

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.

9.53%

Ann. net return since inception
(unleveraged)

1.69

Sharpe ratio versus 0.78 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 US high yield market gained 0.40% in July, as measured by the ICE BofA US High Yield Constrained Index (HUCo).

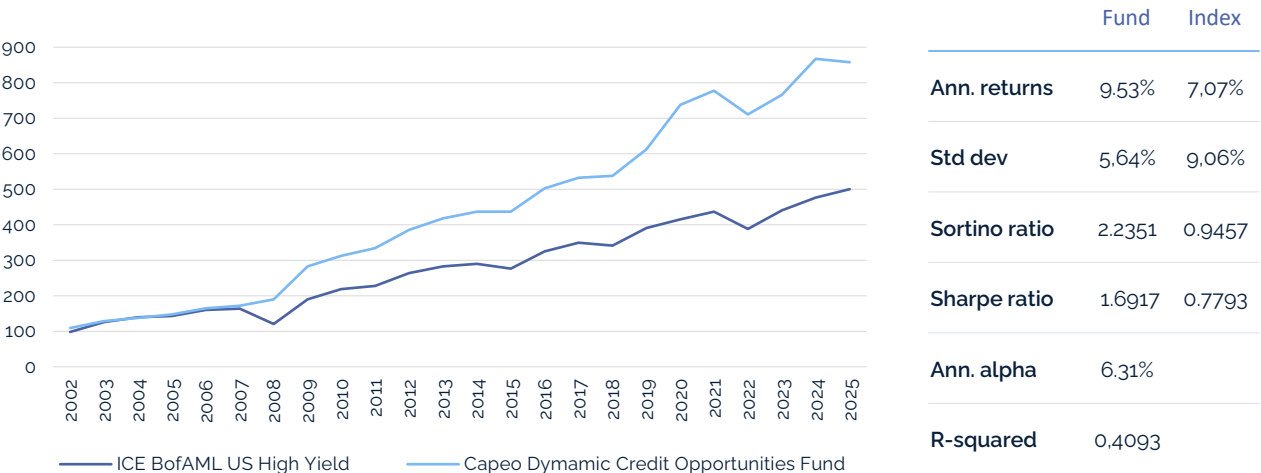
Performance in July was driven predominantly by carry, with spreads marginally tighter in July, falling 10 bps to 286, but US Treasury yields moved incrementally higher. The new issue market was particularly active in July at nearly \$38bn. However, only \$8bn was fresh capital (the remainder was refinancing), supporting solid supply/demand dynamics in both the primary and secondary markets. In July, CCC-rated bonds sharply outperformed BBs and Bs. The media and telecom sectors topped the broader market; chemicals and technology lagged. President Trump continued to pressure Fed Chair Powell to ease interest rates, while the FOMC held the Fed Funds rate unchanged at the July meeting. Notably, the narrative has shifted in early August, following the release of surprisingly weak July US employment data. Investors now expect two or three cuts in 2025 and four or five over the next 12 months.

Capeo Dynamic Credit opportunities remains diversified across duration and credit quality with an aggregate duration of 2.07 years, credit quality of B, and gross yield to maturity of 14.76%.

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%	2.05%	0.91%						-1.09%
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	3.93	-1.09	4.68	7.18	3.87	7.02	6.82	9.54
ICE BofAML US High Yield	IX	3.98	4.97	8.55	7.87	5.11	5.07	5.40	7.06

Current portfolio look through

2.07% Average duration

11.95% Net yield to maturity

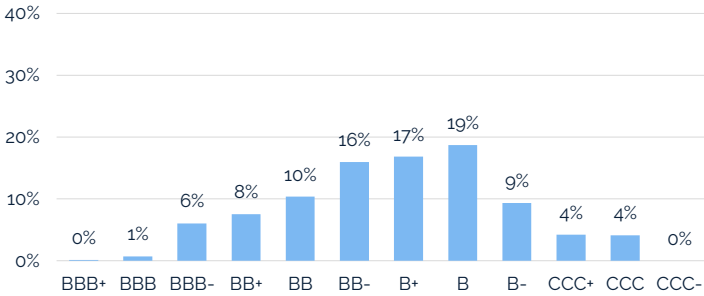
B Average credit quality

Summary per Fund	Position Date	Positions	Weight	YTM	G-Spread	DTS	Duration	Rating
Global High Yield	2025/06/30	143	14.3%	8.49%	423	1,451	3.40	B
US Short Duration HY	2025/06/30	106	26.3%	12.31%	548	602	1.38	B-
Global High Yield	2025/06/30	26	28.6%	7.98%	403	883	1.89	BB-
US Short Duration HY	2025/06/30	75	20.9%	13.23%	662	2,306	1.65	B
US Short Duration HY	2025/06/30	115	20.9%	7.56%	315	272	0.71	B+
US High Yield	2025/06/30	73	20.4%	7.88%	352	1,210	3.41	B+
US High Yield	2025/06/30	82	28.4%	7.32%	342	948	3.11	B
Average per manager		89	10.6%	8.63%	378	917	2.07	
Capeo		620	159.7%	14.76%	693	1,673	2.07	B
USHY		3,711	100.0%	7.25%	342	1,213	3.75	

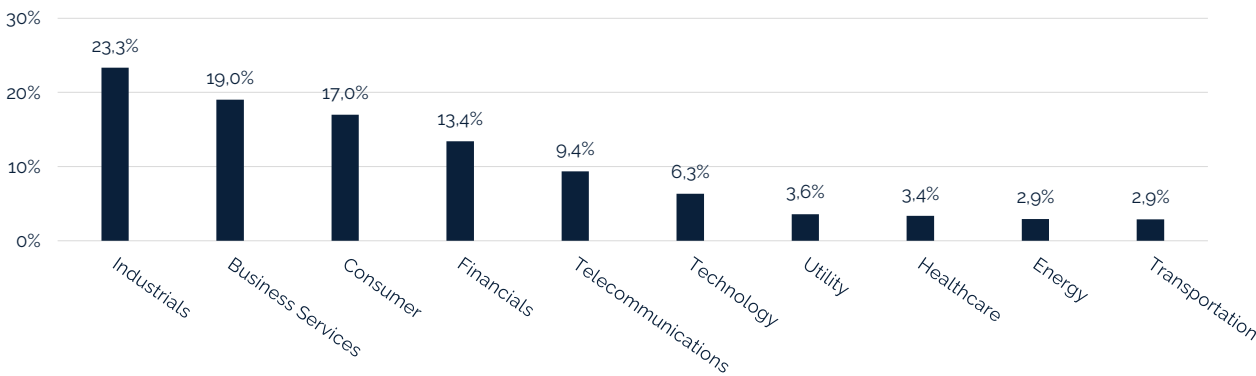
Country Allocation



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		Share class	
AIFM/Management Company	VP Fund Solutions (Liechtenstein) AG, 9490 Vaduz, Liechtenstein	Fund currency	USD
Custodian	VP Bank AG, 9490 Vaduz, Liechtenstein	NAV*	USD 122.79
Portfolio Manager	MRB Fund Partners AG, 8001 Zurich (CH)	ISIN	LI198654298
Domicile	Liechtenstein	Bloomberg ticker	CAPCRUR LE
Fund type	Alternative investment fund (AIF)	Benchmark	Bloomberg US Corporate High Yield Total Return Index Value Unhedged USD
Total assets	USD 39,531 million	Distribution	Accumulating
Valuation interval	daily	Inception at	10.10.2022
Investment Management Fee	1.45%	The fund is accessible via the UBS/Credit Suisse, Julius Bar, VP Bank, Barclays and Swiss quote platforms.	
Out performance fee (high watermark with hurdle of 6%)	20%		

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