

Cape Fixed Income Fund



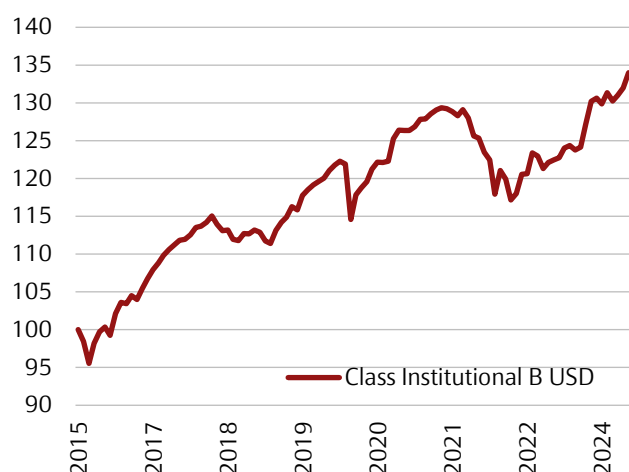
Institutional B USD - Cape Capital SICAV-UCITS

FUND STRATEGY

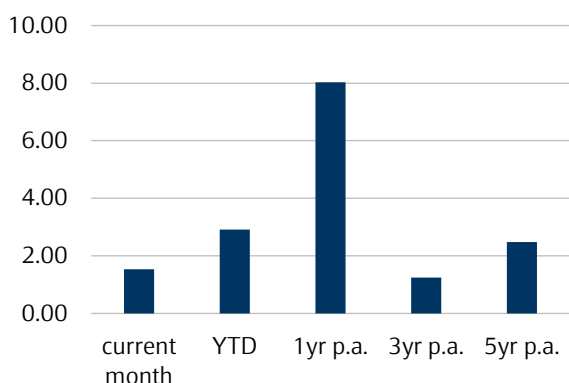
The Fund has a net target return of EURIBOR+250bps p.a. over a credit cycle and offers daily liquidity. The Fund invests in bonds and credit derivatives with a focus on investment grade companies. All FX exposure is fully hedged. ESG considerations are integrated into the investment process.

Strategic Credit Duration	Medium Term
Strategic Rate Duration	Short – Medium Term
Underlying Issuer Ratings	100% IG
Capital Structure Risks	50 - 100%

PERFORMANCE (NAV)¹



PERFORMANCE (%)



Current month	2024 YTD	2023	2022	2021	Since inception
1.53	2.91	7.94	-6.58	2.14	33.99

FUND INFORMATION

Date:	31 July 2024
Current AUM	EUR 469MM
Fund Type	SICAV-UCITS
ISIN	LU1200253257
Bloomberg	CSCFUSI LX Equity
Fund Inception ⁵	01 June 2016
Minimum Investment	USD 5,000
Available Currency	EUR / CHF / USD / GBP
Redemption	Daily by 3pm C.E.T
Management Fee	0.50 % p.a.
Share Class	Institutional B EUR Accumulating
Fund Domicile	Luxembourg
Mgmt Company	MultiConcept Fund Management
Central Admin.	Credit Suisse Fund Services
Auditor	PwC (Luxembourg)
Legal Advisor	Arendt & Medernach
Depository Bank	Credit Suisse (Luxembourg) S.A.

FUND STATISTICS

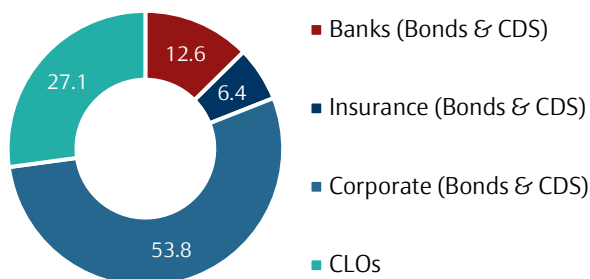
Modified Duration (years)	3.60
Credit Duration (years)	3.80
Max Drawdown (% , since inception)	-9.41
Return (% , annualized since inception)	3.47
Spread to Swap Rate (bp)	220
Volatility (% , annualized) ²	4.50
Sharpe ratio	0.35
Risk free rate ³	1.90
Senior /subordinated securities split ⁴	56% / 44%

1. Share class Institutional B USD, monthly NAV performance net of fees since fund inception 05 January 2016, December 2015 indexed to 100.
2. Annualized standard deviation using monthly return since inception.
3. Risk free return is calculated as the annualized return of ICE LIBOR USD 3-month since the inception of the Fund.
4. The weight split between senior and subordinated securities within the portfolio, weight is calculated based on nominal exposure.
5. Fund inception in January 2016 as Cape Capital SICAV-SIF. Converted to Cape Capital SICAV-UCITS in July 2017.

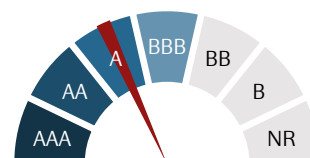
Cape Fixed Income Fund

Institutional B USD - Cape Capital SICAV-UCITS

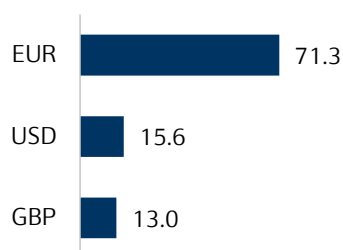
RISK ALLOCATION (%)



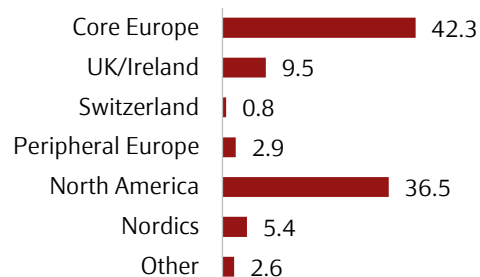
RATING DISTRIBUTION



SECURITY DENOMINATION (% BOND AND CDS)



GEOGRAPHIC ALLOCATION (% BOND AND CDS)



All allocation is calculated based on notional exposure.

FX exposure refers to the currency denomination of the security before hedging. All FX exposure is fully hedged in the portfolio.

Rating distribution, FX exposure and Geographic allocation are calculated excluding cash equivalents.

Rating refers to security not issuer rating, rating is based on data from S&P, Moody's and Fitch.

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
Inst. B EUR Acc.	CSCFEUI LX Equity	LU1200252796	09/06/2015	0.50	72.2	114.09
Inst. B CHF Acc.	CSCFCHI LX Equity	LU1200252952	08/06/2015	0.50	71.9	106.35
Inst. B USD Acc.	CSCFUSI LX Equity	LU1200253257	05/01/2016	0.50	72.0	133.99
Inst. B GBP Acc.	CSCFIBG LX Equity	LU1200253414	27/09/2017	0.50	72.0	112.56
Inst. B CHF Dist.	CSCFIBC LX Equity	LU1860542452	23/11/2018	0.50	71.0	94.74
Retail A CHF Acc.	CSCFRAC LX Equity	LU1635380592	22/09/2017	0.80	105.0	96.55
Retail A EUR Acc.	CSCFRAE LX Equity	LU1635380246	22/09/2017	0.80	105.0	101.70

SHARE CLASS PERFORMANCE

in %	current month	2024 YTD	1 yr p.a.	3 yr p.a.	5 yr p.a.	since incep.	2023	2022	2021
Inst. B EUR Acc.	1.36	2.03	6.33	-0.55	0.75	14.09	5.81	-8.61	1.32
Inst. B CHF Acc.	1.11	0.50	3.75	-1.81	-0.14	6.35	3.75	-8.89	1.10
Inst. B USD Acc.	1.53	2.91	8.03	1.25	2.48	33.99	7.94	-6.58	2.14
Inst. B GBP Acc.	1.49	2.79	7.87	0.86	1.92	12.56	7.42	-7.11	2.05
Inst. B CHF Dist.	1.12	0.59	3.76	-1.81	-0.14	2.51	3.74	-8.89	1.10
Retail A CHF Acc.	1.09	0.31	3.39	-2.14	-0.48	-3.45	3.38	-9.18	0.76
Retail A EUR Acc.	1.33	1.82	5.96	-0.88	0.41	1.70	5.45	-8.90	0.98

Cape Fixed Income Fund

Institutional B USD - Cape Capital SICAV-UCITS

MONTHLY COMMENT – JULY 2024

Michael Lienhard: michael.lienhard@capecapital.com

Sarah Zhu: sarah.zhu@capecapital.com

William Xiao: william@capecapital.com

Reality check on (some) growth expectations

- **Market conditions:** July reversed June's political volatility, tightening IG spreads and boosting inflation optimism, with limited immediate credit risks outside lower-quality high-yield sectors.
- **Geopolitical and fiscal risks:** European elections highlighted long-term political and fiscal instability, particularly in France, suggesting an elevated sovereign credit risk premium and potential bond spread impacts.
- **Strategy and outlook:** Despite stable markets, we remain cautious due to tight credit spreads and rising systemic risks. We focus on managing credit and interest rate risks with a target duration of slightly below four years, anticipating possible declines in growth and inflation.

Market update

July was characterized by the reversal of the politically-induced volatility in June, which led to a spread tightening in most of the Investment Grade segments, and rising optimism regarding the inflation path on both sides of the Atlantic. The broader Investment Grade Fixed Income complex experienced a positive month, albeit dispersion has increased among sectors and segments.

From a credit risk perspective, market participants are concerned about the potential acceleration of declines in growth, unemployment, consumer behaviour, and corporate fundamentals. As we've mentioned in our monthly updates, we believe that these challenges are real. However, the declines are progressing slowly, and things are steady enough to avoid immediate credit risk issues, except for the lower-quality segment of the HY universe.

Consumers will likely continue to generously support the corporate world due to an ongoing increase of their real wages as demographics continue to keep unemployment rates low. Rising funding costs, driven by higher interest rates, are gradually narrowing the gap between the coupons paid and the yields traded, putting pressure on the weaker segments of the rating scale. Using an analogy from the recent Tour de France, there's a risk that the "broom wagon" could start picking up the weakest participants.

However, we view the government fiscal position as a more pressing concern due to higher funding costs and the financial strain of a growing retired population. Political transitions, such as elections in the UK, France, and the US, could exacerbate this risk by altering fiscal policies. Hence, we are concerned about the current equilibrium where the weakest link (governments) keeps accumulating debt at a record pace while the main

beneficiary (consumers) may start to have the choice between further consumption or repaying debt (a soft version of debt deflation?), which could hamper growth perspectives in the future. Hence, we are "OK" with interest rate duration at this stage while we play credit risk from the cautious side.

Geopolitics continue to be a major driver of the systemic credit risk premium. While there is no immediate tail risk visible, we would argue that the longer-term risk premium (fiscal deficits) is here to stay. Indeed, July saw a rapid reversal of short-term volatility induced by the snap elections in France and the UK. While the results of the UK elections were not surprising, with the left-wing Labour Party scoring a substantial majority, the French election (so far) produced a hung parliament, essentially cementing the risk of political paralysis.

As noted in our last monthly comment, the gains made by right- and left-wing parties on an absolute level compared to the previous French legislative election in 2022 are not favourable for the fiscal outlook in the medium term. With a current debt/GDP of 110% and fiscal deficits above 5% (and even higher in future?), we think the floor on French sovereign credit risk will remain elevated and is fully justified. We would stress to factor in the relatively weak growth perspective of the country and region in general.

Due to the hung parliament, the stagnation in reform efforts suggests that even on a medium-term horizon, France may still have a hard time to comply with the 3% EU target.

Therefore, we are keen to watch the spread between German and French government bonds especially in medium- to longer term tenors. In essence, it is less about the immediate situation and more about the implications over the next three years and the longer-term sovereign risk premium stemming from the lack of fiscal progress.

Cape Fixed Income Fund

Institutional B USD - Cape Capital SICAV-UCITS

Although we are less concerned about the upcoming political challenges in France and Europe from a credit perspective, we anticipate that the recent increase in systemic risk premium in Europe will be structural. Despite this, credit spreads in Europe fell rapidly to pre-June lows, essentially shrugging off any near-term risk after both elections were concluded. While the market is correct in discounting near-term political tail events, this stability comes at the cost of a rising medium- to longer term risk premium, particularly driven by higher budget deficits.

Consequently, we expect both the interest rate and credit risk curves to continue to steepen. This outlook supports our confidence in maintaining Cape's target duration around 3.5 to 4 years, which has benefitted greatly from the bull steepening throughout July.

With regards to the progress on inflation the dynamics on both sides of the Atlantic have remained consistent with recent trends that we discuss regularly in our comments: a tight labour market (demographics) keeps wage pressures alive, and fiscal deficits (stimulus) which are completely decoupled from the unemployment-rate narrative, keep consumer spending elevated and therefore encourage economic growth.

This trend was confirmed by the release of U.S. Q2 GDP, which came out at an annualized rate of 2.8% quarter on quarter, far surpassing the median estimate of 2.0%. Consumer spending's contribution to GDP remained substantial, confirming that even after years of worries about a soft or hard landing, the U.S. economy is far from landing anywhere. On the contrary, while Europe's GDP remains strong, aggregate readings of economic activity like PMIs and national business surveys in July pointed to some deterioration to come. Finally, within certain sectors (notably consumer cyclicals like autos), the market seems to be facing a reality check on current growth expectations after

various companies disappointed in their Q2 performance and had to lower their guidance drastically.

Regardless, investors in fixed income have been far more concerned about the inflation risk premium and the credit risk embedded in sovereign curves, as opposed to growth projections. This would also explain why we saw rapid moves in equities (which is all about growth), and to a certain degree in the high-yield space, as a result of lowered growth expectations while the reaction of investment-grade credit was relatively muted.

The Cape portfolio

While we remain cautious about fiscal and sovereign risks, we reckon that households and companies are still in relatively strong positions. Potential credit problems for IG companies are more likely to arise from increased funding costs rather than a weak economy or poor technicals at this stage. We do not expect funding costs to escalate for IG issuers in the EU and the U.S. any time soon, especially given the low chance of further rate hikes within the next year.

Despite a generally stable market environment, we are cautious about the tight credit spreads, which do not justify moving down in quality (...actually more in the opposite direction). The downside risk for risky assets has increased, especially with the reality check on growth expectations.

Given this macro backdrop and tight credit spreads, our strategy aims to benefit from a potential decline in growth/inflation while benefitting from an ongoing steepening in credit spreads and interest rates. We have targeted a duration slightly below four years for both credit and interest rate risk, maintaining the overall quality of our portfolio and adjusting lower-duration holdings to align with this target.

Cape Fixed Income Fund

Institutional B USD - Cape Capital SICAV-UCITS

DISCLAIMER

The Fund is a sub-fund of Cape Capital SICAV-UCITS, an umbrella fund regulated pursuant to part I of the Luxembourg law of 17 December 2010 on undertakings for collective investments ("Law of 17 December 2010") transposing Directive 2009/65/EC of the Capital European Parliament and the Capital Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferrable securities and authorized by the Luxembourg Supervisory Commission of the Financial Sector (Commission de Surveillance du Secteur Financier – CSSF). This is an advertising document. Cape Capital SICAV-UCITS (the "Fund") is domiciled in Luxembourg. In Switzerland, the representative of the Fund is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich, whilst the paying agent is Credit Suisse (Switzerland) Ltd., Paradeplatz 8, CH-8001 Zurich. The prospectus, the key information documents or the key investor information documents, the articles of association as well as the annual and semi-annual reports of the Fund may be obtained free of charge from the Swiss representative ACOLIN Fund Services AG. Please note that past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units of the Fund.

Cape Capital AG is an independent asset management firm based in Zurich, Switzerland, and is regulated by FINMA (www.capecapital.com). For eligible investors only. This fact sheet is no legally mandatory document but for information and promotional purposes only.

IMPORTANT NOTICE AND DISCLAIMER

This confidential presentation and the information set out herein (the «Presentation») is summary in nature only and is qualified in its entirety by the information set out in the offering document or other formal disclosure document (the "Disclosure Document") relating to the potential opportunity described herein. The prospectus, annual financial statements, KIIDs, and legal documents can be obtained from the representative in Switzerland. FOR INVESTORS IN GERMANY: The information agent in Germany is ACOLIN Europe GmbH, with registered office at Reichenaustraße 11a-c, 78467 Konstanz. The basic documents of the Fund, including the prospectus (in English) and the KIID (in German) may be obtained free of charge at the registered office of the German Information Agent. FOR INVESTORS IN THE UNITED KINGDOM: The Fund and certain of its Sub-Funds are recognised in accordance with Section 264 of the Financial Services and Markets Act 2000. UK investors should read the Appendix for UK investors in conjunction with the Fund's Prospectus which are available from the Facilities Agent. The Prospectus of the Fund and the KIIDs can be obtained on www.fundinfo.com. FOR INVESTORS IN SPAIN: The Prospectus of the Fund and the KIIDs can be obtained on www.fundinfo.com.

The information provided is not intended to be used by any person or entity in any country or jurisdiction where the provision of information and subsequent potential commercialisation would be illegal. The Presentation does not constitute an offer for sale in the United States of America. The information provided by this Presentation is not intended for U.S. persons. The fund shares described in this Presentation may not be offered or sold in the United States or to U.S. persons or for the account for the benefit of a U.S. person.

This Presentation has been provided to the recipient by Cape Capital AG as portfolio manager (the "Portfolio Manager") of Cape Capital SICAV-UCITS for informational purposes for the personal use and is only intended to assist eligible investors in deciding whether they wish to consider reviewing the Disclosure Document. This Presentation is meant for use in one-on-one presentations with eligible investors. However, the contents of this Presentation are not to be construed as investment, legal or tax advice or recommendation and do not consider the particular circumstances specific to any individual recipient to whom this presentation has been delivered. The recipient should make its own appraisal and should obtain advice from appropriate qualified experts. This Presentation is furnished on a strictly confidential basis to eligible investors. None of the information contained herein may be reproduced or passed to any person or used for any purpose other than the purpose of considering the potential opportunity described in the Presentation.

Any opinions, forecasts, projects or other statements, other than statements of historical facts that are made in this Presentation are forward-looking statements. Although the Portfolio Manager believes that expectations reflected in such forward-looking statements are reasonable, they do involve a number of assumptions, risks and uncertainties. Accordingly, the Portfolio Manager does not make any express or implied representation or warranty, and no responsibility is accepted with respect to the adequacy, accuracy, completeness or reasonableness of the facts, opinions, estimates, forecasts or other information set out in this Presentation or any further information, written or oral notice, or other document at any time supplied in connection with this Presentation, and nothing contained herein or in the Disclosure Document shall be relied upon as a promise or representation regarding any future events or performance. Past returns are no guarantee for future returns.

The recipient's attention is specifically drawn to the risk factors identified by Cape Capital SICAV-UCITS's investment fund manager and Portfolio Manager as set out in the Disclosure Document. The Portfolio Manager also advises that the potential investments described herein are speculative, involve a degree of risk and there is no guarantee of performance or a return of any capital with respect to any investment. By accepting delivery of this Presentation, the recipient accepts the terms of this notice and agrees, upon request, to return all materials received by the recipient from the Portfolio Manager, including this Presentation without retaining any copies thereof. This Presentation, layout, copyright materials and trademarks featured in the Presentation may not be used or copied or otherwise reproduced by any unauthorized third party.