

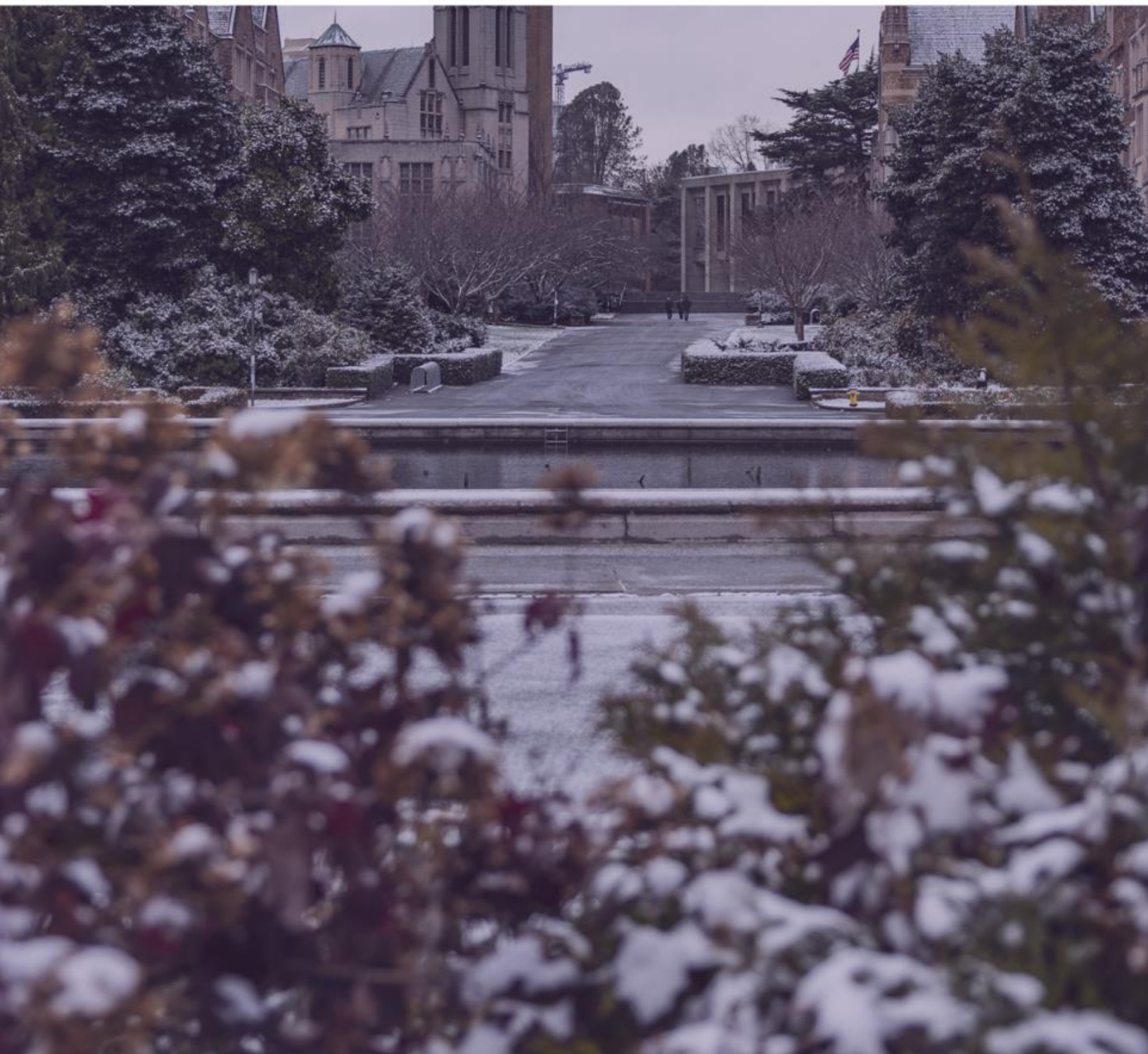
Investor Letter



UNIVERSITY of WASHINGTON
INVESTMENT GROUP

Q1 2026

Prepared by The Investment Committee



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Overview of the University of Washington Investment Group


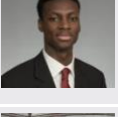
Mission Statement

The University of Washington Investment Group (UWIG) is a student-led organization that manages two real money portfolios (Husky Traders, reviewed in this report, and D.A. Davidson portfolio). The primary objective of UWIG is to give students hands-on experience in equity investing through professional asset management processes built on three pillars: Education, Practical Experience, and Job Opportunities.

Through the Education pillar, members gain foundational knowledge via an Analyst Training Program, market reviews, and industry speaker insights. The Practical Experience pillar engages members in investment management through tracks for security selection, portfolio management, and performance attribution and risk monitoring, all using real assets. The Job Opportunities pillar connects members to career pathways through a job board, networking with classmates and alumni, and industry speaker recruitment events, as well as participation in case competitions such as those hosted by the CFA Institute.

Investment decisions are made in a manner consistent with fiduciary duty, requiring members to act as prudent experts in the sole interest of the ultimate asset owners. Eligible securities include individual stocks within the S&P 500 Index, ETFs replicating portions or the entirety of that index, and cash/cash equivalents. Short positions, leverage, and derivatives are not permitted. See individual portfolio investment guidelines for additional detail.

Winter 2026 Executive Team Chart

University of Washington Winter 2026 Executive Team			
	Ben Calhoon <i>President</i>		Alice Wang <i>Vice President</i>
	Alexis Dimas <i>Senior Advisor and Sector Lead – Semiconductors</i>		Drew Fialho <i>Director of Administration</i>
	Vitalii Lupyr <i>Senior Portfolio Manager</i>		Luke Alexander <i>Portfolio Manager</i>
	Michael Chang <i>Director of Research and Sector Lead – Software</i>		Lucas Daniel <i>Director of Reporting</i>
	Aakash Pany <i>Director of Education</i>		Jack Madeoy <i>Director of Advancement</i>
	Kimberly Soewanto <i>Director of Marketing</i>		Kevin Wijaya <i>Sector Lead – Communication Services</i>
	Isha Bhansali <i>Co-Director of Recruitment and Retention and Sector Lead – Consumer Discretionary</i>		Elhadj Toure <i>Co-Director of Recruitment and Retention</i>
	Gabriel Jani <i>Sector Lead – Industrials</i>		Celina Phan <i>Sector Lead – Hardware</i>

Portfolio Management Update

UWIG’s Husky Traders portfolio is a ~\$33,000 actively managed portfolio that seeks to outperform the S&P 500. Our default position is to hold each S&P 500 GICS sector ETF at market-cap weights, thereby replicating the S&P 500. Sector teams then research and pitch stocks they believe can outperform the associated sector ETF. Buy recommendations approved by the Investment Committee replace a portion or the entire allocation to the corresponding sector ETF, depending on conviction. Sector allocations are kept in line with those of the S&P 500 index.

Entering the first quarter, UWIG was active in Industrials (UBER) and Consumer Discretionary (DECK). The portfolio underperformed by 17 basis points for the quarter.

The decision to hold UBER cost the portfolio 127 basis points, as UBER declined nearly 12% during the quarter, while the Industrials sector returned 4.3%.

The position in DECK added 117 basis points, largely offsetting the loss associated with UBER. We exited on February 5th following a strong earnings beat and positive forward guidance.

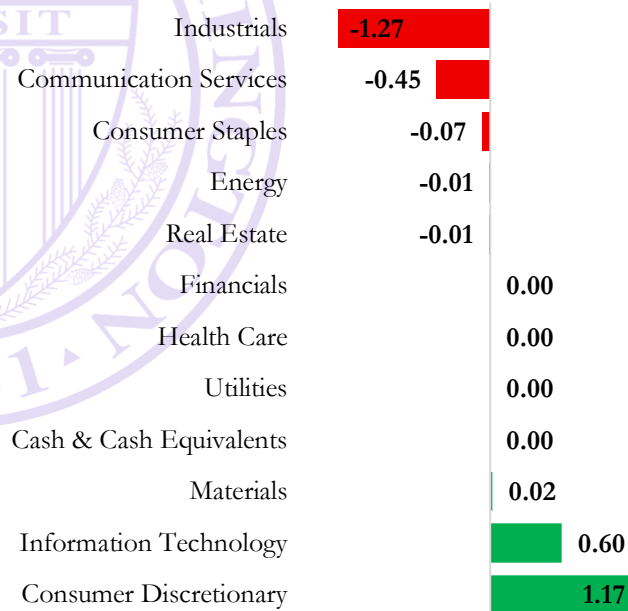
Allocation effects were marginal, accounting for only 16bps of underperformance; the largest was in the Industrials sector at -9bps.

For the year ended March 31, 2026, Husky Traders has outperformed the S&P 500 by 2.21%.

Figure 1: Sector Weights

% Weights	On 12/31		On 3/31	
	SPX	HT	SPX	HT
Information Technology	34.34	34.87	32.81	32.64
Financials	13.37	13.34	12.56	12.79
Communication Services	10.55	10.51	10.25	9.71
Consumer Discretionary	10.38	10.39	9.84	10.44
Health Care	9.57	9.50	9.44	9.38
Industrials	8.14	7.82	9.00	9.06
Consumer Staples	4.70	4.63	5.24	5.14
Energy	2.81	2.81	4.00	4.01
Utilities	2.24	2.22	2.53	2.48
Materials	1.83	1.70	2.09	2.11
Real Estate	1.82	1.79	1.95	1.92
Cash & Cash Equivalents	0.26	0.42	0.29	0.32

Figure 2: Selection Effect



Cash & Cash Equivalents include residual cash and cash-like holdings embedded within ETFs, such as short-term government-sponsored enterprise securities, which are not actively allocated positions.

Figure 3: Cumulative Return

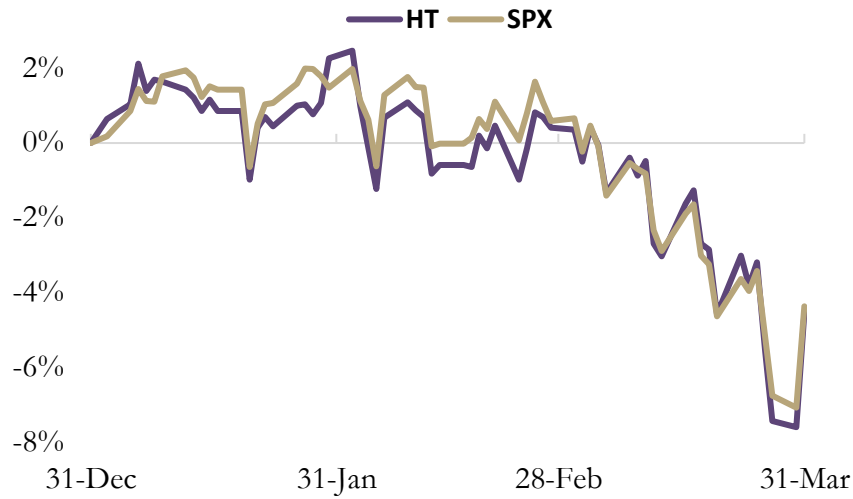


Figure 4: Performance

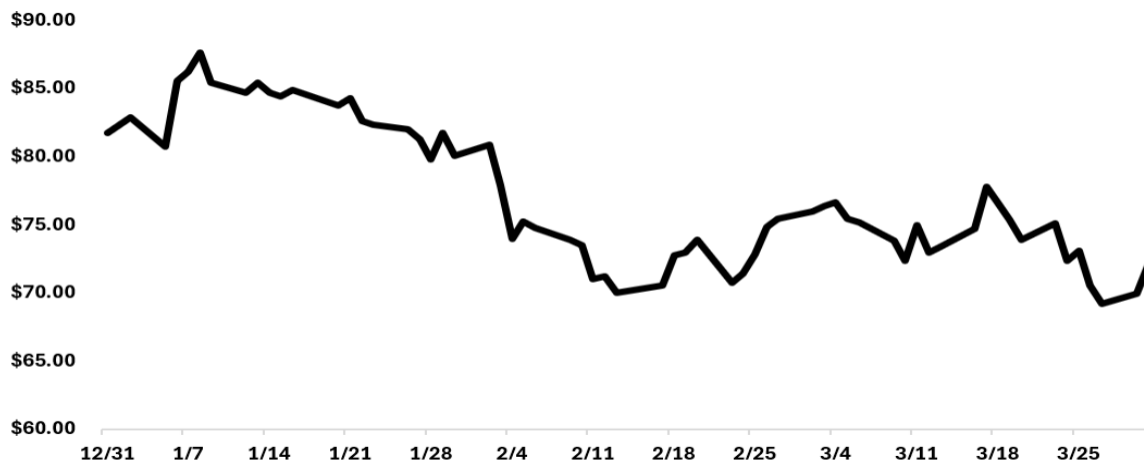
	Total Return (%)				
	1Q26	Jan '26	Feb '26	Mar '26	TTM
Husky Traders	-4.54	2.26	-1.80	-4.94	19.80
S&P 500 Index	-4.37	1.47	-0.86	-4.93	17.59
<i>Excess Return</i>	-0.17	0.79	-0.94	-0.01	2.21

Existing Positions



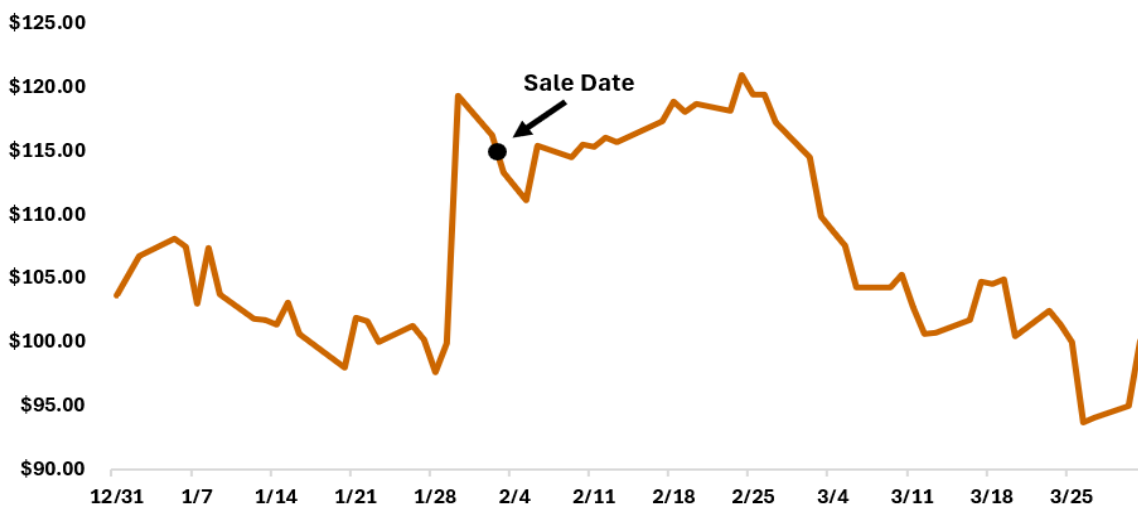
Uber
Technologies,
Inc.
NYSE: UBER

UWIG entered a position in Uber on March 14th, 2025, focused on segment growth and its role as a demand aggregator for robotaxis, strengthening its position in the transportation industry. UBER has recently experienced some headwinds in its stock price, driven by questions about AI disrupting software and the threat of robotaxis. Although UBER is within our industrials segment, it is highly correlated with the software sector. The recent selloff in software made it a poor time to exit the position, given the compression of software and software-adjacent multiples. UWIG will actively monitor and review UBER again throughout the second quarter.



Deckers Outdoor
Corporation
NYSE: DECK

UWIG entered a position at Deckers on December 8th, 2025. The intended duration was short-term, with many of the investment theses centering around poor investor sentiment. The company’s uncertainty about the impact of tariffs and the strength of domestic sales was far too negative. However, Deckers’s earnings came in above expectations, and guidance was raised for both domestic and international markets, signaling a domestic rebound and an acceleration internationally. Deckers also experienced a lower-than-expected tariff impact, demonstrating the strength of its operations amid geopolitical headwinds. Additionally, management cited their rewards programs and community engagement initiatives as key drivers behind the beat. These factors led us to determine that all three of our theses (Brand Strength, International Expansion, and Customer Stickiness) are realized. This double beat of analysts’ expectations led to a large jump in the stock price, after which we initiated a sale of our position on February 5th, yielding a 13.69% return over the 59-day holding period versus the Consumer Discretionary return of -2.3%. After our sale of DECK, we reallocated the proceeds to the Consumer Discretionary ETF.



New Holdings

Meta Platforms (NASDAQ: META): Decision – Purchased on 3/9/26 at \$635.80

We entered into a position in Meta Platforms (NASDAQ: META) on 3/9/26 at \$635.80 with a price target of \$752.76, implying 15.2% upside (as of 3/3/26), driven by continued AI-led monetization, expanding margins through vertical integration, and long-term optionality in wearables. Meta's investments in AI recommendation and advertising systems are simultaneously improving user engagement and ad performance, enabling higher impressions, pricing, and conversion rates without increasing ad load, which supports sustained, high-margin revenue growth. In parallel, the company's push toward vertical integration, including in-house chips, large-scale data centers, and secured energy infrastructure, is reducing cost per compute and strengthening its competitive moat in AI workloads, positioning Meta for margin expansion over time. Additionally, Meta has seen growing demand for its AI-enabled smart glasses, creating a scalable data flywheel and potential platform shift toward augmented reality. While risks remain around regulatory pressures and elevated AI capex, Meta's strong free cash flow generation and operating leverage provide the flexibility to fund these investments while maintaining profitability. Overall, we believe the market underestimates Meta's ability to compound engagement, efficiency, and platform expansion, supporting continued earnings growth and multiple expansion.

Royal Caribbean (NYSE: RCL): Decision – Purchased on 3/9/26 at \$266.33

We entered a position in Royal Caribbean Group (RCL) on 3/9/26 at \$266.33 with a price target of ~\$362.74, implying a ~21% upside (as of 3/3/26), supported by strong structural tailwinds and diversified growth efforts across its business. The company generated ~\$17.9B in revenue and ~\$4.3B in net income with a ~24% net margin. It continues to benefit from strong market tailwinds, including a predicted 4.9% CAGR in ocean cruising and 8.9% CAGR in expedition cruising until 2033. Royal Caribbean has a higher competitive moat than its peers, as its market share has increased significantly to ~24.8%, it has industry-leading profitability, ~40% repeat customers, and is regarded as one of the most innovative and sustainable cruise operators. Growth for RCL is driven by Silversea's expansion, which is expected to contribute ~\$2.0B in incremental revenue through 2030, alongside diversification into river cruising (14.5% CAGR) with 10 new ships by 2031 and ~80% repeat customers spending ~25% more per trip. Additionally, hardware innovation through Icon-class ships (up to ~7,600 capacity) has enabled ~95% pricing premiums versus older classes and driven load factors above 110%, supporting significant increases in revenue per passenger day. Refurbishment programs have further enhanced pricing power, with luxury suite prices rising ~30% and 2026 sailings already ~2/3 booked, enabling dynamic pricing upside. Identified risks include its debt levels of ~\$20.8B, leading to a high projected interest payment of ~\$900M–\$1B in 2026. However, we believe Royal Caribbean's strong pricing power, innovation pipeline, and exposure to high-income consumers position it to outperform, as the market underestimates the durability of its revenue growth and margin expansion.

Forward Outlook and Positioning

As we enter Q2 '26, the Husky Traders portfolio holds active positions in Industrials (UBER), Consumer Discretionary (RCL), and Communication Services (META) while holding passive sector ETFs in the remaining 8 GICS sectors to benchmark weights to each sector.

In the near-term, we expect markets to remain sensitive to interest rate expectations and energy price volatility, particularly as conflicts in the Middle East influence inflation expectations and risk appetite. Our positions reflect continued confidence in the underlying business fundamentals, which we believe are trading at a discount relative to their sectors.

Figure 5: Holdings at the start of Q2 '26

