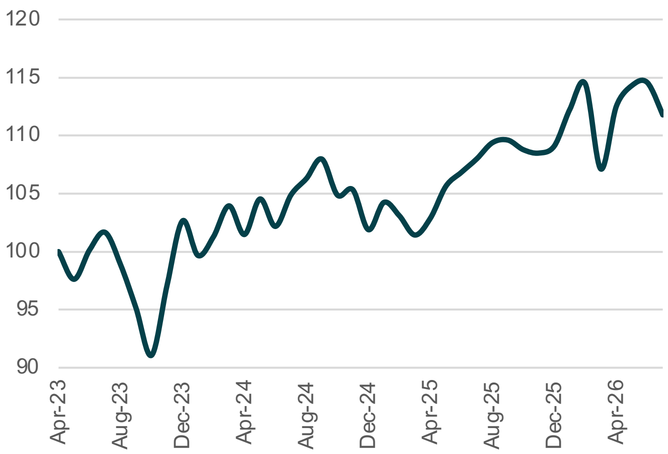
Cape Nature Positive Transition Fund

Cape Capital SICAV-SIF II

Fund strategy

The investment objective of the Fund is to deliver long-term capital appreciation while contributing to the nature-positive transition, by investing in other funds (“Underlying Funds”) that operate investment strategies designed to contribute to one or more environmental themes: climate mitigation and adaptation themes, nature and biodiversity themes, and circular economy themes. The Fund aims to provide optimal diversification across sectors, asset classes and investment strategies via Underlying Funds, with a global focus.

Performance[1] (%)



Current month	YTD	1Y (p.a.)	3Y (p.a.)	5Y (p.a.)	Since inception
-2.44	2.46	3.50	3.21	N/A	11.78

Fund risk summary

Return (%, annualised since inception)	3.48
Volatility (%, annualised)	9.83
Max drawdown (%, since inception)	-10.42
Sharpe ratio[1]	-0.15

Fund information

Date	31 July 2026
Current AUM	USD 118m
Fund type	SICAV-SIF
ISIN	LU2588911045 USD Share Class I
Fund inception	26 April 2023
Minimum investment	USD 125,000
Available currency	USD
Subscription	Weekly / 3 business days
Redemption	Weekly / 3 business days
Management fee	1.0% p.a. share class I
Fund domicile	Luxembourg
AIFM	MultiConcept Fund Management
Central administration	UBS Fund Administration Services Luxembourg S.A.
Auditor	PwC (Luxembourg)
Depositary bank	UBS Europe SE, Luxembourg Branch

Fund statistics

Average yield to maturity (%)	4.83
Duration (years)	4.35
Average security rating	BBB
Gross exposure (%)	101.11
Net exposure (%)	84.71
Fixed income allocation (%)	30.41
Equity allocation (%)	48.83
Hedge fund allocation (%)	17.27
Cash allocation (%)	3.49

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

1. Share class II USD, monthly NAV net of fees since fund inception 26 April 2023.

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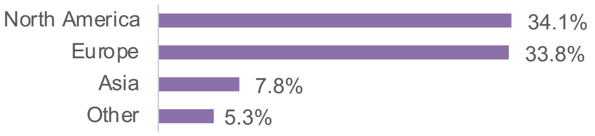
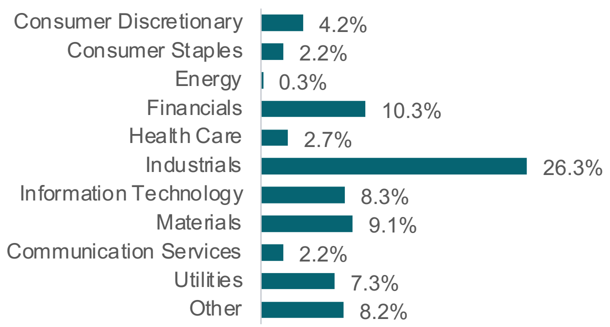
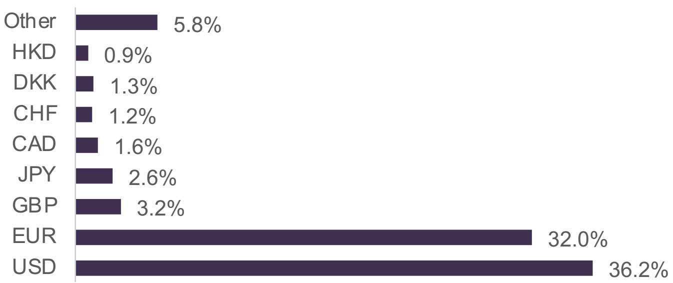
Geographic allocation (NET)



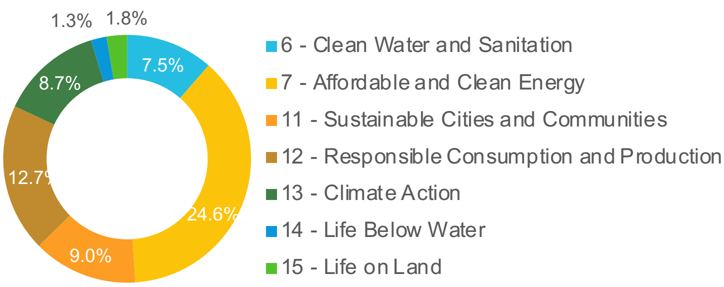
Sector allocation (NET)



Currency exposure (NET)



Key SDG alignment (NET, %)



All allocations are calculated based on notional exposure (excl. cash).
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 I	CPNATPI LX Equity	LU2588911045	27/04/2023	1.00	125.0	111.09
USD Class II	CPNATII LX Equity	LU2588911631	26/04/2023	0.80	106.0	111.78

Investment returns[1]

in %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023					-2.38	2.58	1.52	-2.73	-3.79	-4.28	6.60	5.74	2.65
2024	-2.90	1.63	2.63	-2.38	3.02	-2.26	2.64	1.35	1.57	-2.87	0.43	-3.26	-0.74
2025	2.31	-1.10	-1.61	1.43	2.67	1.14	1.10	1.28	0.21	-0.76	-0.27	0.56	7.08
2026	2.89	1.96	-6.40	5.03	1.59	0.24	-2.44						2.46

MONTHLY COMMENT – JULY 2026

Cape Nature Positive Transition Fund

Compounding climate extremes hit Europe, fiscal absorption still unclear

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Portfolio performance

The Fund returned -2.44% in July, bringing its year-to-date performance to 2.46%. Since its inception in April 2023, it has achieved a net return of 11.78%.

July proved to be a complicated month, unsettled by lingering Middle East tensions, an earnings season with unclear winners and losers, a divisive Fed and a late crescendo of AI sell-off and margin calls in Korea. American equities made a slow start, with the S&P 500 logging its first down July since 2014 and ending flat. At mid-month, investors turned on the market leaders selling memory and AI-infrastructure names and rotating toward quality in industrials and financials. Europe climbed to a fresh record on solid earnings, ending slightly up despite heatwaves and a steady but hawkish ECB. Asia's flat aggregate masked one of its most polarised months, as a chip sell-off sent Korea plunging and interrupted Japan's record run.

Oil again set the tone in fixed income, as a broken US-Israel-Iran ceasefire and attacks on energy infrastructure drove Brent from around USD 70 to a high of USD 96 before settling above USD 90. The strain fell on rates rather than credit, with US and Bund ten-year yields climbing to 4.75% and 3.21% respectively as risk premiums held near historic lows. The Fed left rates at 3.50-3.75% for a fifth straight meeting, though three regional presidents pushed for a hike. The ECB paused at a 2.25% deposit rate, with Lagarde keeping September live on the second-round effects of energy. With US inflation at 3.5% and the eurozone at 2.9%, central banks look set to stay higher-for-longer while energy keeps price risks alive.

Our Fixed Income bucket returned -1.14%, underperforming a broad basket of global corporate investment grade and high yield bonds, which fell -0.75%.

Primary markets told two stories: high-yield issuance in Europe slowed to EUR 9.6bn, the weakest July since 2023 and 4% lower year-to-date, while leveraged loan supply stayed robust at EUR 11.4bn, one of the busiest months of the year. Spreads offered little direction, with high yield tightening 4bps to 287bps and investment grade widening at an above-average pace, yet the sell-off in government bond yields still pulled total returns slightly negative, leaving high yield down 0.39% against a 0.16% gain for loans. Positioning favoured European credit and carried reduced duration, cushioned by a benign default backdrop as the high-yield default rate held at 1.9%.

All but one of the underlying funds in our Fixed Income sleeve saw a negative return in July. The Total Return Credit fund stood as the only positive performer this month with a 0.23% gain, supported by the CLO and AT1/RT1 sleeves, which together added 13bps. The Global Green Bonds fund fell -1.38%, with duration positioning as the main detractor from performance, country allocation and sovereign positions remaining broadly neutral while corporates contributed positively. The Climate Transition fund fell -1.49%, with the majority of the negative absolute performance attributable to the sharp rise in yields at the long end of the curves in the euro and US dollar markets. Lastly, the Multi-Credit fund slipped -2.36%, as the fund’s overweight position in the telecommunications sector weighed on performance, driving an overall poor return. On the other hand, the fund’s slightly shorter duration and a simultaneous overweight position in the credit segment and underweight positions in the utilities sector had a positive impact. YTD, the Multi-Credit fund remains the best performer at 4.11%, compared to a broad basket of investment grade and high yield bonds sitting at -0.12%.

Our Equity bucket lost -3.20%, underperforming global equities, which ended almost flat at 0.08%.

The mid-month unwind in AI and memory names ran deeper than just market sentiment as Chinese competition, financing doubts and monetisation questions converged. This came before Situational Awareness, a ca. USD 45bn AI hedge fund, handed its book to Citadel at a discount to market value on unmet margin calls following significant drawdowns in key AI names. Rather than leaving, money moved house within the market, rotating into the real economy in a broadening that the optimists judged healthy. The macro offered no cover, with 30-year Treasury yields at levels last seen in 2007, coupled with doubts over Warsh's resolve to tame inflation. Despite this backdrop, booming cloud earnings drove double-digit gains in Amazon and Microsoft, with the coming months set to show whether July was a healthy rotation or an early crack in the AI trade.

The underlying equity funds saw one positive outlier, while performances were near-flat to negative across the board. The Timber fund was the clear positive outlier returning 1.39% with Containerboard, Packaging, Paper and Pulp, together with Timberland and Industrials, all posting healthy gains, while Wood Products and Homebuilders were the clear laggards. The Natural Capital Transition fund held steady at 0.48%, with the Water fund flat at -0.10%, on the back of strong June performances for both respective funds. The Energy Transition fund declined -5.82%, closely trailed by the Circular Economy fund which saw a -6.84% drawdown. Lastly, the Global Equities fund was the clear laggard this month with a significant -9.48% dip, as the period was marked by a sharp reversal in market leadership and a pronounced rotation away from many of the strongest-performing companies within the AI and energy themes from the first half of the year. YTD, the Global Equities fund remains the strongest performer at 21.19%, while global equities sit at 11.33%.

Our Hedge Fund bucket returned -2.56%, slightly underperforming the Global Equity Hedge Fund Index, which fell -2.11%.

The L/S Energy Opportunities fund fell -4.64% within our hedge fund allocation this month. However, the fund still stands at 6.82% for the year. AI-related energy themes experienced renewed volatility in July, as debate over the durability of the gas and grid cycle intensified. On the long book, Siemens Energy fell over 5% after Barclays downgraded the stock on peak-cycle valuation concerns, while First Solar gained around 5% on a bullish Wells Fargo note. On the short side, GE Vernova contributed positively, falling 6.5% alongside the downgrade and a further 9% after a second-quarter earnings miss. This was partly offset by an early-month solar rally that lifted shorts in SolarEdge, Canadian Solar and Enphase.

The Climate Impact L/S strategy fell -0.80% in July, taking year-to-date performance to -1.49%. The largest stock-specific contributors were BYD on decent EV sales despite a softer Chinese market, and Darling, whose biofuel margins stayed robust amid booming animal-fat prices. Befesa also added, reporting strong recycling margins on improved steel and aluminium end markets. The main detractors, all US-listed, were MasTec and Nextpower, which fell despite good Q2 earnings amid a broad drop in power-infrastructure stocks, as well as Owens Corning, which surrendered June's takeover rally as no bid emerged.

Fund changes

The L/S Energy Opportunities fund was liquidated as of July 31. This comes as the fund managers were “acqui-hired” by an energy and environmental markets specialist global alternative asset manager. We are grateful for the manager’s work since our investment in July 2024 and are currently looking for a replacement for the fund.

Nature Positive Transition highlights

Record heat, drought and wildfires in Western Europe: physical climate risk moves to the macroeconomic and insurance agenda ahead of CBD COP17

July marked the most severe episode of compound climate extremes in Western Europe since 2022, surpassing it on several measures. The Copernicus Climate Change Service reported the hottest June-July period on record for the region, conditions that favoured the spread and intensification of extreme wildfires. In late July, a megafire in France's Gironde department burned nearly 42,000 hectares and displaced more than 220,000 people, while Spain's largest wildfire in recent history scorched almost 44,000 hectares in Ávila province. A rapid attribution study by World Weather Attribution found that the record temperatures and severe drought that preceded the fires were both exacerbated by human-caused climate change, producing high fuel loads that dried into highly flammable conditions.

The water dimension was equally material. By mid-July, 99 of France's 101 departments had at least one commune under water-use restrictions, with 43 at the highest crisis level, conditions that arrived roughly a month earlier than usual.

River flows on the Seine, Rhine and Danube fell to much-lower-than-average or exceptionally low levels, affecting water supply, irrigation and energy production across several countries.

The financial-sector implications are becoming harder to defer. The European Central Bank and the EU insurance regulator have called on Brussels to establish an EU-level reinsurance scheme and a public natural-disaster fund, having previously warned that only a quarter of losses from climate-related catastrophes between 1980 and 2024 were insured. Early loss estimates remain provisional. Morningstar DBRS puts total French losses at EUR 10-15 billion, with insured losses running to several billion euros, while the full economic cost of the season will not be clear for some months. What July did establish is that the pricing, insurability and fiscal absorption of physical climate risk in Europe are no longer prospective questions.

On the biodiversity agenda, July offered a more constructive note. The Kumamoto Declaration, setting out ambition towards a nature-positive future, was adopted at the second Global Nature Positive Summit in Japan with 85 signatories across the public, private and non-profit sectors, drawing 2,725 participants from business, government, finance and civil society. The declaration frames the nature-positive transition as an investment driving resilience and long-term value creation rather than a cost. It remains a voluntary statement of intent and its significance will depend on whether the momentum carries into CBD COP17 in Yerevan in October, where governments will review progress against the Global Biodiversity Framework.

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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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