



## Hillside Capital Q2

**S&P 500 YTD**

**5.96%**

**Hillside Capital YTD**

**18.53%**

The year of 2025 has been a year of transition for Hillside Capital. As we continue to seek value to deploy our capital and keeping in mind of how we can protect capital from devaluation as inflationary policies, marked by the decline in the US Dollar continues ahead. This has been reflected by the increase in the price of Gold, and with many governments and funds continuing to seek refuge in hard assets.

Whilst protecting our capital from permanent loss remains our utmost priority, we have also seen opportunity globally. I hold the conviction that our offshore investments are going to outproduce and outperform a US market which is uncertain and expensive today. We have exited two positions in the United States this quarter, one in South Korea and bought meaningful stakes in Pakistan based securities. Whilst our cash position in the United States remains larger than I would have anticipated at the beginning of the year, I feel much more comfortable holding an opportunistic pool of capital to be deployed in an anticipated downturn than deploying it where the risk of a downturn is significant.

We continue to hold stakes in three businesses in the United States and this is unlikely to change as the businesses remain undervalued and provide a strong hedge against inflation within their respective industries.

The reasoning behind our exit from the business in South Korea was due to a lack of certainty regarding where the management is going in regards to a prospective sale we were anticipating. This is no longer clear and we don't feel comfortable risking our capital in such a situation.

The most significant deployment of capital has been our increase in existing positions in Pakistan. We now own a significant stake in our largest holding along with additional smaller stakes in businesses where we see tremendous value.

Warmly,

Ateeq Afzal

Founder & CEO, Hillside Capital