Capeo Dynamic Credit Opportunities Fund

CAPEO WEALTH

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.

9.36%
Ann. net return since inception (unleveraged)

1.67
Sharpe ratio versus 0.79 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 0.48% in January, as measured by the ICE BofA US High Yield Constrained Index (HUC0).

The year began with optimism in the outlook for economic growth, as data like retail sales, existing home sales, and ISM manufacturing (in early February) point to a steadily improving economy. Meanwhile, the dollar was weaker, potentially due to global investors losing some confidence in the Trump administration's aggressive foreign policy. A stronger economy with a weaker dollar has helped commodities perform well, including gold hitting an all-time high. Amidst this commodity rally, oil, the most important commodity for high yield, bounced up from $57 to $65 for WTI crude, and was also supported by tension in Iran.

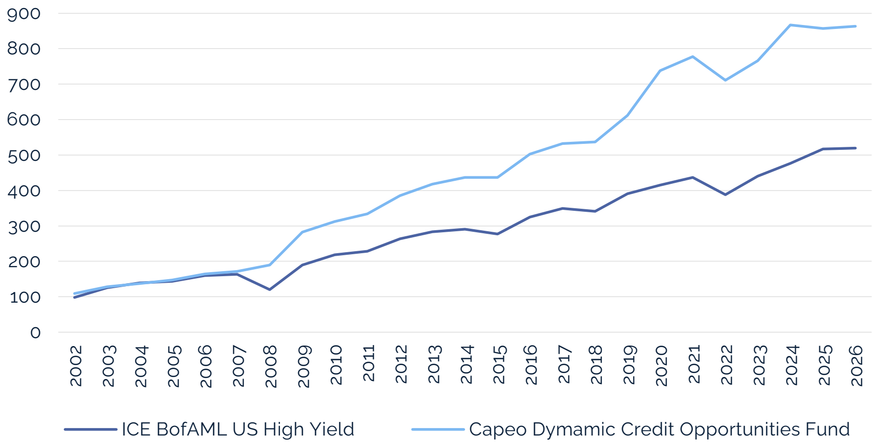
Thanks to the improving economy, Treasury yields increased a few basis points, and US high yield spreads were relatively stable in the month. BBs and B-rated bonds performed in line with the market, while CCCs underperformed. The leading sectors in the overall market were Energy, Consumer, and Telecom, while Technology and Financials lagged. The US high yield market ended the month with a yield of 6.74% and spread of 288.

Capeo Dynamic Credit Opportunities Fund maintains a single B+ credit rating, gross duration of 1.81 and net YTM of 10.61%.

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)



	Fund	Index
Ann. returns	9.36%	7.08%
Std dev	5.61%	8.99%
Sortino ratio	2.19	0.95
Sharpe ratio	1.67	0.79
Ann. alpha	6.14%	
R-squared	0.4093	

Monthly Returns (% Net)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2026	0.81%												-0.81%
2025	1.51%	0.16%	-2.64	-3.85%	0.92%	2.05%	0.91%	0.68%	0.67%	-0.77%	--1.04%	0.54%	-1.02%
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	-0.30	0.81	-1.70	7.35	3.10	6.47	7.08	9.37
ICE BofAML US High Yield	IX	1.64	0.48	7.54	8.80	4.52	5.49	6.67	7.08

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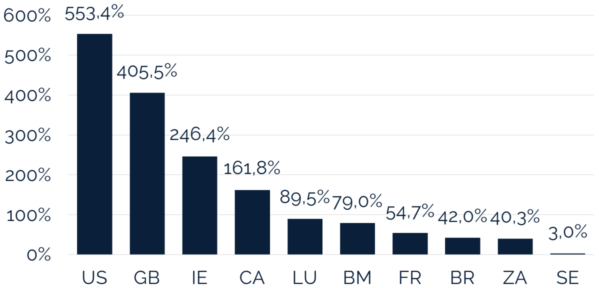
Current portfolio look through

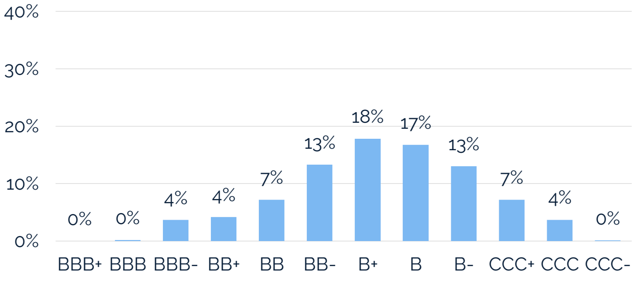
1.81 Average duration per manager | 10.61% Net yield to maturity | B+ Average credit quality

Summary per Fund	Position Date	Positions	Weight	YTM	G-Spread	DTS	Duration	Rating
Global High Yield	11/30/2025	159	18.5%	9.17%	491	1,588	3.33	B
US Short Duration HY	11/30/2025	95	21.6%	9.63%	400	875	1.99	B+
US Short Duration HY	11/30/2025	76	21.8%	14.49%	749	1,872	1.67	CCC+
US Short Duration HY	11/30/2025	110	17.8%	7.85%	387	327	0.71	B
US High Yield	11/30/2025	77	23.6%	7.21%	322	1,074	3.22	B+
Global High Yield	11/30/2025	24	18.4%	5.95%	544	1,375	2.12	BB-
US High Yield	11/30/2025	94	24.2%	7.18%	360	1,003	3.12	B
US Short Duration HY	11/30/2025	43	25.1%	5.80%	187	177	0.79	BB-
Global High Yield	12/31/2024	4	8.3%	10.90%	449	2,487	0.25	BBB
Average per manager		100	19.9%	8.40%	396	972	1.81	
Capeo Dynamic		682	179.3%	14.13%	757	1,949	1.81	B+
USHY			100.0%	6.86%	332	1,178	3.73	

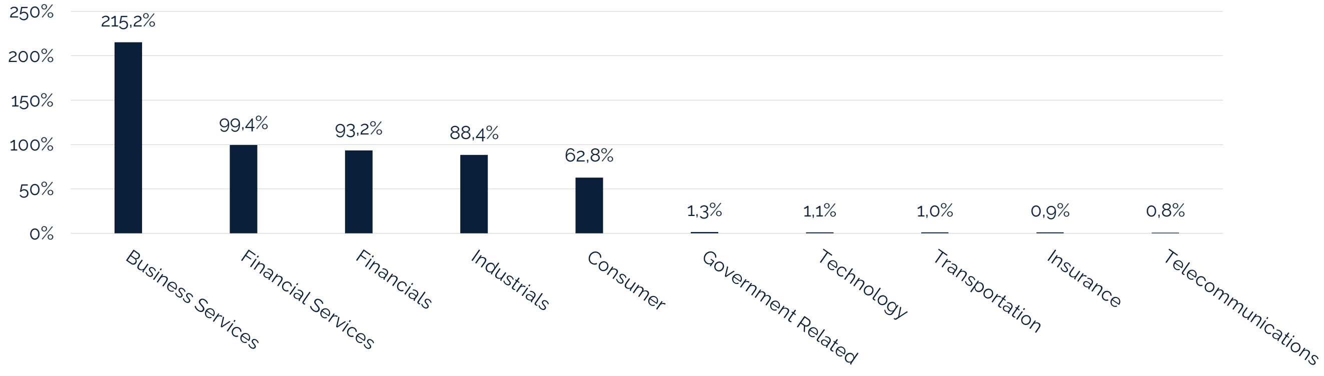
Country Allocation



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 46.240 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 123.90
ISIN	LI1198654298
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

Contact

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