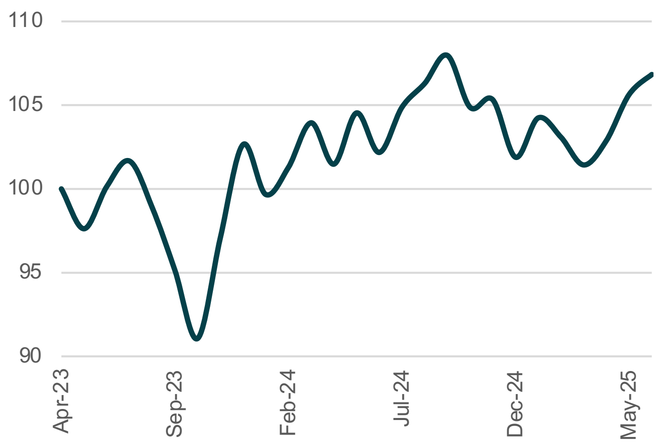
Cape Nature Positive Transition Fund

Cape Capital SICAV-SIF II

Fund strategy

The investment objective of the Fund is to deliver long term capital appreciation while contributing toward the protection and the restoration of nature by investing in other funds ("Underlying Funds") that operate investment strategies designed to positively contribute to either biodiversity/natural capital, water/oceans, circular economy or climate change. The Fund envisages exposing investors to optimal diversification across sectors, asset classes and investment strategies throughout the Underlying Funds.

Performance[1] (%)



Current month	YTD	1Y (p.a.)	3Y (p.a.)	5Y (p.a.)	Since inception
1.14	4.85	4.55	N/A	N/A	6.83

Fund risk summary

Return (%, annualised since inception)	3.09
Volatility (%, annualised)	10.20
Max drawdown (%, since inception)	-10.42
Sharpe ratio[1]	-0.23

Fund information

Date	30 June 2025
Current AUM	USD 93m
Fund type	SICAV-SIF
ISIN	LU2588911045 USD Share Class I LU2588911631 USD Share Class II
Fund inception	26 April 2023
Minimum investment	USD 125,000
Available currency	USD
Subscription	Weekly / 3 business days
Redemption	Weekly / 3 business days
Management fee	1.0% p.a. share class I 0.8% p.a. share class II
Fund domicile	Luxembourg
AIFM	MultiConcept Fund Management
Central administration	UBS Fund Administration Services Luxembourg S.A.
Auditor	PwC (Luxembourg)
Depository bank	UBS Europe SE, Luxembourg Branch

Fund statistics

Average yield to maturity (%)	4.80
Duration (years)	4.51
Average security rating	BBB
Gross exposure (%)	109.53
Net exposure (%)	83.00
Fixed income allocation (%)	29.55
Equity allocation (%)	48.10
Hedge fund allocation (%)	18.02
Cash allocation (%)	4.34

Note: past performance is not a reliable indicator of future results. Please see page 2 for detailed share class information.

1. Share class II USD, monthly NAV net of fees since fund inception 26 April 2023.

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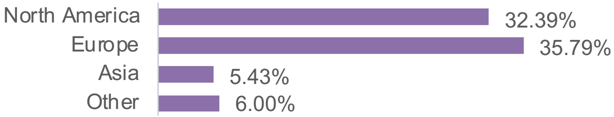
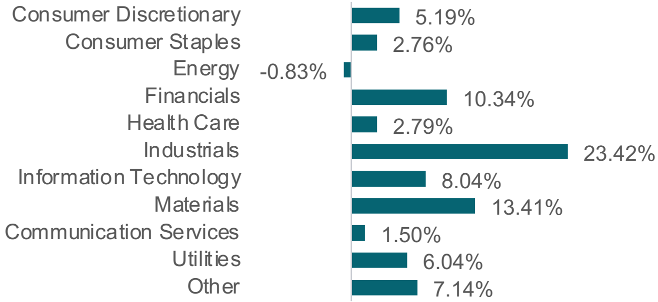
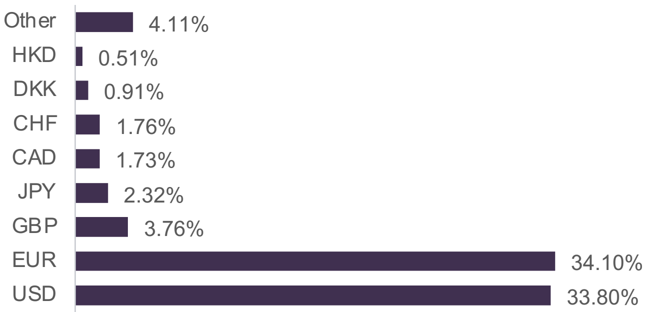
Geographic allocation (NET)



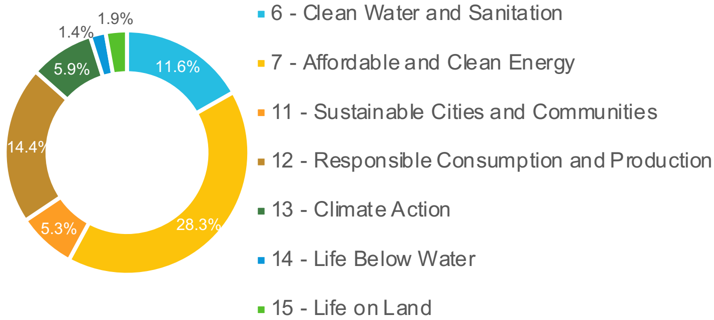
Sector allocation (NET)



Currency exposure (NET)



Key SDG alignment (NET, %)



All allocations are calculated based on notional exposure (excl. cash).
FX exposure refers to the currency denomination of the security.
The Total Expense Ratio (TER) presented in this document reflects final TER for the previous year.

Share class information

Share class	Bloomberg	ISIN	Inception	Fee p.a. (%)	TER (bp)	Current NAV
USD Class I	CPNATPI LX Equity	LU2588911045	27/04/2023	1.00	123.0	106.40
USD Class II	CPNATII LX Equity	LU2588911631	26/04/2023	0.80	102.0	106.83

Investment returns[1]

in %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023					-2.38	2.58	1.52	-2.73	-3.79	-4.28	6.60	5.74	2.65
2024	-2.90	1.63	2.63	-2.38	3.02	-2.26	2.64	1.35	1.57	-2.87	0.43	-3.26	-0.74
2025	2.31	-1.10	-1.61	1.43	2.67	1.14							4.85

Cape Capital

MONTHLY COMMENT – JUNE 2025

Cape Nature Positive Transition Fund

Vulnerability to physical climate risks is increasing

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Portfolio performance

The Fund returned 1.14% in June. Since its inception in April 2023, it has achieved a net return of 6.83%.

Global stocks rose by more than 4% in June, adding to earlier gains and closing out the first half of the year in positive territory. The S&P 500 Index continued its rally, reaching record highs, supported by steady progress in trade negotiations between the US and other countries. European stocks, in particular, climbed a total of 13% during the first six months, doubling the performance of US stocks.

The 10-year U.S. Treasury yield dropped by 17 basis points to 4.23%, while the 30-year yield fell below the 5% mark, ending the month at 4.77%. For the fourth time in a row, the Fed maintained rates at 4.25%-4.50%, while the ECB reduced rates by 25 basis points to 2%. Yields on 10-year German government bonds increased, rising by 10 basis points to 2.60%.

Our Fixed Income bucket returned 1.00%, underperforming the broader iShares Global Corp Bond UCITS ETF, which added 2.26%.

In June, global bond markets reacted to ongoing instability and certain trade concerns, with some markets performing better than others. The U.S. economy created 147,000 new jobs, and the unemployment rate fell to 4.1%. In Europe, stable service sector data contributed to positive sentiment, although industrial production remained muted. Country-level differences were also noticeable, with German yields rising and Italian bonds holding steady. Despite broader uncertainty, corporate credit markets remained strong, supported by solid fundamentals and persistent demand. Investment grade and high yield spreads also stayed tight, nearing their February levels.

All of our underlying funds posted positive returns but failed to outperform the benchmark. Our Multi-Credit Fund was the best performer, generating 1.21%, with convertible bonds and high-yield securities contributing the most, whereas positions in EUR government bonds and USD exposure had a negative impact. The Total Return Fund added 0.90%, with the CLO, AT1, and European high-yield sleeves being key contributors. The top and bottom 10 issuers added a net +18 basis points, driven by strong performances from House of HR and Selecta, which together contributed +10 basis points.

Our Equity bucket gained 1.79%, lagging behind the global equities return of 4.49%. Global performance was mainly driven by the U.S., which rose by more than 5% amid progress in trade negotiations and the ongoing AI boom. These returns were reflected in both IT and communication services, which were the best-performing sectors, propelling the S&P 500 and Nasdaq to record highs.

European markets, although finishing the first half of the year in very positive territory, could not keep up with the US this month. Most indices were flat or slightly down, with the Euro Stoxx 600 trailing the S&P 500 by nearly 500 basis points. Investors emphasized political uncertainty and earnings risk in the Eurozone, rather than taking encouragement from the ECB's rate cut.

Most underlying funds delivered positive returns this month, with the Energy Transition Fund standing out by achieving a 5.91% gain, fueled by strong performance in the Utilities and Information Technology sectors. The Timber Fund was once again the main laggard, posting a return of -0.66%. This underperformance was mainly due to sector allocation and security selection, particularly within the Consumer Staples and Materials sectors.

Our Hedge Fund bucket returned 0.46%, slightly below the broader Global Equity Hedge Fund Index, which gained 0.79%. The market-neutral Climate Impact L/S strategy added 0.79%, in line with the benchmark. The largest contributors this month were the Japanese industrial company Ebara, which benefited from improved forward guidance; the US electrical products company nVent, capitalizing on strong growth commentary; and the US lighting firm Acuity, which rallied after reporting results above expectations. The laggards were found in the US waste sector, a strong performer throughout the first half of the year, and in the Finnish pulp and paper company UPM-Kymmene.

The Energy Opportunity L/S Fund lost 0.1% this month, primarily due to overly cautious positioning throughout the period. The long book returned 5.7%, thanks to energy transition stocks related to AI and the power grid, but this was insufficient to offset losses in the short sleeve, particularly in the US hydrogen (-2.6%) and solar (-1.5%) sectors.

Fund changes

In June, the Transition to Net Zero Fund was fully divested following a planned change in the portfolio management team. Assets were still held in the fund as of June 30, with proceeds expected to be credited to the fund in early July.

Nature Positive highlights

How the Next Financial Crisis Starts

An opinion article in the Financial Times explores how climate change—particularly the growing threat of physical climate risks—is emerging as a major destabilizing force in the global financial system. Unlike the 2008 financial crisis, which was triggered by financial mismanagement, the next crisis could be driven by real-world environmental shocks such as wildfires, floods, and hurricanes. These events are increasingly disrupting markets, especially in the insurance, real estate, and agricultural sectors.

As climate-related disasters become more frequent and severe, insurers are withdrawing from high-risk areas, making it harder for homeowners to obtain coverage. This, in turn, affects mortgage availability, reduces property values, and threatens to destabilize entire regional housing markets. Experts suggest that this will not be a sudden crash, but rather a slow, cumulative erosion of financial stability as the economic impacts of climate change mount.

Financial institutions and regulators are beginning to recognise these risks. Central banks, including the US Federal Reserve, and international organisations such as the Financial Stability Board are exploring how to integrate climate shocks into their models. However, critics argue that many of these assessments underestimate the true scale of the risk because they fail to account for compounding effects and ecological tipping points.

The article also highlights a significant shift in the focus of climate finance. While earlier concerns centred on transition risks, such as stranded fossil fuel assets, there is now growing awareness that physical risks, stemming directly from climate events, are likely to have more immediate and profound financial consequences. The political environment also plays a key role. In the US, recent moves to weaken climate-related financial oversight—such as scaling back the Federal Insurance Office and withdrawing from global climate-finance networks—are raising concerns that the system is becoming more vulnerable just as the risks are increasing.

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Alternative Investment Fund Manager: MultiConcept Fund Management S.A.

Fund type: SICAV-SIF

Domicile: Luxembourg

Central administration: UBS Fund Administration Services Luxembourg S.A.

Independent auditor: PwC (Luxembourg)

Legal advisor: Arendt & Medernach, Luxembourg

Depositary bank: UBS Europe SE, Luxembourg Branch

Swiss representative: UBS Fund Management AG

Paying agency: UBS AG

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