

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 taking less market risk and having a low correlation to overall equity markets. By design, our low correlation (0.14 daily correlation to ACWI since inception) means our monthly and quarterly performance does not track benchmarks.

During Q4 2025, Jackson Peak returned +14.0%, net.<sup>1</sup> Our outperformance during Q4 was driven by event-driven positions, fundamental longs and net exposure management. The All-Country World Index (ACWI) gained 3.3% in Q4. The HFRX Equity Hedge Index, a benchmark measure for Long/Short equity hedge fund strategy performance, gained 1.6%.

	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
<b>2025 - Q4</b>	<b>+14.0%</b>	<b>+3.3%</b>	<b>+1.6%</b>
<b>2025</b>	<b>+82.9%</b>	<b>+22.4%</b>	<b>+10.1%</b>
2024	+20.2%	+17.5%	+7.8%
2023 (Mar-Dec)	+18.5%	+17.7%	+5.9%
<b>Cumulative Since Inception (3/1/23)</b>	<b>+160.5%</b>	<b>+69.3%</b>	<b>+25.7%</b>
<b>Annualized Since Inception</b>	<b>+40.1%</b>	<b>+20.4%</b>	<b>+8.4%</b>

**MARKET UPDATE**

The equity markets continued higher in October, with the tech sector and speculative names putting in their highs for the year on a flurry of AI infrastructure announcements. The tone shifted in late October / early November as investors began questioning the feasibility of the infrastructure spending commitments and the ability to demonstrate the ROI needed to raise that amount of capital. November and December saw a broadening out, with capital rotating from the tech leaders of Q2 and Q3 into more cyclical areas of the market.

In prior letters, we outlined the bullish drivers that became consensus: Fed rate cuts, lower-than-proposed tariffs, sustained AI progress, stimulative fiscal spending and contained long-term yields. As we noted in Q3, markets were pricing in an awful lot of good news at once, and as we look ahead to 2026, the market

<sup>1</sup> 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.

continues to sit in the upper percentiles of historical valuation ranges and positioning is similarly stretched.

With this backdrop, we are focused on the same framework that has guided our net exposure decisions since inception. Several factors will determine whether we operate at the higher or lower end of our exposure range in the first half of 2026: the market's response to a new Fed Chair and the path of rate policy, the Supreme Court's pending decision on tariffs, whether hyperscalers and AI labs can demonstrate tangible ROI to justify their infrastructure commitments, and the consumer and business impact of the OBBB legislation. Importantly, uncertainty and dispersion around these variables tends to create fundamental and event-driven opportunities that are core to our strategy, and we see a rich opportunity set heading into 2026 for our long / short strategy.

## PORTFOLIO POSITIONING

At Q4's end, the portfolio's net exposure was 25%, down from 55% in Q3. The portfolio continues to have its long exposure split largely between the US and Europe, and we initiated a significant new event-driven position in EchoStar (SATS).

In Q4, we reduced net exposure, particularly in tech, after the Nasdaq surged 5 - 6% intra-quarter on a flurry of AI infrastructure announcements from OpenAI and others that felt increasingly promotional and over-extrapolated. When sentiment reversed sharply in late October, we viewed this as a healthy retracement of the speculative positioning that had built up since Q3. We were content to be neutral-to-negative on market direction for the remainder of the year as things consolidated.

During Q4, we initiated a new event-driven idea: EchoStar (SATS). We became familiar with SATS earlier in 2025 when it sold a portion of its spectrum assets to SpaceX in two transactions and received half the consideration in SpaceX stock, giving SATS an implied 2.8% ownership stake in SpaceX at a \$400 billion valuation. This was intriguing since this transaction made SATS one of the few public market avenues to gain exposure to SpaceX, given its stake at the time represented ~30%<sup>2</sup> of SATS overall equity value when marked at \$400B. The balance of SATS net asset value (NAV) is comprised of cash from the ~\$40B of spectrum sales to AT&T and SpaceX and the remaining spectrum assets to be liquidated.<sup>3</sup> When it was announced in December that SpaceX was evaluating an IPO in 2026 and its latest valuation was \$800 billion, we initiated a position in SATS as the price had not reflected this news yet, trading at a large discount to NAV. We continue to view EchoStar as an attractive risk/reward situation as SpaceX heads towards a potential IPO in mid-2026.

## PERFORMANCE ATTRIBUTION

The largest drivers of performance (contributors and detractors) during Q4 2025 are noted in the table below.<sup>4</sup>

Top Portfolio Contributors	Top Portfolio Detractors
Event-Driven: CFLT	Event-driven: CORZ
Long: SATS	Event-driven: GTLB
Hedge: QQQ	Event-driven: PZZA

<sup>2</sup> With the increase in SpaceX valuation since the initial SATS spectrum sales to SpaceX, the % of SATS NAV has increased to ~50%.

<sup>3</sup> The FCC, under Chairman Brendan Carr, pressured EchoStar to divest its spectrum holdings after determining the company had failed to adequately build out the wireless network it had long promised. EchoStar has since agreed to sell ~\$40B in spectrum to AT&T and SpaceX, with proceeds earmarked for debt retirement and ongoing operations.

<sup>4</sup> Contributors/detractors noted may utilize a combination of common stock and options.

Our largest contributor in Q4 was Confluent (CFLT). Our thesis that CFLT was an attractive acquisition candidate, which we published and shared with investors in August ([here](#)), was validated when reports of a potential sale surfaced in October, culminating in IBM's announced acquisition in December.

EchoStar (SATS) was a contributor as a long event-driven position. As outlined in the prior section, we made SATS our top holding in December when reports of a SpaceX IPO hit the press. Our process that drove prior research on the SATS-SpaceX connection and maintenance of SATS on our watchlist allowed us to move swiftly on this news.

An index hedge with QQQ puts was a contributor. We used this to lower net exposure and to profit from a market decline when the tech sector reversed at the end of October and continued lower in November.

Core Scientific was a detractor as a fundamental long and event trade that we had paired with CoreWeave. This position worked in Q2-Q3, but we exited in Q4 as it began to retrace.

Gitlab (GTLB) was a detractor. We had a position to capture a retracement in valuation as well as being a potential acquisition target. The catalyst did not materialize during the quarter.

Papa John's (PZZA) was a detractor as an event-driven trade. We had a position to capture a potential repricing as part of a potential acquisition. The catalyst did not materialize during the quarter.

## CLOSING

2025 was another year that tested and validated Jackson Peak's process across a range of market environments: beginning of year rally, DOGE/tariff fears, Liberation Day volatility, Q2 market recovery, Q3 momentum rally, Q4 rotation and consolidation. Jackson Peak returned +82.9% (net) in 2025, bringing our cumulative return since inception to +160.5% versus +69.3% for the ACWI, with a low correlation (0.14) to the market.

As we approach the third anniversary of the firm's inception in March, I am pleased with what we have built and remain focused on continuous improvement. In December, I did an annual review of all positions from the past year, analyzing what worked and what did not, to sharpen our process heading into 2026. Looking ahead, we continue to see an environment rich with fundamental and event-driven opportunities.

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 concentrated, long / short equity strategy. 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 taking less market risk and having a low correlation to overall equity markets.

## 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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