

# Cape Credit Opportunities Fund

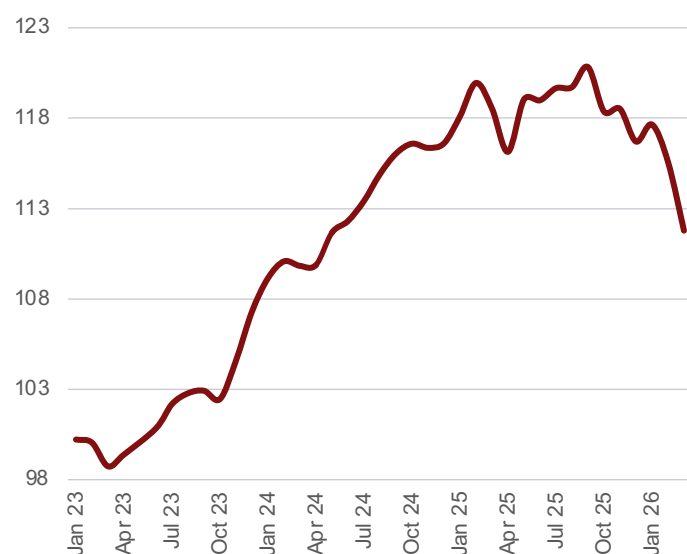


Cape Capital SICAV-SIF II

## 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
-3.30	-4.22	-5.70	4.22	N/A	11.78

## Fund statistics

Average coupon rate (%)	7.3
Average yield to maturity (% , USD)	11.1
Duration (years)	2.7
Average security rating	B
Number of holdings	38

## Fund information

Date	31 March 2026
Current AUM	USD 178m
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)	3.48
Volatility (% , annualised)	4.43
Max drawdown (% , since inception)	-7.49
Sharpe ratio <sup>1</sup>	-0.30

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.

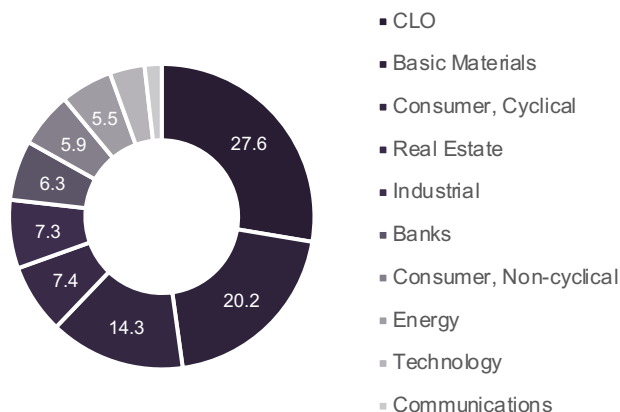
1. Risk free rate is average USD 1 Month Deposit Rate.

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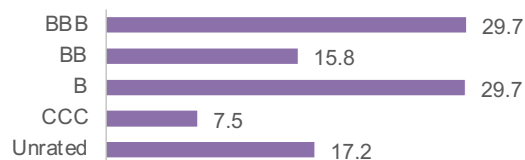


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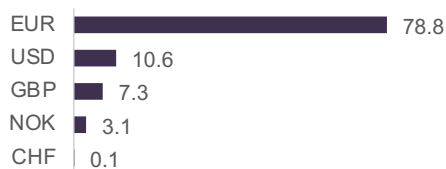
## Sector allocation (%)



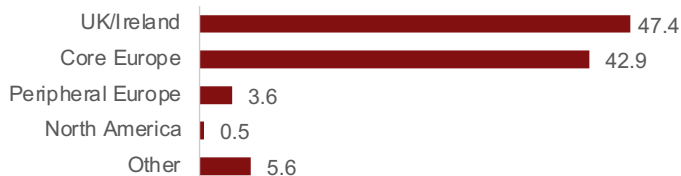
## Rating distribution (% , bonds and CDS)



## 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	102.0	111.78

## 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	-1.75	-3.30										-4.22

# Cape Credit Opportunities Fund

Sarah Zhu: sarah.zhu@capecapital.com

Michael Lienhard: michael.lienhard@capecapital.com

## Credit markets

The Middle East conflict was at the center of the attention for the month of March. The initial energy and certain commodity shock soon turned into an inflation fear as well as concerns around ultimately demand destruction and growth outlook downgrade. What makes market positioning even more challenging was the mixed and sometimes even contradictory narratives from the government bodies involved in the conflict. The duration of the conflict and the timing of the Strait of Hormuz re-opening became a critical factor to assess the damage to risky assets.

For the universe of the strategy, European leveraged credit was at a disadvantage relative to its US leveraged credit peers or the investment grade universe. Europe has a much weaker positioning than the US when it comes to the energy supply shock. The resulted inflation and softer consumer sentiment will lead to negative impact both on the topline and the margin of corporate profitability, which further pressuring the ability to generate cash and weigh on the liquidity profile as well as leverage ratio. The cyclical sectors were the most impacted incl. automotive & suppliers, construction materials within our universe.

From the latest earnings calls, managements from various companies were mostly in a wait-and-see mode as it is too early to assess the implications to the end market demand as well as supply chain impact. As a result, we observe significant decompression across the board with lower quality cyclical issuers underperforming.

## Portfolio performance

The Cape Credit Opportunities Fund returned -3.3% in March. Within the three sub strategies, cash bonds (70% of NAV) returned -3.5%, below the European HY universe of -2.4% due to more cyclical underlying exposure within the portfolio; the CLO book (30% of NAV) returned -0.3% as credit spread started to stabilize following the sharp selloff in February stemmed from the AI fear within the software sector ; and lastly the CDS book (unfunded) returned -0.7% due to similar credit spread widening witnessed within the cash bonds space despite our positioning on the very front end of the curve.

At month-end, the portfolio yield was 11.1% (in USD), the average coupon among performing credits (excluding special situation names) was 7.6%, the average credit duration was 2.7 years.

## Portfolio highlights

Within the cash bonds, the position that benefitted the most from the Iran war was Ineos Group, an upstream petrochemical producer. The close of the Strait of Hormuz has led to a supply shock in petrochemicals followed by surging feedstock price especially in Asia, removing completely its export capability to Europe. And we expect the situation will most likely take a few more months to rebalance, providing a decent window for Ineos Group to deleverage the balance sheet and tackle its near term maturity. The position has returned mid to high single digit YTD.

Additionally, the portfolio holds an energy company (E&P) with producing assets in Norway and West Africa. The company has previously reported budget overrun and production delay, causing it to be in need of interim liquidity. The Middle East conflict has created a window of windfall profits. The recent surge in Brent price will meaningfully improve its near term cash flow profile to fill partially its liquidity gap. More importantly, the company has reported meaningful new reserve discovery in Norway with first oil planned in 2027 at an extremely low breakeven oil price, further enhancing the asset value of bond collateral. We have not yet observed any meaningful bond price reaction due to illiquidity as large bond holders are currently restricted to trade. However, we remain optimistic on the underlying development at this stage.

On the opposite side, the positions that are most affected by the war were mainly the cyclicals with lower credit ratings, among which construction material producers, auto suppliers and packaging producers are the worst performers. The portfolio has also positioned for the German fiscal stimulus and infrastructure build out, which has also seen meaningful underperformance vs. the general high yield universe.

On the earnings side, three holdings reported Q4-25 figures and were mostly in line with expectation with visible improvement in the quality of earnings. However, the price action was rather muted given general macro sentiment was overtaking fundamentals for the moment. We expect to see improving sentiment on more idiosyncratic risks once macro stabilizes.

Within our CLO book, CLO sub-IG tranche credit spreads started to stabilize in line with the underlying leveraged loan price movement. While the Software sector has partially recouped the sharp selloff from earlier this year, the broader leveraged loan selloff has more than offset the recovery from the software space. Sub-IG CLO sentiment remains vulnerable to the ongoing geopolitical uncertainty. The portfolio will seek opportunity to selectively add into the dislocation.

Within our CDS book, most of the positions are front end single name CDS and CDS Equity tranches with maturity within 9 months. The Fund has taken advantage of the spread widening and added into the weakness. While the CDS equity are prone to macro volatility and contributed negatively to this month's performance, we expect them to deliver highly predictable PnL at maturity as CDS contracts expires.

# 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

Depositary bank: UBS Europe SE, Luxembourg Branch

Swiss representative: UBS Fund Management AG

Paying agency: UBS AG

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Updated in 2026