

MONTHLY INVESTOR LETTER

May 2026

Portfolio Rotation · AI Power & Infrastructure · Forward View

ONE NUMBER

>\$400 billion

Estimated 2026 hyperscaler capex and infrastructure commitments across Microsoft, Alphabet, Amazon and Meta. The bill that needs to be powered, cooled and connected.

01 — MACRO OVERVIEW

The Recovery Beneath the Headlines

April recovered much of March's drawdown, with the strongest performance coming from the AI infrastructure chain: semiconductors, electrical contractors, power equipment and connectors. Q1 earnings and guidance broadly reaffirmed the hyperscaler capex cycle, with several companies maintaining or increasing infrastructure spend expectations.

Tariff risk remained visible, but the earnings impact became more uneven: retailers and discretionary importers absorbed more cost in margins, while higher-quality compounders were less affected. Brent remained elevated, which supports the external-balance picture for selected oil-linked African credit exposures while raising input-cost risks for oil importers. Rates markets remain divided: survey respondents still point to roughly two cuts this year, while futures pricing has shifted higher and pushed the first fully-priced cut later into the year.

This quarter, we rotated further toward the physical AI supply chain, where demand visibility remains stronger than market ownership.

02 — PORTFOLIO ARCHITECTURE

Eight Themes, Refreshed

CRANSTOUN PORTFOLIO ARCHITECTURE · AS AT 28 APRIL 2026

01 AI & Semiconductors NVIDIA · AMD · ASML · Broadcom · Marvell · Cadence · Amphenol	02 Technology Platforms Microsoft · Alphabet · Meta
03 AI Power & Infrastructure Cameco · Quanta · Trane Technologies · Comfort Systems · IES Holdings · Consolidated Water	04 Critical Materials & Gold Southern Copper · MP Materials · Thor Explorations · SPDR Gold
05 Frontier Defense & Compute Palantir · Axon · Rocket Lab	06 Healthcare & Consumer Quality Eli Lilly · Costco · Walmart
07 African Fixed Income Angola · Egypt · Nigeria · Access Bank	08 Tactical Index SPXL

03 — THEME IN FOCUS

AI Power & Infrastructure

THIS MONTH: AI POWER & INFRASTRUCTURE

The most important fact about the AI build-out is the most physical: the gigawatts to run it do not yet exist. US data centre electricity demand is on track to roughly triple by the end of the decade. Closing that gap requires more reactors, transmission, cooling and electrical contracting.

Cameco gives us exposure to the structural uranium tightening as nuclear restarts and SMR contracts gather pace. Quanta is the dominant US transmission and substation contractor. Trane, Comfort Systems and IES Holdings sit in the electrical and thermal-management layers that keep data centres operational. Consolidated Water adds a niche position around water-cooled compute. Together, these are the picks beneath the picks: the physical layer that allows the AI trade to function. This is where the bulk of our quarter's rotation has gone.

04 — THEME COMMENTARY

How the Macro Touches Our Holdings

AI & Semiconductors

NVIDIA, AMD, ASML, Broadcom, Marvell, Cadence and Amphenol span the full compute stack. Q1 earnings reaffirmed the 2026 capex curve. We added on March weakness.

AI Power & Infrastructure

Cameco, Quanta, Trane, Comfort Systems, IES Holdings and Consolidated Water. The largest active rotation of the quarter — the physical layer of the AI thesis.

Frontier Defense & Compute

Palantir, Axon and Rocket Lab — three positions at the convergence of AI software, public-sector demand and modern defense. Small but growing.

African Fixed Income

Angola benefits from oil running well above its \$61/bbl budget assumption. Egypt is on track with its IMF programme. Access Bank delivers reliable USD coupon income.

Technology Platforms

Microsoft, Alphabet and Meta convert AI capex into operating leverage. Pricing power and AI-enabled product cycles continue to compound earnings.

Critical Materials & Gold

Southern Copper, MP Materials and Thor Explorations capture the structural metals deficit driven by electrification. SPDR Gold remains as portfolio ballast.

Healthcare & Consumer Quality

Eli Lilly's GLP-1 franchise remains a long-duration compounder. Costco and Walmart benefit from consumer trade-down behaviour.

Tactical Index

SPXL provides leveraged S&P beta. We exited TQQQ and MicroStrategy this quarter; the remaining tactical book is appropriately sized.

05 — OUR LENS

Rotating Toward the Real

“ Software has been the dominant story of the cycle, but the next phase of the AI build-out runs through transformers, switchgear, reactors and cooling lines. We have rotated portions of the book away from positions whose narrative was complete — payment networks, levered crypto proxies, a handful of older infrastructure compounders — and into the physical layer that the next wave of capex must pass through. We are not chasing a trade. We are following the wires. ”

06 — FORWARD VIEW

Where We Go From Here

We enter the back half of Q2 with portfolio risk concentrated in our highest-conviction views: AI compute, the physical layer beneath it, and African sovereign income. Q1 earnings did not break the AI capex thesis. Macro volatility — tariff, oil, geopolitics — remains elevated, and we will use weakness rather than position around headlines. Our base case is that the structural tailwinds compound through the second half of the year, even as the noise around them intensifies.

07 — WHAT WE'RE READING

Perspectives Worth Your Time

Energy Demand from AI

International Energy Agency, 2025

Authoritative read on the gigawatt gap between AI-driven data centre demand and global power supply through 2030.

Tech AI Spending Approaches \$700 Billion in 2026

CNBC, February 2026

Updated picture of Microsoft, Alphabet, Amazon and Meta infrastructure capex coming out of Q4 earnings.

Uranium's Tale of Two Markets

Sprott Asset Management

How nuclear restarts and SMR contracts are pulling uranium spot and long-term contract prices in different directions.