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HARRY QELM BAABSMAN

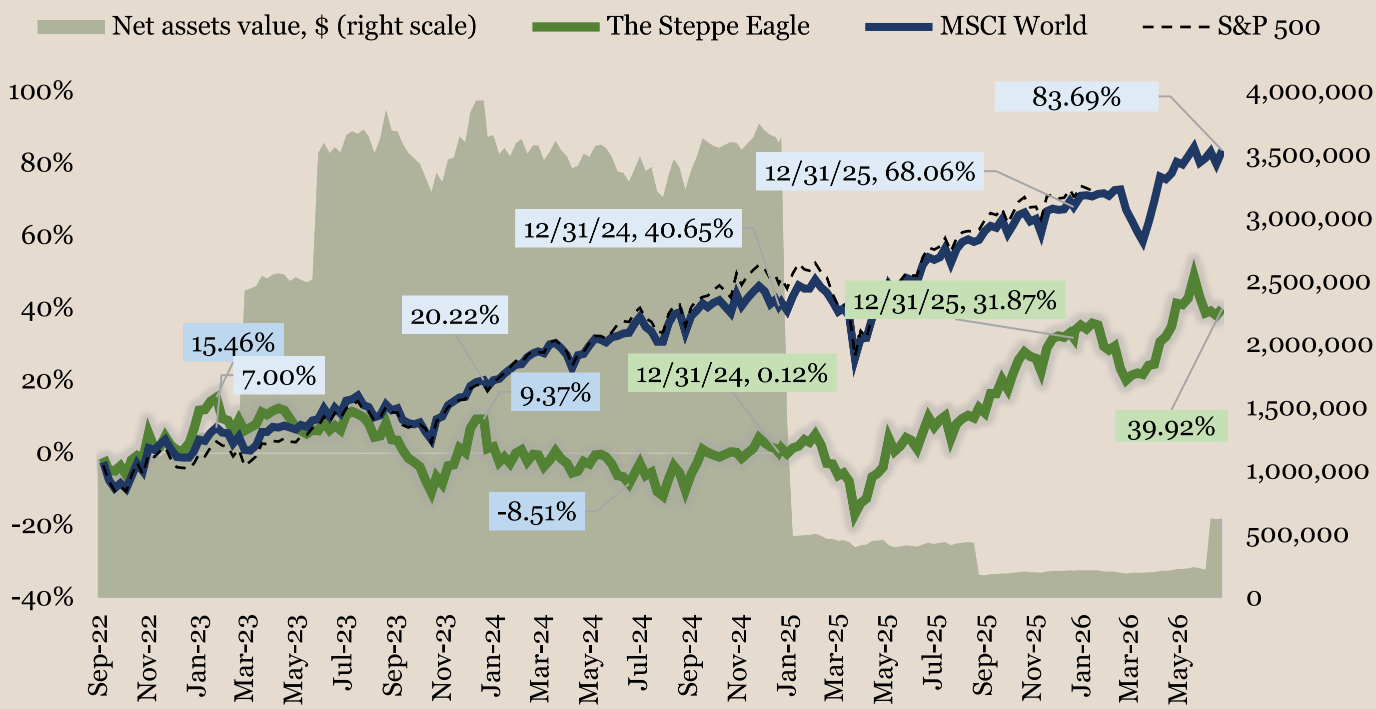
Eyrie of The Steppe Eagle

2026 Half-year Investment portfolio report

Fellow Investor, Unitholder, Reader,

According to our tradition, let's quickly dive into a **brief half-year investment report** to measure how Steppe Eagle is doing at the half-flight point. What has influenced the results so far, and what we might expect later this year and beyond, because six months are nothing for a long-term investor.
The investment team of Harry Qelm Baabsman appreciates your curiosity; we hope you find this read useful, we attempted to **clearly and honestly** explain the bigger picture the management team has in mind and what your investments are currently doing.

Misfortune and Good luck are in constant pursuit of each other: the last valuation delivered a modest positive result year-to-date (YTD), however our benchmark performed better during that timeframe.



The Steppe Eagle OEIC Ltd was registered on 25th of July 2022; Started its operations on 8th of September 2022 and is managed by Harry Qelm Baabsman ltd, a CIS License holder at AIFC (AFSA-A-LA-2022-0006, active since 3d of February 2022). On the 30th of June 2026, The Steppe Eagle consisted of 44 976 815 Units; the Unit's price was $0.01380.

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The Steppe Eagle was up by +4.64% in the first six months of the year, our benchmark, MSCI World Index, yielded +7.09%. Since its inception, the Steppe Eagle arrived at +37.99% versus +79.91% for its benchmark. And after we passed the 30th of June, The Steppe Eagle touched the **6.11% YTD mark** but still below 9.30% for MSCI World**.**

The US (and pretty much the international) stock market never finds inner peace, oscillating between extremes. We all - market readers, investors, traders, and analysts are desperately trying to explain to ourselves the thick behavioral soup that is brewing in this pot; it is easier for everyone to blame or praise political/business leaders, wars, and cataclysms. Yet, **there is no single individual or research group who can properly weigh and explain what caused what**, even after the events took their places; God forbid even thinking about making proper forecasts for the future.

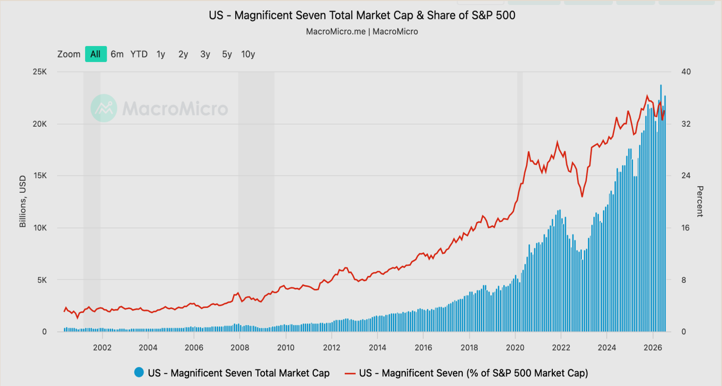
The market is a swamp with too many birds, frogs, bugs, and swamp gases to even think about calculating the melody of chaos. Always random, always unexpected. Iran and Ukraine, Trump and Putin, Jensen Huang and Sam Altman, China and the US, AI/LLMs and SaaSpocalypse. All the above-mentioned have impacted the flow of events more or less. Nothing new. **But how much, what, and who exactly? Nobody tells. Neither will we.**

All we can do is observe the macroeconomic charts to measure the degree of economic progress and financial risks, according to our understanding of what can work and what can't. Yet that is a field one can never come up with totally reliable mechanisms. A more rational task is researching proven financially viable companies **that performed well in the past, so maybe they would continue to do so in the future**, especially when we can get them cheaper than in the past.

The half-year result was mainly impacted by a) Neural networks (AI, as the majority call them, which isn't entirely true) keep the market crowd uncertain – will it lead to a remake of the software companies' landscape or not!?; b) the shortage of memory chips and other hardware components had been offset by the fear of AI-bubble, which led to high volatility within hardware sector, eventually hardware companies rose in June and May; c) demand and political struggle with the US about data-centers and electrical energy supply made the energy sector, including solar and wind, extremely high risk/high reward environment; d) political tensions and wars heavily burden EU-economy and world energy supply, which theoretically impacts every soul and the global industrial production. Thus, our software companies gained in May and lost in June. Solar and wind companies gained some ground. And other sectors – apparel and industrial companies dragged the Steppe Eagle in different directions: apparel - down and industrial -up. Finally, the impact was drastically muted by the entrance of new Unitholder(s) in June, making all holdings of our portfolio 2/3-smaller. This rendered any impact they could normally have, good or bad, milder.

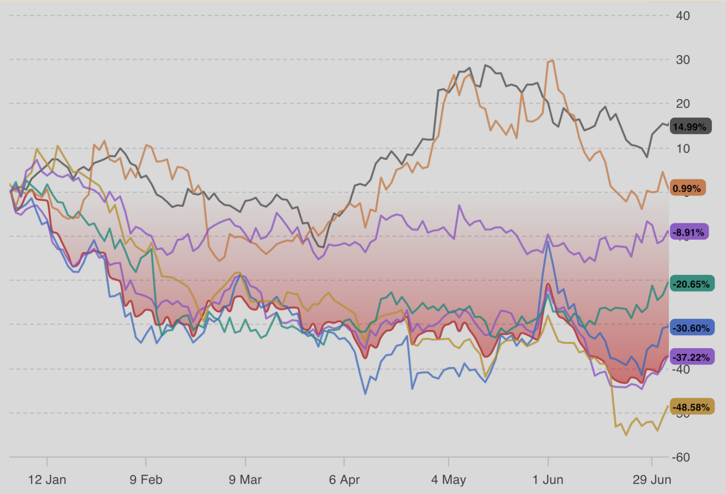
On the other hand, now we have the opportunity to invest that influx of cash at a more reasonable prices, which we partially did, adding the following businesses: Accenture plc (ACN) +1.7% of total assets, Salesforce (CRM) +1.9%, Lululemon (LULU) +1.5%, Uber (UBER) +1.5%, ServiceNow (NOW) +1.5%, Adobe Inc (ADBE) +1.5%, Zoom Communications (ZM) +1.2%, Docusign (DOCU) +1%, and some smaller stakes. In July we added more Lyft Inc (LYFT) +1%. At the time of publishing this report, most of the above-mentioned companies yielded considerable returns.

We do not like the concentration of large tech companies in the US and global economy, boosted by the shortage of components and "this time is different"-thinking encouraged by the LLM-related hysteria. The concentration of the Magnificent Seven in the S&P 500 Index reached 33+%, fueled by Nvidia (NVDA), Alphabet (GOOGL), Meta (META), and Microsoft (MSFT). Look at the next chart. That isn't healthy for the stock market or economy, so we expect some unpleasantries connected to mega-companies in the near or distant future. However, we keep Alphabet, which we bought several years prior, due to the wide margin of safety and constant dividends.



source: macromicro.me

As the chart below demonstrates, our largest positions lost YTD, but tactical additional purchases helped us stay on the positive side. For example, closing prices for July 03, 2027, were: CRM - $166; ADBE - $219.72; ACN - $137.35; NOW - $106.32; UBER - $74.43; ZM - $87.145; LYFT - $15.37. We added these names during 2026 at: CRM - $156; ADBE - $198; ACN - $133; NOW - $95; UBER - $71; ZM - $85; LYFT - $15. Certainly, there was a component of luck – an additional influx of cash, but there was also a deliberate small-bites tactic - the bigger the bite the lower the stock falls.



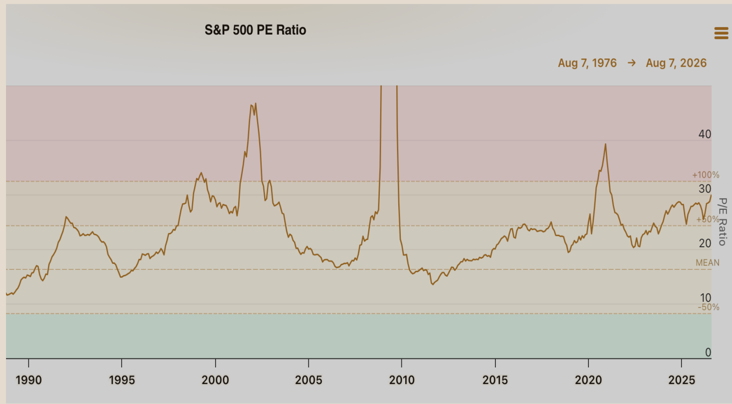
Company	Return	CAGR	Last	Mkt Cap
CRM Salesforce, Inc.	-37.3%	-60.3%	$197.51	$161.76B
ADBE Adobe Inc.	-37.2%	-60.2%	$272.96	$108.50B
GOOGL Alphabet Inc.	15.0%	31.8%	$357.52	$4,363.18B
NOW ServiceNow, Inc.	-30.6%	-51.5%	$127.44	$131.76B
ACN N Accenture plc	-48.6%	-73.6%	MX$3,066.99	MX$109.08B
LYFT Lyft, Inc.	-20.7%	-36.7%	$17.26	$6.53B
ZM Zoom Communications, Inc.	1.0%	2.0%	$107.20	$31.43B
UBER Uber Technologies, Inc.	-8.9%	-16.9%	$78.03	$159.38B

source: Tikr.com

We monitor the Growth-to-Value stocks ratio since early 2024. Though exciting and promising new technologies may be, they still need the backing of tangible hardware and electricity. More capacity and, thus, investments into infrastructure down the chain could be expected. The next picture promises more exciting long-term ideas at the Value specter of the Stock universe. We have a bunch of them and keep adding more, when the prices appear to be cheap.

source: msci.com

According to the current state of different economic indicators, ranging from Inflation, Industrial Production, and Unemployment rate to Truck Tonnage Index and Price-to-Earnings ratio of the S&P 500 (see below), we think that if we keep searching for value or/and growth-at-reasonable-price companies, we can adhere to our goal of achieving a competitive double-digit return over a multi-year horizon.



source: longtermtrends.com

Stated many times, in each Letter to investors: "*we patiently wait for a better price or a better business to purchase because we are playing a long game, **where even three years is just a first step**. We want to demonstrate that time in the market means more than timing the market. The Fund mainly invests in solar, wind, and other sustainable products and services. Sometimes those kinds of businesses appear too pricey to risk the Fund's money. So, we also search for sustainable Tech, IT, and Consumer companies.*"

The Solar and Wind have been truly volatile this season, reaching peak prices in May due to anticipated high energy demand for data centers. TAN ETF finished +14.7%, and FAN ETF ended up at +21.3%. The companies we have in portfolio are collectively weigh 11+%, mainly for profit-taking that took place in 2025 and the additional money the fund has attracted in June 2026. These sectors are strategic, but we shall wait for more discounts to refill our reserves of clean energy companies. Presently, Shoals (SHLS) and Fluence Energy (FLNC) are starting to look more promising.

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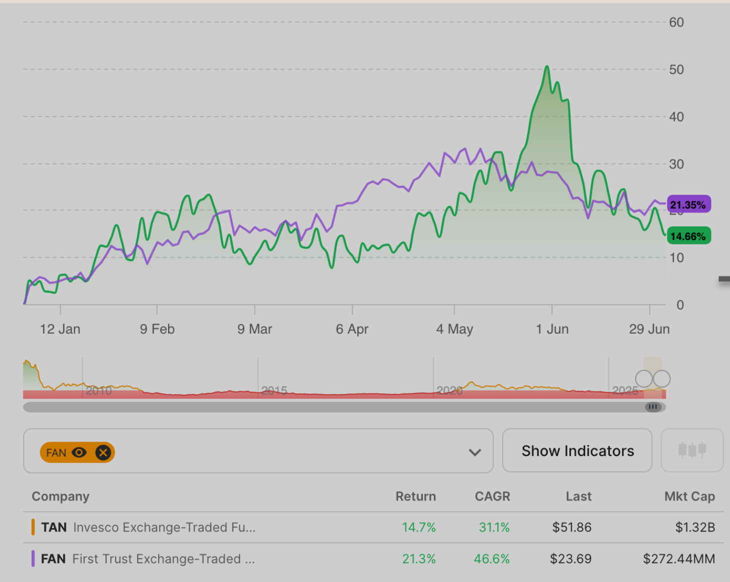


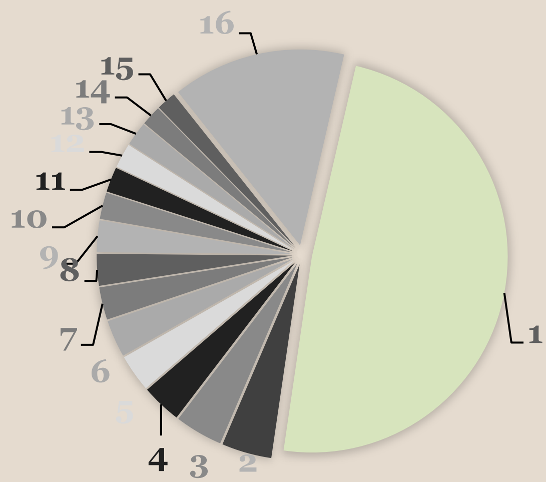
source: Tikr.com

In the upcoming months and quarters, the dynamics of The Steppe Eagle will heavily rely on SaaS-companies, UBER & Lyft. We will try to find attractive smaller bets and clean energy companies.

The following data describes the state of the portfolio on July 03, 2026.

Composition of the portfolio by position:

1	*Cash*	*...48.70%*
2	*Uber Technologies Inc*	*...4.13%*
3	*Salesforce.com*	*...3.95%*
4	*Shopify Inc. Class-A*	*...3.30%*
5	*Alphabet Inc. class-A*	*...3.08%*
6	*Zoom Communications*	*...3.07%*
7	*Nextpower Inc-cl A*	*...2.68%*
8	*Accenture plc*	*...2.61%*
9	*Adobe Inc*	*...2.61%*
10	*SMA Solar*	*...2.18%*
11	*Lululemon Athletica Inc*	*...2.07%*
12	*Servicenow Inc*	*...2.02%*
13	*Docusign Inc*	*...1.98%*
14	*Thor Industries Inc*	*...1.66%*
15	*Shoals Technologies Group*	*...1.63%*
16	*other bets*	*...15.96%*



Management discussion

Our motto: **bring returns through intelligent investing into friendly to the environment and shariah-compliant businesses across developed economies**.

- The companies that are already mature enough to function with numbers close to or well beyond one billion US dollars;
- Which already faced and coped with crises in the past;
- Can efficiently operate without excessive debt;
- Companies whose advantages are difficult to replicate and can sustain a high return throughout many years;
- Work in agreeable industries, especially clean energy, recycling, conscious consumer goods and services, IT and software;
- Businesses that Mr. Market is occasionally offering with a significant discount to intrinsic value;
- Totally having in mind Mr. Buffet's saying: "Our favorite holding period is forever."

The Steppe Eagle assets were volatile and opposite-directed during the first six months of the year. **The main detractors were Adobe, Salesforce, Shopify, Accenture**; these companies gave up the price levels they held at the start of the year, combined loss of -$10,200. **Clean energy companies lifted the portfolio**: Nextpower (NXT), SMA Solar (S92_GR), Enphase (ENPH), and SolarEdge (SEDG). Combined results was above $15,000. Smaller bets, including Uber, Zoom and Lyft, shifted the balance of the portfolio into the positive side.

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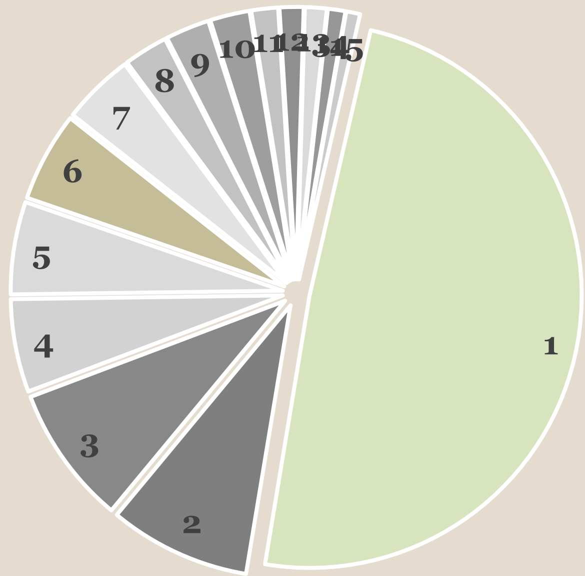
Composition of the portfolio by industry:

1	*cash & precious metals*	*...49.01%*
2	*IT: Internet & data*	*...8.41%*
3	*Clean energy: solar*	*...8.24%*
4	*Transport: taxi & delivery*	*...5.52%*
5	*IT: SaaS work&operations*	*...5.49%*
6	*IT: Cloud marketing*	*...5.32%*
7	*Industrial: auto*	*...4.26%*
8	*IT: consulting & data*	*...2.61%*
9	*IT: SaaS design and marketing*	*...2.61%*
10	*Consumer: clothing*	*...2.36%*
11	*Clean energy: wind*	*...1.59%*
12	*Consumer: cloth-marketplc*	*...1.42%*
13	*Clean energy: storage*	*...1.29%*
14	*Greener: lights & efficiency*	*...1.04%*
15	*Recycling: metals*	*...0.83%*



We should also describe our view on several promising stories:

Salesforce (CRM): The company pioneered cloud-based CRM systems (Customer relationship management). Its bright leadership by Marc Benioff and famous corporate culture enabled it to cultivate a team of talented professionals who develop several important platforms that help businesses globally to work with clients, make analytics and decisions, and develop new connections. That is a big company with sales of over $40 billion; Salesforce's business is growing at a double-digit pace, which has shown a few features of maturing, slowing its fast-growth phase, but with rapidly improving profitability (operating margin jumped from 2% to 20+% in just four years) and a healthy balance sheet. Our average purchase price is $169 between 2023 and 2026. Everybody seems to like CRM's visionary role and wide range of integrated and interlinked solutions. The company's stocks deserve a hefty 6% to 8.5% portion of the investment portfolio and a prolonged holding period, over 7 years or more. In 2026 market decided to distrust SaaS-companies to handle LLMs-challenge. However, CRM kept posting 8-10% growth rate, paid dividends, we remain patient.

Uber Technologies, Inc (UBER): Uber is a massive transportation business with annual sales over $53 billion dollar, that keeps surprising with solid double-digit growth. It commands a robust global presence (50% North America, 25% EMEA, 10% APAC, and the rest of the world 7%) in three categories: rides, delivery, and freight. It is an innovative and well-led company (Dara Khosrowshahi). The company has been profitable since 2023, with FCF margin reaching 15% (we'll see about its sustainability). With a 15 to 25% % growth rate, 7.5 to 13% FCF margin, and 15-30% dilution over 10 years, we arrive at $55 to $100+ per share, depending on the current reputation of the business. A reasonable range looks more like $65-90. Debt to assets subsided down to 19% from 30% previously. Our average purchase price is $70.7 between 2024 and 2026. Uber is big & strong, connected to tangible operations worldwide; it's worth 5% as some sort of staple.

Alphabet Inc (GOOGL): The one from the Tech Titans that the Steppe Eagle has under his wing. This behemoth commands a Sales figure of over $400 billion and a market capitalization of over $3.5 trillion. In recent years, the company has kept its grasp over the Internet Search, YouTube, and AI. It also vigorously grows in the area of Cloud Computing (double-digit growth), and this is the top company for Autonomous Driving, an undisputed leader with the most driven distance. It still doesn't look expensive and is worth every invested dollar. We entered the position in 2022 and 2023 at an average price of $106.

Shopify Inc (SHOP): One of the best positions of the Steppe Eagle. The company offers marketplace, merchant infrastructure, collaboration, and more. Built from scratch by Toby Lutke, guided by Harvey Filkenstein. Shopify offers care for small businessmen. It has low debt, a high-growth-profile, and a lot of cash on the BS. Shopify tries to encompass all the necessities of merchants and businesses: marketplace, logistics, tax solutions, customer relations, point of sale (POS), transactions, and integrations. It remains a 20-25% grower. They didn't dilute shareholders for the last 3 years. The balance sheet is healthy. The only concern is 4% interest income to total revenue and low fixed assets compared to 12+ billion total assets. Every year it gets more profitable & prominent, however, the valuation sometimes gets stretched then noticeable reverse usually follows. We entered the position in 2023 and 2026 at an average price of $61.9.

Zoom Video Communications (ZM): We consider Zoom as a business with a great product and a talented team that learns from mistakes and develops more and better future products. It came from a Zoom call to Zoom workplace; it is so much more now than just a video-conference software company. Today it is a sustainable, profitable business with a bright idea, which was an exceptional pearl even before COVID-19. The debt level is low, the revenue stream continues to come above $4.9 billion a year, the business has a 30+% free cash flow margin and its product canceled millions of unnecessary business travel, which is very green. Zoom has some difficulties growing again at a double-digit pace, but when it fell to below $60, it was an opportunity to step heavily in. Now, the company is trading more reasonably between $80+ and 100. It is a nice long-term business to hold. We entered the position in 2023 and 2026 at an average price of $75.3 in 2023, 2024, and 2026.

Nextpower (NXT): The business manufactures solar tracking systems primarily in the USA; these systems allow solar panels to follow the sun disk through its daily orbit, which increases the solar energy output by 25-40%. It is a Flex Ltd’s spin-off, with $3.5 billion in annual sales, which demonstrated growth when all other solar companies faltered in 2024 year; it expected to grow at a 20-30% pace for the next several years; the profit margin is dancing between 10% and 17%; and the debt is just $45 million at total assets of $3800 million. The shares of this company have been trading just for a few years, which is the only reason we hesitated to have more than 5% of this company in the portfolio. We prefer 10+ years of history. Our average entry point in 2024-2025 is $40.5.

Adobe (ADBE): The company offers universally renowned graphic design products, such as Adobe Photoshop, as well as digital contract signing tools and marketing products, aiming to leverage them all through LLMs. It has a tight grip on digital content through editing, signing, and marketing applications. This business has long been characterized as a solid, reliable, 10%-growing business with one of the best profit margins in the industry, above 25%. It deserves its place in the portfolio with a decent growth profile and stability. The main concern for the market is that LLMs, Figma (FIG), and Canva will sooner or later rip Adobe from its growth and premium. This is literally the most profitable among big tech companies, with $24 billion in revenue and a stable 36+% operating margin, which Mr. Market is offering at unheard-of since the 2010s multiples of PE and P/FCF. We are holding a 2.5+% position with an average buying point of 237.

Accenture Plc (ACN): The company provides strategy and consulting in the area of IT-products in the Americas, Europe, the Middle East, Africa, and the Asia Pacific. It is a world-renown IT-consulting company, financially healthy, big, that has managed to continue its growth. The development of LLMs threatens its business, at least a part of the market believes so. We hold it for dividends, continuation of growth and historically favorable valuation. We are holding a 2.5+% position with an average buying point of 137.

SMA Solar (S92_GR): Before SolarEdge and Enphase, the solar inverters market only knew the commendable name of SMA Solar AG, the stable German company. It has been through many cycles; it lost the North American market to the aforementioned companies, but was able to compete in Europe. The company makes EUR 1.5+ billion in revenue, has long-term contracts on its home turf, 11% debt-to-assets ratio, and enough cash to weather a storm. It never dilutes its shareholders. On the downside, the profitability has been lost, so only the ongoing recovery could fix it. We were fortunate to buy at EUR14.21 in late 2024. Since then it grew up to 70 EUR, we sold a lot along the way, but continue keeping small part.

Zalando SE (ZAL_GR): Is a 12+ billion EUR in sales European e-commerce clothing retailer with a stiff grip over the EU market. Financially healthy but with a thin profit margin, this clothing retailer is a leader that could bring stable double-digit growth for the portfolio over the years. The least exciting part about this business - it is less green than we previously thought because Fast-fashion is not green, even with conscious execution. We believe the company is undervalued, and we shall eventually see its recovery. In 2025 its price declined from 35 EUR to just 22 ignoring growing underlying business. Revenue's compounded annualized growth rate or CAGR for the last 5 years was 9.1%, and earnings per share continued to come out sturdy. In the next 3-5 years we expect further recovery of this business towards more robust numbers and growth.

Signify NV (LIGHT_NA): Previously known as Phillips Lightning, it has declining annual sales of 6.1 billion EUR. Still, it pays a truly handsome >5+% dividend at current prices (20-22.5EUR) because during the phase of slowing sales it amends the business to make it leaner and more effective. The company was offered by Mr. Market between 0.4 and 0.45 levels of the price-to-sales ratio. In contrast, the usual and fair valuation should be between 0.6 and 0.75 price to sales. Everyone knows Phillips' lightning solutions and everyone who has bought lamps for their homes or cars. Additionally, the company is constantly fighting for better efficiency of its lightning products, developing greener and futuristic solutions to illuminate our lives. We would like to keep this business as long as possible if it continues to operate with a lower debt level. At some point in time, the decline is expected to be over, and slow recovery must situate this business from 21EUR closer to 30EUR.

Vestas Wind Systems (VWSB_GR): Vestas is a poster child of wind energy; it is the largest and oldest among currently active companies. All major wind energy markets across the globe, except for China, are served by Vestas. Its revenue and asset base are colossal for the clean energy sector. The company is contracted for 5 years ahead, 27GW of projects in the pipeline, and 37 billion EUR of service contracts. The problem with a thin Profit margin that overshadowed this company previously is gone now. In 2025, the company achieved record sales, kept a healthy balance sheet, and improved adjusted FCF above 1.5 billion (Net Income 778 mln). Our average price is 17EUR. Vestas is a long play, God willing, for several years if they continue keeping the financial health & dominant market position. Our pessimistic model indicated a fair value between 19 and 25 EUR, which was hit in 2025, but we're not leaving.

SolarEdge (SEDG): This fast-grower is unfortunately prone to cycles. Producer of power optimizers and string inverters for solar energy generation. We have followed the company since 2017 because it used to manage to increase revenue by 25-35% every year, operating profit too, using a considerably small amount of debt. The company works in both great solar energy markets (the United States and the European Union). SolarEdge and Enphase (ENPH) are leaders in this business. Yet, crisis 2024 made evident issues with the company, such as unnecessary product diversification and weak control over profit margin, so the cycle forced the business to change its CEO and CFO. The business showed signs of recovery, and the stock price changed from $13 to $33-39 in 2025. However, our average position is still $117.5.

The pleasure of investing in such companies is all ours. We are sincerely thankful to The Steppe Eagle's Investors for their patience and courage. It helps us to keep focused on investing in all market weather.

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Thank you for reading!