

Strategy overview

We use a proprietary momentum signal to optimise exposure to US and European high-yield (HY) bond markets, investing with exclusive HY managers running distinct, unconstrained, and alpha-focused strategies.



The underlying HY opportunity

The HY asset class offers strong historical returns, with persistent mispricings creating alpha opportunities. Diversification across industries ensures steady, income-driven returns, which can be prudently enhanced with leverage.



HY with Capeo

Over the past decade, our risk model's buy/sell signal has helped us avoid major HY index losses and allowed us to add risk when bonds were cheap, resulting in superior CAGR.



Investment objective

We combine extensive data aggregation, proprietary signal generation, distinct manager selection and dynamic exposure management to enhance the returns of the HY asset class.

9.47%

Ann. net return since inception
(unleveraged)

1.68

Sharpe ratio versus 0.77 from
BofAML US HY index

5 - 10

Typical number of HY
manager in our portfolio

80 - 120

Typical number bonds held by
each manager

Manager comment

The high yield market was boosted in the month of May by the Trump administrations continued de-escalation of their tariff threats, especially with China.

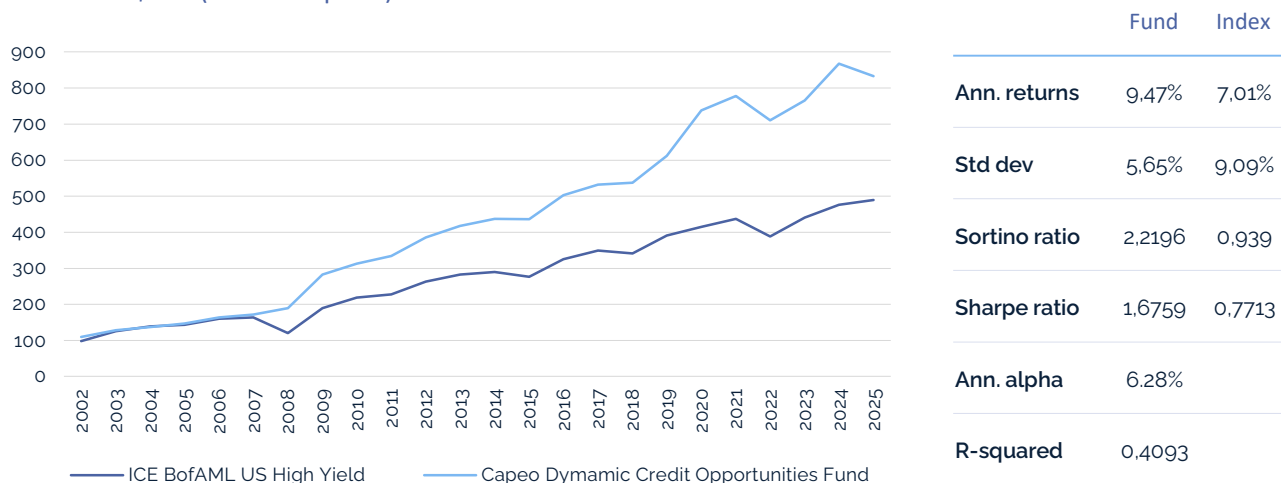
The US court of International Trade ruling that the tariff's were not legal (although being disputed) further aided this narrative. The market is reflecting a view that overall, the tariffs will be manageable for most companies and this reflected in CCC's which outperformed for the month, although they still trail YTD. The high yield market closed the month yielding 7.53% with a spread of 332bps.

Capeo Dynamic Credit Opportunity Fund remains defensive in its allocation, favouring short duration, high income managers where volatility is subdued and yield attractive. This is reflected in the current yield of the overall portfolio at 9.5%, duration of 2 years and credit quality exposure skewed to B+ issuers

Strategy performance

Our strategy has a long-term track record of outperforming the ICE BofAML US High Yield Index, with lower volatility and smaller drawdowns.

Growth of \$100 (Since Inception)



Monthly Returns (% Net)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025	1.51%	0.16%	-2.64	-3.85%	0.92%								-3.95%
2024	2.12%	2.05%	2.34%	-2.33%	0.06%	0.45%	2.20%	1.17%	1.39%	1.33%	2.99%	-1.14%	13.24%
2023	4.14%	-1.25%	0.07%	1.14%	-0.92%	1.19%	1.50%	-0.03%	-0.83%	-1.23%	2.01%	1.85%	7.76%
2022	-2.35%	-0.86%	-0.97%	0.05%	0.10%	-6.84%	0.15%	-2.18%	0.22%	2.01%	2.36%	-0.36%	-8.63%
2021	0.65%	0.81%	0.28%	1.13%	0.48%	1.25%	0.22%	0.34%	0.23%	-0.22%	-1.17%	1.29%	5.39%
2020	0.17%	-1.47%	0.00%	6.82%	3.80%	1.84%	4.01%	1.19%	-1.65%	-0.97%	4.18%	1.30%	20.56%
2019	3.80%	0.50%	2.30%	1.10%	-0.84%	2.04%	0.20%	0.41%	1.13%	0.41%	0.30%	1.83%	13.91%
2018	0.53%	-1.14%	0.44%	-0.86%	0.94%	0.20%	0.18%	0.17%	0.15%	0.13%	0.13%	0.13%	0.98%
2017	0.95%	1.22%	-0.59%	0.81%	1.68%	-0.07%	0.96%	-0.09%	0.96%	-0.09%	-0.09%	0.10%	5.88%

Annualized Performance (% Net)

	VT	MRQ	YTD	1Y	3Y	5Y	7Y	10Y	Since Inc.
Capeo Dynamic Credit Opportunities Fund	SA	-5.53	-3.95	4.35	3.71	4.45	6.63	6.48	9.47
ICE BofAML US High Yield	IX	0.59	2.64	9.28	6.64	5.82	4.96	4.94	7.01

Current portfolio look through

1.98

Duration

8,57%

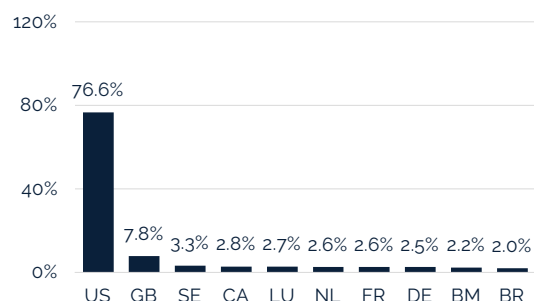
Net yield to maturity

B+

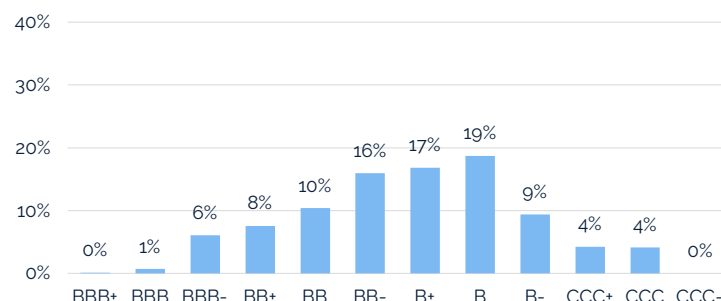
Average credit quality

Summary per Fund	Position Date	Positions	Weight	YTM	G-Spread	DTS	Duration	Rating
US HY Short Duration	2025/05/31	183	9,6%	6,30%	246	296	1,11	B+
Global High Yield	2025/05/31	143	9,6%	8,45%	437	1 495	3,39	B
Global HY Short Duration	2025/05/31	181	9,6%	7,27%	326	988	2,83	B+
Global High Yield	2025/05/31	24	29,1%	7,70%	362	828	2,26	BB-
US HY Ultra Short Duration	2025/05/31	107	25,2%	6,68%	301	236	0,71	B
US High Yield	2025/05/31	74	22,4%	8,75%	432	1 434	3,33	B+
US High Yield	2025/05/31	81	29,6%	7,27%	353	979	2,99	B
Global HY Short Duration	2025/05/31	109	9,6%	5,95%	192	291	1,43	BB-
Capeo Dynamic		902	144,8%	10,54%	490	1 198	1,98	B+
US High Yield Benchmark			100,0%	7,44%	359	1 264	3,74	

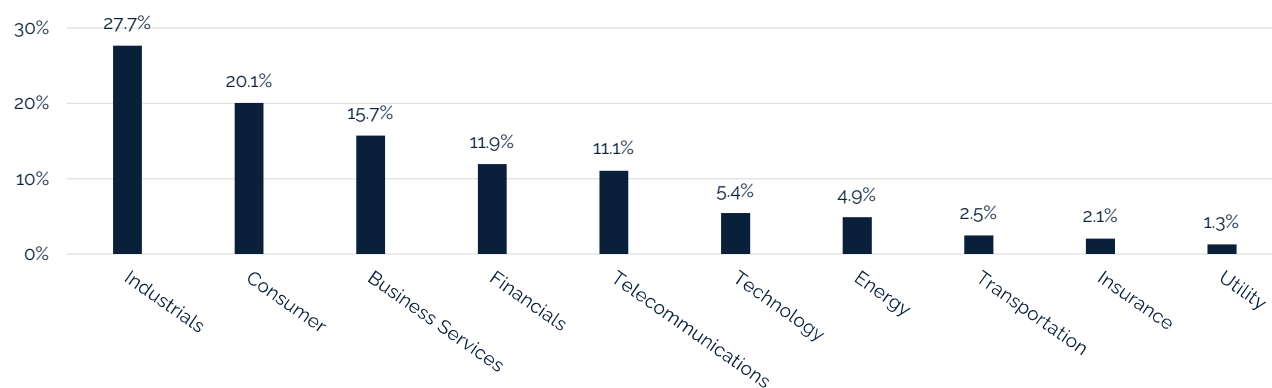
Country Allocation



Rating Allocation



Sector Allocation



Fund terms & service providers

The Capeo Dynamic Credit Opportunities Fund was launched in October 2022. Prior performance was on a managed account basis. The total strategy AUM is ~USD 220m.

Fund Data

AIFM/Management Company	VP Fund Solutions (Liechtenstein) AG, 9490 Vaduz, Liechtenstein
Custodian	VP Bank AG, 9490 Vaduz, Liechtenstein
Portfolio Manager	MRB Fund Partners AG, 8001 Zurich (CH)
Domicile	Liechtenstein
Fund type	Alternative investment fund (AIF)
Total assets	USD 40.972 million
Valuation interval	daily
Investment Management Fee	1.45%
Out performance fee (high watermark with hurdle of 6%)	20%

Share class

Fund currency	USD
NAV*	USD 119.24
ISIN	LI198654298
Bloomberg ticker	CAPCRUR LE
Benchmark	Bloomberg US Corporate High Yield Total Return Index Value Unhedged USD
Distribution	Accumulating
Inception at	10.10.2022

The fund is accessible via the UBS/Credit Suisse, Julius Bar, VP Bank, Barclays and Swiss quote platforms.

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