

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.

9.54%

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 0.76% in September, as measured by the ICE BofA US High Yield Constrained Index (HUCo).

September capped a bullish Q3 during which US high yield returned 2.4% and the S&P 500 returned 8.1%. Strong markets have been supported by a view that US growth remains stable, yet the Fed is cutting rates.

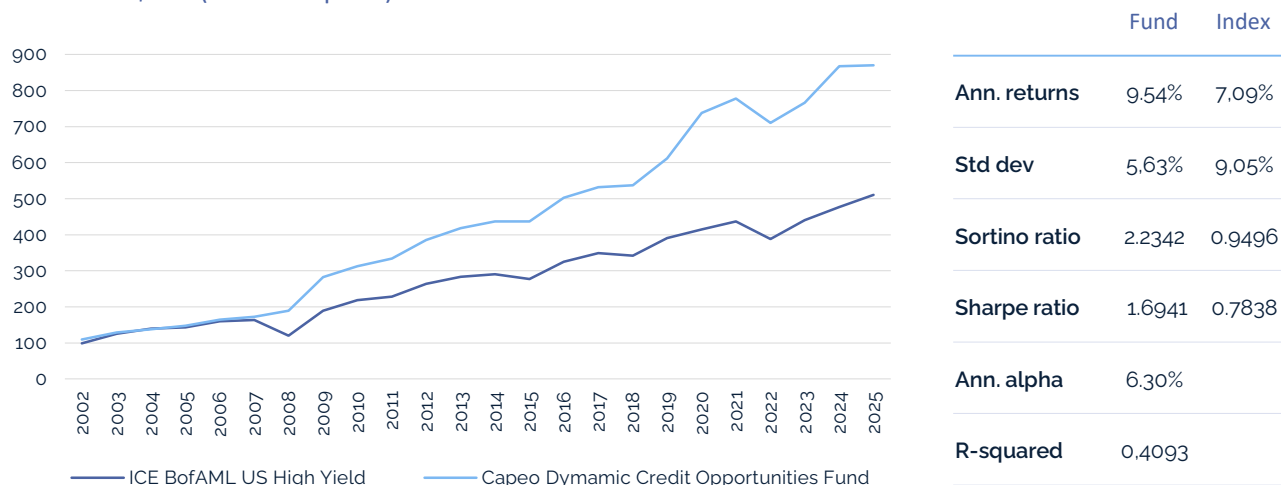
US GDP growth was reported at 3.8% annualized for Q2, though 2.1% growth year-over-year is probably a better measure of the trend given the tariff disruptions. Meanwhile, deteriorating labour markets have given the Fed a reason to cut rates, which they did in September, while hinting at two more cuts this year.

Capeo Dynamic maintains its single B average credit exposure with a net duration of 2.04 and yield of 8.04%.

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%	0.68%	0.67%				0.25%
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	2.28	0.25	3.43	8.37	4.25	7.17	6.95	9.53
ICE BofAML US High Yield	IX	2.40	7.06	7.23	10.97	5.53	5.18	6.07	7.10

Current portfolio look through

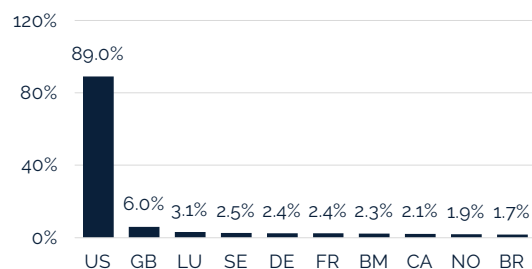
2.04% Average duration per manager

12.61% Net yield to maturity

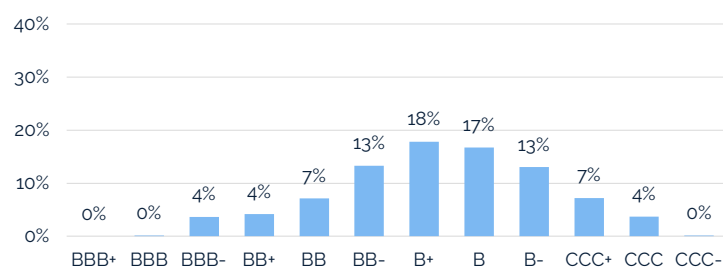
B Average credit quality

Summary per Fund	Position Date	Positions	Weight	YTM	G-Spread	DTS	Duration	Rating
Global High Yield	2025/06/30	146	14.6%	8.21%	445	1,523	3.46	B
US Short Duration HY	2025/06/30	60	26.8%	10.33%	517	762	1.64	B-
US Short Duration HY	2025/06/30	75	21.3%	12.78%	670	2,225	1.64	B
US Short Duration HY	2025/06/30	115	21.3%	7.63%	333	248	0.67	B+
US High Yield	2025/06/30	73	20.8%	7.68%	346	1,169	3.36	B+
Global High Yield	2025/06/30	26	28.6%	8.02%	413	919	1.87	BB-
US High Yield	2025/06/30	82	29.0%	7.09%	337	919	3.00	B
Average per manager		99	10.8%	8.42%	373	891	2.04	B
Capeo		577	162.5%	12.61%	706	1,727	2.04	B
USHY			100.0%	6.92%	334	1,219	3.72	

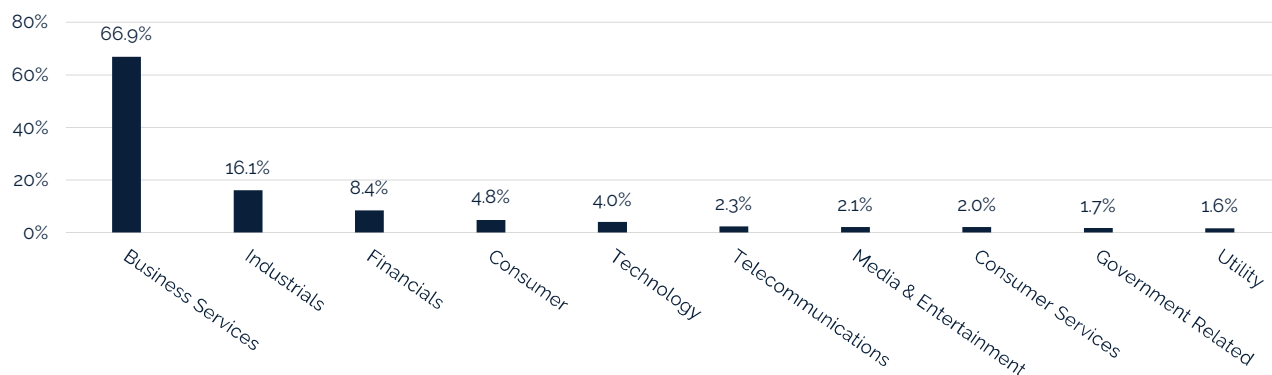
Country Allocation



Rating Allocation



Sector Allocation



Capeo Dynamic Credit Opportunities Fund

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 40.597 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 124.96
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.

Disclaimer

This document is confidential and was issued for informational purposes only. It is not any invitation to make an investment in any product managed or advised by Capeo Wealth AG or to open a managed account with Capeo Wealth AG, nor does it constitute an offer for sale of any such product or service. None of the services or other matters described here should be taken as an offer or solicitation of those services or other matters in any jurisdiction where such an offer or solicitation is not permitted under applicable legislation. While the information contained herein has been compiled with the utmost care, Capeo Wealth AG makes no representations or warranties of any kind, express or implied, about the completeness, correctness, reliability, suitability or availability with respect to the document or the information, products, services, or related graphics contained in this document for any purpose. Any views or opinions constitute our judgment as of the date indicated and are subject to change without notice. Capeo Wealth AG will not be liable for the contents of these pages, nor for any use thereof or reliance placed thereupon by any person.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. THIS PROGRAM IS NOT INTENDED FOR U.S. INVESTORS.

It is intended for information purposes only and should be used by sophisticated investors who are knowledgeable of the risks involved. The information contained is incomplete. Past performance does not guarantee future returns. Investments in actively traded investment strategies can carry a significant amount of risk. No representation is being made that any investment will or is likely to achieve profits or losses similar to those shown. Strategies may be improved and/or removed according to research findings and new strategies may be added if they successfully go through Capeo Wealth AG's validation process. Performance figures may not be indicative of future results that may be achieved in connection with the investment solution described herein. Accordingly, statistical analysis shown should not be viewed as facts and should not be relied upon as indicative of future results.

Contact

William McBride | william@capeowealth.com | +41799440056