

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
0.81	0.81	-0.38	5.21	N/A	17.65

Fund statistics

Average coupon rate (%)	7.8
Average yield to maturity (% USD)	11.4
Duration (years)	2.6
Average security rating	B
Number of holdings	38

Fund information

Date	31 January 2026
Current AUM	USD 173m
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)	5.41
Volatility (% annualised)	3.84
Max drawdown (% since inception)	-3.41
Sharpe ratio ¹	0.14

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.

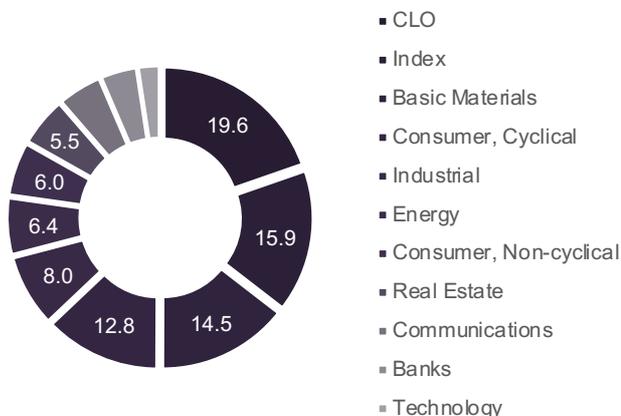
1. Risk free rate is average USD 1 Month Deposit Rate.

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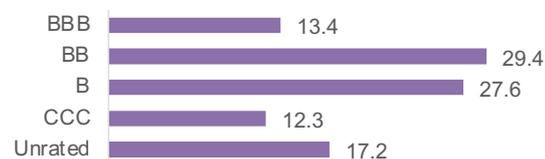


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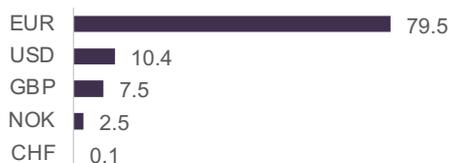
Sector allocation (%)



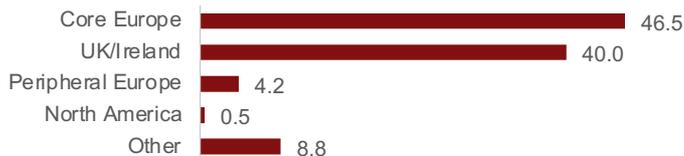
Rating distribution (% of bonds and CDS)



Security denomination (% of bonds and CDS)



Geographic allocation (% of 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	117.65

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
2026	0.81												0.81

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Credit markets

Geopolitical risk remained elevated throughout January, with U.S. operations in Venezuela, protests in Iran, the U.S. threat to take over Greenland, and market doubts regarding the Fed's independence. Brent prices briefly surged to nearly USD 70 amid geopolitical tensions. With the highly uncertain macro backdrop, the overall leveraged credit market experienced some short-lived volatility.

As a result, the market has seen two weeks of very active primary activity as issuers have tried to seize the window to complete their refinancing. Despite macro uncertainty, new issue spreads continue to print at the tight end.

In terms of valuation, the leveraged credit market continued to be dominated by extremely tight credit spreads from performing issuers (mostly large cap BB rated names) and wide credit spreads from issuers with a flavour of idiosyncratic risk (mostly private B rated and below), which is a trend that benefits active credit picking strategy.

We would also highlight the notable moves in software names, following some meaningful stock price movements within the sector, the risk has spilled to the broader leveraged loan issuers with some loans dropping mid to high single digit. The US leveraged credit universe has more exposure to the sector compared to Europe. Our portfolio has very limited direct exposure to the sector.

Portfolio performance

The Cape Credit Opportunities Fund returned 0.81% in January. At month-end, the portfolio yield was 11.4% (in USD), the average coupon among performing credits (excluding special situation names) was 7.8%, the average credit duration was 2.6 years.

Portfolio highlights

Regarding the idiosyncratic risk, on the positive side, our petrochemical holding has finally reached the inflection point in terms of valuation triggered by the media headline that there will be potential equity injection to facilitate a refinancing. This credit has come under extreme pressure through Q4 last year due to growing fear of creditor unfriendly LME ("liability management exercise"). Following 2 years of numerous LMEs within the EMEA leveraged credit space, investors remained alerted and have immediately priced in the worst case scenario. Therefore, the headline of sponsor support was welcomed by the market as it effectively removed the left tail for the name, the capital structure rallied meaningfully. We continue to see positive catalyst in the near term as the company completes the refinancing of its near term maturity.

We also see our holding in one UK telecom service provider showing positive momentum. This company came out of restructuring mid-2025 and its management has been focusing on sell itself to a larger industrial trading partner. The post reorg paper was under pressure last year due to the lack of progress on M&A while the company continued to see elevated churn rate and cash burn albeit at a much lower pace. Our thesis was that the credit valuation was implying a significant discount of the underlying asset vis a vis industry peers, and any M&A could bring meaningful synergy to the buyer. Media reported that the company is now starting to engage with potential bidders on the assets, which repriced the bond by removing the tail event. We continue to believe that there is decent value for certain industry peers to pursue the strategically accretive transaction.

The Fund managed to fully exit two names where the original investment thesis have changed. We have more than halved both positions last year when the weakness in profitability first emerged, which proved to be the right action and

significantly reduced the potential PnL loss last year. Both names are now clearly entering into restructuring. We learned that large holders are building position in order to enhance their chance in the negotiation with equity sponsor. We took advantage of the short lived technical “rally” to exit the names at a rather attractive level. Post the exit of these two investments, the Fund now has very limited “tail asset”.

On the slightly negative side, our investment in a French property management company has seen volatility over the month following the announcement of the new CFO hire as the CFO has been involved in two companies that went through restructuring in the past. As we now live in a new regime of leveraged credit in Europe, investors took the news badly and immediately priced in restructuring risk despite improving fundamentals in the underlying business for the consecutive three quarters and successful asset disposal at decent multiple lately, significantly improving its cash runway. We took the opportunity to further add into weakness as we see the move as overreaction on speculation rather than fundamental driven. We see the Q4 earnings call which should take place in March as the next catalyst to reprice the security.

Another company that negatively contributed to the monthly performance was an oil & gas production company (E&P) which has producing fields in both NCS (“Norwegian continental shelf) and West Africa. The West African assets has encountered delayed drilling schedule by 2 months, which led to extra CAPEX and delayed oil production and hence cash flow from this field. The company has put in various mitigation including equity raise and delayed CAPEX in other development fields, and also proposed to bond holders delaying coupon payment by two months from January to March this year. Due to the illiquidity of the bond, a few transactions of small size have caused a double digit drop in bond price. We further added into the weakness as we see significant value in the company’s portfolio assets as well as multiple routes for the company to raise near term liquidity. The near term catalysts for bond repricing include 1) realized production volume in West Africa in February as now the drilling has been finalized; 2) equity raise completion in April; 3) bond coupon payment in March; and 4) bond amortization in July. We have high confidence that at our latest entry level, this will be a high IRR investment.

These two movers have contributed -0.6% to the monthly performance which we think are more mark to market in nature and should revert in the near term upon catalyst.

Moving to our CLO book, we entered 2026 with 28% of the portfolio invested in various sub-IG CLO tranches incl. CLO equities. As we ramped up the majority of our CLO holdings throughout 2025, where the ramp up cost (around 1%) has temporarily weighed on the fund performance, we believe the contribution from the book in 2026 will be much more in line with our base case. We are pleased to report that we have received the first dividend distribution from our initial CLO equity investment, six months after pricing, amounting to 13% per annum. And our second CLO equity investment will start paying dividend in July this year.

On a more generic CLO market environment, the CLO asset class started the year with active refinancing activities. In sympathy with the leveraged loan market, we observed that the CLO debt tranches and especially the AAA tranche (which is the majority of the debt tranche) tighten significantly (15-20bps range), reducing cost of debt for the CLO equity investors as well as repricing existing debt tranches higher due to tightening spread in the primary issuance market.

Additionally, our CLO book is well spaced across various vintages, while we believe there is a high probability that there will be refinancing activities among our holdings, we will remain disciplined in participating in primary deals that screen too tight. And going forward, we do not anticipate ramp up cost to be at the same scale as last year.

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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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