



Dual Wave Capital, LLC

2025 End-Year Review

January 1, 2026 | Co-Written By: Jason Kim, Co-founder

About Dual Wave Capital

Dual Wave Capital is a research-driven investment firm focused on identifying alpha- and beta-generating opportunities across public equities, early-stage venture investments, and real estate. In the equity space, we concentrate on small- and mid-cap companies, leveraging fundamental and data-intensive analysis to uncover value across sectors such as healthcare technology, media, consumer products, and REITs.

We also invest as early-stage (angel) investors in technology-driven startups, with a focus on consumer-facing applications that address unmet behavioral or social needs.

On the real estate side, we pursue a multi-layer asset investment approach with a current emphasis on single-family and multi-family residential properties in high-growth U.S. regions. We partner with institutional investors and global family offices to deliver actionable, multi-asset insights that drive long-term portfolio construction.

Part 1: Public Equity Portfolio Performance (Jan 15 – Dec 31, 2025)

Starting from January 15, 2025, Dual Wave Capital officially launched the current round of its public equity strategy, marking the beginning of a new capital deployment cycle with a focus on concentrated, research-intensive stock selection across global markets.

As of Dec 31, 2025, the portfolio delivered a cumulative return of **+24.72%**, equivalent to an annualized return of +24.83%, while maintaining a disciplined volatility of 18.57%. These results significantly outperformed key benchmark, S&P 500 (SPX) of +9.68%.

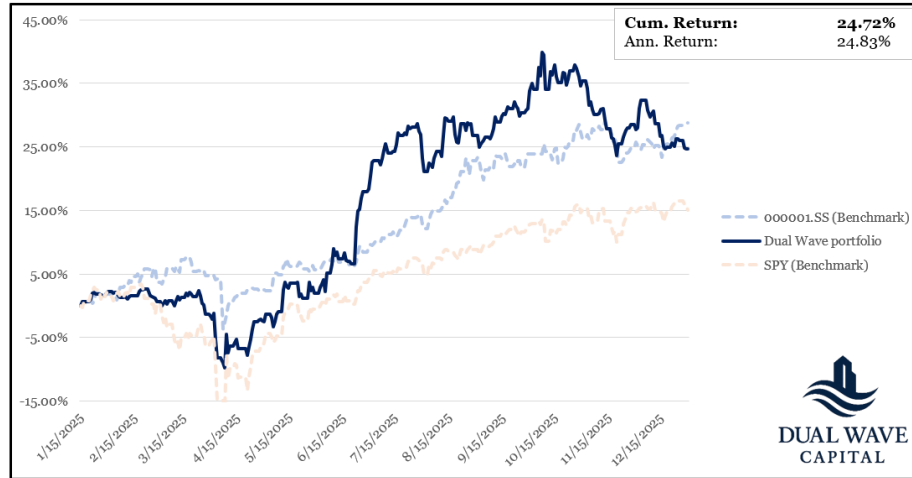
Looking ahead to the first half of 2026, we expect the following:

- **Valuation normalization:** Equity valuations are currently near the upper end of historical ranges. We expect multiple compression and higher dispersion of returns as growth expectations normalize.
- **Shift away from concentration risk:** Portfolio construction will emphasize diversification over continued crowding into mega-cap technology names (e.g., the “Magnificent Seven”), where consensus positioning has become elevated.
- **Rotation toward essential businesses:** We see increasing relative value in traditional consumer staples and essential service companies with durable market positions validated across multiple economic cycles.
- **Macro-consumer tension:** Equity market appreciation continues to diverge from household purchasing power. Ongoing cost-of-living pressures may further constrain middle-income consumers, increasing risk to demand-sensitive sectors.
- **AI, rotation, not collapse:** While speculative excess remains in parts of the AI complex, we do not expect a disorderly unwind. Institutional capital is likely to sustain the narrative, with



leadership shifting from data-center and hardware spending toward monetizable, application-driven use cases.

- **Higher volatility regime:** We expect 2026 market volatility to remain elevated, with investors exhibiting heightened risk aversion and faster “risk-off” behavior following drawdowns.



Part 1.1: Key Position Highlights



Symbol	Holding Allocation %	Performance %
NKE	14.43%	(-) 12.64%
UNH	13.55%	(+) 2.27%
LEGN	11.62%	(-) 35.58%
SPAXX	10.69%	(+) 3.93%
DIS	10.10%	(+) 2.53%
FIG	9.00%	(-) 13.24%
WRD	5.01%	(-) 12.00%
ZETA	3.67%	(+) 9.44%
TEM	3.06%	(+) 1.44%
DECK	2.59%	(+) 2.33%
ABCL	2.09%	(-) 14.95%
SOUN	2.03%	(-) 21.06%
CRML	1.85%	(-) 28.60%
IRDM	1.85%	(-) 0.76%
SERV	1.67%	(-) 3.84%
LAC	1.61%	(-) 20.72%
PLUG	1.27%	(-) 1.98%
BMNR	1.24%	(-) 47.83%
BULL	1.10%	(-) 50.10%
RZLV	1.09%	(-) 48.54%
SRPT	0.91%	(-) 6.03%
ALGS	0.55%	(-) 5.45%
EDIT	0.35%	(-) 48.36%
JMIA (Short)	-1.33%	(-) 21.85%

- **NKE:** We remain disappointed by Nike’s recent execution, but believe the market’s reaction, particularly around Greater China weakness, has been overly bearish and has disproportionately driven the recent share price decline. Management highlighted that North



America and EMEA, which together represent nearly three-quarters of total revenue, have returned to a healthier and more balanced marketplace, while acknowledging that China remains a work in progress. While this narrative has helped re-anchor investor attention and stabilize near-term sentiment, we remain cautious on incremental positioning. Structural pressures persist, including elevated consumer affordability constraints and Nike's gradual erosion of leadership in core athletic footwear, where brand relevance has become less performance-driven and less fashion-forward than in prior cycles. As a result, we maintain our position but do not add exposure at current levels. Our revised internal price target is \$85, reflecting a more conservative view on medium-term demand elasticity, competitive positioning, and margin recovery in a more constrained consumer environment.

- **UNH:** We initiated our position in UnitedHealth Group at ~\$250 during a period of heightened market pessimism and subsequently added as conviction strengthened. While elevated medical cost trends have pressured near-term sentiment, management's actions in Medicare Advantage (MA) reflect a deliberate shift toward margin discipline over market share. For 2026, UNH expects margin improvement driven by repricing and targeted plan and network exits, with MA bids assuming a 10% medical cost trend, positioning the business for margin recovery beginning in 2026 and targeting the upper half of the 2-4% MA margin range longer term. Beyond MA, UNH's vertically integrated platform, spanning insurance, care delivery, pharmacy benefits, and healthcare data services, creates a structurally advantaged earnings profile. We believe the ongoing transition away from fee-for-service reimbursement will disproportionately benefit scaled payors. We maintain high conviction in the position and assign an internal price target of \$480.
- **FIG:** Figma is increasingly emerging as the system of record for AI-native product development, supported by a browser-native, multiplayer architecture and an expanding, integrated product suite spanning ideation, design, development, and deployment. As AI moves upstream in the software creation process, we view Figma as the critical interface layer through which AI-generated concepts are translated into production-ready UX/UI and seamlessly handed off to front-end implementation, anchoring collaboration across designers, engineers, and non-technical stakeholders. Recent results validated this platform-level thesis, with strong revenue growth, improving profitability and free cash flow, accelerating paid customer expansion, and rising net dollar retention driven by new product adoption, pricing and packaging refinements, and continued install-base expansion. While valuation remains a consideration, the stock's pullback has materially improved the risk-reward profile. We maintain a high-conviction hold and assign an internal price target of \$70, reflecting confidence in Figma's role as foundational infrastructure for modern, AI-enabled product creation.
- **LEGN:** We maintained our position in Legend Biotech through periods of heightened volatility and did not exit as the stock traded in the \$40s. In our view, LEGN remains a stock with strong institutional sponsorship, and recent price action has been driven more by technical de-risking and position reshuffling than by deterioration in underlying fundamentals. The stock has exhibited repeated shakeouts consistent with heavy institutional



control rather than broad-based distribution. We remain constructive on the medium-term outlook and maintain an internal price target of ~\$70, reflecting our conviction in the company's long-term value despite near-term technical noise.

- **WRD:** We reduced our medium-term revenue and earnings expectations to reflect a slower-than-expected commercialization pace of domestic robotaxi services under tighter Tier-1 regulatory frameworks, as well as a more gradual rollout of select overseas projects. Importantly, we view this adjustment as a timing reset rather than a structural impairment to WeRide's long-term earnings power. In our assessment, the company's core autonomous driving technology and vehicle-level economics are approaching readiness for large-scale deployment, with the primary gating factor now being regulatory approval for sufficiently large and contiguous operating zones rather than technical capability. In contrast, WeRide's international expansion continues to progress ahead of domestic peers, supported by high-quality global partnerships that are increasingly shifting from pilot programs toward deeper, multi-year collaborations with elements of joint commercialization. These dynamics enhance WeRide's long-term bargaining power and potential share of the profit pool in overseas markets. At the same time, emerging traction in domestic ADAS provides earlier monetization and valuable data feedback to reinforce the core autonomy stack. We maintain a constructive long-term view on the global autonomous mobility opportunity and assign an internal price target of \$20, reflecting our confidence in WeRide's differentiated positioning despite near-term regulatory and deployment-related headwinds.

Part 1.2: Key Exited Positions

- **AEO (+62.33%) & VSCO (+41.96%):** We initiated both positions at depressed levels after identifying favorable technical setups alongside improving brand fundamentals and visibly strong in-store traffic and sales momentum. As these drivers materialized and valuations advanced toward our internal price targets, we exited the positions near historical highs, realizing gains and redeploying capital as positioning became increasingly consensus-driven.
- **AMD (+230.72%) & SOXL (+116.14%):** We initiated both positions during periods of pronounced market stress, taking a deliberately aggressive, leveraged exposure to the AI and semiconductor complex when sentiment was highly risk-averse. Over a holding period of less than one year, the recovery in AI- and semiconductor-related enthusiasm drove a sharp re-rating across the space. As valuations and positioning approached relative historical highs, we exited both positions, crystallizing gains and reducing leveraged exposure as the risk-reward profile became increasingly asymmetric.
- **VERI (+28.49%):** We traded VERI opportunistically through smaller position sizing, responding to abnormal market behavior and clear signals of tight institutional control reflected in volume dynamics and moving-average patterns. After multiple tactical entries and exits as the technical setup evolved, we exited the position, capturing gains while avoiding prolonged exposure to heightened volatility driven by concentrated positioning.



- **CFLT (-35.83%):** We reduced exposure ahead of earnings, exiting a portion of the position at a modest profit. Following the earnings release, the remaining position experienced a sharp drawdown of ~35-40%. A subsequent reassessment of the company's financial statements and competitive positioning led us to conclude that several of Confluent's core functional features were increasingly subject to substitution and commoditization within the broader data infrastructure stack. Given the deterioration in long-term differentiation and risk-reward, we exited the remaining position, executing a disciplined stop-loss to protect capital.

Part 2: Venture Capital Portfolio Highlights

In the second half of 2025, Dual Wave Capital continued to support and incubate early-stage technology ventures with strong consumer use cases and scalable monetization potential. Our venture strategy emphasizes founder-market fit, product-led growth, and diversified monetization in underserved categories.

- **Social Connectivity App (Targeting Loneliness & IRL Engagement):** We continue to actively support the development of a social connectivity application incubated within a top U.S. university innovation ecosystem. The product has entered beta testing through partnerships with two universities, generating early user engagement and feedback that are informing ongoing product iteration and feature refinement. Development remains active, with a focus on improving real-world engagement mechanics and platform stability. The team is targeting a formal public launch in early 2026, following continued testing and refinement during the beta phase.
- **Pet Companion Assistant App (Urban Working Dog Owners & First-Time Pet Parents):** We continue to support the development of a pet wellness and product assistant platform targeting urban pet owners with demanding work schedules and first-time dog parents seeking to reduce trial-and-error in food, gear, and supplement selection. The team has expanded to ~20 members, reflecting increased development and operational capacity. A Version 0 internal beta is scheduled for release in early January, with ~120 registered beta users already onboarded. The product remains in active build and iteration, with a focus on refining data-driven recommendation workflows and user experience ahead of broader rollout.

Part 3: Team Background

Dual Wave Capital was founded by an alumnus of the Wharton School MBA program. Our team brings together experience from leading global consulting firms, data science institutions, top-tier asset management companies, and international investment banks. With a deep understanding of both U.S. and China markets and cross-asset research capabilities, we are committed to combining cutting-edge research, rigorous modeling, and disciplined execution to build a long-term capital platform rooted in global insight and local relevance.

Part 4: Contact



Dual Wave Capital welcomes like-minded researchers, operators, and long-term capital partners to connect with us in exploring opportunities for durable value creation.

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