

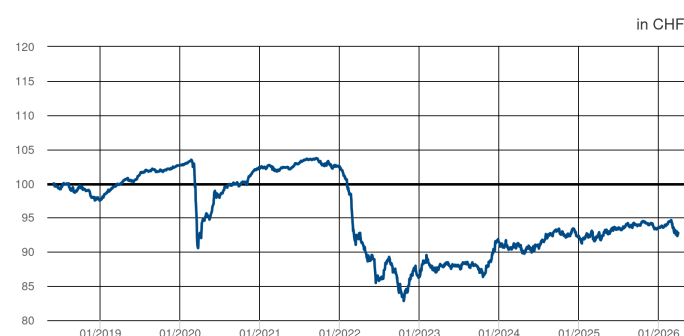
# Zugerberg Funds - ZF Income Fund B

## 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	-1.97%
3 months	-0.74%
2026 (YTD)	-0.74%
1 year	0.34%
3 years (annualized)	1.89%
Since Inception (annualized)	-0.95%
Since Inception	-7.21%
Lowest NAV	81.00
Highest NAV	103.22
Months with Positive Returns	57%
Sharpe Ratio (last 3 years)	0.52
Max. Drawdown (last 3 years)	-2.48%
Max. Drawdown Length (days for last 3 years)	52
Max. Drawdown Recovery (days for last 3 years)	18

## Modified Duration

< 1 year	3%
1 - 3 years	6%
3 - 5 years	33%
5 - 7 years	27%
> 7 years	31%

## 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.)	683.98
NAV Fund Class B (CHF Mio.)	677.05
NAV per Unit (CHF)	88.25
Modified Duration (Years)	6.2
Yield to Worst (% local currency)	3.0
Yield to Worst (% hedged CHF)	1.6
ø Credit Rating	A-
Cash Position (%)	2.1
No. of Sectors	20
No. of Issuers / Issues	205 / 279
Top 10 Positions (%)	4.6

\* 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
----------------------------------	-----------

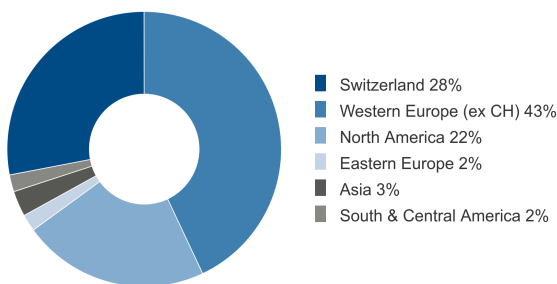
## Rating Breakdown

AAA	■	7%
AA+	■	4%
AA	■	3%
AA-	■	6%
A+	■	12%
A	■	12%
A-	■	20%
BBB+	■	15%
BBB	■	15%
BBB-	■	4%
BB+	■	1%
BB	■	0%
<BB	■	1%

## Top 10 Industry Sectors

Banking	■	17%
Consumer Non-Cyclical	■	14%
Insurance	■	12%
Consumer Cyclical	■	7%
Capital Goods	■	7%
Technology	■	6%
Electric	■	5%
Utility	■	4%
Communications	■	3%
Other Financial Services	■	3%

## Geographic Diversification



Disclaimer: This document serves the purposes of advertising and information, and is intended exclusively for distribution in Switzerland. It is not addressed to individuals in other countries, nor to individuals whose nationality or domicile prohibit access to such information on the basis of the applicable legislation. Historic performance is no indicator of current or future performance. The performance data takes no account of the commissions charged and costs incurred for the issue and redemption of units. This document was drawn up by PMG Investment Solutions AG (PMG) with the greatest care and to the best of its knowledge and belief. PMG provides no guarantee of the document's content or completeness, and declines all liability for losses arising from the use of this information. This document does not constitute an offer, nor does it represent an invitation to purchase or sell any securities or related financial instruments whatsoever. The information stated in this document is made available without any guarantee or assurance, and is to be used exclusively for informative purposes. The information in this document is intended solely for the recipient's personal use, and it takes no account of the specific or future investment goals of the individual recipient, nor of the recipient's tax or financial situation, nor yet of the recipient's individual requirements. The recipient is recommended to review the information in respect of its compatibility with his/her own personal circumstances and with regard to legal, regulatory, fiscal and other consequences, with the assistance of an adviser as appropriate. Investments should only be made in a product after the current sales prospectus has been thoroughly studied. This document and the information it contains must not be issued, distributed or forwarded either directly or indirectly to the USA or to U.S. Persons (as defined in Regulation S of the U.S. Securities Act of 1933, in the applicable version thereof). Likewise, units of the Fund must not be offered, sold or delivered within the USA or to U.S. Persons. The sales prospectus with the integrated Fund Agreement, the simplified prospectus and/or the essential information for investors, and also the annual and semi-annual reports, can be obtained free of charge from PMG, Dammstrasse 23, 6300 Zug, [www.pmg.swiss](http://www.pmg.swiss) and from CACEIS Investor Services Bank S.A., Zurich Branch, Bleicherweg 7, CH-8027 Zurich.

## Monthly Commentary

March market performance was primarily dictated by the escalating Iran War and the abrupt closure of the Hormuz Strait, which sent shockwaves through global macro markets and positioned G10 government bonds as the clearest losers across the curve. This dramatic repricing was fueled by shifting central bank policy expectations, heightened inflation fears, and growing fiscal concerns, as crude oil volatility around \$100 per barrel rapidly inflated global costs - evidenced by Germany's March inflation hitting a one-year high of 2.8% with energy prices climbing 7.2%. Simultaneously, the shadow banking sector faced severe pressure as Business Development Companies (BDCs) saw investor withdrawal requests breach the standard 5% redemption gate, forcing liquidity caps and redemptions to be halted due to persistent concerns over AI and tech sector exposure. Even a swift conclusion to the conflict may not prevent substantial collateral damage; while energy spikes are the most immediate effect, more "sticky" issues like rising unemployment and declining investment will take significantly longer to filter through the system. Unlike the robust landscape of early 2022, today's weaker economic outlook suggests that long-term risks to growth may eventually offset immediate inflation concerns. Current bond yield hikes might therefore be misjudging the risk of a significant growth shock triggered by demand destruction, the typical outcome of sustained higher energy prices. For policymakers, overreacting to supply-side price spikes could lead to a damaging policy mistake; historical data shows that the most severe economic damage often stems from aggressive tightening into a slowdown rather than the energy prices themselves. With US five-year forward breakevens falling, the market may already be signaling a migration from an inflation shock to a sharp contraction in global demand.

Parallel to these macro shifts, credit spreads widened for a second consecutive month as all-in yields reset meaningfully higher across the board. Credit spreads across both corporate high grade (HG) and high yield (HY) increased with a pronounced de-compression pattern. Euro HG yields jumped to 3.72% (+0.65%) and spreads widened to 97bp (+14bp), still below the 25-year (monthly) median of 112bp. This resulted in deeply negative monthly total and excess returns. At a broad sector level, Financials underperformed Industrials and Utility. US HG yields increased to 5.14% (+0.41%), while spreads widened to 89bp (+5bp), well inside the long-term median of 125bp. Total returns and excess returns were negative. Similar observations at the broad sector levels as for Euro HG. Interestingly, spreads in the two highest AAA and AA buckets compressed - a typical flight-to-quality pattern. Euro HY yields blew up to 6.14% (+1.19%), with spreads widening to 332bp (+53bp), still inside the 25-year median of 408bp. All rating segments experienced spread de-compression, most for Bs, followed by CCCs and BBs. Total returns and excess returns were deeply negative. In the US, HY corporate yields rose to 7.40% (+0.69%) with spreads jumping to 317bp (+26bp), still below the median of 427bp. Total returns and excess returns were negative, mostly so for CCCs. This broad-based reset reflects a market grappling with heightened geopolitical risk and the sobering realization that any transition to a lower-rate environment may be significantly delayed by energy-driven inflationary pressures.

The ZIF recorded a negative return of -1.97% in March, underperforming the Swiss Bond Index (SBI) by 0.86%. Performance was supported by a positive carry of +0.21% (in local currency). Nevertheless, returns were negatively impacted primarily by higher rates (bear-flattening for all major curves) but also by widening spreads. Currency-hedging costs remained a drag on results. The fund's yield-to-worst was higher at 3.0% (+0.4%) in local currency and at 1.6% (+0.2%) on a CHF-hedged basis. The average coupon was slightly lower at 2.5% (-0.1%), while the average bond price decreased to 97.2% (-2.3%). The option-adjusted spread (OAS) widened to 102bp (+9bp), and modified duration was unchanged at 6.2.

## Investment Manager

**PMG Investment Solutions AG** **Contact**  
Dammstrasse 23  
CH-6300 Zug  
☎ +41 44 215 28 38 ✉ [pmg@pmg.swiss](mailto:pmg@pmg.swiss) 🌐 [www.pmg.swiss](http://www.pmg.swiss)

**Zugerberg Finanz AG** **Contact**  
Lüssiweg 47  
CH-6302 Zug  
☎ +41 41 769 50 10  
✉ [info@zugerberg-finanz.ch](mailto:info@zugerberg-finanz.ch) 🌐 [www.zugerberg-finanz.ch](http://www.zugerberg-finanz.ch)

## Addresses

Management Company	PMG Investment Solutions AG
Custodian Bank	CACEIS Bank, Montrouge, Zweigniederlassung Zuerich/Schweiz
Auditor	BDO AG
Official Publication	<a href="http://www.swissfunddata.ch">www.swissfunddata.ch</a> , <a href="http://www.pmg.swiss">www.pmg.swiss</a>