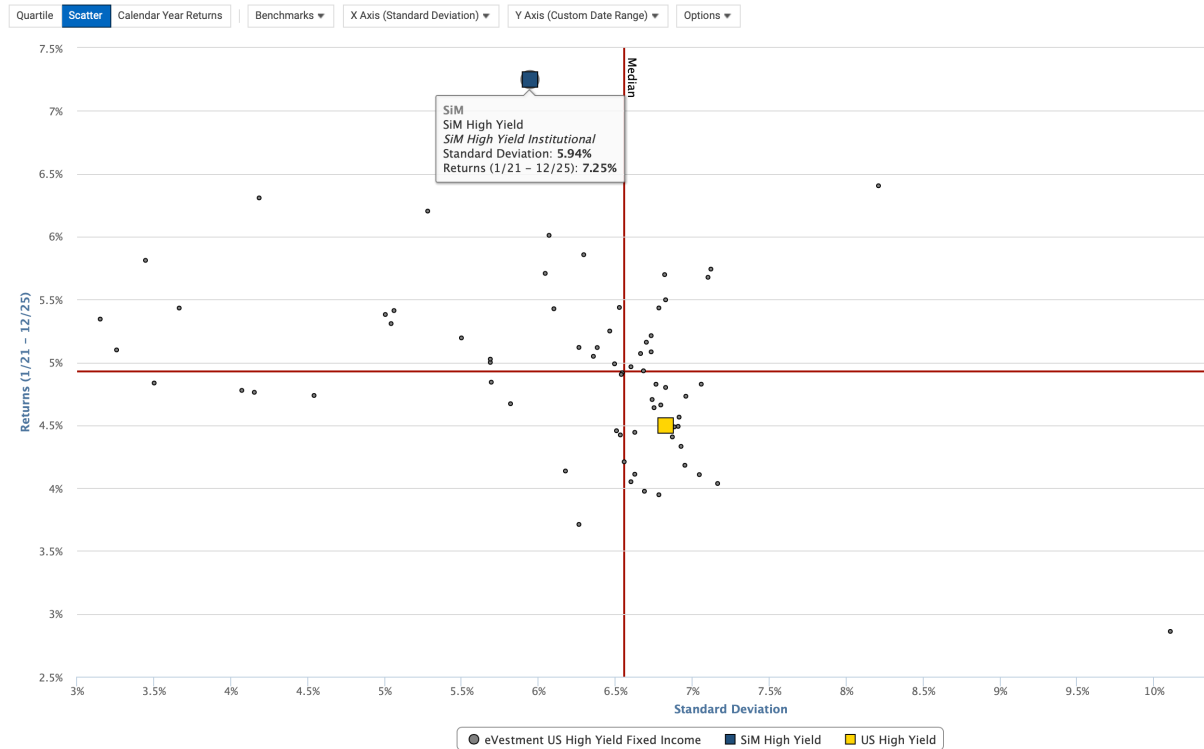
Configuration - Monthly Returns from Mar 2011 to Dec 2025 displayed in US Dollar (USD)

Background Universe: US High Yield Fixed Income

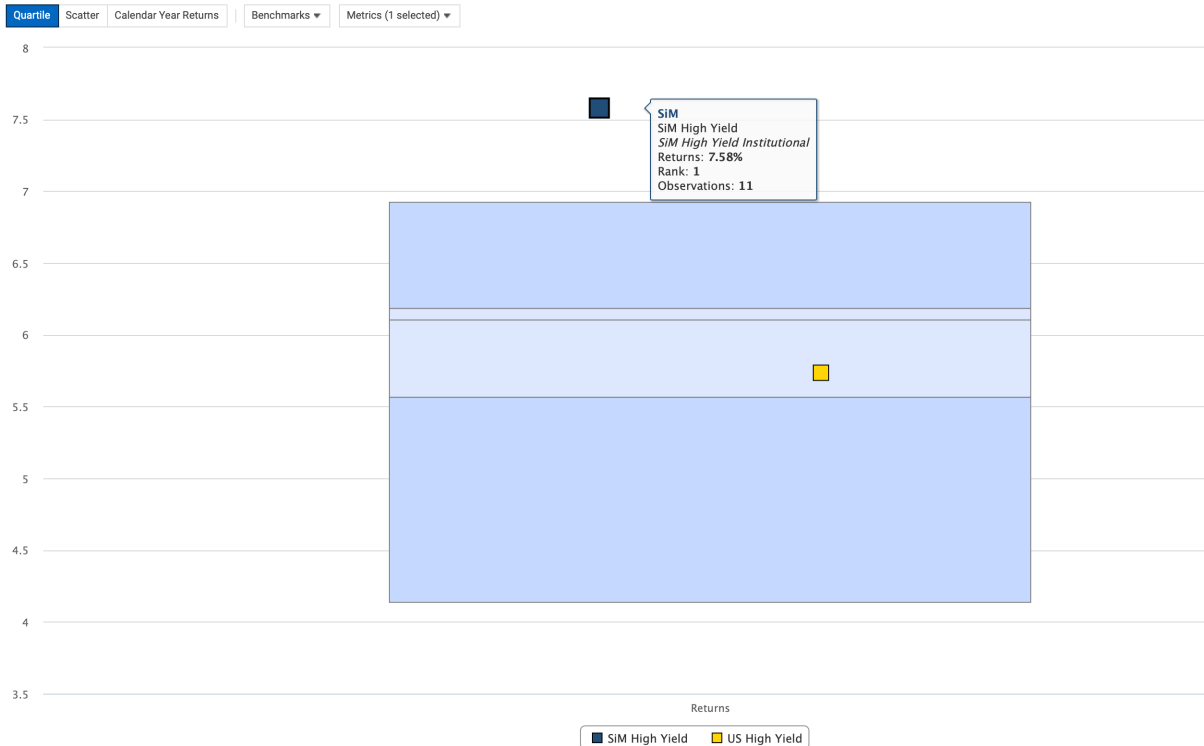
Quartile Scatter Calendar Year Returns Benchmarks Metrics (1 selected) ▾



Background Universe: US High Yield Fixed Income displaying 70 peers



Background Universe: Global High Yield Fixed Income



source: eVestment

Strategic income Management US High Yield Opportunities:

The SiM US HY strategy is a high conviction, high alpha generating strategy. The unique, pragmatic and counter-cyclical approach to investing in US HY has lead to superior returns with less risk (down-market capture 89.5%). SiM manages USD 2.8 billion in US HY only and a daily liquid Art. 8 UCITS fund is available with an AUM of USD 450.2 million: ISIN Code: [IE00BF1XKP70](#)

As per Q4, 2025 the Strategic income Management (SiM) US High Yield strategy has an **annualized outperformance of 2.23%** over the BofAML US High Yield index, outperforming **all** of peers according to eVestment since inception in 2011. SiM also achieved a clean sweep at the **Lipper Awards**, winning Best Global High Yield Manager over 3, 5 and 10 years. A core portfolio around long term secular trends is complemented with out of favour sector and small cap issuer allocations. The team successfully employed the same investment strategy for more than 20 years. SiM is employee owned and employees invest their own private wealth alongside you as an investor.

[Asset Class & Strategy Summary](#)

[Presentation](#)

[Peer comparison](#)

[Factsheet](#)

[Standard RfP](#)

[Morningstar](#)

[Why US HY Presentation](#)

[Sustainability Related Disclosures](#)

[Replay Latest Online Update](#)

[SiM and its investment process explained in 12 min](#)

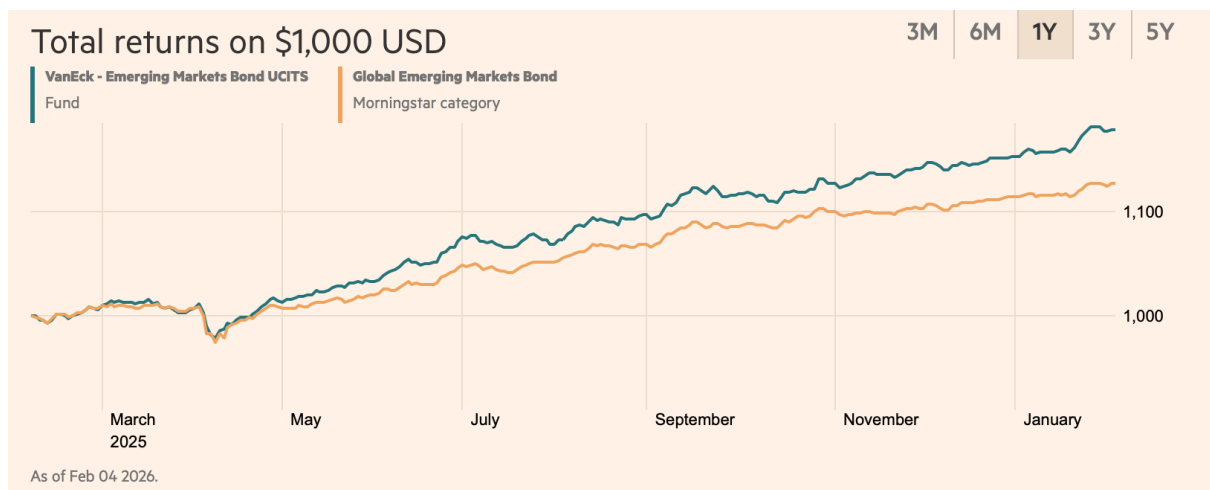


CIO and High Yield Portfolio manager Gary Pokrzywinski



[Bio: Gary Pokrzywinski of Strategic investment Management](#)

VanEck Emerging Market Debt:



source: FT

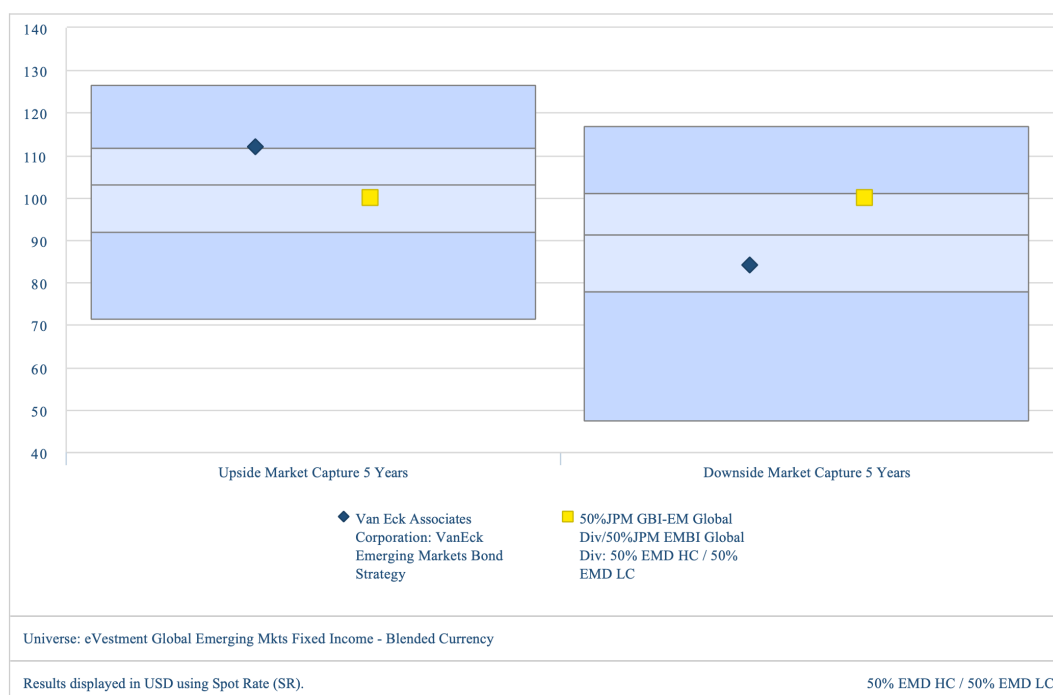
Returns vs Benchmark and Peers

VanEck vs Benchmark and Peers



Upside- & Downside Market Capture 5 Years

VanEck vs Benchmark and Peers



VanEck Emerging Market Debt:

The VanEck Emerging Markets Bond strategy is one of the few truly flexible EMD blend managers using the distinct risk and return characteristics of each of the three EMD sub universes (HC, LC, Corporates). A daily liquid Art. 8 UCITS fund is available with an AUM of USD 174.6 million: ISIN code: [IE00BYXQSF37](#)

As per Q4, 2025 the VanEck Emerging Markets Debt strategy has an **annualized outperformance of 1.88%** over the 50% JPM EMBI & 50% JPM GBI-EM benchmark, outperforming 73% of peers according to eVestment since inception in 2012. The UCITS fund won the **Lipper Award** for best EMD fund Europe over the last 3 and 5 years. A flexible approach is key to optimising portfolio risk/return using the distinct characteristics of each of the emerging markets debt sub-universes.

[Asset Class & Strategy Summary](#)
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[Standard RfP](#)

[Morningstar](#)

[Sustainability Related Disclosures](#)



Lead Portfolio manager Eric Fine



[Bio: Eric Fine of VanEck](#)

Marsham Euro Transitional Issuers Fixed Income

Marsham's investment approach is built around the belief that sustainability and long-term financial performance go hand in hand. Their strategy focuses on companies undergoing a real and measurable transition toward more sustainable, lower-carbon business models.

These transitional bonds are often overlooked by traditional ESG frameworks, creating attractive risk-adjusted return opportunities. The portfolio invests in euro-denominated corporate bonds, primarily BB and BBB credits, across investment grade and high yield, with performance driven by bottom-up security selection rather than market beta. Similar strategies are available for USD and GBP bonds, reply for information on these strategies.

Alternative fund structures are available, we are in discussions with seed investors to launch of an Article 9 UCITS fund later this year.

On Wednesday, 4 March at 15:00, Marsham will present the investment approach, positioning and outlook.

To register follow this link: [Marsham IG/HY European Transitional Bonds Update](#)

- [Presentation](#)
- [Factsheet](#)
- [Awards](#)
- [Year end update](#)
- [ISIN code: IE00BMPS1X28:EUR](#)

<https://marshamim.com>

Marsham Euro Transitional Issuers Fixed Income Fund

- **Type:** Fixed Income (Corporate Bonds)
- **Currency:** EUR
- **Style:** Active, bottom-up, ESG-integrated, transitional theme
- **Number of positions:** 35–40 high-conviction holdings
- **Credit quality:** Predominantly BB and BBB-rated issuers
- **Duration:** Actively managed
- **ESG Integration:** Proprietary 50-question framework assessing the credibility of transition and sustainability plans
- **Exclusions:** No structured credit, convertibles, greenwashing bonds, or ABS

Sustainability is fully integrated into the investment process, not added on top. The firm targets issuers with credible climate strategies and aligns its portfolios with clear environmental objectives. Marsham's funds comply with the EU SFDR framework and are structured to deliver both financial returns and positive impact. <https://www.environmental-finance.com/content/awards/impact-investment-awards-2025/winners/fund-of-the-year-fixed-income-marsham-transitional-issuers.html>

We were just announced as finalists in ESG Investing Awards 2026 in 2 categories:

BEST ESG INVESTMENT FUND: FIXED INCOME

BEST ESG INVESTMENT FUND: CLIMATE TRANSITION (INV. MANAGER)

<https://www.esginvesting.co.uk/awards/shortlistedfinalists/>

Performance 2025 and 2026 positioning/outlook

The Marsham EUR Transitional Issuers Fund returned 4.7% in 2025, outperforming Euro investment grade indices at 3.0% and broadly matching Euro high yield at 4.9%, despite the portfolio being predominantly investment grade at around 70%. Performance was driven by active positioning in financials, communications and utilities, with a focus on subordinated instruments.

During the year, duration was gradually increased and we see scope to extend it further in 2026. Despite ongoing political and fiscal challenges, we remain cautiously optimistic on Europe. Exposure to France continues to focus on globally

diversified issuers with strong balance sheets and pricing power, while fiscal stimulus in Germany and improving trends in Spain and Italy support the broader outlook.

European rates are expected to remain broadly stable, but current valuations remain attractive. High-quality EUR bonds offer yields of around 5.5%, with spreads wider than historical averages, providing potential upside. Opportunities are concentrated in investment grade, and we remain cautious on high yield where valuations are less compelling.

- Outperformance has been consistent and driven by multiple factors.
- Security selection, not just market beta or credit risk is the key performance driver.
- The portfolio is focused on BB and BBB-rated credits, offering strong risk-adjusted return potential.

[click here](#) for the attribution report versus the 50%/50% Bloomberg EuroAgg Corporates (IG) Index - Bloomberg Pan-European High Yield Index

Marsham is a founder-led investment firm focused on fixed income, with a clear edge: transitional bonds. These are bonds from companies actively moving toward lower-carbon, more sustainable business models. This theme is central to the strategy and supports Marsham's strong bottom-up performance.

The SFDR article 8 strategy targets issuers with credible plans to decarbonise or improve operations, not just those with green labels. Transitional bonds are often undervalued and missed by standard ESG filters, offering both impact and return potential.

The Marsham Euro Transitional Issuers Fixed Income Strategy invests in listed corporate bonds, primarily in euros, across both high yield and investment grade. ISIN code: IE00BMPS1X28:EUR

[Presentation](#)

[Factsheet](#)

[Standard DDQ](#)

[Awards](#)

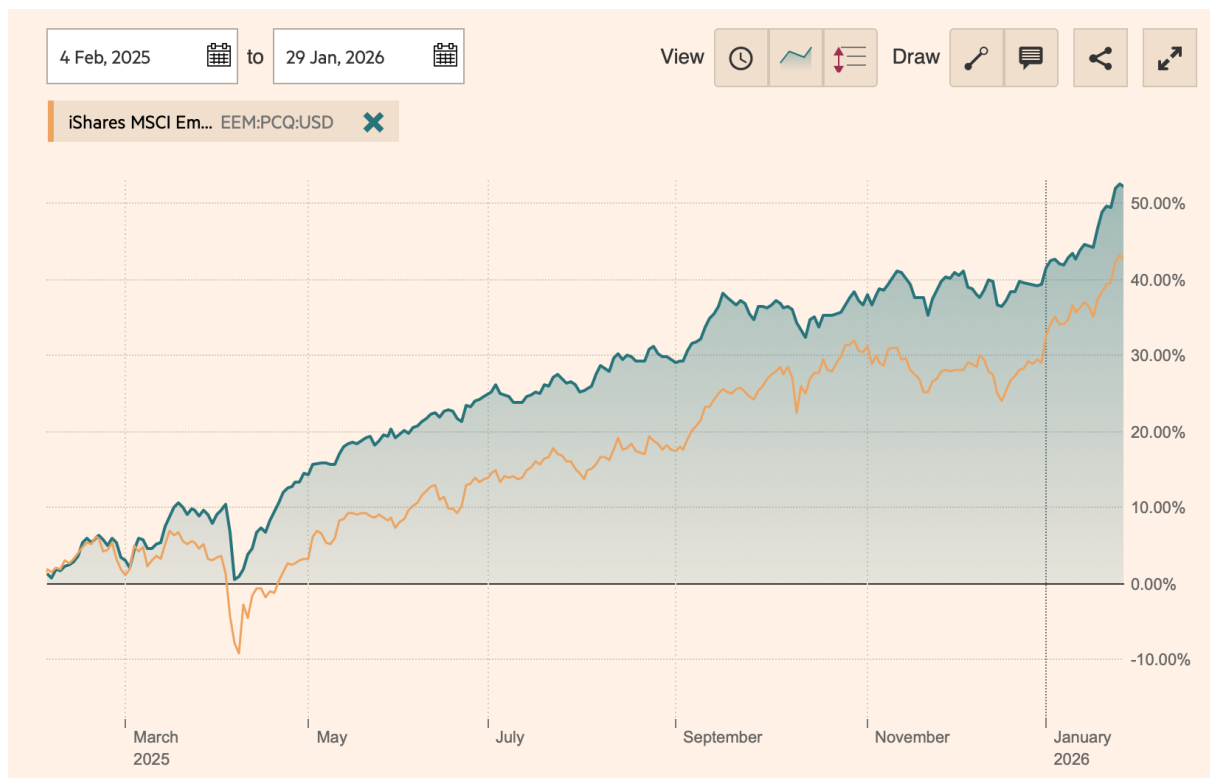
Lead portfolio Manager



Equities:

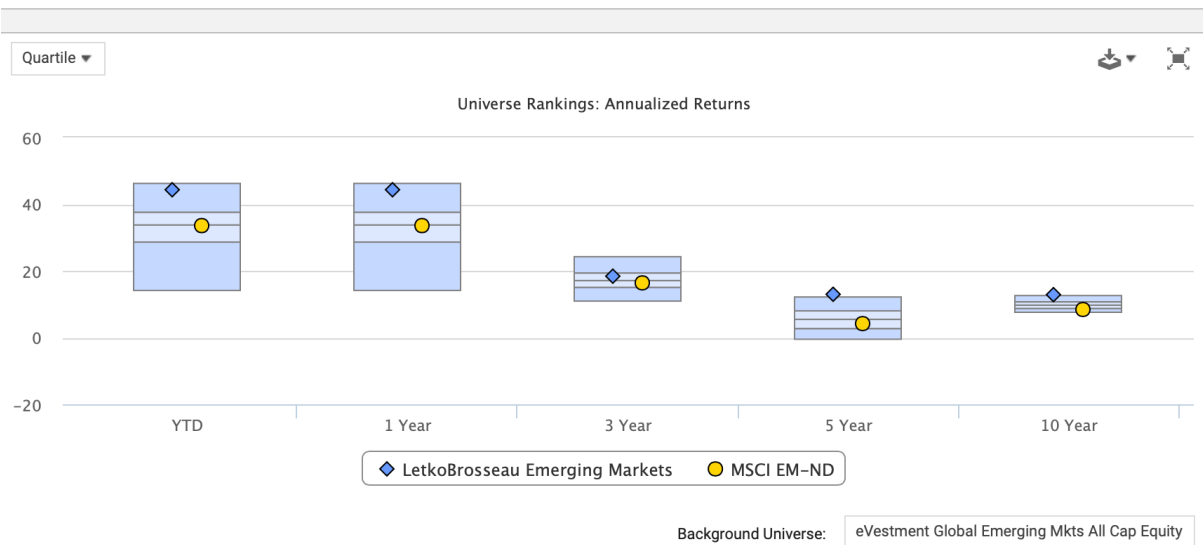
Letko Brosseau Emerging Markets Equity





source: FT

Configuration - Monthly Returns from Jun 2011 to Dec 2025 displayed in US Dollar (USD)



source: eVestment

From 01-JAN-2021 to 31-DEC-2025

Sectors	Return		Average Weight		Attribution			
	Portfolio (%)	Benchmark (%)	Portfolio (%)	Benchmark (%)	Allocation (%)	Selection (%)	SubTotal (%)	Impact
Communication Services	-1.52	0.85	4.25	9.33	0.45	-0.13	0.32	+
Consumer Discretionary	4.15	-6.35	10.46	11.69	1.13	0.85	1.98	+
Consumer Staples	13.03	-3.44	6.21	3.72	-0.07	0.89	0.82	+
Energy	8.28	4.97	4.82	3.88	0.01	0.24	0.25	+
Financials	15.38	9.50	16.62	22.28	-0.43	0.46	0.02	+
Funds	1.57	n/a	0.00	0.00	0.01	-0.04	-0.03	-
Health Care	-2.87	-7.61	9.31	3.10	-0.36	0.46	0.10	+
Industrials	23.82	6.83	15.11	7.01	0.34	3.29	3.63	+
Information Technology	9.87	12.46	4.21	28.27	-1.23	-0.10	-1.33	-
Materials	0.61	4.30	4.35	7.09	0.05	-0.24	-0.19	-
Real Estate	14.36	-8.45	5.04	1.34	-0.59	1.47	0.89	+
Utilities	18.25	4.99	18.75	2.28	0.21	2.91	3.12	+
Short Term	-20.49	n/a	0.86	0.00	-0.52	-0.13	-0.64	-

TOTAL PORTFOLIO	13.14	4.20			-0.99	9.93	8.95
PERFORMANCE GAP	8.95						

Letko Brosseau Emerging Markets Equity

Letko Brosseau is known for its long-term, value-oriented investment approach. They focus on identifying companies with strong fundamentals that are trading at attractive valuations relative to their intrinsic worth. The emerging market equity strategy involves rigorous in-house bottom-up research and analysis of individual companies supplemented with top-down analysis. A daily liquid Art. 8 UCITS fund with an AUM of USD 101.8 million is available. ISIN code: [IE000LCBW880](#)

As per Q4, 2025 the Letko Brosseau Emerging Markets Equity Strategy has an **annualised outperformance of 3.54%** over the MSCI Emerging Markets index, outperforming 95% of peers according to eVestment since inception in 2011. Letko Brosseau is an independent investment firm with a highly experienced investment team.

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Lead Portfolio

Manager Rohit Khuller



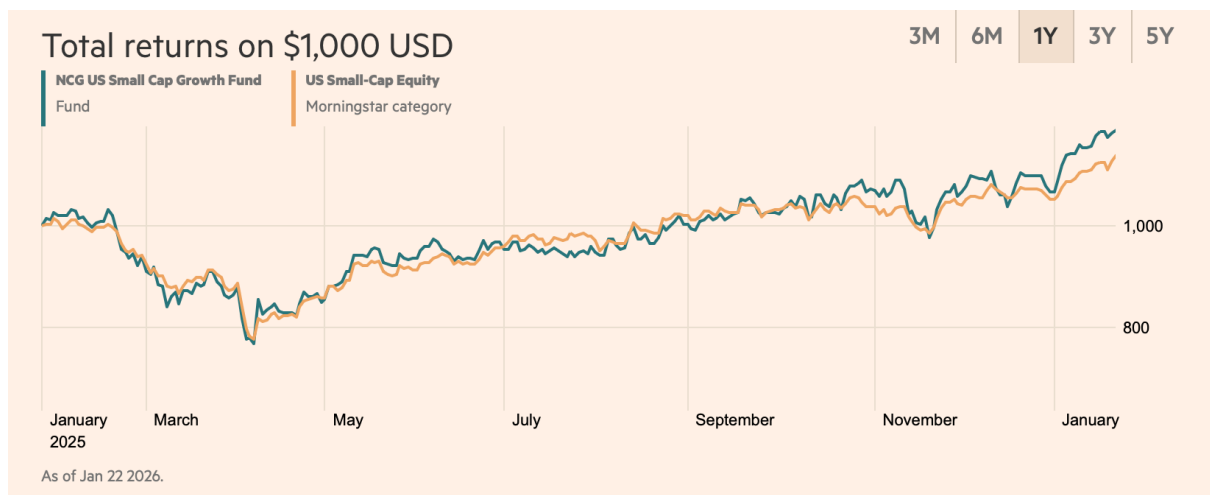
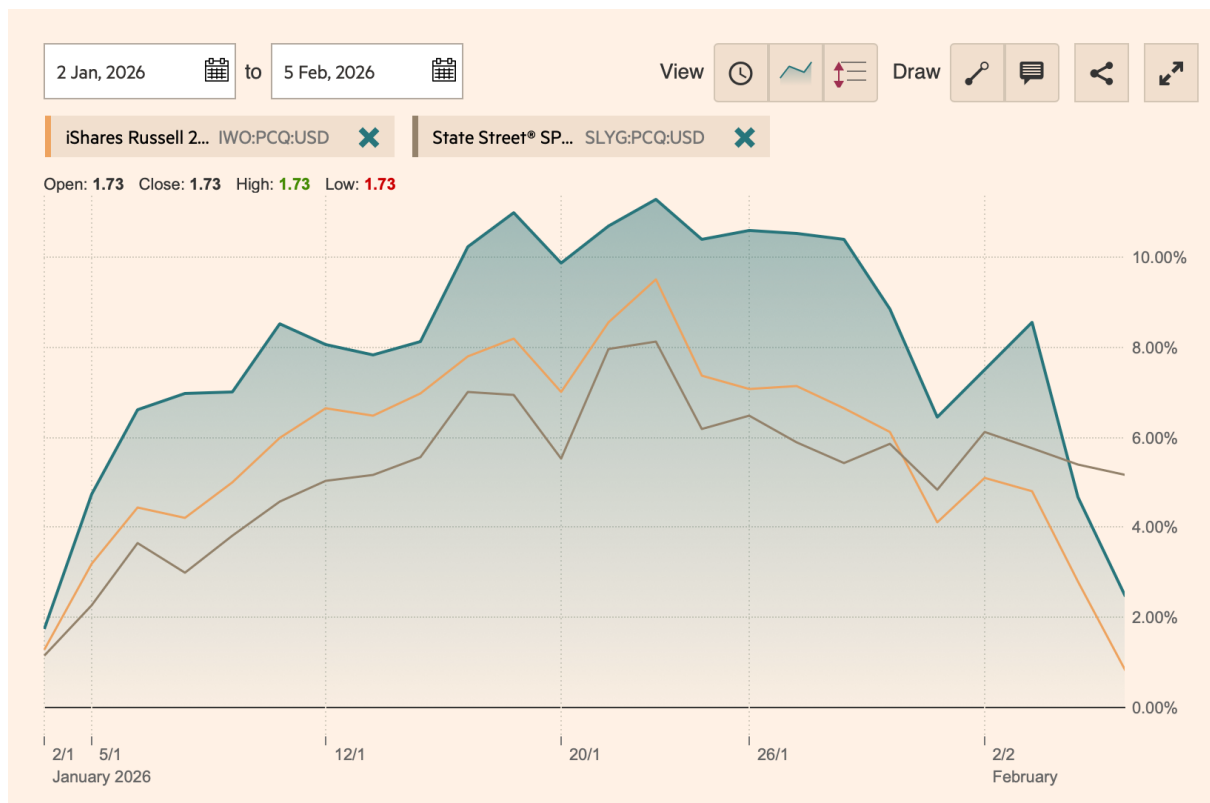
[Bio Rohit Khuller of Letko Brosseau](#)

Next Century Growth US Small Cap Growth Equities

"We are overweight the technology sector with our holdings diversified across semiconductors, AI infrastructure, software, and services companies, each with strong growth prospects and trading at what we believe are attractive valuations. "

This especially the soft ware names hurt performance short term...

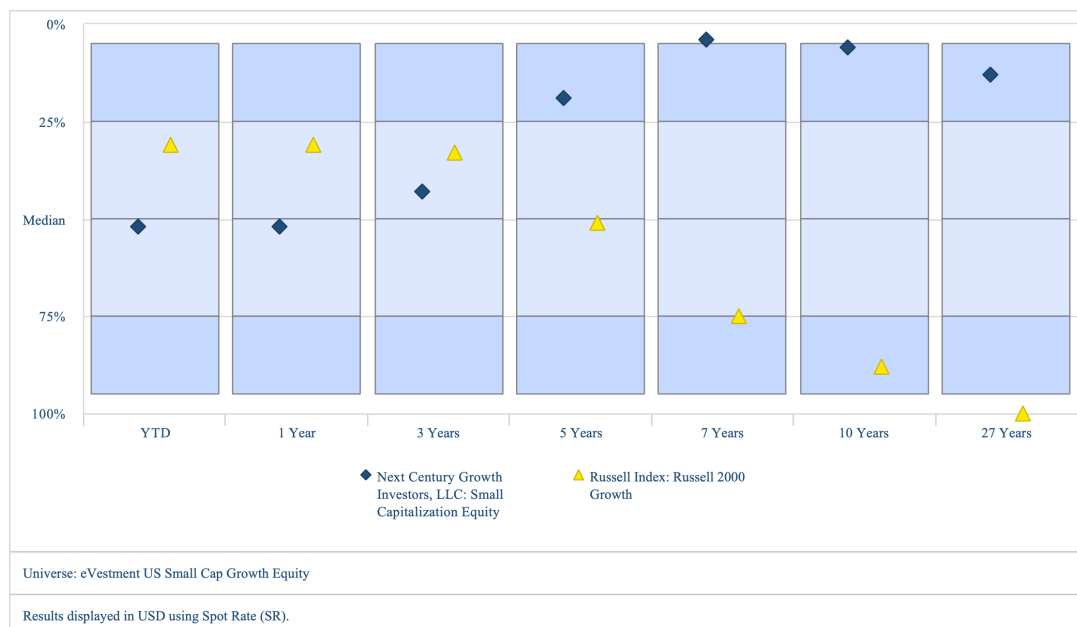
Pity as January was a strong relative month



source: FT

Returns vs Benchmark and Peers

Next Century Growth vs Benchmark and Peers



Next Century Growth claims GIPS compliance. Gross Composite Performance based on the Next Century Growth Small Capitalization Equity Composite

	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
Small Capitalization Equity	9.06	9.06	14.64	7.23	19.22	16.30	11.93
Russell 2000 Growth	13.01	13.01	15.59	3.18	10.59	9.57	7.28

Performance in the table above is annualized and in %

Russell 2000 Growth vs S&P 600 Growth

- **Universe:** Russell = broader small-cap set; S&P = smaller, more selective.
- **Quality filter:** Russell = no profitability screen; S&P = profitability required.

Next Century Growth US Small Cap Growth Equities

The Next Century Growth (NCG) US Small Cap Growth Strategy is a high conviction,

high alpha generating strategy that seeks to invest in the fastest growing and highest quality small cap companies in America. A daily liquid Art. 8 UCITS fund with an AUM of USD 60.1 million is available. ISIN code: [IE000TY23GV5](#)

As per Q4, 2025 the Next Century Growth US Small Cap Growth Equity Strategy has an **annualised outperformance of 4.65%** over the Russell 2000 Growth index, outperforming 90% of peers according to eVestment since inception in 1999. Next Century Growth is an independent investment firm with a highly experienced investment team located in Minneapolis.

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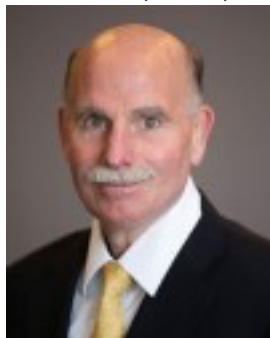
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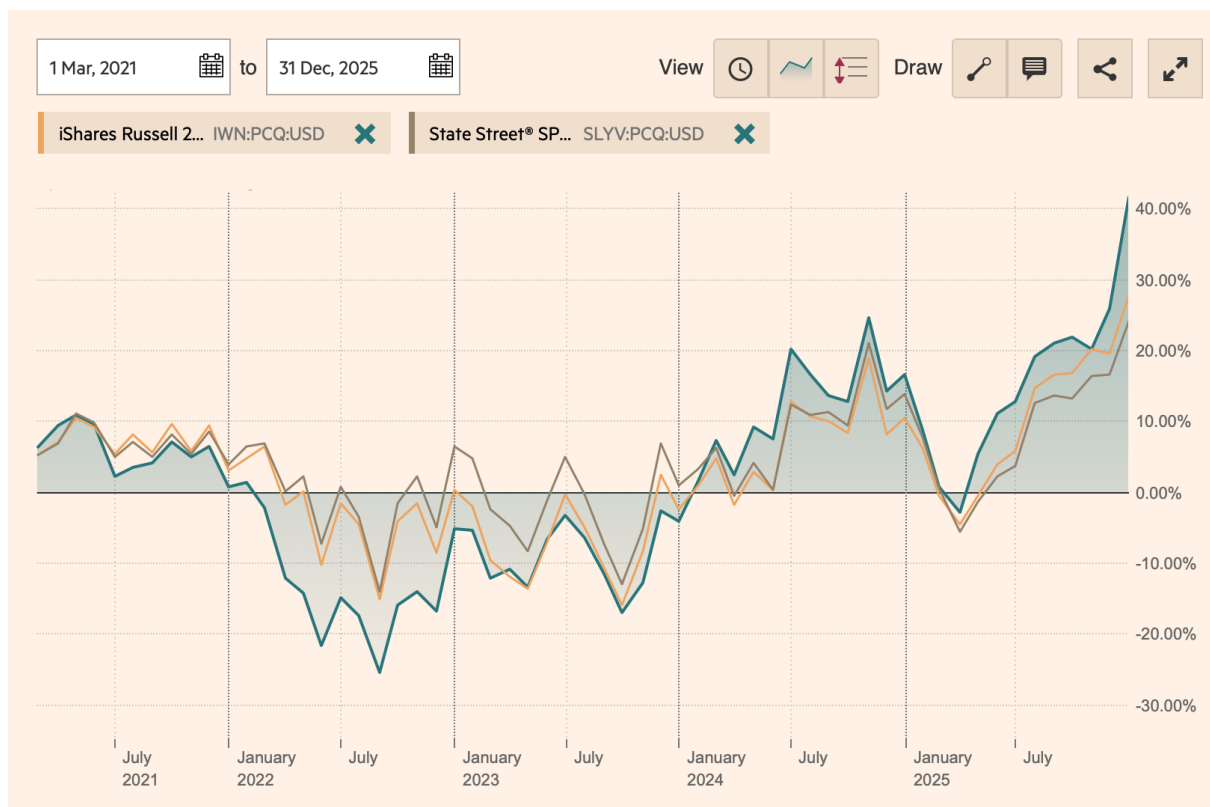
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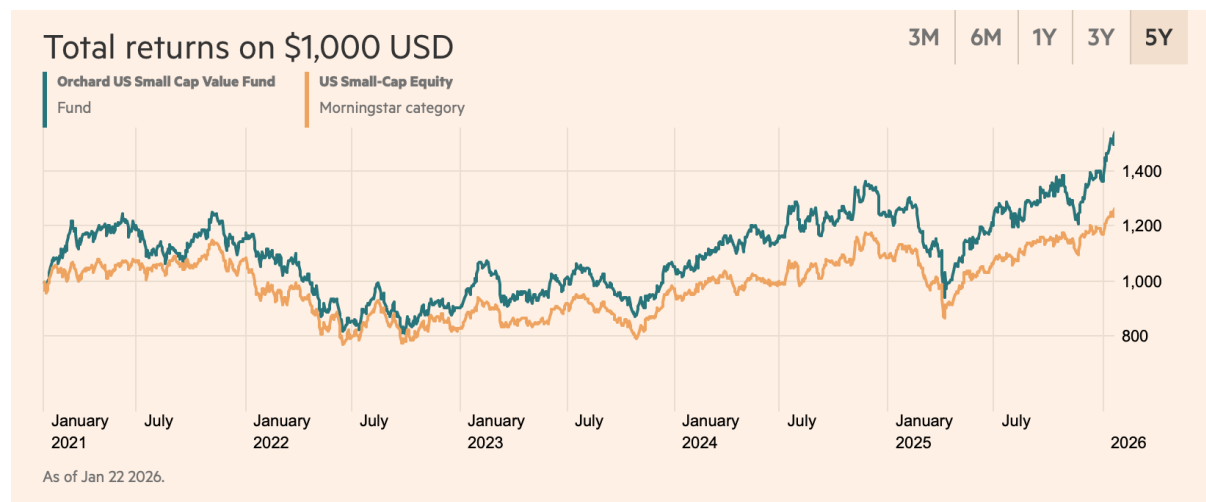
Chairman, CEO, Portfolio Manager and Partner Thomas Press



[Bio: Thomas Press of Next Century Growth Investors](#)

Orchard US Small Cap Value Equities





	5 years	3 years	1 year	6 months	3 months	1 month
Candoris ICAV - Orchard US Small Cap Value Fund US Dollar Institutional 1 Class	+8.28%	+8.47%	+10.93%	+24.98%	+14.77%	+9.90%
US Small-Cap Equity	+5.28%	+5.42%	+1.66%	+12.59%	+3.95%	+4.10%
Fund quartile	1st	1st	1st	1st	1st	1st
Funds in category	201	216	261	288	290	302

As of Feb 04 2026.

source: FT

Russell 2000 Value vs S&P 600 Value

- Universe: Russell = broader and deeper into distressed names; S&P = tighter universe.
- Quality filter: Russell = no profitability requirement; S&P = profitable companies only.

Orchard US Small Cap Value Equities

The Orchard US Small Cap Value strategy is a high conviction, high alpha generating strategy that identifies companies that trade at a significant discount to where they should trade at and have one or multiple catalyst to unleash this intrinsic value. A daily liquid Art. 8 UCITS fund with an AUM of USD 56.8 million is available. ISIN code: [IE00BL0L0092](#)

As per Q4, 2025 the Orchard US Small Cap Value Equity strategy has an **annualized outperformance of 2.25%** over the Russell 2000 Value index, outperforming 66% of peers according to eVestment since inception in 2001. Orchard Capital Management is a research-driven value investment manager solely focused on small cap value investing. As an independent employee owned boutique based in Chicago they deliver superior returns through proprietary research and a disciplined process. Long term US small cap value is the best performing segment of US Equities.

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Founder and CIO Blake Harper



[Bio: Blake Harper of Orchard Capital Management](#)

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Why this rally is still early: [US Small Caps](#)

Commentary and special outlook section: [Orchard US Small Cap Value](#)

Commentary and outlook: [NCG US Small Cap Growth](#)

*Reply to arrange a session with the portfolio manager or to learn why we offer US Small Cap Value and Growth Article 8 UCITS funds rather than a Core approach.



US Small Caps are trading at a 7 P/E discount to Large Caps, the largest in over 40 years (only around 2000 we saw similar discounts)

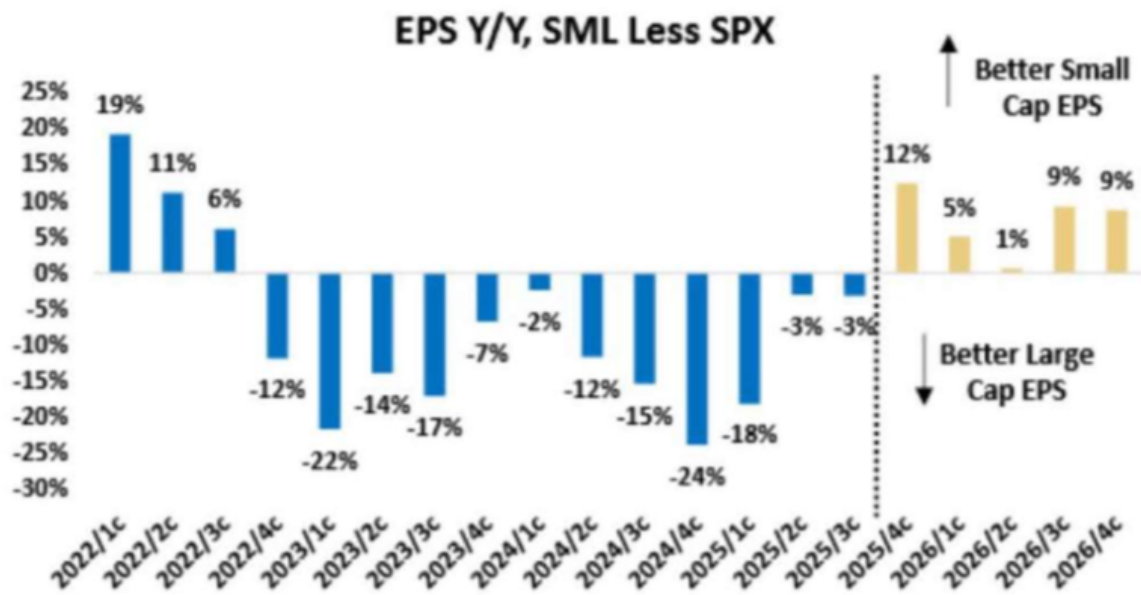
Source: MS

Historically after a long period of underperformance US Small Caps outperform with almost 10% annualised over a 5y period

Period	Length (In Years)	Small Caps		Large Caps		Relative Performance		1Yr Subs Relative Perf		3Yr Subs Relative Perf		5Yr Subs Relative Perf	
		Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized
Jan. 1926 to May 1932	6.3	-81.8	-23.6	-52.6	-11.1	-61.6	-14.0	82.2	82.2	65.5	18.3	144.7	19.6
Feb. 1937 to June 1939	2.3	-48.1	-24.5	-27.7	-13.0	-28.2	-13.2	8.8	8.8	26.2	8.1	81.2	12.6
May 1946 to June 1949	3.1	-35.4	-13.2	-12.6	-4.3	-26.1	-9.3	2.7	2.7	1.6	0.5	-4.6	-0.9
Dec. 1968 to Dec. 1973	5.0	-41.5	-10.2	11.8	2.3	-47.7	-12.2	2.2	2.2	51.1	14.8	112.2	16.2
July 1983 to Oct. 1990	7.3	35.9	4.3	149.3	13.4	-45.5	-8.0	22.2	22.2	40.6	12.0	27.0	4.9
Feb. 1994 to Mar. 1999	5.1	79.1	12.1	219.0	25.6	-43.9	-10.7	23.9	23.9	63.9	17.9	98.3	14.7
Feb. 2014 to Jan. 2016	1.9	-14.4	-7.8	7.3	3.7	-20.2	-11.1	13.3	13.3	5.2	1.7	7.8	1.5
Dec. 2016 to Sept. 237	6.7	49.8	6.2	119.8	12.4	-31.9	-5.5	?	?	?	?	?	?
Average (Excludes Current)	4.4	-15.2	-9.0	42.1	2.4	-39.0	-11.2	22.2	22.2	36.3	10.5	66.7	9.8

Source: Center for Research in Security Prices (CRSP®), The University of Chicago Booth School of Business; Jefferies

Small Cap EPS Growth Set to Outpace Large Cap Growth in Coming Quarters



Source: FactSet, Morgan Stanley Research.

Why conditions are improving

- Earnings momentum: Many small caps are showing stronger sales and earnings growth than large caps, with this trend expected to continue into 2026.

- Rate environment: If rates move lower, smaller companies with short term or floating debt structures should see meaningful relief in borrowing costs.
- Valuations: Small caps have lagged large caps for years, which now leaves them trading at more attractive levels both historically and versus large cap peers.
- Domestic exposure: Small caps depend more on the U.S. economy, which remains solid. This gives investors more direct exposure to domestic growth.
- M&A activity: Increased buying interest suggests strategic investors see value here, which can support higher valuations.

Industry trends supporting the segment

- Reshoring: The move to rebuild supply chains and invest in domestic capacity is positive for many small and mid sized firms.
- Housing market: If lower rates improve housing activity, related small caps could benefit.
- Diversification: Small cap indices are less concentrated than large caps and can add balance to portfolios dominated by mega cap tech.

Points to keep in mind

- Risk: Small caps are more volatile, though research quality and transparency have improved.
- Long period of underperformance: A reversal looks to be starting, but it may take time.
- Large cap concentration: With performance driven by a small group of mega cap names, investors may look for broader opportunities in other parts of the market

AI: A New Catalyst for US Small Caps

Big tech is expected to spend trillions on AI infrastructure over the coming years. Many of the key suppliers and service providers behind this build-out are US small-cap companies.

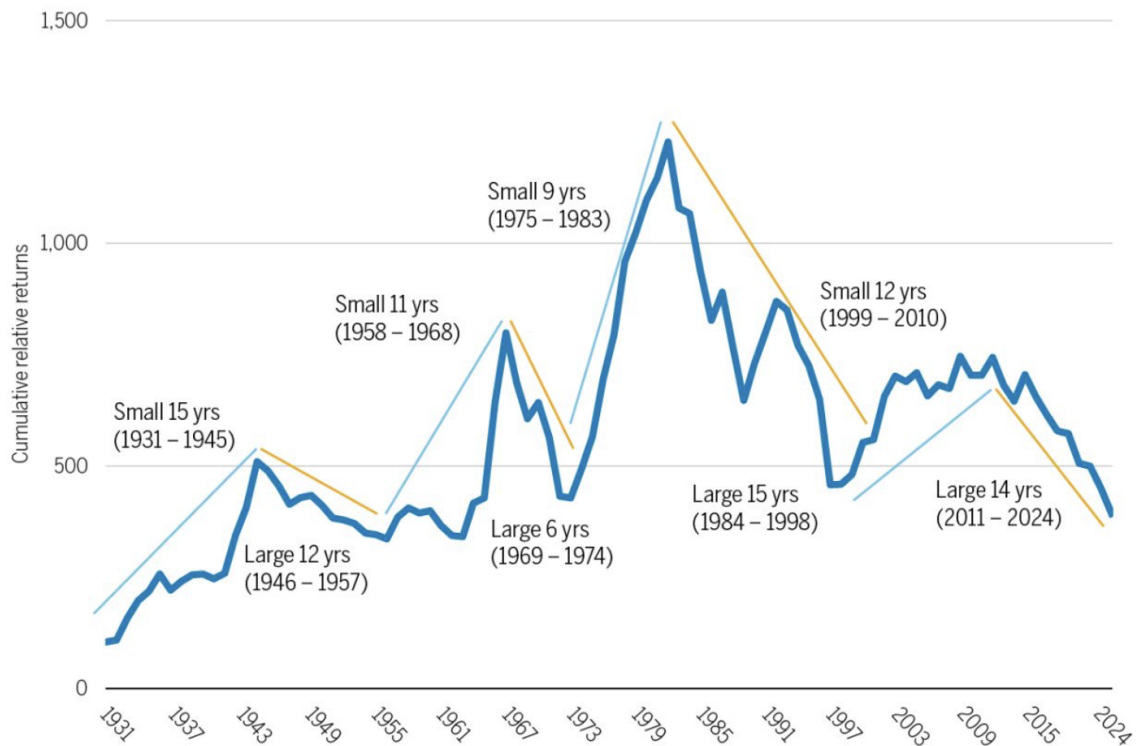
These firms deliver data-center hardware, power systems, and integration capabilities essential for AI expansion. Small caps are typically more agile and quicker to implement new technologies than large, slower-moving peers. The AI investment cycle could trigger a new phase of earnings growth for select small caps, helping to narrow their long-standing valuation discount to large caps.

In short: AI spending is expanding far beyond the tech giants, and the next wave of beneficiaries may come from the small-cap segment, just as investor positioning remains light.

We are or are just coming out of one of the longest periods of US Small Cap underperformance

The Current Cycle of Large-Cap Outperformance Is Longer Than Average

Small-Cap vs. Large-Cap Leadership Cycles (1931-2024)



As of 12/31/24. Past performance does not guarantee future results. Indices are unmanaged and not available for direct investment. Relative strength line indexed at 100 at the start of 1931. Small caps (Russell 2000 Index)⁴ vs. large caps (Russell 1000 Index)⁵ for 1979 to 2024, and Small minus Big factor returns from Fama-French database for 1931-1978. For illustrative purposes only. Data Source: Wellington Management.

DSM Growth Equity:

The DSM Growth strategies are high conviction strategies that invest in companies that have high earnings growth. A strict valuation discipline differentiates DSM from other growth managers. DSM capital manages USD 7.1 Billion in Equity strategies. DSM is an employee owned firm and employees invest their own private wealth alongside you as an investor.

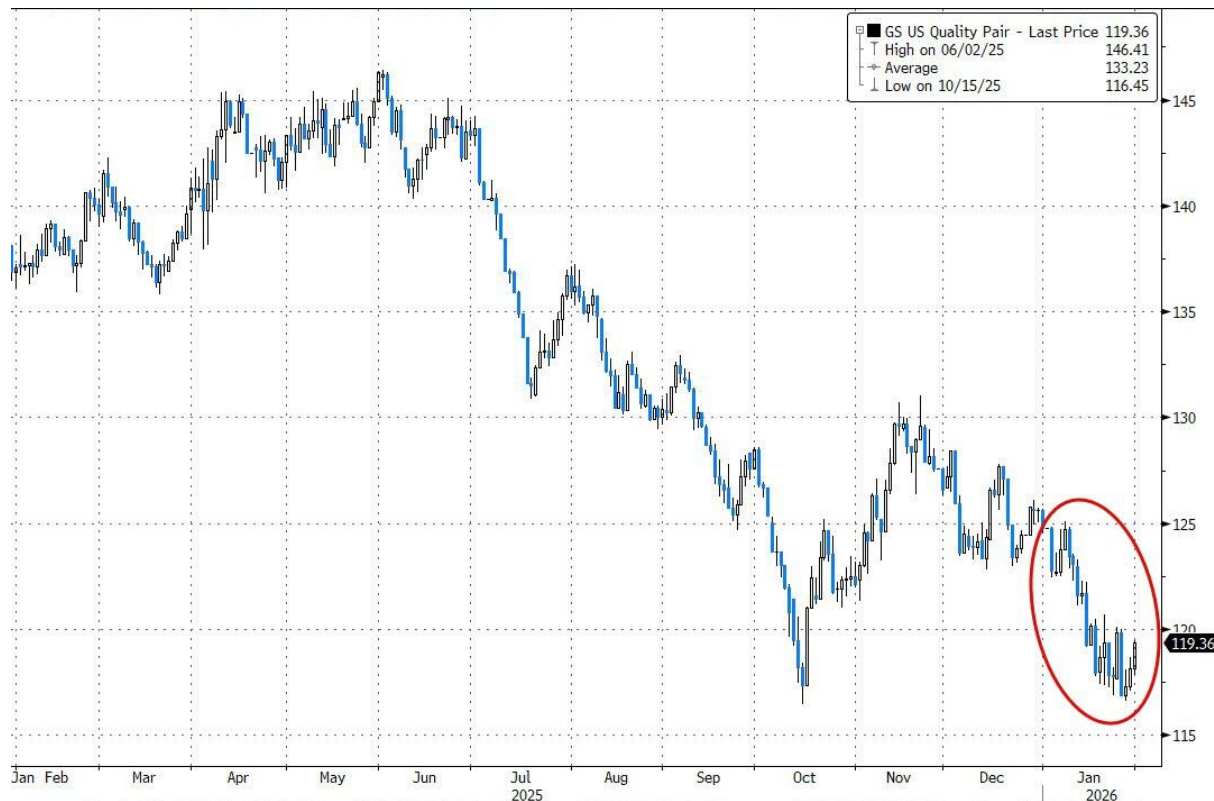
DSM Global Growth

YtD - 2.1% vs the MSCI ACWI Growth

DSM US Large Cap Growth

YTD - 2.64% vs the R1000G

Quality stocks worst drawdown since COVID reopening



Recent struggle to keep up with non-profitable growth companies

Style headwind: Quality growth has lagged sharply as markets favored speculative, non-profitable, and momentum-driven assets. These areas are explicitly outside DSM's quality, earnings durability, and valuation discipline.

Speculation led returns: Non-profitable tech, meme stocks, and bitcoin-sensitive equities delivered outsized YTD gains, driving benchmark performance and explaining much of DSM's relative underperformance.

Regional drag from Europe: Europe's cyclical tilt (industrials, financials) benefited from higher rates and industrial spending. DSM's ~395 bps underweight to Europe cost ~280 bps of relative performance in 2025.

Stock-specific detractors: Novo Nordisk, Fiserv, and Fortinet detracted due to fundamental weakness and have all been exited. Lack of exposure to Japan also modestly hurt relative returns.

Benchmark concentration effects: Strong performance in large benchmark names outside DSM's criteria (Apple, Tesla, Palantir, Applovin, Shopify) materially boosted benchmarks and widened relative gaps.

Long-term conviction intact: Despite a rare, short-term reversal favoring low quality and cyclicals, quality remains the best-performing factor over 20+ years.

Attractive valuation setup: DSM Global Growth trades at ~25x NTM earnings with expected ~24% earnings CAGR over three years, viewed as compelling for high-quality businesses.

Structural growth outlook: DSM expects technological innovation to continue driving superior US earnings and equity performance versus Europe over the medium to long term.

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DSM Global Growth

As per Q4, 2025 the Global Growth Equity strategy of DSM has an **annualized outperformance of 1.11%** over the MSCI ACWI Growth, outperforming 90% of peers according to eVestment since inception in 2010. A daily liquid Art. 8 UCITS fund is available with an AUM of USD 202.1 million. ISIN code: [LU1016061043](#)

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DSM US Large Cap Growth

As per Q4, 2025 the US Large Cap Growth Equity strategy of DSM has an **annualized outperformance of 0.84%** over the Russell 1000 Growth, outperforming 88% of peers according to eVestment since inception in 2002. A daily liquid Art. 8 UCITS fund is available with an AUM of USD 60.2 million. ISIN code: [LU1440728472](#)

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CIO Daniel Strickberger



[Bio: CIO Daniel Strickberger of DSM Capital Partners](#)