Monthly factsheet as of 31.08.2025

Credit Opportunities Fund (B)

ZUGERBERG FINANZ

PMG INVESTMENT SOLUTIONS
Driven by Needs - Outstanding in Solutions

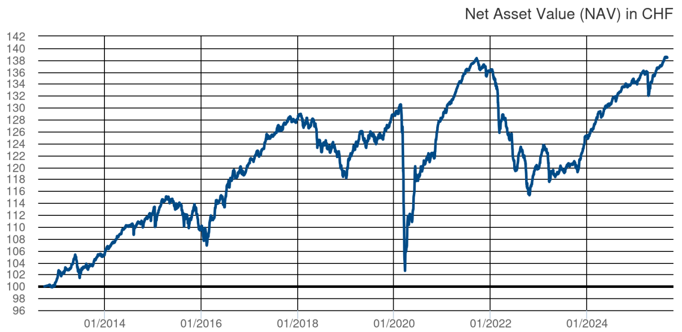
Investment Objective

The Credit Opportunities Fund is a globally investing, yield-oriented bond fund for Swiss investors. It is suitable for investors seeking a steady, positive return in Swiss francs on the bond market.

The approach is based on a strict discipline on the use of the opportunities in the Swiss market as well as in selected international bond markets. The fund is based on macroeconomic and microeconomic risk assessments. Each debtor is subject to a comprehensive overall assessment. An attractive risk / return profile at the rating threshold BBB / BB is preferred.

The fund does not follow any benchmark and aims at absolute positive returns in the medium term. The increase in value is primarily achieved with credit risk premiums and with the roll-down effect. A broad diversification is under consideration, with the Swiss bond market clearly overweight. In the meantime, the investor is accepting certain fluctuations in order to be able to benefit from interesting investment opportunities in the credit sector in the medium to long term.

Performance



1 month	0.41%
3 months	1.95%
2025 (YTD)	3.04%
1 year	4.41%
3 years (annualized)	4.07%
Since Inception (annualized)	2.57%
Since Inception	38.41%
Lowest NAV	99.85
Highest NAV	138.54
Months with Positive Returns	68%
Sharpe Ratio (last 3 years)	0.73
Max. Drawdown (last 3 years)	-6.09%
Max. Drawdown Length (days for last 3 years)	39
Max. Drawdown Recovery (days for last 3 years)	69

Modified Duration

< 1 year	41%
1 - 3 years	19%
3 - 5 years	29%
5 - 7 years	9%
> 7 years	2%

Fund Facts

Fund Name	PPF ("PMG Partners Funds") - Credit Opportunities Fund - B
Valor	19893847
ISIN	LU0810289230
WKN	A1J1ZV
Bloomberg	PPFPCOB LX
Fund Domicile	Luxemburg
Fund Class	B
Currency	CHF
Cut-Off Time	Daily, until 5pm (CET)
Settlement	T+3
Launch Date	November 2nd, 2012
Fiscal Year End	December 31st
Distribution Policy	Accumulation
Legal Registration	Switzerland

Fund Information*

NAV Total (CHF Mio.)	509.88
NAV Fund Class B (CHF Mio.)	490.08
NAV per Unit (CHF)	138.41
Modified Duration (Years)	2.5
Yield to Worst (%, local currency)	6.8
Yield to Worst (%, hedged CHF)	4.4
ø Credit Rating	BB+
Cash Position (%)	7.8
No. of Sectors	17
No. of Issuers / Issues	189 / 216
Top 10 Positions (%)	13.3

* Securities portfolio, including cash.

Expenses

Management Fee (% p.a.)	0.50
Total Expense Ratio (TER) as of 31.12.2024 (%)	0.78

Investment Amounts

Minimal Initial Investment (CHF)	1'000'000

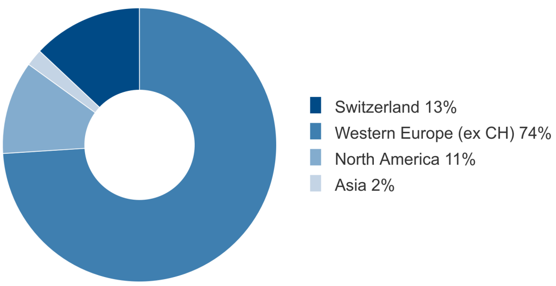
Rating Breakdown

>A	8%
A	3%
A-	0%
BBB+	2%
BBB	9%
BBB-	12%
BB+	12%
BB	11%
BB-	9%
B+	10%
B	14%
B-	4%
<B-	6%

Top 10 Industry Sectors

Banking	13%
Consumer Cyclical	12%
Other Industrial	10%
Insurance	8%
Other Financial Services	7%
Energy	6%
Transportation	6%
Consumer Non-Cyclical	5%
Capital Goods	3%
Communications	3%

Geographic Diversification



Monthly Commentary

Treasury markets found modest relief in August, with yields drifting lower on rising confidence in near-term policy easing. Powell's Jackson Hole remarks stressing "downside risks to employment" reinforced the dovish tone, with ~22bp of cuts priced for September and more than two cuts through year-end. By 2026, markets expect over 130bps of easing. While the US front end held steady, risk premia rose at the long end, steepening global government bond curves. US 2-year yields fell by more than 30bps, while German 2-years were almost unchanged; fiscal pressures pushed Japanese, UK and French 30-year yields higher, outpacing the US (+3bps).

Political interference remains a risk: Trump's attack on the Fed threatens credibility; history shows politicised central banks bring higher inflation, volatile growth and weaker currencies. At the same time, a US appeals court restricted the president's authority to impose tariffs under the 1977 IEEPA, limiting executive power and underscoring the judiciary's role in shaping policy. France's fiscal fragility also weighs, with debt at 114% of GDP, behind only Greece and Italy in the EU. Five-year OATs trade above BTPs despite France's AA- rating versus Italy's BBB. Asia's subdued inflation, driven by Chinese overcapacity and falling export prices, contrasts with US inflation risks, which the Fed still sees as outweighing labour market weakness.

Euro high-grade (HG) bond yields rose to 3.06% (+0.05%), while spreads widened to 84bp (+5bp). This remains well inside the 25-year monthly median of 112bp. Total returns were flat, with excess returns negative across ratings, sectors, and duration buckets. In the US, HG bond yields declined to 4.91% (-0.16%), while spreads widened modestly to 79bp (+3bp), still comfortably inside the 25-year monthly median of 129bp. Excess returns were negative across the board, most notably in the 5-7 years bucket, but total returns were supported by falling Treasury yields. In the high-yield (HY) segment, Euro HY corporate yields increased to 4.97% (+0.06%) in parallel with spreads widening to 281bp (+8bp), compared with a 25-year monthly median of 416bp. Total returns were positive for BB and B paper, but negative for CCC; excess returns followed the same pattern. US HY corporate yields dropped to 6.75% (-0.33%), while spreads tightened to 272bp (-6bp), significantly below the 25-year median of 442bp. Both total and excess returns were positive, with CCC-rated bonds leading the rally, while BB and B lagged. In general, while US and Euro HY index level spreads hover near all-time tights, dispersion in the HY market remains stubbornly high (the ratio average/median HY spread is at a historically high 1.6-1.8). This "left-tail" is driven by distressed bonds with very wide spreads. CCCs trade historically wide versus the rest of HY, but not cheap in absolute terms. Given the current sluggish growth environment, the status quo is likely to persist.

The COF had a positive month in August (+0.41%) and slightly outperformed by 0.05% the broad Swiss Bond Index (SBI). Performance was primarily driven by lower rates across the relevant duration horizon, with a bull steepening in US Treasuries providing the main contribution, followed by a marginal contribution from bull steepening German Bunds. Other yield curves had no material impact. In addition, carry contributed +0.49% (in local currency). The impact from credit spreads was neutral, with positive effects from USD corporates offset by negative effects from EUR corporates. The build-up of a political instability premium in France did not disproportionately affect French issuers included in the COF (although French issuers have begun to underperform their Spanish and Italian peers, especially among financials). Currency hedging costs continued to weigh on performance. The fund's yield-to-worst declined to 6.8% (-0.1%) in local currency but remained stable on a CHF-hedged basis at 4.4%. The average coupon slipped slightly to 6.2% (-0.1%). The average bond price increased to 99.6% (+0.3%). The option-adjusted spread (OAS) tightened to 368bp (-2bp), while modified duration decreased to 2.5 (-0.2).

Investment Manager

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