



Littlehousecapital.com

Product Recap and Comments

Evolution 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 Evolution (EVO) product posted a gross return of 5.4% (5.1% net), bringing the year-to-date gross return to 13.2% (12.4% net). EVO continued to outperform its benchmark, which returned 6.3% year-to-date. The EVO trailing two-year annualized return stands at 21.7% gross (20.5% net). At quarter-end, EVO maintained a diversified portfolio of 35 holdings.

The portfolio outperformed its benchmark, led by stock selection in Information Technology, which overcame a modest underweight allocation to the sector. Selection in Consumer Discretionary, overweight allocation to Financials, and an underweight allocation to Industrials all meaningfully assisted gains for the quarter. Selection within Materials and Real Estate detracted modestly.

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%), and Microsoft (+37.8%) 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.

AppLovin (-40.2%), Vertiv Holdings (-27.8%), and FTAI Aviation (-25.4%) detracted from performance. AppLovin fell sharply after missing its revenue and EBITDA guidance for the first time as a public company. Delays in upgrading its AI advertising models slowed growth while rising computing costs pressured margins. Vertiv sold off sharply after missing second-quarter revenue estimates due to supply chain congestion and timing of large multi-phase projects. FTAI extended its decline after second-quarter profit missed estimates and it cut full-year free cash flow guidance, along with cutting Aviation Leasing guidance as it shifts toward an asset-light model.

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

New Positions: Lam Research (LRCX), Tesla (TSLA), Advanced Micro Devices (AMD), Snowflake Inc (SNOW), Space Exploration Technologies (SPCX), Dell Technologies (DELL)

Sold Positions: Netflix Inc (NFLX), Reddit Inc (RDDT), Amer Sports (AS), AppLovin (APP), FTAI Aviation (FTAI)

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