

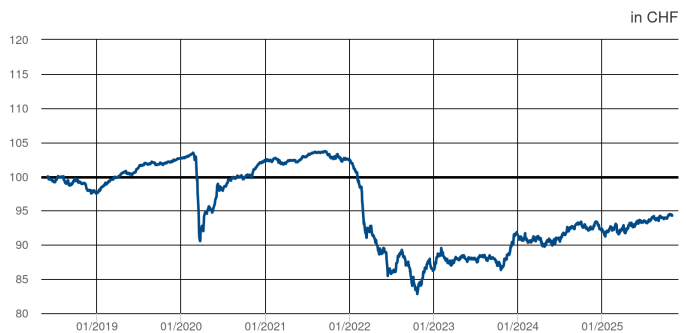
Zugerberg Funds - ZF Income Fund B

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	0.40%
3 months	0.70%
2025 (YTD)	2.20%
1 year	2.23%
3 years (annualized)	3.78%
Since Inception (annualized)	-0.79%
Since Inception	-5.71%
Lowest NAV	81.00
Highest NAV	103.22
Months with Positive Returns	58%
Sharpe Ratio (last 3 years)	0.79
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	8%
1 - 3 years	8%
3 - 5 years	27%
5 - 7 years	29%
> 7 years	28%

ZUGERBERG FINANZ

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.)	706.57
NAV Fund Class B (CHF Mio.)	699.31
NAV per Unit (CHF)	89.67
Modified Duration (Years)	5.9
Yield to Worst (% local currency)	2.7
Yield to Worst (% hedged CHF)	1.3
Ø Credit Rating	A
Cash Position (%)	6.9
No. of Sectors	20
No. of Issuers / Issues	203 / 270
Top 10 Positions (%)	8.2

* 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
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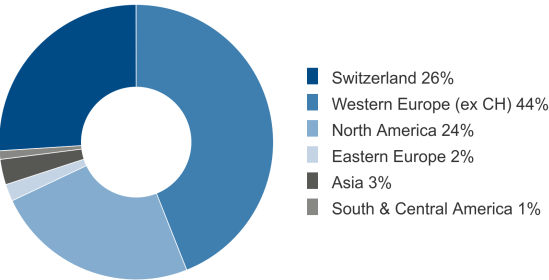
Rating Breakdown

AAA		10%
AA+		4%
AA		3%
AA-		6%
A+		11%
A		8%
A-		21%
BBB+		13%
BBB		16%
BBB-		6%
BB+		2%
BB		0%
<BB		0%

Top 10 Industry Sectors

Banking		15%
Consumer Non-Cyclical		13%
Insurance		11%
Consumer Cyclical		7%
Capital Goods		6%
Technology		6%
Electric		5%
Basic Industry		4%
Other Financial Services		4%
Utility		4%

Geographic Diversification



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Monthly Commentary

In the US, early in October, rate-cut optimism was reinforced by weak private-payroll proxies. With official data missing during the government shutdown, private datasets filled the gap. The "low hire, low fire" economy seems to be ending, as job cuts (including government-related) already exceed any full year since 2009 (except 2020), even before the heavy October run of announcements. Hopes of easing US-China trade tensions through a "tactical agreement" to roll back barriers and pause export controls for rare earths and chips supported sentiment. The delayed September CPI was roughly in line with expectations, showing sticky inflation. The Fed cut rates by 25bp for a second meeting but signaled a "hawkish shift", making another December cut uncertain. The rate rally reversed after the announcement. The Fed also ended QT amid funding-market strain and is expected to resume Treasury purchases focused on T-Bills (not on Treasury notes and bonds), easing debt concerns. Rates uncertainly, measured by MOVE, dropped to pre-2021 levels. The ECB kept rates unchanged at 2% as expected. Eurozone October flash inflation showed core inflation at 2.4%, above forecasts, while growth slightly exceeded consensus. Sovereign yields declined broadly, with Italy outperforming and BTP's yields above 7-year now below France's, which was downgraded to A+ from AA- by S&P.

In credit, strong earnings offset the lack of macro data, keeping spreads in check. A key October takeaway is AI's growing role not only in equities but also in High-Grade (HG) credit supply. Meta was in focus with two large issues: a record \$30bn HG bond deal (biggest in 2025) and a \$27bn "144A-for-life" structure (biggest corporate bond ever issued) via Beignet Investor (with Blue Owl). Such acceptance shows investor comfort with hybrid financing models bridging private and public credit for AI datacenter capex - a trend worth monitoring.

Euro HG bond yields fell to 2.98% (-0.08%) with spreads at 77bp (-2bp), well below the 25-year (monthly) median of 112bp. Total returns were strongly positive across ratings, rising with duration, while excess returns were modest amid limited spread tightening. US HG yields were flat at 4.82% (+0.01%), spreads widened slightly to 78bp (+4bp), still far below the 25-year median of 129bp. Total returns were positive across the curve, but excess returns turned negative, especially for longer durations. Spread widening was most visible in communications and tech, reflecting heavy AI-related issuance by Meta, Oracle and peers. In high yield, Euro HY corporate yields edged down to 4.85% (-0.02%) as spreads widened to 273bp (+8bp), below the 25-year median of 415bp. Total returns were modestly positive, driven by BBs, while excess returns were negative for most sectors and sharply lower for CCCs. US HY yields rose to 6.78% (+0.08%), spreads widened to 281bp (+14bp), still well below the 25-year median of 439bp. Total returns were slightly positive, again led by BBs, while lower-rated segments posted losses. Overall, credit-cycle worries are increasingly visible in lower-rated markets but remain absent from HG.

The ZIF recorded a positive return of +0.40% in October, underperforming the Swiss Bond Index (SBI) by 0.18%. Performance was mainly supported by a positive carry of +0.21% (in local currency). Rates contributed positively, driven by a broad decline in German yields and a bull-flattening in both Swiss and US Treasury curves. Notably, German and US yields fell sharply until mid-month before retracing most of the move, whereas Swiss government yields closed near their monthly lows. Credit-spread impact was also positive, coming mainly from Swiss and European corporates and less from US corporates. Currency-hedging costs remained a drag on results. The fund's yield-to-worst declined to 2.7% (-0.1%) in local currency and similarly on a CHF-hedged basis to 1.3% (-0.1%). The average coupon declined to 2.4% (-0.2%). The average bond price rose to 98.9% (+0.1%). The option-adjusted spread (OAS) was stable at 90bp. Same for the modified duration at 5.9.

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