

Dear Investment Partners,

The objective of Jackson Peak Capital’s concentrated, long/short equity strategy is to deliver attractive absolute returns across market environments. We are striving to achieve equity-like returns while maintaining low correlation to overall equity markets and taking less outright market risk. By design, our low correlation (0.15 daily / -0.11 monthly correlation to ACWI since inception¹) means our monthly and quarterly performance does not track benchmarks.

During Q1 2026, Jackson Peak returned -21.0%, net.² Q1 was a challenging quarter for the strategy, with underperformance driven by 1) elevating tech (and net) exposure from prior low Q4'25 levels, based on rapid progress by the AI labs in early 2026, just prior to the Iran conflict triggering a broad pullback, and 2) on the event-driven side, a couple of positions moved against us and others did not see their catalysts materialize during the quarter. The All-Country World Index (ACWI) returned -2.2% in Q1. The HFRX Equity Hedge Index, a benchmark measure for Long/Short equity hedge fund strategy performance, returned -1.5%.

Q2 is off to a stronger start thus far as our bullish view on AI acceleration is materializing alongside geopolitical tensions easing and event-driven positions beginning to move in our favor.

	Jackson Peak Capital	Benchmark References	
	<i>Long/Short</i>	<i>Long-only</i>	<i>Long/Short</i>
	Net Return	MSCI ACWI	HFRX Equity Hedge Index
2026 - Q1	-21.0%	-2.2%	-1.5%
2025	+82.9%	+22.4%	+10.1%
2024	+20.2%	+17.5%	+7.8%
2023 (Mar-Dec)	+18.5%	+17.7%	+5.9%
Cumulative Since Inception (3/1/23)	+105.8%	+65.6%	+23.8%
Annualized Since Inception	+26.4%	+17.8%	+7.2%

MARKET UPDATE

The Iran conflict dominated the tape in Q1. The initial escalation drove a sharp pullback in equities, an oil price spike, and a reset in investor positioning across the market. From there, the market spent the back half of the quarter digesting the higher energy prices, the implications for inflation and growth, and the path of the conflict. The net of it: higher energy prices weigh on inflation and growth, but the

¹ Source: Interactive Brokers, correlation figures from inception through 3/31/2026

² Jackson Peak Capital returns referenced in these materials are net of all fees (management and performance) and expenses unless otherwise noted; returns are not annualized. Clients should always check their individual statements for returns, which may vary due to time of onboarding and other factors.

accompanying volatility forced a positioning reset that, in our view, had been a factor in the market's inability to make new highs since the October/November 2025 Nasdaq surge.

At the same time, AI progress has accelerated meaningfully over the last three to six months – with arguably the most important inflection in LLM capability since ChatGPT launched in late 2022. Frontier model capabilities, exemplified by Anthropic's Claude, have improved dramatically. The leaps in model capability with Claude Code, Cowork, and other functionality are doing for AI what Windows did for personal computing – expanding the surface area to non-coders while making power users more productive, driving a parabolic surge in token usage. Amidst this backdrop, the demand for compute and power across the AI infrastructure value chain remains structurally short of supply. While the macro backdrop has gotten noisier, the second-derivative effects of this AI capex cycle are still showing up in the fundamentals of the underlying companies.

If the Iran conflict can be resolved and oil / interest rates normalize, the combination of less lopsided market positioning and an accelerating AI cycle sets up constructively. Our framework for net exposure management remains intact – AI progress, fiscal support, and monetary policy – but AI is currently carrying a larger share of the load as the rate-cut path has shifted to neutral/net hawkish on the energy-driven inflation picture.

PORTFOLIO POSITIONING

At Q1's end, the portfolio's net exposure was 36%, up from 25% at the end of Q4. The portfolio is positioned for continued strength in the AI infrastructure theme and the names underneath it (energy, compute, and the "labor" side of the data center buildout), as well as several event-driven positions. Core Scientific (CORZ) was our largest position, a fundamental long. EchoStar (SATS) remains a top holding and our most significant event-driven position, heading into the SpaceX IPO.

During Q1, we sized exposure back up to the AI infrastructure theme on the view that the YTD acceleration by the AI labs (Anthropic and OpenAI) would drive even more capex spending to enable the labs to fulfill usage demand. The frontier labs have been put in a position where they will be "short compute" if they do not expand capacity quickly throughout the remainder of the year, especially for Anthropic, which grew annual recurring revenue (ARR) from ~\$9 billion at the end of 2025 to \$19 billion by March 2026 and \$30 billion in April. This extraordinary top-line growth has been driven by an acceleration in model capabilities, expanding the use cases for power users and attracting new users.

A position worth highlighting this quarter is Core Scientific (CORZ). We re-engaged with CORZ during Q1 after exiting in Q4, as the stock retraced to attractive levels just as we were looking to add to the AI infrastructure theme on the developments above. Specifically, CORZ is a beneficiary of the compute shortage as it has valuable data center co-location capacity, which is structurally short of supply heading into the remainder of 2026 as the leading AI labs and hyperscalers all look for power and shovel-ready sites.

CORZ is one of the few public companies with shovel-ready capacity at scale. It is a high-performance computing (HPC) colocation provider that pivoted from crypto mining to AI infrastructure, and the foundation of the business today is its ~590 MW contract with CoreWeave under 12-year hosting agreements, representing over \$10 billion in total contracted revenue. Beyond the CoreWeave contract, CORZ has approximately 1.5 GW of total leasable power in the pipeline. Management has stated that they are in active dialogue with multiple parties and that colocation leasing agreements are expected in the near future.

Management is incentivized to diversify away from the single CoreWeave contract after the CoreWeave acquisition fell apart, and the entry valuation in Q1 was not pricing in any additional contracts. The catalyst path is one or more new colocation customers announced over the remainder of 2026, each of

which should drive a re-rating as revenue grows and concentration risk declines. The primary risks are execution, the pace of new customer signings, and the broader AI spending cycle.

PERFORMANCE ATTRIBUTION

The largest drivers of performance (contributors and detractors) during Q1 2026 are noted in the table below.³

Top Portfolio Contributors	Top Portfolio Detractors
Long: FIX	Event-driven: SATS
Event-driven: ZM	Event-driven: BL
Short: CRM	Long: ENR

Our largest contributor in Q1 was Comfort Systems (FIX) as a fundamental long. FIX has been one of our preferred expressions of the labor side of the AI capex trade - the mechanical, electrical, and HVAC contractors building out the data centers. The thesis continued to play out during the quarter as the company reported strong results, raised guidance, and benefitted from continued visibility into the AI infrastructure buildout.

Zoom (ZM) was a contributor as an event-driven trade. We initiated the position to capture a re-rating driven by ZM's stake in Anthropic and the significant ramp in Anthropic's ARR and valuation during the quarter. The position had attractive downside protection given ZM's execution, valuation, and the discount the market was applying to the Anthropic stake.

Salesforce (CRM) was a contributor as a short. We initiated the short on the back of Anthropic's developments and product releases during the quarter, which we view as accelerating the competitive pressure on the incumbent enterprise software stack. CRM is one of the names where the gap between fundamentals and consensus narrative is widening.

EchoStar (SATS) was a detractor as an event-driven position despite our continued conviction in the underlying thesis. The position was hurt by trading activity around the underlying and an existing option position that did not play out during the quarter. We continue to hold a significant position in SATS heading into the anticipated SpaceX IPO in Q2 given the large discount to NAV.

BlackLine (BL) was a detractor as an event-driven position. We had built a position with the view BL would emerge as an attractive acquisition candidate given activist pressure and historical PE/strategic interest. The position was initiated prior to the broader software selloff, which de-rated the entire sector.

Siemens Energy (ENR) was a detractor as a long. The fundamentals remain in strong shape - ENR continues to benefit from the secular increase in energy demand for AI data centers and European fiscal stimulus for grid and energy infrastructure - but we up-sized the position shortly before the geopolitical-driven selloff.

³ Contributors/detractors noted may utilize a combination of common stock and options.

CLOSING

Q2 is off to a strong start as the AI acceleration has been recognized by the market and geopolitical tensions have eased at the margin. The combination of significant sector cross-currents and increasing capital markets activity continues to create a rich opportunity set for both the fundamental and event-driven sides of Jackson Peak's strategy.

In March, just after Jackson Peak's three-year anniversary, I had the pleasure of speaking with Jon Kingston at Capital Employed. The conversation covered Jackson Peak's strategy, our investment process, and portfolio positioning.

Thank you for your trust and the opportunity to manage a portion of your assets. Please contact me if you have any questions about the portfolio, to discuss adding to your investment, or if you know a qualified investor who may be a good fit for Jackson Peak's approach.

Sincerely,

Patrick O'Brien
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About Jackson Peak Capital

Jackson Peak is an alternative investment firm that manages a global, concentrated long/short equity strategy with flexible net exposure. The objective of Jackson Peak Capital's strategy is to deliver attractive absolute returns across market environments. We are striving to achieve equity-like returns while maintaining low correlation to overall equity markets and taking less outright market risk. Jackson Peak follows a research-driven, value-oriented approach focused on uncovering asymmetric risk/reward opportunities.

Appendix 1. Glossary of terms

Definitions

Long Exposure: market value of long positions / total portfolio value

Short Exposure: market value of short positions / total portfolio value

Net Exposure: Long Exposure – Short Exposure

Gross Exposure: Long Exposure + Short Exposure

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