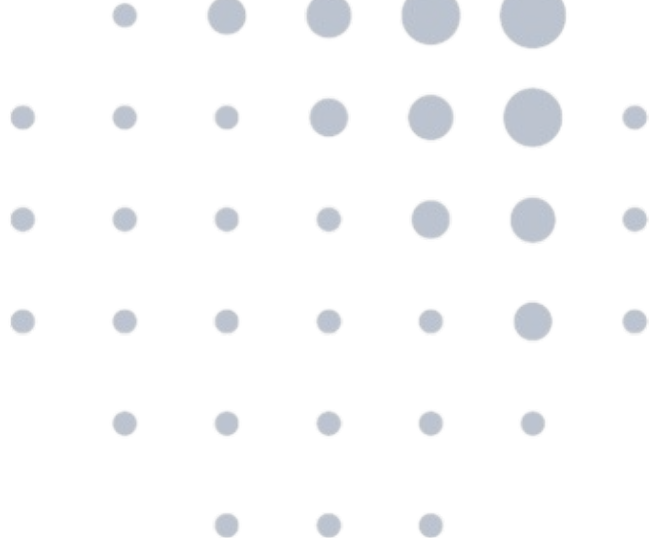




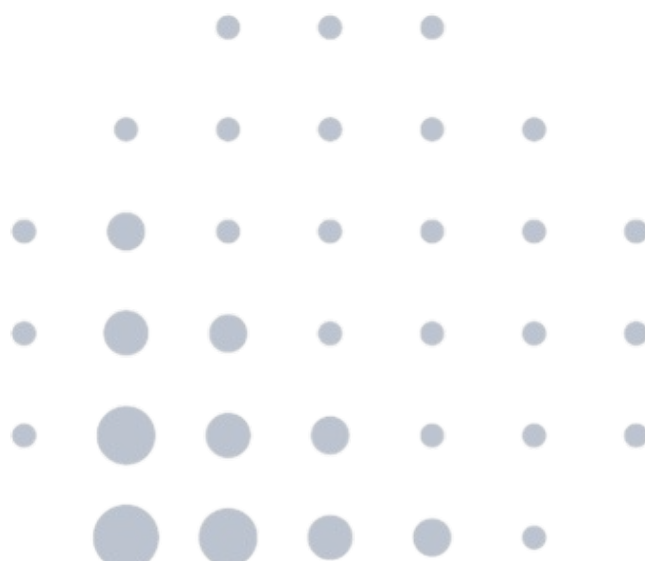
LUKB

Smart Farming

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Singularity Strategies |
Q2 & Semiannual Rebalancing 2026





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Performance Update

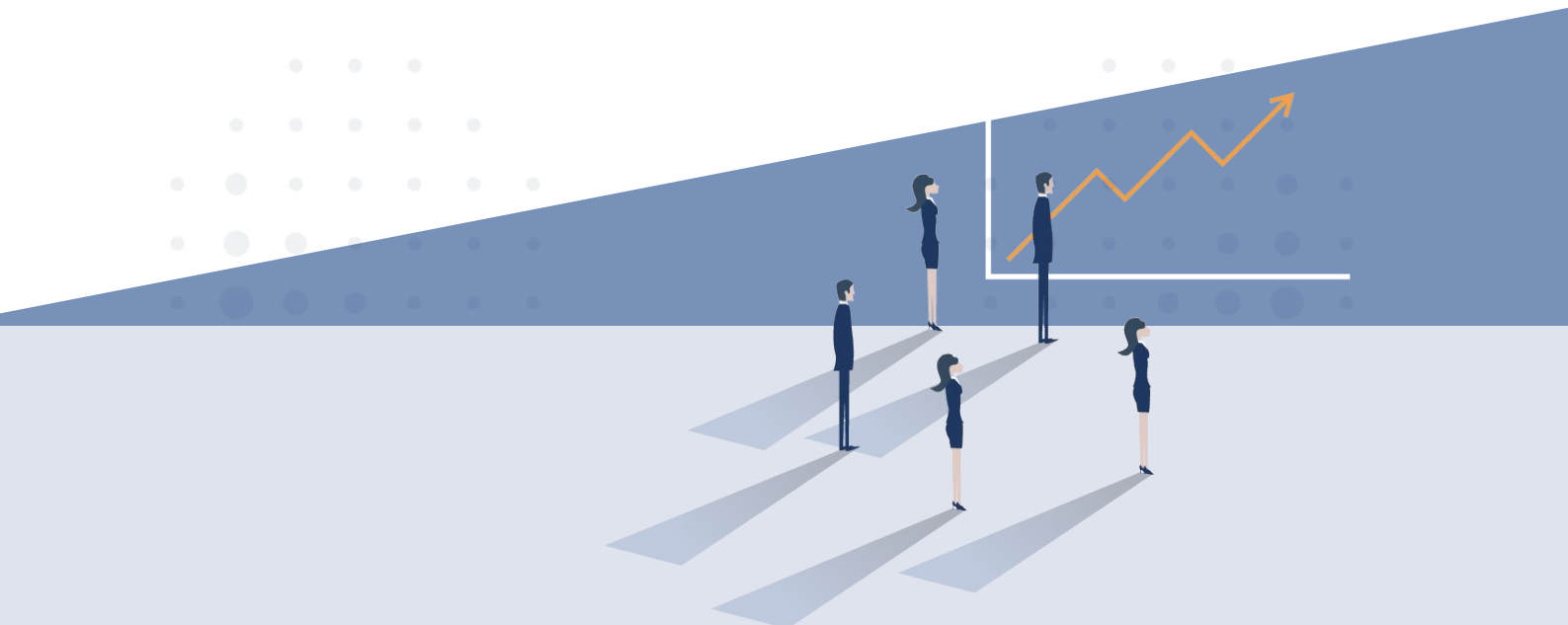
During Q2 2026, assets under management in this theme AMC increased to CHF 3.0m, up from CHF 2.5m at the end of March. This improvement was entirely performance-driven, as the strategy continued to see moderate net outflows during the quarter.

Overall, Q2 was a very strong quarter for LUKB Smart Farming. The strategy benefited from its diversified exposure to the broader smart farming value chain. The LUKB Smart Farming Basket gained **+18.8% in Q2**, Year-to-date performance reached **+21.7%**, and since inception in April 2024, the Basket has gained **+9.9%**.

Performance was broad-based across the Smart Farming themes, with the strongest contribution coming from **Robotic Equipment & Automation**. This reflected the strategy's exposure to industrial automation, thermal management, HVAC, irrigation and electrification companies, with strong contributions from **AAON (SI-Score: 45)**, **Modine Manufacturing (SI-Score: 25)**, **Valmont Industries (SI-Score: 25)**, and **Veolia Environnement (SI-Score: 11)**. These companies benefited from continued demand for energy-efficient infrastructure, water management, and automation solutions.

The **Data Analytics & AI** bucket also contributed positively, supported by the ongoing adoption of data-driven decision-making tools in agriculture processes. **Seed, Chemicals, Biologicals, and Additives** added further gains, helped by strong performance from **Illumina (SI-Score: 26)**, **DSM-Firmenich (SI-Score: 76)** and **Croda International (SI-Score: 57)**.

On the negative side, detractors were limited. The main drags came from **Pentair, Clariant and Syensqo**.





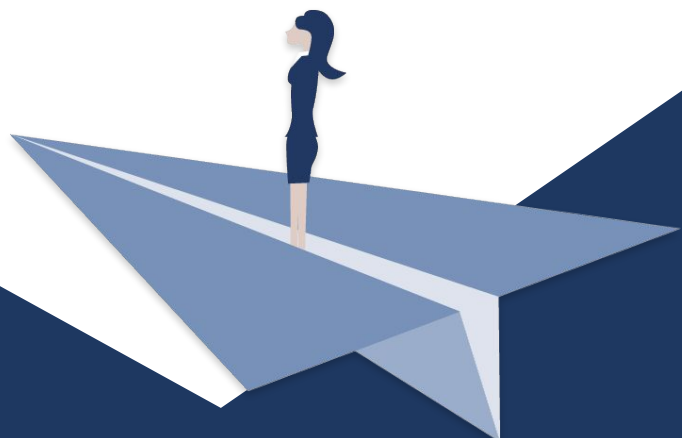
Rebalancing Innovation Timeline Changes

The semi-annual rebalancing of our strategies took place on June 19th, 2026. In the preceding months, we collected **99 insights from our Think Tank experts that fed into our innovation timeline overview**. There was a clear leitmotif across these conversations: AI adoption is accelerating across sectors. All our experts brought up instances from their industries of how AI is moving from sceptical pilots and timid initial applications to increasing scale and broader impact.

Show me the Money: Infrastructure vs Software

While many innovations take a long while to come to fruition and make money via end applications, few create real cash flows and earnings in their value chain long before an end product materialises. This rare case is true for AI: **The profitability and revenue generation potential of AI end applications remains opaque**; barring two exceptions, many end-user software categories still face unresolved questions around monetisation and pricing power, and the outcome on incumbents and disruptors is wide open. On the other hand, accelerating progress on use cases and the deriving workloads continue to drive investments in the underlying infrastructure, including efficient energy generation and utilisation, that materialise in substantial and underestimated earnings growth potential.

The next pages detail our conclusions and the portfolio positioning resulting from these semi-annual Singularity Think Tank discussions. For more elaboration on these topics, please get in touch!





Singularity Innovation Timeline Changes – Summary

Table 1

Out Of Focus	In Focus	Future Focus
- AI Technology: LLMs / Conversational AI (Text Generation tech) - Augmented workforce: Low-code / No-code solutions pre-AI - AI Technology: Multimodal AI - Cloud infrastructure and applications - Computer vision: Object recognition, spatial positioning, quality control (visual inspection), sorting, and counting at high speed (eg for Mechanical recycling) - Vehicular automation: Autonomous vehicles level 3	Energy Infrastructure: Mini-, micro-grids Computer Vision: VLMs and VALs for Robotic AI Vehicular automation: Autonomous vehicles level 4 and 5 Scientific Instruments: Electron microscopy - Augmented workforce: AI Coding Assistant - Data collection & aggregation: Usage based data for AI	- AI Technology: Scientific and physical world modeling/simulation - Cybersecurity: OT Security - Agentic AI in Enterprise software - Flexible Neural Electronics - Space: Solar Powered Data Centres in low orbit - Robotics-as-a-Service - Energy production: Fuel Cells - Circular/Recycling Technologies: Nuclear Materials treatment and decontamination

Source: TSG

Innovations Newly in Focus

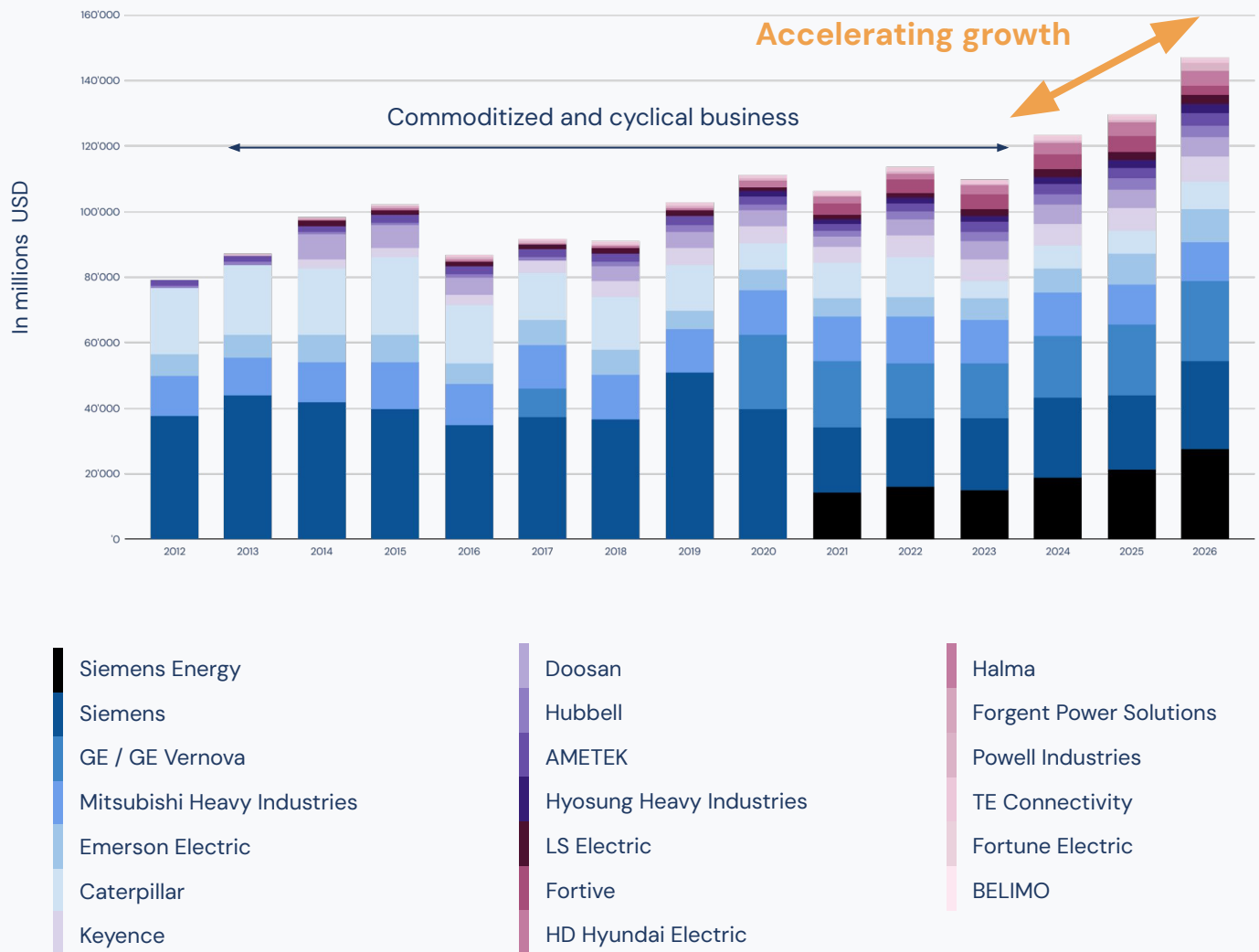
"Everything is Energy and That's all There is to it." – Albert Einstein

Electrification and industrial power demand has been increasing pressure on centralised electricity systems. Growth in AI-workloads has only heightened that strain. **Micro-grids** are small-scale, localised and independent energy systems, which are able to power a limited area, for instance a hospital, an industrial complex, or more recently: a data centre. They typically encompass a combination of electricity production (gas turbines, solar panels etc), energy storage (batteries), smart metering (sensors) and software optimisation. Sensitivity to power prices is rising, especially given the current debate on the strain data centres are putting on local communities' electricity bills and the consequent pushback, increasing the popularity of such independent solutions for mission-critical and data centre applications.



Cumulative Revenues of Micro-Grids Related Products and Services by Company (Energy Production, Power Transmission and Distribution, Sensors, Smart Grid Technologies)

Chart 1



Source: Factset,TSG

Step by Step

Within computer vision and robotics, our experts started to observe a shift from narrow perception tasks toward systems that can connect perception, language, and action. Traditional computer vision applications remain useful, but the innovation layer is moving toward systems that can understand visual inputs in context and translate them into physical actions.



Vision-Language Models (VLMs) and Vision-Action Learning (VALs) move into focus because they represent the next step in robotic AI. A similar shift is visible in **vehicular automation**, where we are moving level 3 autonomous driving (eyes off) out of focus, and moving **Level 4 autonomy** (mind off) in focus. The resulting higher penetration rate of robotaxis will be noticed in various cities around the world.

Electron microscopy has been on our radar for a while, particularly for its applications in material science and diagnostics. In recent months, our experts detailed **the increasing use of electron microscopy in semiconductor manufacturing**. Advanced chip architectures and process complexity make inspection, metrology, and defect analysis more critical. Electron microscopy, including scanning and transmission electron microscopy, is increasingly used for critical dimension metrology, defect inspection, and atomic-scale analysis. Related techniques such as atomic force microscopy remain on our future-focus list, particularly for backend metrology and advanced semiconductor process control.

Focused Selectivity

Beyond the specific innovations newly moved In Focus, the same selective approach applies to existing innovation areas. Though a flurry of new applications are penetrating businesses and households, not all lend themselves as attractive investment opportunities. **What works does not always make money.**

AI: The Exceptions to the Rule

Markets and media have been loudly complaining about the lack of substantial monetization of AI applications. In our Think Tank conversations it has been clear all along: strong pricing power and entry barriers currently show only where AI is tied to proprietary data or measurable efficiency gains that translate into actual ROI. **Advertising and cybersecurity are both great examples of how these mechanisms come into play** in different ways. **Advertising** is already delivering AI-driven gains in targeting, content generation, campaign testing, and measurement. Again, the devil is in the detail and selectivity as economics differ meaningfully between social media platforms and other search environments, where evolving search habits create a new challenge. **Cybersecurity** applications remain key as AI expands both the attack surface and the range of assets that require protection. Examples include securing AI models and infrastructure, as well as managing the identities and access rights of autonomous AI agents.



Semiconductors: The Real Bottlenecks

A similar selective logic applies to the semiconductor value chain: While the launch of several passive semiconductor ETFs has attracted indiscriminate investing into the entire complex, our approach hones in on bottlenecks linked to rising chip complexity, including advanced packaging, hybrid bonding for 3D stacking, and high-bandwidth memory.

Selective Summary

Table 2

Product Category	+	-
Semiconductor technologies	Hybrid bonding/3D stacking	Cycle-driven chip manufacturing
Memory	HBM	Commodity DRAM/NAND
AI Applications	Digital advertising	Broad enterprise software
Cybersecurity	AI Identity and access management	Legacy network security hardware

Source: TSG

Innovations Moved Out of Focus

Commodities despite Growth

The main out-of-focus moves in this rebalancing are concentrated in **cloud, enterprise software, and mature AI technologies**. In each case, the issue is not that demand disappears, but that the innovation exposure has become less differentiated, is being increasingly overtaken by alternative technologies, and, with this, loses pricing power.

We moved cloud platform and system infrastructure, as well as **cloud services and applications out of focus**. AI continues to support cloud demand, but the picture has become more mixed and with the entry of the so-called neocloud providers, competition has increased with the entry of the so-called neocloud providers. On the customer side, as companies carefully reassess software and infrastructure spending, we notice increasing pricing pressure that will result in margin compression, something our approach is highly allergic to. On the supplier side, hardware constraints and memory shortages further contribute to squeeze data centre margins.



Most enterprise software categories remain difficult to underwrite from an AI monetisation perspective. While these systems are deeply embedded in business processes and AI integration is scaling, it remains unclear how much of the resulting productivity gains will translate into incremental revenue with pricing power. As a result, we do not currently see sufficient grounds for broad exposure to this area.

Finally, **generic LLMs and multimodal AI** moved out of focus as standalone AI technology categories. LLMs are increasingly becoming a broadly available building block for agentic AI, while multimodality is now embedded across major model architectures rather than remaining a distinct innovation theme. **The focus for AI therefore shifts away from generic model capabilities and toward applications, data assets, workflows, and infrastructure layers where exposure can be more differentiated.**

Future Focus: Innovations with Potential for Future Success

Overall, the Future Focus list reflects areas where the innovation signal is credible, but the path to commercial scale or differentiated investable exposure is not yet sufficiently clear.

A few new key themes emerged from the Think Tank roundtables as future focus: The renewed focus on security and infrastructure resilience translates into early developments in **OT (operational technology) security**. Within robotics, the development of **Robotics-as-a-Service and remotely operated humanoid robots** attract immense media attention, but business models and unit economics still need to mature to make for a fruitful investment case. Within medtech, **flexible neural electronics** represent a potential interface between electronics and soft biological tissue. Future applications are being monitored in advanced wearables, human-machine interfaces, and next-generation medical devices.

Solar-powered data centres in low orbit, a hot topic related to the recent **SpaceX IPO**, remain a longer-term infrastructure theme but feasibility, need, as well as key beneficiaries remain uncertain. As we have experienced so many times in history, once a real innovation moves from research to application, dynamics can drastically change. Often enough, early movers owning the end application are disrupted or pricing power shifts to previously unknown parts of the value chain.



Rebalancing Portfolio Changes

3 new positions account for 14.1% of the rebalanced portfolio. Total turnover was 17.4% and the strategy has 19 holdings

LUKB Smart Farming – Top Weight Increases

Table 1

#	Company	Singularity Score	Smart Farming Theme	Pre Weight (%)	Post Weight (%)	Diff (%)
1	SYENSQO SA	28	Biologicals & Additives		5.0	5.0
2	CLARIANT AG-REG	75	Biologicals & Additives		4.8	4.8
3	TRIMBLE INC	85	AI & Data Analytics		4.4	4.4
4	PENTAIR PLC	39	Robotic Equipment & Automation	3.6	5.2	1.6
5	THERMO FISHER SCIENTIFIC	34	AI & Data Analytics	4.2	4.7	0.5
6	GEA GROUP AG	25	Robotic Equipment & Automation	5.0	5.3	0.3

Source: Bloomberg, TSG

LUKB Smart Farming – Top Weight Decreases

Table 2

#	Company	Singularity Score	Smart Farming Theme	Pre Weight (%)	Post Weight (%)	Diff (%)
1	MODINE MANUFACTURING CO	25	Robotic Equipment & Automation	10.0	5.3	-4.7
2	AAON INC	45	Robotic Equipment & Automation	7.2	4.9	-2.3
3	ILLUMINA INC	26	AI & Data Analytics	6.8	5.0	-1.8
4	VALMONT INDUSTRIES	25	Robotic Equipment & Automation	7.1	5.5	-1.6
5	VEOLIA ENVIRONMENT	11	Robotic Equipment & Automation	6.7	5.1	-1.6
6	IDEX CORP	26	Robotic Equipment & Automation	6.8	5.3	-1.5
7	SIEMENS AG-REG	52	Robotic Equipment & Automation	5.9	5.1	-0.8
8	FLOWERVE CORP	32	Robotic Equipment & Automation	6.2	5.4	-0.8
9	PARKER HANNIFIN CORP	52	Robotic Equipment & Automation	6.4	5.7	-0.7
10	CRODA INTERNATIONAL PLC	57	Biologicals & Additives	5.8	5.1	-0.7

Source: Bloomberg, TSG



LUKB Smart Farming – Summary of Exposure Changes

Table 3

Smart Farming Theme	Pre	Post	+/-
Robotics Equipment & Automation	70.6%	58.2%	-12.4%
Biologicals & Additives	16.8%	25.2%	8.4%
AI & Data Analytics	11.0%	14.1%	3.1%

GICS Sector	Pre	Post	+/-
Industrials	63.9%	53.1%	-10.8%
Materials	16.8%	25.2%	8.4%
Health Care	11.0%	9.7%	-1.3%
Utilities	6.7%	5.1%	-1.6%
Information Technology	0.0%	4.4%	4.4%

Region	Pre	Post	+/-
North America	63.9%	56.8%	-7.1%
Western Europe	36.1%	43.2%	7.1%

Singularity Sector	Pre	Post	+/-
Advanced Materials	33.5%	41.2%	7.7%
Robotics	31.1%	26.6%	-4.5%
New Energy	22.8%	15.6%	-7.2%
Bioinformatics	11.0%	9.7%	-1.3%
Networks & Connectivity	0.0%	4.4%	4.4%

Market Capitalization	Pre	Post	+/-
Large (\$50–250bn)	22.1%	20.8%	-1.3%
Mid (\$10–50bn)	41.2%	31.1%	-10.1%
Small (\$1–10bn)	35.0%	45.6%	10.6%

*Pre: 19.06.2026, Post: 22.06.2026

Source: Bloomberg, TSG





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