

# Cape Credit Opportunities Fund



Cape Capital SICAV-SIF II

## Fund strategy

The investment objective of the Fund is to achieve capital appreciation by investing in a portfolio of fixed income securities. The Fund invests in corporate bonds with both Investment and Sub-investment grade primarily issued by issuers from developed markets (Europe / US) with an opportunistic approach to developed emerging markets. The selection of these investments is mainly driven by fundamental analysis.

## Performance (NAV)



Current month	YTD	1Y (p.a.)	3Y (p.a.)	5Y (p.a.)	Since inception
-2.04	1.51	1.53	N/A	N/A	18.37

## Fund information

Date	31 October 2025
Current AUM	USD 180m
Fund type	SICAV-SIF
ISIN	LU2531759582 USD Share Class I LU2531760085 USD Share Class II
Fund inception	30 December 2022
Minimum investment	USD 125,000
Available currency	USD
Subscription	Monthly / 5 business days
Redemption	Monthly / 23 business days
Management fee	1.0% p.a. share class I 0.8% p.a. share class II
Performance fee (High-on-High)	15% share class I 10% share class II
Fund domicile	Luxembourg
Management company	MultiConcept Fund Management
Central administration	UBS Fund Administration Services Luxembourg S.A.
Auditor	PwC (Luxembourg)
Depository bank	UBS Europe SE, Luxembourg Branch

## Fund risk summary

Return (% , annualised since inception)	6.12
Volatility (% , annualised)	3.81
Max drawdown (% , since inception)	-3.18
Sharpe ratio <sup>1</sup>	0.31

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

1. Risk free rate is average USD 1 Month Deposit Rate.

## Fund statistics

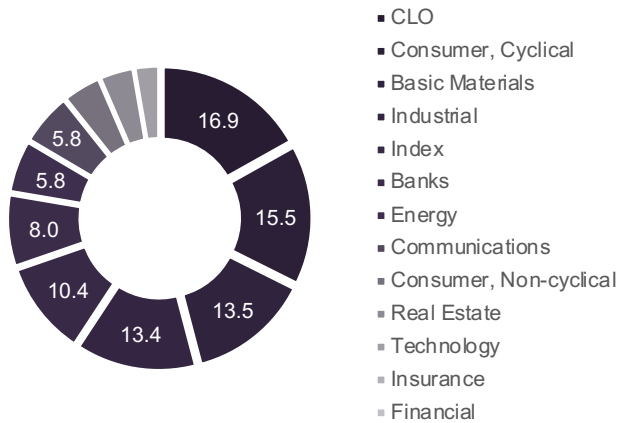
Average coupon rate (%)	7.4
Average yield to maturity (% , USD)	11.2
Duration (years)	2.9
Average security rating	B
Number of holdings	46

# Cape Credit Opportunities Fund

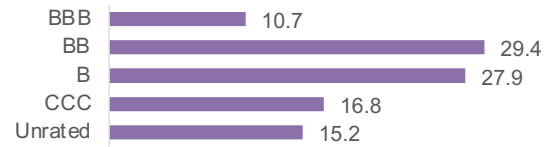


Cape Capital SICAV-SIF II

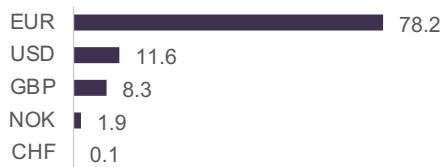
## Sector allocation (%)



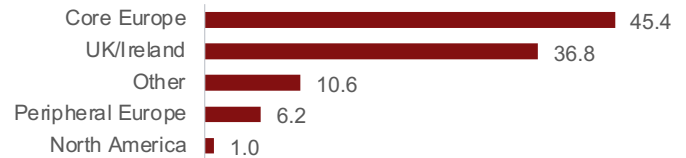
## Rating distribution (% bonds and CDS)



## Security denomination (% bonds and CDS)



## Geographic allocation (% bonds and CDS)



All allocations are calculated based on notional exposure (excl. cash and hedges).

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 II	CACEOII LX Equity	LU2531760085	30/12/2022	0.80 / 10.00	183.0	118.37

## Investment returns

in %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	0.22	-0.17	-1.31	0.66	0.60	0.85	1.33	0.59	0.14	-0.45	2.08	2.59	7.30
2024	1.72	0.85	-0.23	0.05	1.63	0.57	0.99	1.31	0.98	0.47	-0.20	0.21	8.68
2025	1.28	1.57	-1.18	-2.02	2.50	-0.04	0.56	0.05	0.93	-2.04			1.51

# Cape Credit Opportunities Fund

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## Credit markets

On the monetary policy front, the Fed has delivered another 25bps cut, with Powell pushing back against the narrative of a December rate cut. Meanwhile, in Europe, the ECB held rates unchanged, with Lagarde commenting that they are “at a very good place right now,” maintaining a high bar for any rate action in either direction in the near term. On the incoming data front, October European soft data (sentiment and survey results) showed sequential improvement, especially in the German PMI and IFO data, reversing some of the underwhelming picture from September. However, for European leveraged credit, hard data and government execution through fiscal policy remain key for any meaningful re-evaluation.

In the leveraged credit universe, several credit events have sent shock waves through the market. The emergency Chapter 11 filing of First Brands and the collapse of Tricolor have called the credit quality of the asset class into question, especially for those with complex structures, heavily adjusted EBITDA, and elevated supply chain financing. These events have triggered a sharp decompression trade between high-quality names and more opportunistic credits. Additionally, we have seen opportunistic credits that are entering their refinancing window sell off meaningfully in the wake of First Brands, as the company entered restructuring talks in the midst of refinancing discussions.

## Portfolio performance

The Cape Credit Opportunities Fund declined by 2.0% in October. At month-end, the portfolio yield was approximately 9.7% (in USD), the average coupon was 7.0% among performing credits (excluding stressed names), duration was 2.5 years, and the average credit rating remained at B.

## Portfolio highlights

Given the more opportunistic nature of the strategy, the portfolio holdings have experienced collateral damage from the collapse of First Brands and similar cases, even though the portfolio has no exposure to that name or any similar names in the U.S. However, weak sentiment toward cash-burning businesses that are currently at the bottom of the cycle has resulted in elevated price volatility as the decompression trade has gained momentum. We see very attractive entry points and have added selectively into the weakness, as we continue to believe our holdings are best positioned to capture the upside when the cycle turns. This should accelerate next year as German fiscal stimulus feeds into the real economy.

On the idiosyncratic front, the portfolio was negatively impacted (around -50bps) by a chemical company, as a news headline about an aggressive LME triggered a significant selloff in an illiquid market. We believe the actual impact should be less than what the current market price indicates. On a more positive note, the earnings season so far has been better than feared for the automotive industry (both OEMs and suppliers). The industry now expects year-over-year volume growth into FY26, allowing some of the leveraged auto suppliers to finally stabilize their order books while continuing to work on internal cost optimization. We think the next two quarters of earnings could be the catalyst for a re-rating of some of our holdings.

As a more general comment on our holdings, the market remains extremely cautious and suspicious of opportunistic names, and the bar for credit re-evaluation remains high as investors continue to demand hard proof of cash generation and topline growth for this segment of the universe. We continue to believe that the ongoing Q3 earnings will provide further evidence of underlying improvement, given the operational restructuring (such as manufacturing footprint rationalization and cost-cutting efforts) as well as topline stabilization. We remain patient and highly confident in our thesis and anticipate more positive catalysts in the near term.

# Cape Credit Opportunities Fund



Cape Capital SICAV-SIF II

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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

Depository bank: UBS Europe SE, Luxembourg Branch

Swiss representative: UBS Fund Management AG

Paying agency: UBS AG

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