

# 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
0.14	0.14	1.79	3.00	1.67	9.10

## Fund information

Date	31 January 2025
Current AUM	EUR 44m
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)	4.52
Current running yield	2.25
Return (% , annualized since inception)	1.37
Return benchmark (% , annualized since inception) <sup>3</sup>	1.35
Volatility (% , annualized) <sup>2</sup>	1.31
Max drawdown (% , since inception)	-2.56
Sharpe ratio	0.01

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

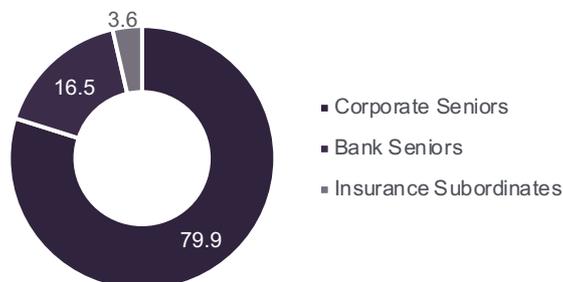
1. Share class Institutional B EUR Acc., monthly NAV net of fees since fund inception 02 September 2019, indexed to 100.
2. Annualized standard deviation using monthly return since inception.
3. Risk free / Benchmark is calculated as the annualized return of EURIBOR 3 month since the inception of the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

# Cape Select Bond Fund

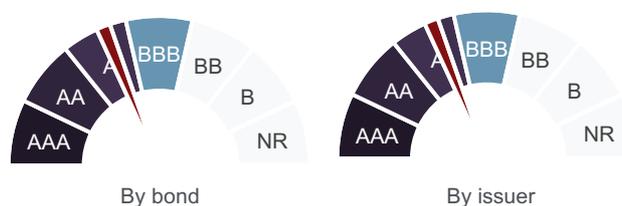
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## Risk allocation (%)



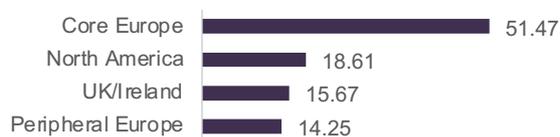
## Rating distribution



## 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	109.10
Institutional B USD Acc.	CCSBIBD LX Equity	LU1968842119	07/10/2019	0.25	56.0	121.34
Institutional B CHF Acc.	CCSBIBC LX Equity	LU1968842200	27/12/2019	0.25	58.0	100.70
Institutional A EUR Acc.	CACSBIA LX Equity	LU1968841145	24/01/2020	0.20	48.0	109.12

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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	0.16	0.08	1.93
2026	0.14												0.14
<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	0.32	0.28	4.20
2026	0.28												0.28
<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	-0.02	-0.13	-0.38
2026	-0.04												-0.04
<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	0.17	0.08	1.97
2026	0.15												0.15

# Cape Select Bond Fund

## Discipline over beta

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- **Restriction to normalization, cautiously:** Markets shifted from asking how long policy will remain restrictive to how far normalization can proceed without reigniting inflation.
- **Scarcity to selection:** IG fundamentals remain strong, but rising AI- and M&A-related issuance in the US contrast with Europe's more insulated supply profile, indicating a regime where entry point, issuer, and exposure are key.
- **Position steady, focus intact:** The Fund keeps an up-in-quality tilt, concentrates on EUR IG bonds with short- to medium maturities, and maintains its defensive positioning as long as spreads remain that tight.

## Market

January set the tone for 2026 as markets transitioned from debating how long rates will remain restrictive to how long “normalization” can continue without reigniting inflation. The dominant theme across risk assets is confidence in contained inflation. At the same time, uncertainty in labour dynamics creates a constructive but increasingly selective environment for investment grade (IG) credit.

This month's FOMC meeting was important less for what the Fed did than for how it framed the outlook. Policy rates were left unchanged and Chair Powell acknowledged stabilization in the labour market, reiterating the view that tariff-related inflation effects should fade over time. The decision signalled comfort with patience rather than urgency. Renewed labour market weakness would justify cuts, but for now the Fed waits. Markets continue to price a mid-year cut followed by a gradual normalization path. The Fed's reaction function remains asymmetric: labour deterioration warrants action, while inflation persistence no longer justifies renewed tightening. The “Powell Hold” will likely extend through the end of his term. Any doubts about policy credibility would most likely express themselves through further steepening in the 2–10 year segment.

Importantly, January also clarified the leadership transition. Kevin Warsh has been appointed as the next Fed President following Powell. Warsh is widely regarded as structurally hawkish with respect to balance sheet management and institutional discipline. However, his policy stance is contextual to regime. While he may favour a firmer structural framework for the Fed's balance sheet over time, his interest rate policy has historically shown flexibility when macro conditions warrant accommodation. In that sense, markets see continuity in cyclical management, combined with a potentially more disciplined long-term balance sheet trajectory.

US macro data broadly supports this narrative. Growth remained resilient into early 2026, supported by fiscal and private demand factors. The weak spot is the labour market. Job growth has slowed meaningfully and, although reduced immigration lowers the breakeven pace of hiring, there is a credible risk of “jobless growth” as firms prioritize productivity and automation over headcount expansion. The result is an economy where growth is increasingly concentrated among higher-income consumers and large AI-exposed corporates, while more rate- and income-sensitive segments face mounting pressure.

Against this backdrop, US IG credit performed well in January. Spreads tightened modestly, supported by strong demand and improving confidence in the inflation outlook. Fundamentals remain solid. Rising issuance related to AI investment

and M&A activity may, however, gradually shift the market from a scarcity-driven regime toward a more balanced environment. Entry point and issuer selection are becoming increasingly important.

Europe continues to walk a tightrope between structural constraints and fiscal activation. Euro Area growth is expected to improve modestly in 2026, with policymakers signalling satisfaction with the current trajectory and little urgency to act absent clear deterioration. Growth will primarily be driven by Germany's fiscal expansion and resilient consumption. Structural headwinds — demographics, limited productivity gains and competitive pressures — will cap medium-term upside. Markets remain hopeful that the bloc's fiscal push will generate meaningful rewards.

European IG displayed similar cautious optimism. Spreads remained tight as investors responded to a mixed but manageable backdrop. Core Europe's expansionary stance and fiscal discipline in parts of the periphery both support the asset class. Issuers remain fundamentally solid despite weaker global trade and softer external demand. From a global allocation perspective, Europe remains comparatively insulated from the AI capex financing boom, with issuance still dominated by traditional corporate refinancing rather than hyperscaler-driven supply. This relative insulation, combined with fiscal discipline, reinforces Europe's status as a credit-picker's market rather than a beta market. Sensitivity remains the operative word. We focus on issuers with strong domestic demand and limited exposure to geopolitical risks. This is not a cycle defined by systemic stress, but by narrowing growth and gradually rising supply — conditions that reward disciplined credit selection over indiscriminate exposure.

## 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 six months. We have taken advantage of strong credit conditions and have 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 to mitigate left-tail risk and rate sensitivity. The Fund delivers a solid carry of approximately 3.0% in EUR terms (gross), derived from a diversified portfolio of roughly 25 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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