2Q 2026 Quarterly Letter
July 16, 2026

Gondolin produced returns of 15.5% in 2Q26, ahead of most global market indices. Our annualized net returns are currently averaging 15% per year since inception, compared with 13% per year for the S&P 500, 6% for the Russell 2000, 10% for the MSCI World Index and 6% per year for the Bloomberg Hedge Fund Index.

Returns vs Benchmarks	2Q26*	YTD 2026	1 Year	3 Year	5 Year	Inception (Feb 2021)	Inception (Annualized)
Gondolin Capital, LP (Net)	**15.5%**	**11.5%**	**23.4%**	**59.6%**	**95.0%**	**115.4%**	**15.4%**
S&P 500 (U.S. Large Cap)	14.9%	9.6%	19.4%	64.9%	72.2%	93.2%	13.1%
Russell 2000 (U.S. Small Cap)	21.2%	21.9%	34.6%	48.6%	33.7%	35.5%	5.8%
MSCI World (Global)	13.6%	9.6%	20.0%	58.6%	54.9%	65.0%	9.8%
Bloomberg Hedge Fund Index	4.3%	4.7%	11.6%	34.2%	32.2%	38.5%	6.3%

**Note: Returns as of June 30, 2026; Returns are net of fees*

MARKET AND PERFORMANCE COMMENTARY FOR 2Q 2026

Gondolin's portfolio results saw a significant 16% rebound from 1Q26. The gains were primarily driven by realized and unrealized gains in three core holdings (all >5% portfolio weights): (1) **Viasat (VSAT)** gained 95% in value, (2) **RE/MAX (RMAX)** gained 70% upon its announced acquisition from **The Real Brokerage (REAX)**, and (3) our largest holding, **ACV Auctions (ACVA)**, also gained 70% in value, albeit from a very low base value per share.

During the second quarter, shares of VSAT gained another 95% in value as the spectrum rights and customer acquisition values are more properly reflected in the equity value of the business. Management communicated to investors in May that the testing of their two major satellites continues to proceed as planned, with revenue production from each of the satellites likely to occur in the second half of 2026 and acceleration occurring in 2027.

With VSAT's equity value reaching a six-year high in May of $90/share, roughly 400% above our cost basis, we have now sold off roughly 75% of our position of VSAT shares in long-term realized gains, elevating our cash position back to 18% of assets. Even with these share sales, the position remains a substantial weight at 7% of Gondolin's assets.

As the business value more properly reflects the growth outlook for the two major satellites, as well as the strategic acquisition value of the customer relationships and spectrum rights, we may continue to pare down our ownership as new highs are reached, though at current valuation levels, VSAT shares are still too cheap in this long-term growth industry, even with competition from SpaceX's Starlink and Amazon's new Leo constellation arriving soon.

As announced via email to Limited Parters in April, **RE/MAX (RMAX)** reported that it will be acquired by **The Real Brokerage (REAX)** for $14/share, roughly double our average cost of $7/share. The equity value rebounded 70% in April on the news, though not fully reaching the $14/share acquisition price since we'll be receiving nearly half cash proceeds and nearly half stock in the newly combined company, which will consummate in the second half of 2026.

Since the acquisition was announced, we have not sold any shares, and the position has become an 8% weight in the portfolio. We have spoken with the management teams at both RE/MAX and The Real Brokerage and not only feel this is an excellent deal for shareholders, but also think the pro-forma cash profits are still significantly undervalued.

The Real Brokerage's strong technology stack (through both agent-facing software and brokerage-facing applications), combined with its net cash balance sheet, will pair well with RE/MAX's world-wide brand value and agent efficiency, while bringing down RE/MAX's leverage profile considerably, allowing higher re-investment back into the business's brokerages and agents to re-accelerate growth, while simultaneously lowering transaction costs for home buyers and sellers. None of these characteristics are currently priced into the equity.

Though not occurring in the second quarter of 2026, larger holding **Comcast (CMCSA)** reported in May that it will split its business into two pieces: (1) legacy *Comcast*, comprised of Xfinity broadband internet, and (2) *NBCUniversal*, which comprises the film/TV studios, Universal theme parks, Peacock streaming, and dozens of local NBC linear networks. While not yet recognized in the equity value today, this news is a substantial positive for the valuation of the business long-term, and since the announcement, we added ~10% additional shares to our holdings. While it is likely to take about a year for the split to occur, I believe *each* of these businesses is worth well >$100 billion in value, yet the combination of the two entities today is just $86 billion.

Our largest holding, **ACV Auctions (AVCA)**, also posted a 70% gain in the quarter, but off a very low base of just $4/share reached in March. ACV has an exciting path forward tied to the launch of their "Viper" scanner roll-out nationwide beginning later in 2026. We think this is likely to produce a material acceleration in revenue, partly in 2026, but mostly in 2027, revealing a recession-proof business that has the potential to produce double-digit growth over much of the next decade.

As of June 30, we are holding 78% long equity positions, we're holding 18% cash, and have 4% of assets invested into market put options. The put option holdings remain our insurance policy on the combination of high market valuations and economic risks tied to federal deficits and systemic private equity risks. Few of our equity investments remain exposed to cyclical downturns, with ~70% of our owned positions operating in recession-proof industries, mostly in defensive industrials, rent collectors, and subscription businesses. The largest 10 positions comprise around 62% of the assets.

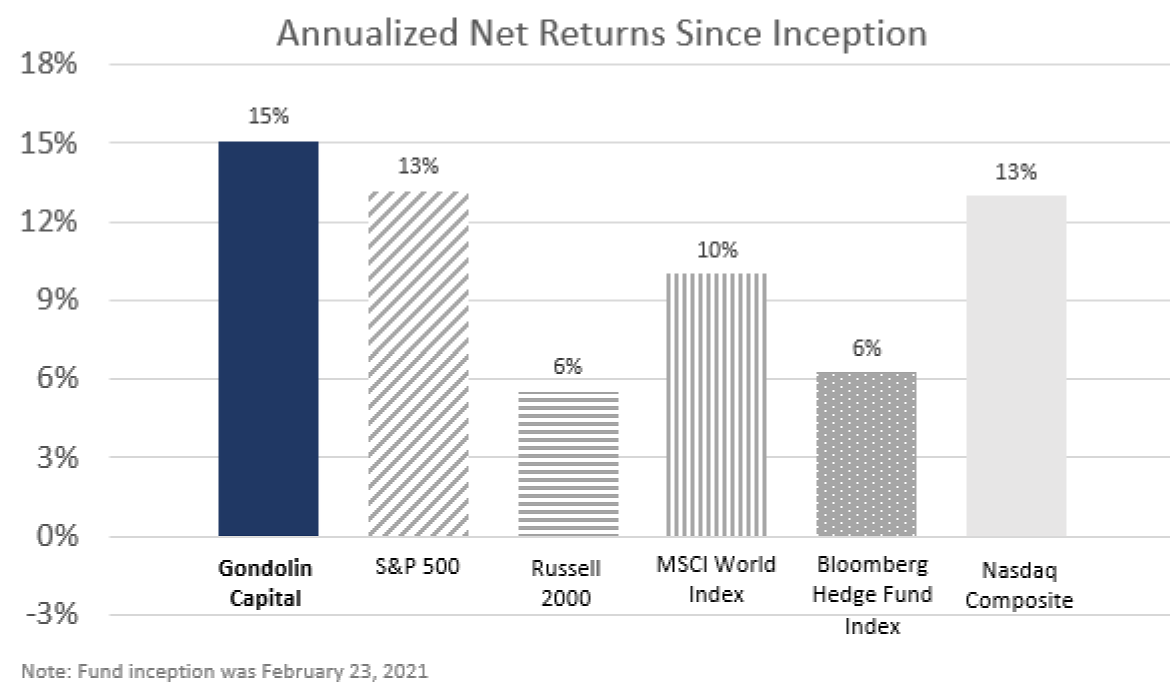
If you are a limited partner with Gondolin, please email me if you would like a copy of the period-end holdings. Please reach out via email (aballantyne@gondolincapital.com) or by phone (248-719-3843) if you have any questions, would like to discuss recent results, or if you would like to place additional capital into the fund.

I want to thank everyone for continuing to trust me with your investment capital.

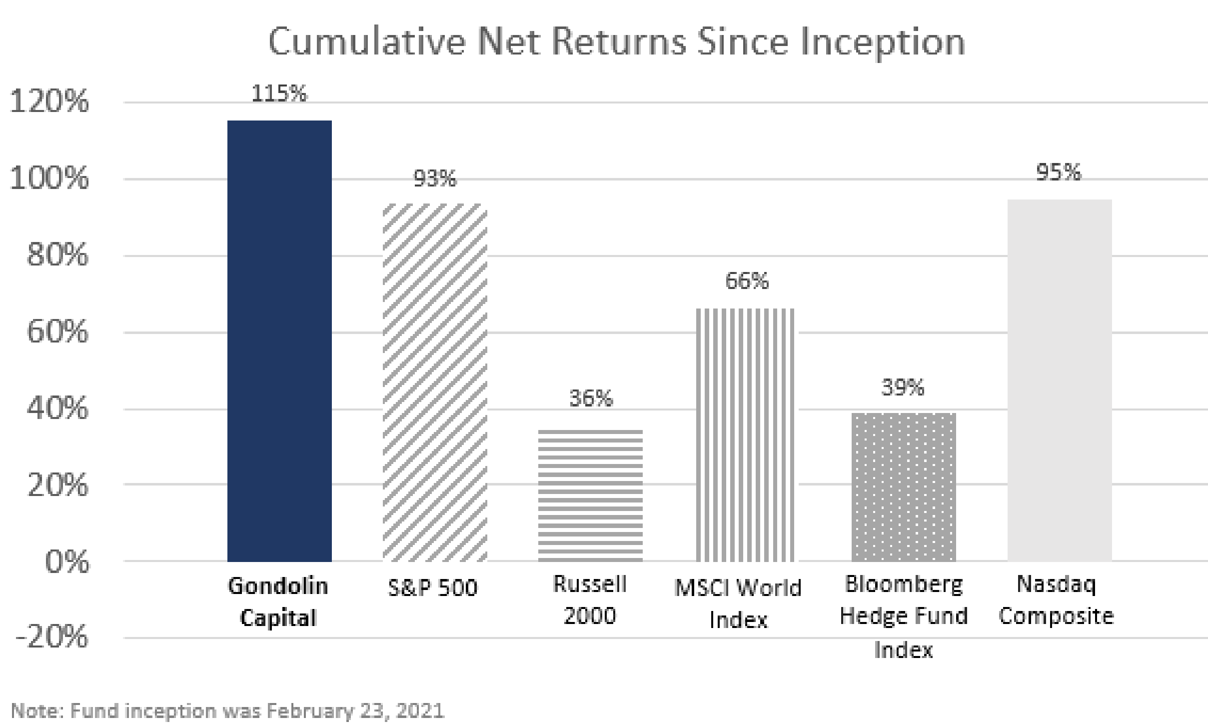
Gratefully,

Adam Ballantyne
Founder | General Partner

Appendix 1



Appendix 2



GONDOLIN CAPITAL

Appendix 3 – Annual Returns

Annual Returns vs Benchmarks	2021	2022	2023	2024	2025	YTD 2026
Gondolin Capital, LP (Net)	**18.7%**	**-12.0%**	**40.6%**	**-5.5%**	**38.8%**	**11.5%**
S&P 500 (U.S. Large Cap)	22.8%	-19.4%	24.2%	23.3%	16.4%	9.6%
Russell 2000 (U.S. Small Cap)	0.6%	-21.6%	15.1%	10.0%	11.3%	21.9%
MSCI World (Global)	12.0%	-19.8%	20.1%	15.7%	20.6%	9.6%
Bloomberg Hedge Fund Index	8.7%	-6.9%	7.8%	11.1%	12.3%	4.7%

**Note: Returns as of June 30, 2026; Returns are net of fees*

Appendix 4 – Return Summary

Returns vs Benchmarks	2Q26*	YTD 2026	1 Year	3 Year	5 Year	Inception (Feb 2021)	Inception (Annualized)
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