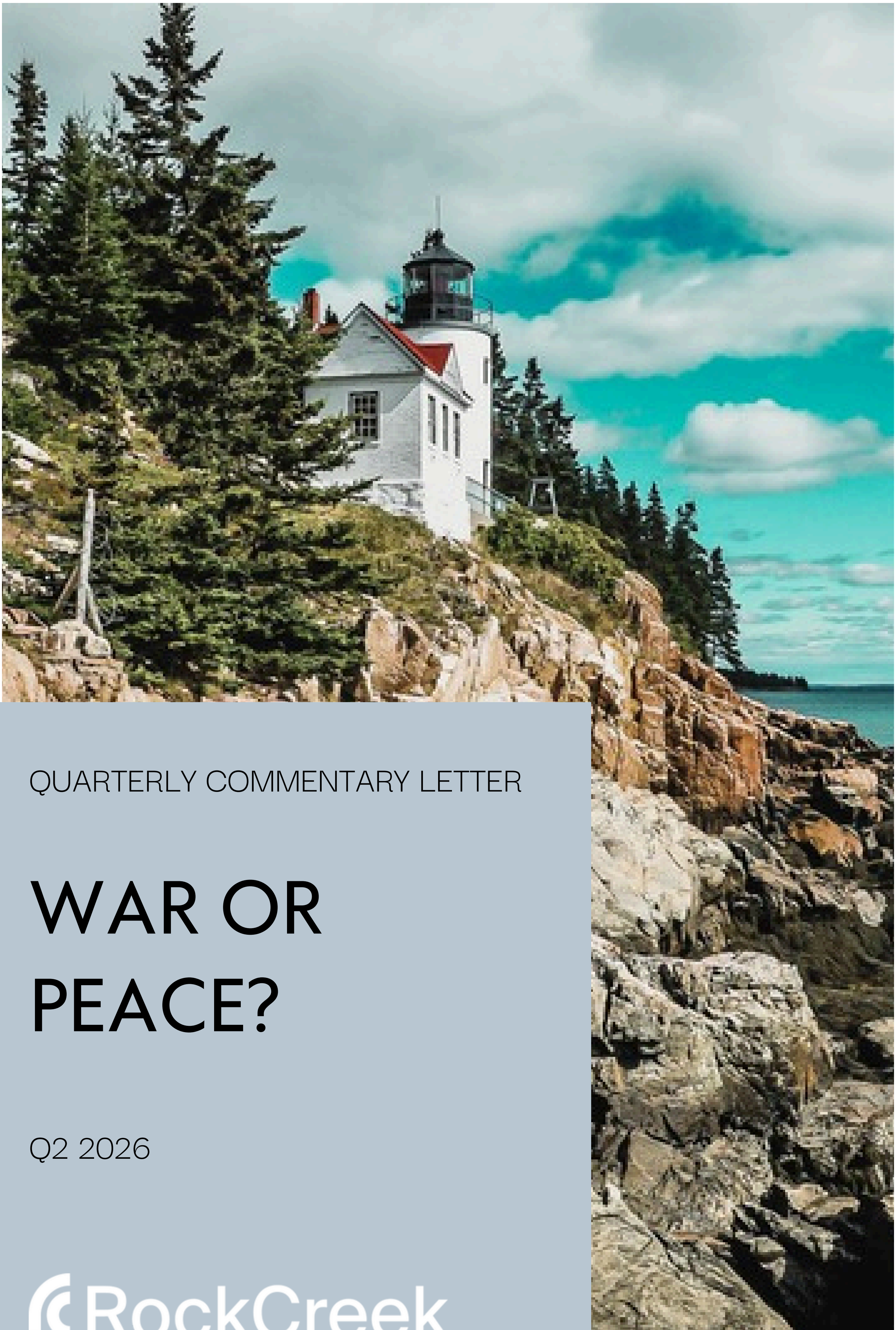


QUARTERLY COMMENTARY LETTER

WAR OR PEACE?

Q2 2026

RockCreek

CONTENTS

MACRO ENVIRONMENT

Last quarter, investors seemed to throw off the concerns that had weighed on markets in Q1 about the impact of the Iran-US war on the global economy. Unexpectedly good US inflation data for June was coupled with a slight dip in unemployment. Company earnings stayed mostly strong, with results beating expectations by as much as 40% for companies reported so far. And, in financial markets, optimism about AI-related trades returned to the fore, powered in part by the record-breaking IPO of SpaceX and the prospect of others to come.

The S&P 500 had its best quarter since the post-pandemic recovery of 2020. The US was not alone. Equities surged in major markets around the world. By the end of June, global equities were up by more than 11% for the first half of 2026. In the US, the three major indices climbed by between 9 and 12%.

In July, developments in the on-again, off-again Iran war have worsened, changing the picture once more. Markets have reacted – but in a more muted way than at the outbreak of the war. Oil prices hit $100 a barrel on July 23 but then retreated. In equities, some sheen has come off the AI-related hyperscalers that have driven markets for more than two years. But mostly markets have held their nerve – so far.

On July 7, President Trump declared that the war was back on. On July 20, after mounting hostilities and four reported new US casualties as well as some 100 wounded, diplomatic efforts to agree on another ceasefire were reported. A few days later, the war had escalated further. As the week ended, rumors of diplomacy again circulated, calming markets. But the Strait of Hormuz is effectively closed again. A second “choke point” has emerged at the south of the Red Sea as Yemeni rebel Houthis declared a blockade on ships to and from Saudi oil fields from passing through the narrow Bab el-Mandeb passage that they can control. With oil prices first creeping, and then jumping higher, gas prices at the pump have topped $4 a gallon again and look set to climb further unless tensions subside. Inflation fears were being voiced by some central bankers, including at the US Federal Reserve, even before this.

So what next?

After a roller coaster first half of 2026, with high geopolitical uncertainty continuing into the third quarter, RockCreek sees three main themes looking ahead:

ROCKCREEK SEES THREE THEMES FOR INVESTORS TO WATCH:

01 ***The AI powered boom: winners and losers.*** The promise of AI has powered the US and global economy since ChatGPT was officially unveiled in late 2022. The investment and spending boom it triggered has made possible an extraordinary run up in equity prices, despite geopolitical and economic shocks from trade conflicts to war in the Middle East, as well as in Europe. Now investors are wondering not only how long the boom can continue but who will be the main beneficiaries.

02 ***Monetary policy: the cycle turning?*** New Fed Chair Kevin Warsh has already begun to make his mark, shortening the post meeting FOMC statement, opening five reviews of key Fed policies and operations, and declining to put forward his own projection for interest rates in the "dot plot." Before he took up his post, Warsh was widely expected to line up with President Trump's desire for lower interest rates. But during the second quarter, market views shifted to price in a rate rise rather than a cut this year. Markets expect one hike, with a 75% chance we get a second 25 basis point hike by December of this year. Inflation has now stayed above the Fed's 2% price stability goal for more than five years. With energy prices again on the rise, the better data in June is likely to prove a blip. Look for further changes in market rates as inflation data come in and Chair Warsh's words are followed carefully. Already, the ECB has raised rates.

03 ***Politics and geopolitics in the run up to November.*** AI optimism since 2023 has outweighed any negative impact from political uncertainty, amid a US pull back from traditional positions of free trade, open markets and strong alliances. Nevertheless, higher energy prices and the reimposition of tariffs through existing authorities, rather than executive order, impact inflation – and thus monetary policy – and remain a threat to market confidence. President Trump is in negative territory in opinion polls. A shift in Congressional control in November's mid-term elections is expected at least in the House. This could exacerbate political tensions.

The promise of AI for the economy

It is clear that AI-related technology is going to transform business and the economy, over time. What is less clear is just how fast the transformation will be and which parts of the value chain will capture the lion's share of profits, over which time period. Hyperscalers and semiconductor manufacturers have seen surges of investor enthusiasm and, more recently, pull backs. If AI promotes broad-based productivity gains, many businesses may benefit. But, as IBM has just shown, there will also be losers.

Some of the winners may be surprising. The huge power needs of "compute" for AI are driving construction, a sector far from the capital-light software that the hyperscalers are used to managing. The power sector is still viewed more cautiously by sector specialists than by tech analysts who foresee demand continuing to outstrip current supply. And tech companies are facing a different outlook. In Q2, mega companies accustomed to financing investment through rising revenues and bountiful free cash flow began to turn to capital markets to raise money for planned infrastructure investment. Alphabet led the way with an $80 billion equity offering in June. While a large number, this represents just a fraction of the total capital activity in the quarter which included the IPO of, and debt issuance by, SpaceX. More detail on related capital markets activity can be found in both the Public Credit and Private Equity sections.

Politics is also set to intrude on AI-related tech companies. Many Americans do not like the large data centers needed to power AI, as seen in July in New York. And at the other extreme, national security experts worry about potential dangers from agentic AI, on cyber security and defense. In the US, the Federal government has made sudden and unexpected moves to curb the use of some models, adding to uncertainty.

Monetary policy set to tighten not ease

A benign inflation report for June relied heavily on falling gas prices. Some Federal Reserve officials already worried that inflation remains too high, despite better numbers for June. A worsening is likely to show up for July. New Fed Chair, Kevin Warsh, at his first post-meeting press conference said little about rates, but committed firmly to price stability. He repeated that message in congressional testimony. This has helped to steer longer-term rates a little higher without a policy move. Markets are not pricing in any move at the late July meeting, but will be watching his words carefully. One thing is clear: there is no longer a global savings glut which, together with below target inflation, held interest rates down in the pre-pandemic years. The regime has shifted, perhaps more than investors have incorporated into their thinking.

Geopolitics: can the global economy and markets continue to shrug off concerns?

One reason that the economy and markets have withstood more than four months of the closure of the Strait of Hormuz is the widespread belief that while peace has been elusive, neither the US nor Iran wants to return to all-out war. Another is that the war in the Middle East and associated closure of the Strait has had much less impact than expected on oil prices, and thus on broader costs and inflation. Initial dire forecasts have been pulled back: The Economist magazine even ran a "mea culpa".

This benign picture could shift if the Strait remains closed, as it is effectively now. The new choke point in the Red Sea adds to concern.

The chain of energy producers and suppliers has proved remarkably resilient and innovative, finding ways to compensate for the loss of the 20% of oil that used to go through the now-contested Strait. Over time, any Iranian stranglehold over the Strait will lose its power as alternative routes are developed. But building new pipelines and ports – as, for example, the United Arab Emirates is now planning – takes time.

In the meantime, there is a limit to how long global reserves of oil and related products can continue to cushion the impact of the closure of the Strait of Hormuz, never mind a further loss of the 12% of global supplies that transited through Bab el-Mandeb. In the US, the strategic petroleum reserve (SPR) is now at a 43-year low. The dramatic fall in China's oil imports which has also helped to contain demand and prices has been facilitated by a drawdown in China's oil reserves, as well as by demand compression in China. That cannot last forever.

The US political calendar is driving expectations that President Trump will pull back again in the face of a further substantial rise in oil prices. Americans are already opposed to the war and concerned about grocery and gas prices. But with oil prices still close to $100 and continued missile attacks and bombing, the situation is volatile.

ENERGY INNOVATION & AI

The second quarter continued to demonstrate a structural shift in the global energy landscape. While decarbonization remains a long-term priority, recent geopolitical developments, accelerating electricity demand, and aging infrastructure have elevated energy security, resilience, and reliable capacity alongside affordability as defining investment priorities. These forces continue to reinforce the long-term investment case for technologies that strengthen critical energy and industrial infrastructure.

Energy security moved further up the investment agenda during the quarter. The Iran war drove renewed volatility across global oil and fuel markets, with jet fuel prices remaining elevated and volatile throughout much of the quarter. This highlighted the continued vulnerability of global energy systems to geopolitical shocks, reinforcing interest in sustainable fuels while underscoring the strategic value of diversified supply chains, domestic production, and infrastructure that reduces exposure to external disruption.

Electricity infrastructure remains one of the defining investment opportunities of the energy transition. Rapid growth in demand from AI and data centers continues to place increasing pressure on systems that were not designed for today's load profile. Therefore, investment continues to expand beyond renewable generation toward grid modernization, transmission, long-duration storage, advanced nuclear, geothermal, and other technologies capable of delivering abundant reliable power long-term.

While financing activity remained selective, capital markets showed encouraging signs of reopening in Q2, with energy IPOs beating expectations, such as the successful public listings of Fervo Energy ($1.9B) and X-Energy ($1B). Both businesses remain in the early stages of commercial deployment. But their ability to access public capital reflects growing investor confidence in the sector, in technologies capable of delivering low-carbon energy at scale. More broadly, financing continued to favor companies demonstrating clear pathways to large-scale commercial deployment, proven customer demand, and attractive long-term unit economics.

We believe these dynamics continue to create compelling investment opportunities where technological innovation, commercial readiness, and long-term market demand converge, particularly in areas that strengthen energy security, improve resource efficiency, and enable reliable energy systems.

PUBLIC EQUITIES

Global equities surged in the second quarter, driving the MSCI ACWI up 14.9% and erasing earlier losses to finish the first half 11.3% higher. Technology paced the advance, accompanied by cyclical strength in industrials, financials, and consumer discretionary. Energy was the notable laggard as receding geopolitical anxieties reduced oil's risk premium and refocused attention on emerging supply surpluses.

Artificial intelligence remained the market's dominant theme, but its leadership broadened. Rather than concentrating exclusively on mega-cap platforms, investors increasingly focused on opportunities in investments to relieve the physical constraints surrounding AI infrastructure—advanced processors, high-bandwidth memory, power generation, and data-center capacity. Several software providers punished by disruption fears in the first quarter began to stabilize, while some extended mega-cap stocks trailed as capital rotated toward tangible supply-chain beneficiaries.

The clearest expression of AI enthusiasm emerged in Asia. South Korea's KOSPI gained roughly 68% during the quarter and more than doubled during the first half, while Taiwan's TAIEX advanced more than 40% in Q2 and nearly 60% year to date. Strong earnings expectations for semiconductor manufacturers provided fundamental support, but speculative activity also intensified. Korean margin borrowing reached record levels, and exchanges introduced leveraged single-stock ETFs tied to Samsung Electronics and SK Hynix. In Taiwan, a surge in bond issuance by securities firms contributed to unusual strains in domestic funding markets.

Japan also participated fully in the rally. The Nikkei 225 rose 37%, its strongest quarterly advance in data extending back to 1965. The historic run was heavily anchored by global semiconductor equipment leaders like Tokyo Electron and Advantest, SoftBank's strategic AI positioning, and a weak yen. Corporate reform remained another important tailwind. Driven by Tokyo Stock Exchange capital-efficiency mandates, Japanese corporations announced a record ¥16.2 trillion (~$100 billion) in share repurchases through May—an unprecedented pace that nearly matched the entire previous calendar year's total.

Investors now expect earnings to validate the rally. Going into the reporting season, consensus forecasts call for S&P 500 earnings to grow more than 20% year-over-year in the second quarter. Current estimates have been revised higher due to the strong positive earnings surprises reported already (as detailed above). Yet that growth remains unusually concentrated. AI-infrastructure companies are expected to generate nearly 60% of the increase, with Micron and NVIDIA alone accounting for roughly 40%. The median company is expected to produce a more moderate 9% gain, although conservative revenue assumptions may leave room for upside.

Recent volatility suggests prices had begun to outrun even these optimistic expectations. Semiconductor shares have retreated, while value and smaller-cap stocks have outperformed mega-cap technology. Approximately two-thirds of S&P 500 constituents are now trading above their long-term moving averages. If sustained, this broadening could extend the bull market and create a more favorable environment for active managers, which have struggled against index concentration, weak quality-factor performance, and momentum-driven flows.

Investors nevertheless face a difficult balance: maintaining sufficient benchmark participation while limiting exposure to crowded leadership. This helps explain growing interest in active-extension and portable-alpha approaches, which seek to preserve broad market exposure while expanding the opportunity set for alpha. These strategies can be useful portfolio complements, although their benchmark sensitivity means they should not be viewed as substitutes for differentiated active portfolios during a correction.

The environment rewards flexibility, but not the abandonment of discipline. Investors must participate in the structural forces reshaping the global economy while remaining attentive to valuation, concentration, and time horizon. Momentum can dominate for surprisingly long periods, but over time, earnings ultimately win.

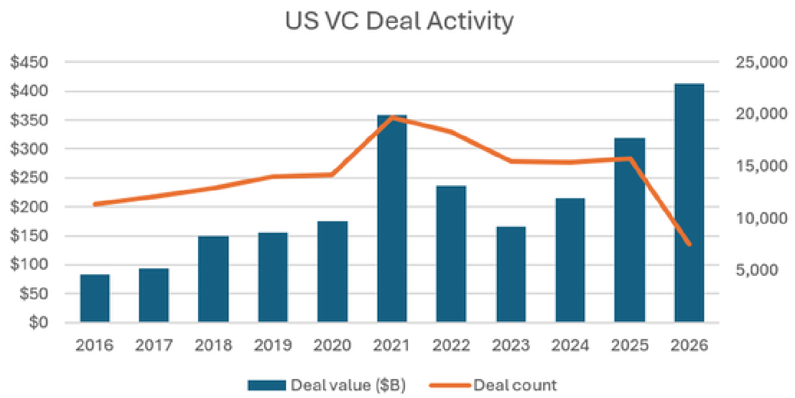
PRIVATE EQUITY & VENTURE CAPITAL

If one theme defined private markets during the first half of 2026, it was concentration. Capital continues to flow disproportionately toward a relatively small number of companies shaping the future of AI, while the quarter was marked by the largest technology IPO in history, record levels of venture investment into AI, and the continued evolution of artificial intelligence from a software innovation into a broad infrastructure investment cycle.

The successful public debut of SpaceX represented a defining moment for venture capital. At an approximately $1.7 trillion valuation, it became the largest venture-backed technology IPO ever and one of the most significant liquidity events in the industry's history. Together with the successful IPOs of Cerebras, Fervo Energy, and X-energy, which spanned AI semiconductors, geothermal power, and advanced nuclear, the SpaceX offering further highlighted the market's appetite for businesses supporting the broader AI infrastructure buildout.

The concentration of value creation was equally striking. Across SpaceX/Cursor, Anthropic, Anduril, and Databricks, reported transactions and valuation marks generated more than $1 trillion of implied enterprise-value appreciation during the quarter. Put differently, a handful of companies created value equivalent to roughly one-quarter of the aggregate valuation of the entire U.S. unicorn ecosystem, illustrating the extraordinary concentration of returns now defining late-stage venture capital.

That concentration was also evident in venture deployment. During the first half of 2026, approximately 88% of venture dollars were invested in rounds of $100 million or more, while AI accounted for roughly 86% of all venture capital invested. The largest financings, including Anthropic, Anduril, Cognition, Baseten, and Kalshi, continued to attract unprecedented amounts of capital. Unlike the broad valuation expansion experienced during 2021, today's market is increasingly defined by capital flowing toward a relatively small group of companies viewed as category leaders.



Sovereign AI has also emerged as a major investment theme, with governments across Europe, the Middle East, and Asia committing substantial capital toward domestic compute infrastructure, national foundation models, and localized cloud capabilities. AI is increasingly viewed not only as a source of productivity and economic growth, but also as a matter of national competitiveness and security. This trend was exemplified by Cohere's acquisition of Germany's Aleph Alpha, creating a transatlantic sovereign AI platform focused on secure, locally deployed AI for government and enterprise customers.

Private equity reflected many of the same themes shaping venture capital, albeit from a different angle. While global M&A activity reached approximately $2.7 trillion during the first half of the year, up 47% from 2025, more than half of total value came from transactions exceeding $5 billion. Overall deal count declined, highlighting an increasingly bifurcated market in which a relatively small number of mega-transactions drove headline activity while traditional dealmaking remained subdued.

Perhaps the most notable shift occurred in technology buyouts. Software deal activity slowed sharply as sponsors grappled with the pace and magnitude of AI disruption, making it increasingly difficult to underwrite businesses whose competitive positioning could change materially over the coming years. In contrast, sectors benefiting directly from the AI buildout, including power generation, electrical infrastructure, and energy services, proved considerably more resilient as surging demand for data-center capacity created new structural investment opportunities.

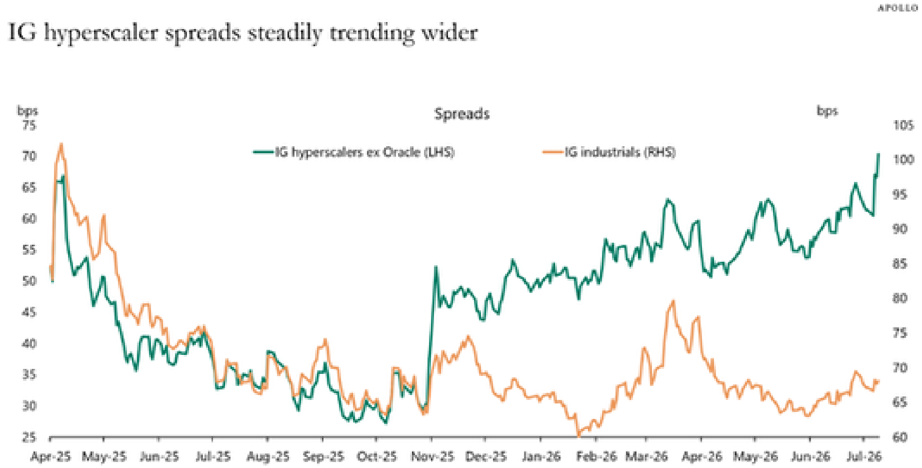
Despite improving public equity markets, private equity exits remained muted. Rather than accepting lower valuations, sponsors continue to turn to structured solutions, including continuation vehicles, seller financing, and earnout structures, to bridge valuation gaps and extend ownership until greater clarity emerges around both the macroeconomic outlook and AI's longer-term impact on enterprise technology.

PUBLIC CREDIT

For most of the past few years, AI was primarily an equity-market story. Investor exposure first came through venture capital, private equity, and publicly traded technology companies, while the hyperscalers funded much of their infrastructure growth predominantly through internally generated cash flow and their corporate balance sheets. But as the cost of AI infrastructure continues to grow, hyperscalers are shifting toward a broader debt ecosystem involving investment-grade bonds, project finance, private credit, asset-backed structures, and joint ventures. Traditional investment-grade and high-yield bond markets will provide a large and growing share of capital for these projects, although they will remain part of a much broader financing ecosystem.

The market entered 2026 expecting the broad issuance of AI-related debt. However, the Iran war and broader market volatility disrupted primary markets late in the first quarter, pushing a portion of the expected issuance calendar into Q2. As markets stabilized, several large technology issuers completed multi-billion-dollar offerings, while strategists increasingly identified AI capex as the largest incremental source of corporate bond issuance over the coming years. Morgan Stanley estimated that global AI-related debt issuance reached $236 billion through the end of May and forecast nearly $570 billion for full-year 2026.

Hyperscaler debt continues to dominate AI-related issuance in the investment-grade market. Wall Street estimates center on approximately $300 billion of AI-related investment-grade supply in 2026. Estimates call for hyperscaler net supply to increase to approximately $130–$150 billion in 2026. Investment-grade investors have continued to digest this deluge of issuance, but, as shown in the graph below, the market has demanded larger new-issue concessions, while technology-sector spreads have widened relative to the broader investment-grade market as supply has increased.



The high-yield universe has also seen an increasing amount of issuance. High-yield exposure comes from a growing number of direct AI infrastructure and AI-adjacent borrowers. This includes data-center operators and project vehicles, AI compute companies, fiber providers, building-products and electrical-equipment companies, HVAC suppliers, and independent power producers. These companies are issuing debt to finance AI-related expansion projects. Select issuers with contracted revenues, strong order books, or direct hyperscaler support have been rewarded with tighter spreads than similarly rated peers because of the stronger earnings growth and revenue visibility associated with AI demand. These companies represent the “picks and shovels” portion of the AI trade.

Outside of the traditional corporate bond markets, convertible bonds have emerged as one of the preferred financing tools for companies seeking to expand their AI buildout. The convertible structure allows issuers to materially reduce their cash interest expense by offering investors participation in potential equity appreciation. AI-related issuers have been among the largest contributors to new issuance, putting the convertible market on pace for a strong year overall. U.S. convertible issuance reached approximately $34 billion during the first four months of 2026, with roughly half of that issuance tied in some way to AI.

Traditional investment-grade and high-yield bond markets will remain key sources of financing for the AI buildout. However, the investment-grade market has begun demanding greater compensation for the volume and duration of AI-related debt. The high-yield market has been more receptive to select companies viewed as direct beneficiaries of hyperscaler spending, particularly when their revenues are supported by long-term contracts. Even so, significant construction, leverage, power, counterparty, and technology risks remain.

FIXED INCOME

The second quarter of 2026 was a significant one for fixed income markets. In the US the Federal Reserve got a new Chair, the European Central Bank hiked for the first time in nearly three years, while the Bank of Japan hiked for the fifth time since March of 2024. In terms of market moves, the U.S. yield curve bear-flattened, with real rates rising more than nominal, driving breakeven inflation lower as markets digested a more hawkish dot plot, a shift towards less forward guidance from the Fed, and a 60-day ceasefire agreement between Iran and the US – all of which occurred on June 17.

Within U.S. fixed income, longer duration assets outperformed, and on a sector basis Treasuries outperformed both MBS and Credit by a few basis points. Within Investment Grade credit, BBB and A performed best while BB and B in high yield outperformed all IG. CCC's lagged. While diminishing forward guidance will increase volatility going forward, the more notable and immediate impact is from the hawkish tone (i.e. an emphasis on inflation, not the labor market) from the Fed, as well the shift higher in expected future policy rates made evident by the latest dot plot.

In Europe, the bear flattening was even more pronounced with German, French, and Italian curves rallying at all points beyond the very front end. In Japan, the curve steepened across the curve with all yields, except the 40-year point, rising on the quarter. The divergence in curve movements is reflective of the forward inflation and policy view both of markets and policy makers.

In Japan, a large emphasis is being placed on endogenous, core inflationary pressures, including sustained wage growth. These are likely to continue exerting upward pressure on prices, forcing the bank to continue its tightening cycle – hence the rise in longer-dated rates. Conversely, the hike by the ECB appears to be seen by markets as an “insurance” hike given geopolitical uncertainty and the risk of passthrough from higher energy prices. Hence markets feel this move is likely sufficient and may require unwinding sooner rather than later. While the ECB communicated that the intent of the moves was not solely focused on potentially transient components of inflation, they did emphasize their use of scenario analysis for inflation outcomes, particularly amid heightened geopolitical uncertainty.

Going forward it is likely most important to focus on the overall shift away from accommodative monetary policy as major central banks focus on curtailing unwanted inflation. While unlikely to be as severe a hiking cycle, the last time major central banks leant this way was during the post-COVID inflationary boom. Again, the magnitude of hikes is (so far) unlikely to be of the same as during that period. Nonetheless, this type of environment is less conducive to overall risk assets than the prior two to three years have been. If underlying economic growth remains strong, the effects could be minimally felt, but investors should proceed with caution and discernment.

PRIVATE CREDIT

Sentiment towards private credit continues to diverge, with investor behavior becoming increasingly bifurcated. Retail investors have continued to redeem capital from evergreen private credit vehicles, while institutional investors have largely viewed the current environment as an attractive opportunity to deploy capital.

Retail redemption pressure persisted throughout the second quarter, with withdrawal requests across major evergreen private credit vehicles reaching nearly $16 billion. This exceeded first-quarter levels despite a generally stable credit backdrop. The trend was particularly evident among the largest non-traded business development companies (BDCs), several of which continued to exceed their quarterly liquidity limits. Apollo Debt Solutions experienced redemption requests of approximately 17% of eligible net asset value, while Blackstone BCRED and BlackRock BDEBT received requests of roughly 10% and more than 5%, respectively. As a result, these vehicles continued to prorate investor withdrawals.

Several factors suggest that near-term relief from retail outflows may be unlikely. As interest rates decline, the once-attractive floating-rate income generated by many private credit portfolios is expected to moderate. In addition, negative media coverage surrounding redemption restrictions has continued to weigh on sentiment.

Institutional investors have improved their risk assessment of the sector while adding capital where they find an attractive environment. North American direct lending funds raised approximately $16 billion during the second quarter, representing one of the strongest fundraising periods in recent years. Public pension plans, sovereign wealth funds, and insurance companies have remained active participants.

This divergence in investor behavior may create meaningful opportunities for private credit managers. Continued retail outflows can contribute to a temporary supply-demand imbalance, reducing the amount of available capital relative to borrower demand. In such an environment, disciplined lenders may be able to secure wider spreads, tighter documentation, and lower leverage levels than were commonly available during more competitive periods. At the same time, as institutional capital increasingly replaces retail flows, manager selection becomes even more important. Platforms with differentiated sourcing capabilities, rigorous underwriting standards, and demonstrated credit discipline are likely to be best positioned to capitalize on the opportunities created by this evolving market dynamic.

REAL ESTATE

The second quarter reinforced the view that U.S. commercial real estate is entering a gradual and highly selective recovery rather than a broad cyclical rebound. Capital availability continued to improve, but liquidity remains concentrated in assets with durable cash flows, strong sponsorship and credible paths to value creation. First-quarter investment volume increased 19% year over year to $117 billion, while CBRE's lending index reached its highest level since 2021. These indicators suggest the market is moving beyond the post-2022 dislocation, although elevated financing costs and a limited number of comparable transactions continue to constrain price discovery for more challenged assets.

Office fundamentals also showed early signs of stabilization, but the recovery remains sharply bifurcated. National office vacancy declined modestly to 18.6% in the first quarter, supported by positive net absorption, while prime vacancy fell more substantially to 12.7%. New construction remains exceptionally limited, with the development pipeline down 87% from its 2020 peak. These conditions are supporting pricing power for modern, well-located buildings, particularly in markets where tenants have limited high-quality alternatives. At the same time, older commodity office assets remain impaired by high vacancy, significant capital requirements and limited financing availability. The improving headline statistics therefore obscure a continued transfer of value from lower-quality properties toward a relatively small segment of prime inventory.

Multifamily conditions are beginning to rebalance following several years of elevated deliveries. National vacancy declined to 4.8% as absorption exceeded completions for the first time in three quarters, although annual rent growth remained limited at 0.2%. Near-term fundamentals remain uneven, particularly in Sun Belt markets that received substantial new supply, but the sharp slowdown in construction should improve the forward outlook. Multifamily starts fell materially in May as financing costs, construction expenses, and weaker development economics constrained new projects. Existing assets may therefore face continued concessions and muted rent growth in the near term while benefiting from significantly less competitive supply over the medium term.

Despite growing opposition from the residential public as discussed in the opening, data centers remained the most active and strategically important segment of the market. Digital Realty agreed to acquire Blackstone's interest in three fully leased Northern Virginia facilities for approximately $3.5 billion, valuing the assets at $7.8 billion and demonstrating sustained institutional demand for scaled, powered capacity. However, the subsequent cancellation of QTS's proposed Virginia Digital Gateway project illustrates that power access, permitting and local opposition are increasingly important constraints on development.

Developments immediately following quarter-end further highlighted both the scale and complexity of AI infrastructure investment. Meta is reportedly developing a cloud offering to monetize excess AI computing capacity, blurring the distinction between hyperscale tenant, infrastructure owner and compute provider. Meta also expanded its planned Hyperion campus in Louisiana from approximately 2GW to 5GW, increasing expected investment to more than $50 billion. The expansion is positive for the strategic relevance and residual value of the existing Blue Owl-financed campus, but the implications for fund investors will depend on whether the additional development is financed through the current joint venture, separate vehicles or Meta's balance sheet. More broadly, the announcement reinforces that access to power, capital and long-dated customer commitments will determine which data-center platforms can convert strong demand into attractive risk-adjusted returns.

Important Disclosures & Risk Considerations

The contents herein are intended for informational purposes only. The information presented is based upon RockCreek's interpretation. There can be no guarantee that the information presented is accurate. The information presented does not constitute tax, legal, investment or regulatory advice, and we encourage you to consult your legal and/or tax advisors should you have any questions relating to the materials presented herein. Opinions expressed reflect the current opinions of the Rock Creek Group as of the date appearing in this material only.

This material is intended only to facilitate your discussions with RockCreek; it is not intended to be used as a general guide to investing, or as a source of any specific investment recommendations, and makes no implied or express recommendations concerning the manner in which any client's account should or would be handled, as appropriate investment strategies depend upon the client's investment objectives. Information included herein may be provided to discuss general market activity; industry or sector trends; or other broad-based economic, market, or political conditions. Discussions herein concerning general economic conditions and political developments are not intended to be used as a general guide to investing, or as a source of any specific investment recommendations, and RockCreek makes no implied or express recommendations or warranties concerning the manner in which any account should or would be handled, as appropriate investment strategies depend upon the investor's unique investment objectives. This document does not constitute an offer or solicitation with respect to the purchase or sale of any security in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it would be unlawful to make such offer or solicitation. As such, the information contained herein has been prepared solely for general informational purposes. None of RockCreek or any affiliates or employees makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and nothing contained herein shall be relied upon as a promise or representation as to the past or future performance. Information and opinions are as of the date of this material only and are subject to change without notice.

Any information contained herein regarding a fund or manager is based upon information prepared by the underlying manager. RockCreek has not verified and is not liable or responsible for the completeness or accuracy of such information (including but not limited to any information relating to the past or future performance of such fund or manager, or any related vehicle).

Any information contained herein that relates to an investment in a company is based upon available information prepared by such company. RockCreek has not verified and is not liable or responsible for the completeness or accuracy of such information concerning the company prepared by such company. Prior transactions and their returns are not indicative of future results.

The performance statistics herein, if any, have not been subject to audit.

The volatility of any indices referenced herein may be materially different from that of an investor's account's portfolio. In addition, an account's holdings may differ significantly from the securities that comprise the indices. The indices have not been selected to represent appropriate benchmarks to compare an account's performance, but rather are disclosed to allow for comparison of the performance of accounts and managers in general to that of well-known and widely recognized indices. Information contained herein regarding performance of any index or security is based on information obtained from the indicated sources as of the specified dates, but there is no guarantee as to the accuracy of such information.

The quantitative methods that may be included and described herein are tools used in selecting investments and controlling risk, but such methods cannot alone determine investment success.

Discussions and calculations regarding potential future events and their impact on the account are based solely on historic information and estimates and/or opinions, are provide for illustrative purposes only, and are subject to further limitations as specified elsewhere in this report. No guarantee can be made of the occurrence of such events or the actual impact such events would have on the account's future performance. In addition, the opinions, forecast, assumptions, estimates and commentary contained in this report are based on information provided to RockCreek on both a formal and informal basis. Further, any such opinions, forecasts, assumptions, estimates and commentary are made only as of the date indicated, are subject to change at any time without prior notice and cannot be guaranteed as being accurate.

The materials linked and accessed electronically are provided "as is" without warranty of any kind, either express or implied, to the fullest extent permissible pursuant to applicable law. RockCreek is not responsible for the content of any site linked or linking to this letter. Links from this letter to any other third-party website do not mean that RockCreek approves of, endorses, or recommends that website. RockCreek disclaims all warranties, express or implied, as to the accuracy, legality, reliability, or validity of any content on any other website. Your linking to any such third-party sites is at your own risk.

Please note that the investment outlook and opportunities noted above (and throughout this letter) are prospective and based upon the opinion of RockCreek and there is no guarantee of success in our efforts to implement strategies that take advantage of such perceived opportunities.

RockCreek, RockCreek Group, Rock Creek and the **RockCreek** logo are unregistered trademarks of The Rock Creek Group LLC in the United States and elsewhere.