Monthly factsheet as of 30.09.2025

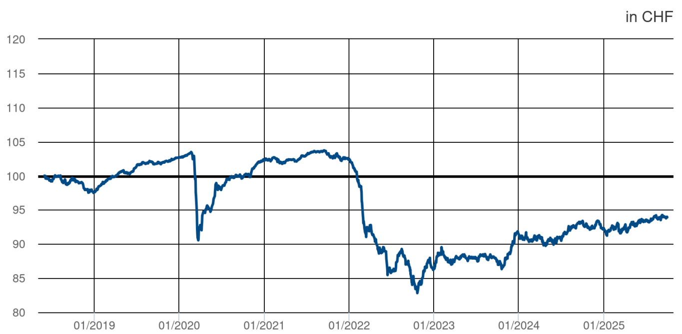
Zugerberg Funds - ZF Income Fund B

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	0.16%
3 months	0.48%
2025 (YTD)	1.79%
1 year	0.81%
3 years (annualized)	3.59%
Since Inception (annualized)	-0.85%
Since Inception	-6.09%
Lowest NAV	81.00
Highest NAV	103.22
Months with Positive Returns	57%
Sharpe Ratio (last 3 years)	0.74
Max. Drawdown (last 3 years)	-3.59%
Max. Drawdown Length (days for last 3 years)	185
Max. Drawdown Recovery (days for last 3 years)	29

Modified Duration

< 1 year	4%
1 - 3 years	10%
3 - 5 years	30%
5 - 7 years	28%
> 7 years	28%

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.)	699.34
NAV Fund Class B (CHF Mio.)	692.10
NAV per Unit (CHF)	89.31
Modified Duration (Years)	5.9
Yield to Worst (%, local currency)	2.8
Yield to Worst (%, hedged CHF)	1.4
ø Credit Rating	A-
Cash Position (%)	2.6
No. of Sectors	19
No. of Issuers / Issues	211 / 288
Top 10 Positions (%)	7.9

* Securities portfolio, including cash.

Expenses

Management Fee (% p.a.)	0.50
Total Expense Ratio (TER) as of 30.06.2025 (%)	0.67

Investment Amounts

Minimal Initial Investment (CHF)	1'000'000

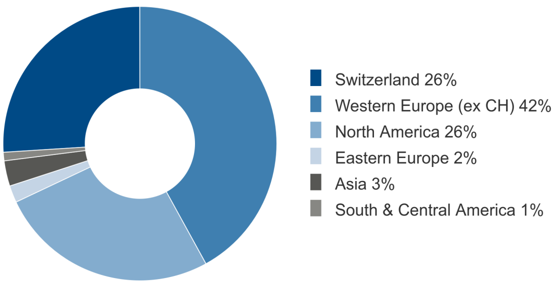
Rating Breakdown

AAA	8%
AA+	4%
AA	3%
AA-	5%
A+	10%
A	9%
A-	22%
BBB+	14%
BBB	16%
BBB-	7%
BB+	2%
BB	0%
<BB	0%

Top 10 Industry Sectors

Banking	15%
Consumer Non-Cyclical	13%
Insurance	10%
Consumer Cyclical	8%
Technology	7%
Capital Goods	6%
Basic Industry	5%
Electric	5%
Other Financial Services	4%
Utility	3%

Geographic Diversification



Monthly Commentary

Credit performance in September was mixed. Weak US labor data - August payrolls and higher jobless claims - initially fueled rate cut bets, driving US high-grade (HG) credit spreads to a near 30-year tight of 74bp and Treasury yields to 4.02%. The FOMC cut rates by 25bp to 4.00-4.25% and signaled 50bp more by year-end. However, stronger data and Powell's hawkish tone reversed part of the rally, with yields retracing higher. A looming government shutdown later supported Treasuries with a modest rally in yields, though markets will likely view it as less disruptive without debt ceiling risks. Labor conditions softened: unemployment rose to 4.3%, jobless claims surprised to the upside, while sticky inflation (PCE 2.7% YoY headline, 2.9% core; CPI 2.9% YoY headline, 3.1% core) tempered dovish expectations. Consumer sentiment weakened accordingly. In Europe, the ECB held rates but noted inflation risks. Fitch downgraded France (AA- to A+) after Bayrou's resignation and Macron's quick replacement with Lecornu. Euro area unemployment edged down to 6.2%, while August headline inflation ticked up to 2.1% and core held steady at 2.3%. Corporate bond spreads have likely hit the speed limit, reflecting compressed risk premia and improved liquidity conditions.

Euro HG bond yields were unchanged at 3.06%, with spreads racing back to the YTD tights at 79bp (-5bp) despite hawkish shifts in the ECB's messaging, new US tariff announcements, renewed French political woes, and a deluge of new issue supply. This remains well inside the 25-year monthly median of 112bp. Total and excess returns were similar and positive across ratings and sectors, increasing with duration. In the US, HG bond yields declined to 4.81% (-0.10%). Spreads moved in the same direction, ending near cyclical tights at 74bp (-5bp) and comfortably inside the 25-year monthly median of 129bp. The risk-on spread compression, coupled with falling Treasury yields over the first half of the month, drove strong total returns. Excess returns were also positive but smaller. Investors reached down the rating spectrum and out the curve. In the high-yield (HY) segment, Euro HY corporate yields decreased to 4.87% (-0.10%) with spreads tightening even more to 265bp (-16bp), compared with a 25-year monthly median of 413bp. Total and excess returns were modestly positive and of similar magnitude across rating segments. US HY corporate yields dropped to 6.70% (-0.05%), while spreads tightened to 276bp (-5bp), significantly below the 25-year median of 438bp. Both total and excess returns were positive, with CCC-rated bonds slightly outperforming BB and B-rated paper. Across almost every vector of risk, the US HY index today is a safer index than at any other time in the last 25 years. The average duration in the USD HY market is the shortest in over 25 years, while the share of secured bonds is the highest in over 18 years. The share of CCC-rated bonds is the lowest since the late 1990s. Nonetheless, even after controlling for rating, duration, and seniority, spreads remain at near all-time tights, at just the 4th percentile over the last 15 years, and valuations still screen as expensive.

The ZIF posted a positive monthly performance in September (+0.16%) but underperformed the Swiss Bond Index (SBI) by 0.35%. Performance was primarily driven by a carry of +0.21% (in local currency) and a minor positive contribution from rates. Positive effects stemmed from lower longer-term Swiss and US Treasury yields, offset by negative effects from a twist around the belly in German benchmark rates (with short-term rates up and long-term rates down). The impact from credit spreads was also slightly positive, reflecting the historical tightness of spreads, with contributions coming mainly from Euro and US HG corporate bond allocations. Currency hedging costs continued to weigh on performance. The fund's yield-to-worst declined to 2.8% (-0.1%) in local currency and remained unchanged on a CHF-hedged basis at 1.4%. The average coupon declined to 2.6% (-0.1%). The average bond price rose to 98.8% (+0.2%). The option-adjusted spread (OAS) was stable at 90bp, while modified duration decreased slightly to 5.9 (-0.1).

Investment Manager

PMG Investment Solutions AG Dammstrasse 23 CH-6300 Zug	**Contact** Patrick Brühwiler

☎ +41 44 215 28 38 ✉ pmg@pmg.swiss 💻 www.pmg.swiss

Zugerberg Finanz AG Lüssiweg 47 CH-6302 Zug ☎ +41 41 769 50 10	**Contact** Prof. Dr. Maurice Pedergnana Dr. Danilo Zanetti

✉ info@zugerberg-finanz.ch 💻 www.zugerberg-finanz.ch

Addresses

Management Company	PMG Investment Solutions AG
Custodian Bank	CACEIS Bank, Montrouge, Zweigniederlassung Zuerich/Schweiz
Auditor	BDO AG
Official Publication	www.swissfunddata.ch, www.pmg.swiss