

# Cape Select Bond Fund

Cape Capital SICAV-UCITS



## Fund strategy

The Cape Select Bond Fund is an enhanced short-term bond strategy and alternative to holding cash, seeking to deliver higher returns over traditional money market funds and other short-term credit investments. The fund mainly invests in a mix of very short-term callable or bullet subordinated, or senior bonds issued by high quality Investment Grade rated issuers. Any FX exposure is fully hedged.

## Performance (NAV<sup>1</sup>)



Current month	YTD	1Y (p.a.)	3Y (p.a.)	5Y (p.a.)	Since inception
0.12	1.68	2.15	3.15	1.66	8.69

## Fund information

Date	31 October 2025
Current AUM	EUR 74m
Fund type	SICAV-UCITS
ISIN	LU1968842036
Bloomberg	CSBIBEA LX Equity
Fund inception	02 September 2019
Minimum investment	EUR 5,000
Available currency	EUR, CHF, USD
Redemption	Daily by 3pm C.E.T
Management fee	0.25% p.a.
Share class	Institutional B EUR Accumulating
Fund domicile	Luxembourg
Management company	MultiConcept Fund Management
Central administration	UBS Fund Administration Services Luxembourg S.A.
Auditor	PwC (Luxembourg)
Legal advisor	Arendt & Medernach
Depository bank	UBS Europe SE, Luxembourg Branch

## Fund statistics

Average maturity (months)	4.71
Current running yield	2.16
Return (% , annualized since inception)	1.36
Return benchmark (% , annualized since inception) <sup>3</sup>	1.32
Volatility (% , annualized) <sup>2</sup>	1.34
Max drawdown (% , since inception)	-2.56
Sharpe ratio	0.03

Note: past performance is not a reliable indicator of future results.

Please see page 2 for detailed share class information.

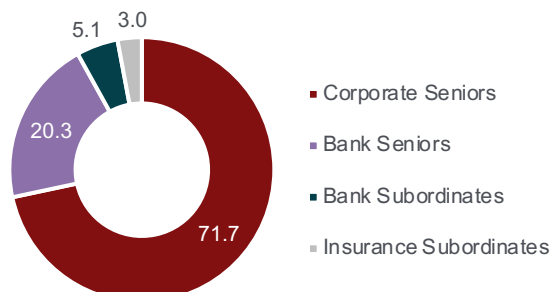
1. Share class Institutional B EUR Acc., monthly NAV net of fees since fund inception 02 September 2019, indexed to 100.
2. Annualized standard deviation using monthly return since inception.
3. Risk free / Benchmark is calculated as the annualized return of EURIBOR 3 month since the inception of the Fund.

# Cape Select Bond Fund

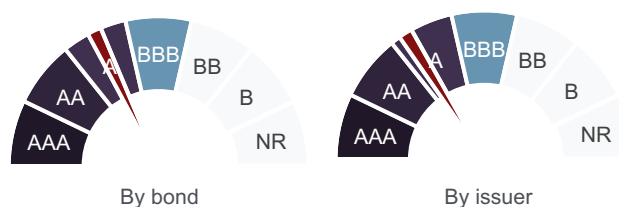
Cape Capital SICAV-UCITS



## Risk allocation (%)



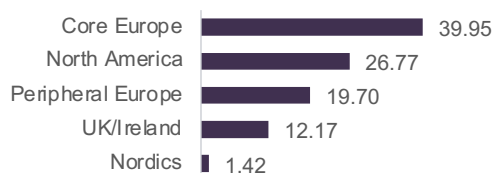
## Rating distribution



## Maturity split/exposure (%)



## Geographic exposure (%)



All allocations are calculated based on notional exposures.

Issuer Level Ratings refer to senior unsecured issuer ratings, based on data from S&P, Moody's, and Fitch.

Maturity exposure is calculated using next call date for callable bonds, call date for called bonds and maturity date for bullet bonds.

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
Institutional B EUR Acc.	CSBIBEA LX Equity	LU1968842036	02/09/2019	0.25	54.0	108.69
Institutional B USD Acc.	CCSBIBD LX Equity	LU1968842119	07/10/2019	0.25	56.0	120.28
Institutional B CHF Acc.	CCSBIBC LX Equity	LU1968842200	27/12/2019	0.25	58.0	100.89
Institutional A EUR Acc.	CACSBIA LX Equity	LU1968841145	24/01/2020	0.20	48.0	108.69

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## Share class performance

in %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>Institutional B EUR Acc.</b>													
2019									-0.05	0.10	0.10	0.02	0.17
2020	0.11	-0.18	-2.39	0.91	0.77	0.31	0.08	0.31	-0.01	0.03	0.31	0.03	0.25
2021	0.01	-0.03	0.09	0.09	-0.01	0.12	0.00	0.04	-0.05	-0.09	-0.05	0.09	0.19
2022	-0.12	-0.47	0.14	-0.16	-0.11	-0.79	0.34	-0.17	-0.44	0.19	0.41	0.07	-1.10
2023	0.34	0.11	-0.14	0.22	0.18	0.33	0.43	0.37	0.25	0.40	0.58	0.48	3.60
2024	0.41	0.31	0.34	0.28	0.35	0.28	0.37	0.30	0.30	0.24	0.25	0.21	3.70
2025	0.27	0.21	0.14	0.21	0.15	0.15	0.13	0.14	0.16	0.12			1.68
<b>Institutional B USD Acc.</b>													
2019										0.28	0.27	0.30	0.85
2020	0.29	-0.04	-2.10	1.05	0.84	0.38	0.19	0.37	0.05	0.08	0.39	0.15	1.63
2021	0.07	0.02	0.16	0.17	0.05	0.17	0.07	0.11	0.00	-0.05	-0.04	0.25	0.96
2022	-0.08	-0.44	0.27	-0.13	0.07	-0.70	0.57	0.08	-0.28	0.44	0.72	0.37	0.88
2023	0.57	0.29	0.08	0.34	0.30	0.57	0.61	0.48	0.39	0.57	0.75	0.63	5.73
2024	0.53	0.42	0.45	0.40	0.47	0.39	0.53	0.45	0.45	0.36	0.35	0.32	5.23
2025	0.40	0.35	0.28	0.42	0.34	0.37	0.35	0.34	0.36	0.30			3.58
<b>Institutional B CHF Acc.</b>													
2019												-0.01	-0.01
2020	0.07	-0.21	-2.41	0.86	0.76	0.27	0.08	0.28	-0.03	0.01	0.29	0.01	-0.05
2021	-0.03	-0.06	0.08	0.07	0.00	0.10	-0.01	0.02	-0.07	-0.11	-0.06	0.09	0.02
2022	-0.14	-0.47	0.12	-0.18	-0.14	-0.79	0.39	-0.16	-0.47	0.17	0.34	-0.09	-1.43
2023	0.24	-0.1	-0.27	0.05	0.01	0.15	0.29	0.17	0.11	0.22	0.36	0.28	1.62
2024	0.18	0.13	0.15	0.03	0.12	0.07	0.13	0.07	0.08	0.02	0.06	-0.05	0.99
2025	0.04	0.03	-0.05	0.02	-0.02	-0.04	-0.05	-0.04	-0.03	-0.07			-0.23
<b>Institutional A EUR Acc.</b>													
2020	0.01	-0.18	-2.38	0.91	0.77	0.31	0.09	0.31	-0.01	0.03	0.32	0.04	0.19
2021	-0.01	-0.03	0.10	0.10	-0.02	0.13	0.00	0.05	-0.04	-0.10	-0.04	0.10	0.24
2022	-0.12	-0.47	0.14	-0.15	-0.10	-0.79	0.35	-0.17	-0.44	0.20	0.41	0.07	5.45
2023	0.35	0.11	-0.13	0.22	0.19	0.33	0.44	0.37	0.25	0.41	0.58	0.48	3.65
2024	0.41	0.32	0.34	0.28	0.36	0.28	0.38	0.30	0.30	0.25	0.26	0.21	3.75
2025	0.27	0.22	0.14	0.21	0.15	0.15	0.14	0.15	0.16	0.12			1.72

# Cape Select Bond Fund

## Patience is a virtue

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- **Don't bank on it:** The Fed delivered a second consecutive cut but struck a hawkish tone; further easing is not guaranteed, and decisions will be strictly data-dependent amid mixed signals from the labour market and inflation.
- **Waiting for follow-through:** Europe's fiscal plans remain narrative-heavy but light on execution; we remain hopeful that the real impact on growth will materialise over the course of next year.
- **Position steady, focus intact:** The Fund keeps an up-in-quality tilt, concentrates on EUR IG bonds with short-to-medium maturities, and remains insulated from idiosyncratic risks.

## Market

October closed largely as expected, with the Fed delivering a second consecutive 25bp cut. However, the tone from Chair Powell surprised markets. Alongside announcing an end to quantitative tightening, he struck a more hawkish note, emphasising that a further cut in December is far from guaranteed. Heading into the FOMC meeting, markets were pricing in a near-certain December cut. By month-end, that probability slipped to roughly two-thirds, and expectations drifted lower across the forward curve into 2026. Amid mixed economic signals – exacerbated by limited data availability during the US government shutdown – the Fed remains cautious. Labour market risks are now its primary focus, even though inflation remains above target. Policy direction will hinge on incoming data: softer labour conditions or slowing growth will support the case for a December cut, while continued momentum will support a pause. Importantly, the October decision was more data-driven than September's "risk-management" cut, which followed weaker summer labour prints.

Across the ocean, the ECB held rates at 2%, maintaining its wait-and-see stance. It is expected to hold through the end of the year, with potential easing next spring if growth is below potential or if inflation undershoots. Fortunately, Europe is not unequivocally weak. The Q3 GDP print surprised to the upside, and October PMIs point to reduced downside risk. European resilience may be underappreciated. For now, the bar for action in either direction remains high. Over the past months, Europe's ambitious fiscal plans have been narrative-heavy but execution-light. The key determinant of Europe's future is the pace at which stimulus translates into real growth – a process that is currently moving slowly. Hell has nine circles – Brussels has added a tenth.

Aside from central banks, October was broadly stable. The US government shutdown remains a prominent downside risk, but easing trade tensions offer some offsetting support to global growth. Sentiment in Europe is holding up, the French political situation has stabilised, and US activity continues to benefit from robust consumer spending and confidence. Against this backdrop, the US macroeconomic debate continues to evolve. The Fed has cut rates into a strengthening growth outlook for 2026 and is acknowledging labour-force stagnation. However, framing this as labour-market weakness misses the whole picture. As Baby Boomers retire and immigration flows slow, the forward nonfarm payroll breakeven figures may trend towards zero – meaning fewer monthly job gains are needed to keep unemployment stable. This reflects structural demographic forces rather than cyclical deterioration.

Credit markets were firm and (you guessed it) spreads remained tight. Investment grade (IG) corporate bonds performed strongly in both EUR and USD, with EUR modestly outperforming due to idiosyncratic factors in USD markets. Autos, basic industries, and energy led performance, while banks, media, and services lagged behind. In today's landscape, it is

easy to feel as though elevated cash yields are an oasis offering solid returns without too much risk. This oasis, however, is more of a mirage. High yields on cash are fleeting, and what appears appealing today may evaporate tomorrow. IG credit, despite the hurdles, remains a strong and forward-looking asset class.

In securitised credit markets, collateralised loan obligation (CLO) issuance remained strong and attracted solid demand. Some US loan defaults reminded markets that idiosyncratic risks still exist, implying higher dispersion, though still at modest levels. Spreads widened slightly across the CLO capital structure as a result. Tech-backed loans (many related to AI) have grown to become the dominant sector in USD CLO portfolios (now at approximately 15%), a trend absent in EUR CLOs. Historically, the asset class has benefitted from high loan recovery rates, supported in part by exposure to real assets. However, tech-backed loans are typically asset-light and challenge these assumptions, given the sector's lower recovery profile (most tech exposure in USD CLOs is from services and software). Unlike borrowers backed by physical assets, tech names lack tangible collateral. One thing is certain – technology's role in credit markets is here to stay – and there is growing interest in whether these players will be financed through syndicated loans or private loans.

## Portfolio and positioning

The Fund continues to provide an almost risk-free carry, which is higher than T-Bill rates. With money market curves remaining relatively flat, we continue to position the Fund in the middle of the 0–12 month range, as reflected in the current average duration of under 6 months. We have taken advantage of strong credit conditions and maintained most of the exposure in corporate bonds, avoiding sovereigns. Short-duration products—particularly in EUR—offer compelling all-in yields, and our maturity profile helps us mitigate left-tail risk and rate sensitivity. The Fund delivers a solid carry of approximately 2.9% in EUR terms (gross), derived from a diversified portfolio of roughly 40 high-quality, investment grade, large-cap companies across developed markets. With a clear “safety-first” approach, we focus on standard bullet bonds that do not incorporate any extension risk.

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Fund type: SICAV-UCITS

Domicile: Luxembourg

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

Independent auditor: PwC (Luxembourg)

Legal advisor: Arendt & Medernach, Luxembourg

Depository bank: UBS Europe SE, Luxembourg Branch

Swiss representative: ACOLIN Fund Services AG

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