

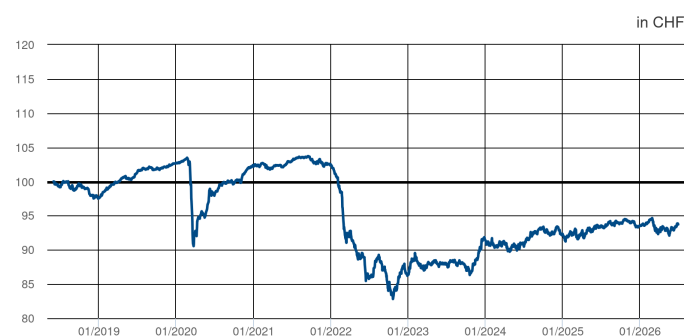
# Zugerberg Funds - ZF Income Fund B

## 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  | 0.43%  |
| 3 months                                       | 1.00%  |
| 2026 (YTD)                                     | 0.25%  |
| 1 year   | 0.29%  |
| 3 years (annualized)                           | 2.15%  |
| Since Inception (annualized)                   | -0.80% |
| Since Inception                                | -6.28% |
| Lowest NAV                                     | 81.00  |
| Highest NAV                                    | 103.22 |
| Months with Positive Returns                   | 58%    |
| Sharpe Ratio (last 3 years)                    | 0.45   |
| Max. Drawdown (last 3 years)                   | -2.71% |
| Max. Drawdown Length (days for last 3 years)   | 57     |
| Max. Drawdown Recovery (days for last 3 years) | -      |

## Modified Duration

|             |     |
|-------------|-----|
| < 1 year    | 3%  |
| 1 - 3 years | 6%  |
| 3 - 5 years | 35% |
| 5 - 7 years | 24% |
| > 7 years   | 32% |

## 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.)              | 702.61    |
| NAV Fund Class B (CHF Mio.)       | 695.73    |
| NAV per Unit (CHF)                | 88.46     |
| Modified Duration (Years)         | 6.2       |
| Yield to Worst (% local currency) | 2.9       |
| Yield to Worst (% hedged CHF)     | 1.4       |
| ø Credit Rating                   | A-        |
| Cash Position (%)                 | 1.4       |
| No. of Sectors                    | 20        |
| No. of Issuers / Issues           | 198 / 276 |
| Top 10 Positions (%)              | 5.2       |

\* Securities portfolio, including cash.

## Expenses

|  |      |
|--|------|
| Management Fee (% p.a.)                        | 0.50 |
| Total Expense Ratio (TER) as of 31.12.2025 (%) | 0.66 |

## Investment Amounts

|                                  |           |
|----------------------------------|-----------|
| Minimal Initial Investment (CHF) | 1'000'000 |
|----------------------------------|-----------|

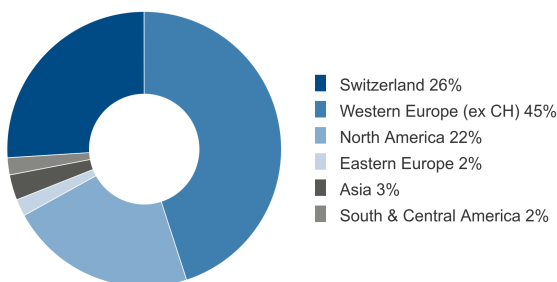
## Rating Breakdown

|      |   |     |
|------|---|-----|
| AAA  | ■ | 4%  |
| AA+  | ■ | 3%  |
| AA   | ■ | 3%  |
| AA-  | ■ | 6%  |
| A+   | ■ | 12% |
| A    | ■ | 12% |
| A-   | ■ | 23% |
| BBB+ | ■ | 16% |
| BBB  | ■ | 15% |
| BBB- | ■ | 4%  |
| BB+  | ■ | 1%  |
| BB   | ■ | 0%  |
| <BB  | ■ | 1%  |

## Top 10 Industry Sectors

|                       |   |     |
|-----------------------|---|-----|
| Banking               | ■ | 17% |
| Consumer Non-Cyclical | ■ | 13% |
| Insurance             | ■ | 13% |
| Capital Goods         | ■ | 8%  |
| Consumer Cyclical     | ■ | 7%  |
| Technology            | ■ | 6%  |
| Electric              | ■ | 5%  |
| Basic Industry        | ■ | 3%  |
| Utility               | ■ | 3%  |
| Communications        | ■ | 3%  |

## Geographic Diversification



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## Monthly Commentary

In June, US-Iran peace talks, interspersed with military strikes from both parties, supported risk assets, while the Fed's renewed focus on inflation dominated rates markets. June labour and inflation data reinforced its emphasis on price stability. In Europe, the ECB raised rates by 25bp for the first time in nearly three years, signalling a stagflation-like mix of weak growth and persistent inflation. Credit markets also reflected the AI-related financing cycle. Heavy Technology issuance, rising gross supply and a new "project finance" segment for data-centre investment have become important drivers of USD investment-grade credit. AI-related debt is typically long-dated, with a weighted average maturity of almost 15 years versus less than 13 years for the rest of the non-financial IG universe. Technology issuance in US IG has already exceeded every other full-year total of the post-financial-crisis era, while North American issuers have increased their share of EUR credit supply. At the same time, the Silicon Data LLM Token Expenditure Index fell almost 20% from its May peak after doubling since December, suggesting falling prices, a shift towards cheaper models or softer demand. The gap between AI investment and sales, estimated at 46% versus 32% during the 2001 telecom bubble, is another warning sign. Tighter US export controls and the EU AI Act add further uncertainty. Bonds from AI-linked issuers, including Amazon, Alphabet, Apple, Meta, Microsoft, Nvidia and SpaceX, widened by around 7bp to 14bp over the month, indicating that investors are becoming more selective despite continued enthusiasm for the sector. This combination may keep issuer-level dispersion elevated.

In euro high grade, yields declined to 3.43% (-0.02%), driven by bull-flattening in the German yield curve, while spreads were almost unchanged at 80bp (+1bp), still below the 25-year monthly median of 112bp. Rating segments were already in the summer lull, with no visible spread changes. Monthly total returns were positive and excess returns almost unchanged. US high-grade yields increased to 5.20% (+0.07%) as the Treasury curve twisted, with yields rising in maturities of up to seven years and declining further out. Spreads widened modestly to 74bp (+2bp), well below the long-term median of 124bp. The widening came mainly from smaller, AI-capex-related AAA and AA names. Total returns were marginal and excess returns negative, driven largely by maturities beyond seven years. Euro high-yield yields rose to 5.35% (+0.09%) as spreads widened to 269bp (+9bp), still well inside the 25-year median of 403bp. The widening was concentrated in CCCs, while BB and B spreads were unchanged. Total and excess returns were positive. In the US, high-yield yields rose to 7.16% (+0.20%) and spreads widened to 270bp (+13bp), still well below the 25-year median of 420bp. The widening came from CCCs, while B spreads compressed considerably and BB spreads were unchanged. Total and excess returns remained minimally positive. Overall, credit remained supported by attractive all-in yields and spreads that were still well inside long-term medians. However, the widening in lower-quality segments and selected AI-linked names pointed to a more discerning market, with investors increasingly differentiating between issuers and capital structures.

The ZIF recorded a positive return of +0.43% in June but underperformed the Swiss Bond Index (SBI) by 0.35%. Performance was driven by a positive carry of +0.21% in local currency. Spread effects were neutral, while interest-rate effects were positive overall. Consistent with the broader market moves described above, lower German and, in particular, Swiss benchmark yields supported performance, whereas the twist in the US Treasury curve made no material net contribution. Currency-hedging costs continued to weigh on performance. The fund's yield-to-worst was unchanged at 2.9% in local currency and declined to 1.4% (-0.1%) on a CHF-hedged basis. The average coupon was unchanged at 2.5%, while the average bond price rose to 97.9% (+0.2%). The option-adjusted spread (OAS) widened to 97bp (+3bp), and the modified duration remained unchanged at 6.2.

## Investment Manager

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