



Littlehousecapital.com

Product Recap and Comments

Absolute Opportunity+

Q3 2026

Our Founder



Robert C. Stimson, CPA

Founder, Chief Executive Officer &
Chief Investment Officer

Company Overview

Little House Capital, LLC is an SEC Registered Investment Advisor.

The firm was established to redefine the wealth management experience by integrating investment management, financial planning, and complex estate and tax strategies. We provide seamless and comprehensive goal-based solutions that seek to achieve desired outcomes for individuals, families, trusts and institutions.

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Overview

In Q3 2026, Little House Capital's Absolute Opportunity+ (AO+) product posted a gross return of 4.5% (4.2% net), bringing the year-to-date gross return to 16.4% (15.6% net). AO+ continued to outperform its benchmark which returned 9.5% year-to-date. The AO+ trailing three-year annualized return stands at 25.1% gross (23.8% net). At quarter-end, AO+ maintained a diversified portfolio of 40 holdings.

The portfolio outperformed its benchmark primarily through stock selection, as sector allocation was neutral. Selection was strongest in Information Technology, where our holdings meaningfully outpaced the sector, with Consumer Discretionary and Communication Services also adding to relative outperformance. Industrials, Materials, and Health Care detracted from performance. Key investments in Palantir, CrowdStrike, and Microsoft contributed meaningfully to returns, while positions in MasTec, Caterpillar, and Vulcan Materials detracted from the portfolio's performance.

Market conditions became more challenging in the third quarter as the ongoing conflict in the Middle East kept oil prices elevated, leading to revived inflation concerns. The Federal Reserve ultimately raised its policy rate by 25 basis points in September. Treasury yields rose materially, with the 10-year yield reaching its highest level since 2007. Despite pressure from higher rates, earnings expectations remained supportive. Market leadership shifted as enterprise software recovered on strong earnings and AI monetization, while Industrials gave back part of their first-half gains and Financials weakened late in the quarter.

Palantir (+60.3%), CrowdStrike (+38.8%), Microsoft (+37.8%), and Meta Platforms (+28.8%) were the quarter's major winners. Palantir rallied after a strong second quarter report and a significant increase to its full-year outlook, driven by accelerating U.S. commercial demand. CrowdStrike benefited from increased cybersecurity requirements amid higher demand for protection against advanced artificial intelligence models. Microsoft benefited from improved software sentiment and its evolving importance in enterprise artificial intelligence adoption. Meta's rebound was from a successful release of its Muse AI agent which reintroduced it as a key competitor to other leading AI labs.

MasTec (-48.9%), Caterpillar (-23.7%), and Vulcan Materials (-16.9%) detracted from performance. MasTec declined after management reduced its outlook, citing project deferrals and weaker-than-expected profitability. Caterpillar gave back part of its strong first-half gains amid a broader pullback in industrial cyclicals. Vulcan was pressured by higher energy costs and weather-related disruption despite large-project demand.

Listed below are major position changes made during the quarter (this excludes existing positions that may have been added to or trimmed).

New Positions: Micron (MU), SK Hynix (SKHY), Advanced Micro Devices (AMD), Dell Technologies (DELL), Walt Disney (DIS)

Sold Positions: Alibaba (BABA), Garrett Motion (GTX), Netflix Inc (NFLX)

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