Monthly factsheet as of 31.07.2025

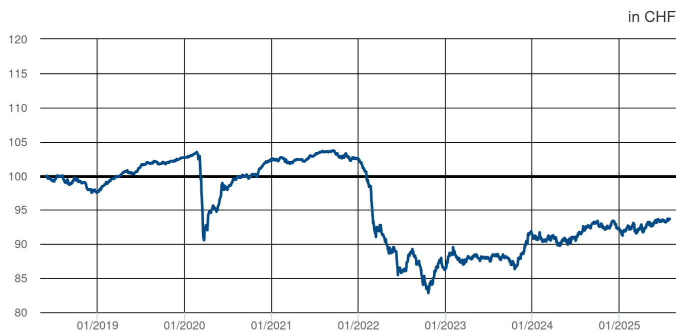
Zugerberg Funds - ZF Income Fund B

ZUGERBERG FINANZ

Investment Objective

The investment objective of the ZF - Income Fund is to achieve long-term capital and value growth in the reference currency, the Swiss franc, through investments in the credit market.
The fund aims to filter out investment opportunities on the global credit markets. It concentrates on a large variety of bonds from solid companies with an average investment grade rating. Corporate bonds can generate stable returns over the business cycle as a whole. In good times, additional credit risk premiums can be earned over government bonds. In addition, the typical interest rate sensitivity is significantly lower thanks to the lower average maturity. In bad times, companies reduce their debt much faster, while governments are often forced to borrow more to support the economy.

Total Return



1 month	0.19%
3 months	0.45%
2025 (YTD)	1.50%
1 year	1.65%
3 years (annualized)	1.94%
Since Inception (annualized)	-0.91%
Since Inception	-6.37%
Lowest NAV	81.00
Highest NAV	103.22
Months with Positive Returns	56%
Sharpe Ratio (last 3 years)	0.24
Max. Drawdown (last 3 years)	-7.22%
Max. Drawdown Length (days for last 3 years)	49
Max. Drawdown Recovery (days for last 3 years)	74

Modified Duration

< 1 year	6%
1 - 3 years	8%
3 - 5 years	32%
5 - 7 years	28%
> 7 years	26%

Fund Facts

Fund Name	Zugerberg Funds - ZF Income Fund - B
Valor	41512238
ISIN	CH0415122388
Bloomberg	ZFZIFBC SW
Fund Domicile	Switzerland
Fund Class	B
Currency	CHF
Cut-Off Time	Daily, until 5pm (CET)
Settlement	T+2
Launch Date	May 31st, 2018
Fiscal Year End	December 31st
Distribution Policy	Accumulation
Legal Registration	Switzerland

Fund Information*

NAV Total (CHF Mio.)	690.53
NAV Fund Class B (CHF Mio.)	683.53
NAV per Unit (CHF)	89.05
Modified Duration (Years)	5.9
Yield to Worst (%, local currency)	2.9
Yield to Worst (%, hedged CHF)	1.3
ø Credit Rating	A
Cash Position (%)	2.5
No. of Sectors	19
No. of Issuers / Issues	207 / 287
Top 10 Positions (%)	7.9

* Securities portfolio, including cash.

Expenses

Management Fee (% p.a.)	0.50
Total Expense Ratio (TER) as of 31.12.2024 (%)	0.67

Investment Amounts

Minimal Initial Investment (CHF)	1'000'000

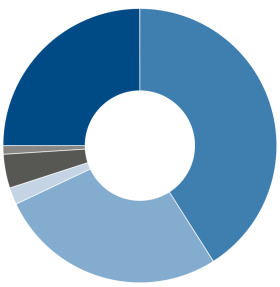
Rating Breakdown

AAA	10%
AA+	4%
AA	4%
AA-	5%
A+	10%
A	11%
A-	19%
BBB+	17%
BBB	12%
BBB-	7%
BB+	1%
BB	0%
<BB	0%

Top 10 Industry Sectors

Banking	14%
Consumer Non-Cyclical	14%
Insurance	9%
Consumer Cyclical	8%
Technology	7%
Capital Goods	6%
Basic Industry	5%
Electric	5%
Other Financial Services	5%
Communications	4%

Geographic Diversification



Monthly Commentary

In July, progress in trade negotiations - providing greater clarity and certainty around trade policy - along with robust labor market data and easing volatility, pushed US credit markets further into risk-on mode. However, inflation data accelerated relative to June, with signs of tariff-driven inflationary pressures. Both US CPI and PCE surprised to the upside, coming in at 2.7% and 2.6%, respectively. To counterbalance policy uncertainty and preserve market confidence, the Federal Reserve left benchmark rates unchanged and may be forced to err on the side of caution, keeping short-term rates elevated for longer than it otherwise would. On this side of the Atlantic, Bund yields spiked following the announcement of an EU-US trade deal just ahead of the August 1 deadline, which included a sharp reduction in tariffs on most EU exports (down to 15%). Credit spreads tightened to new year-to-date lows, supported by resilient Q2 earnings and stronger-than-expected economic data. The ECB held rates steady, marking the first pause in the easing cycle since June of last year. All of this preceded the August 1 announcement from President Trump, who imposed tariffs on dozens of US trading partners - including a sweeping 39% rate on Swiss imports - plunging the global economy into a new phase of mercantile competition.

Overall, it appears that tariffs have shifted from being a macro driver to a micro driver of performance. This is likely to catalyze greater dispersion within tariff-sensitive sectors - such as consumer/retail, autos, building materials, and chemicals - as investors assess which issuers are best positioned to protect their margins and which are more exposed to what is effectively a consumption tax on goods.

In this context, Euro high-grade (HG) bond yields declined to 3.01% (-0.06%), while spreads continued to tighten, narrowing to 79bp (-13bp). This level is now 49bp below the April wides and well inside the 25-year monthly median of 112bp. Excess returns were positive across all duration buckets, increasing with longer maturities. Total returns were also positive, with the strongest performance observed in the belly of the curve. In the US, HG bond yields rose to 5.07% (+0.08%), while spreads tightened to 76bp (-7bp) - 43bp below the April wides and well inside the 25-year monthly median of 129bp. Excess returns were positive across the board, but total returns were roughly flat as coupon income was offset by negative price returns. In the high-yield (HY) segment, Euro HY corporate yields declined significantly to 4.91% (-0.27%), driven by a sharp tightening in credit spreads to 273bp (-30bp), which is 161bp below the April wides and compares to a 25-year monthly median of 416bp. Both total and excess returns were strongly positive across all rating buckets, with B-rated bonds underperforming BB and CCC-rated bonds. US HY corporate yields were nearly unchanged at 7.08% (+0.02%), while spreads tightened to 278bp (-12bp) - 175bp below the April wides and significantly below the 25-year median of 446bp. Again, both total and excess returns were positive. CCC-rated bonds led the rally, while BB and B lagged.

The ZIF posted a positive month in July (+0.19%) but underperformed the broad Swiss Bond Index (SBI) by 0.19%. Performance was primarily driven by broadly tightening credit spreads and a carry contribution of 0.22% (in local currency). The impact from interest rates was negative, mainly due to rising US and German government bond yields, reflecting a bear-flattening of the yield curve with increases concentrated at the short end. In contrast, Swiss government yields declined, with the decline more pronounced at the long end of the curve. Currency hedging costs continued to weigh on performance. The fund's yield-to-worst was unchanged at 2.9% in local currency and slightly lower on a Swiss franc-hedged basis at 1.3% (-0.1%). The average coupon remained stable at 2.7%. The average bond price rose marginally to 98.4% (+0.1%), the option-adjusted spread (OAS) tightened to 86bp (-6bp), and the modified duration increased slightly to 5.9 (+0.1).

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