

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
-1.53	0.09	0.09	N/A	N/A	16.71

Fund information

Date	31 December 2025
Current AUM	USD 171m
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)	5.28
Volatility (% , annualised)	3.88
Max drawdown (% , since inception)	-3.41
Sharpe ratio ¹	0.10

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

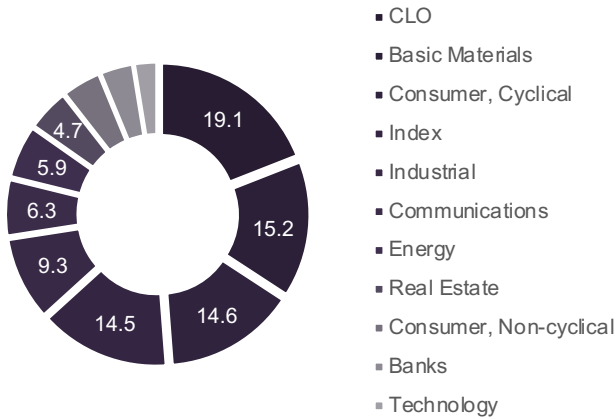
Average coupon rate (%)	7.7
Average yield to maturity (% , USD)	10.9
Duration (years)	2.8
Average security rating	B
Number of holdings	38

Cape Credit Opportunities Fund

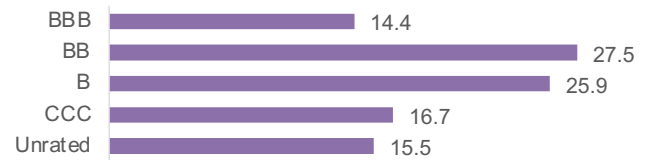


Cape Capital SICAV-SIF II

Sector allocation (%)



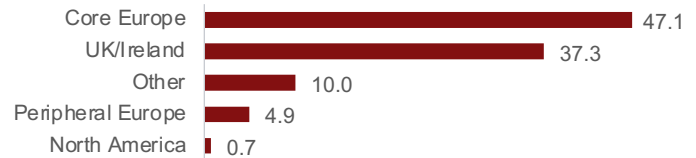
Rating distribution (% bonds and CDS)



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	116.71

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	0.13	-1.53	0.09

Cape Credit Opportunities Fund

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Credit markets

December saw the typical seasonal thin liquidity, with investors trimming risk into year-end. Due to concerns about AI valuations reflected in Oracle CDS levels, ongoing negotiations regarding the Russia-Ukraine peace deal, and continued uncertainty surrounding US monetary policy, the Santa rally did not occur this year.

Q3 earnings continued into the first half of December. For the cyclical segment of leveraged credit names, while results remained highly bifurcated depending on the different positioning on the supply chain, we observed more commentary suggesting that demand softness was beginning to stabilise.

Portfolio performance

The Cape Credit Opportunities Fund returned -1.5% in December. **We would highlight that there is currently a NAV discount of sub 1% between the fund underlying valuation and the NAV due to valuation issues on certain securities, which we expect to revert within the next few months.** At month-end, the portfolio yield was approximately 11% (in USD), the average coupon among performing credits (excluding special situation names) was 7.7%, the average credit duration was 2.8 years.

Portfolio highlights

Due to thin liquidity towards year-end, we noticed a few positions giving up their gains after catalysts materialised; we are confident that this will revert in the short term. And we already see some revision as we write this comment in January.

On the idiosyncratic movements, one pan-European basic chemical company continued to feel the heavy pressure from short sellers. While there had been two positive headlines over the quarter demonstrating the government's willingness to protect strategic sector, it failed to materialize into any meaningful revaluation as investors remained suspicious on its extremely elevated leverage due to unusually long down cycle. We continue to see value in the asset base and where it sits on the cost curve albeit elevated leverage at this point in time and we think the company has ample liquidity to go through the cycle.

Elsewhere, a carton board company reported disappointing Q3 figures despite ongoing operational restructuring efforts. Earlier, we reduced our position due to limited improvements in profitability, despite the company mothballing more than 20% of its production capacity. We originally retained half of the position as the company successfully secured local bank funding and achieved a better than expected outcome from asset disposals, thereby extending its liquidity runway for the business transformation plan to materialise. However, following the Q3 results, we now believe that the structural improvement in end-market demand will take longer than expected to materialise, and that the company will eventually require some form of restructuring, given its limited cash generation relative to its elevated cash interest costs. We managed to exit most of the position at a favourable level. We will continue to monitor the situation until we see evidence of a potential positive catalyst.

Finally, a UK North Sea oil producer that was under administration has reached a sale agreement with its joint venture partner. Although there is still a legal process to be completed over the next few months, the potential recovery is close to our base case and significantly higher than our provision in a worst-case scenario. This position constitutes part of the NAV discount due to discrepancy between the mark and the potential final recovery.

On the idiosyncratic front, we expect several catalysts to materialise and be reflected in valuations in Q1 2026. In addition, we continue to increase our exposure to index tranches and our CLO book to enhance performance in 2026.

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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

Depositary bank: UBS Europe SE, Luxembourg Branch

Swiss representative: UBS Fund Management AG

Paying agency: UBS AG

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Updated in May 2025