Monthly factsheet as of 31.07.2026

Zugerberg Funds - ZF Income Fund B

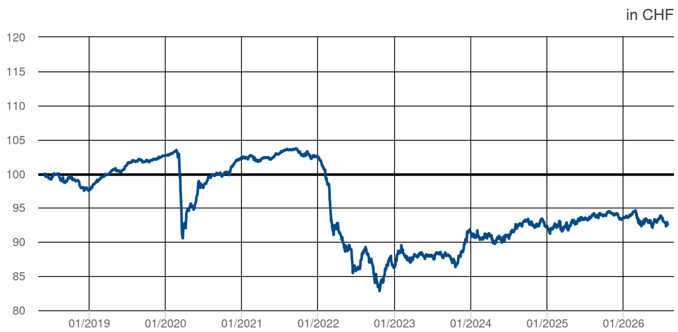
ZUGERBERG FINANZ

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	-1.24%
3 months	-0.44%
2026 (YTD)	-0.99%
1 year	-1.15%
3 years (annualized)	1.51%
Since Inception (annualized)	-0.94%
Since Inception	-7.44%
Lowest NAV	81.00
Highest NAV	103.22
Months with Positive Returns	58%
Sharpe Ratio (last 3 years)	0.27
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	4%
1 - 3 years	6%
3 - 5 years	34%
5 - 7 years	23%
> 7 years	33%

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.)	686.68
NAV Fund Class B (CHF Mio.)	679.87
NAV per Unit (CHF)	87.36
Modified Duration (Years)	6.2
Yield to Worst (%, local currency)	3.1
Yield to Worst (%, hedged CHF)	1.6
ø Credit Rating	A-
Cash Position (%)	1.6
No. of Sectors	20
No. of Issuers / Issues	196 / 272
Top 10 Positions (%)	5.3

* 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

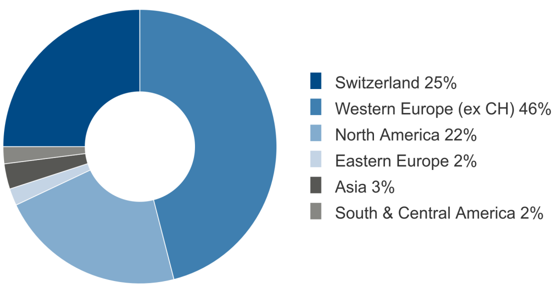
Rating Breakdown

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

Top 10 Industry Sectors

Banking	18%
Insurance	13%
Consumer Non-Cyclical	13%
Capital Goods	9%
Consumer Cyclical	7%
Technology	6%
Electric	5%
Utility	3%
Basic Industry	3%
Communications	3%

Geographic Diversification



Monthly Commentary

July was volatile, with upward pressure on benchmark yields on both sides of the Atlantic. Renewed US-Iran tensions and an unfavourable response to Warsh's laissez-faire approach to monetary-policy communication caused pronounced bear-steepening of yield curves. Inflation data provided some relief: June CPI surprised markedly to the downside, while core PCE was softer than expected. The month ended with a yen intervention. US participation in Japan's yen purchases reflected concern that dysfunction in Japanese markets could spill over into the $31trn US Treasury market and raised the risk of broader depreciation of Asian currencies. Ten-year Treasury yields at 4.74% reached by month-end their highest level since Treasury Secretary Bessent took office.

In euro investment-grade (IG), yields jumped to 3.70% (+0.27%), driven by bear-steepening in the German yield curve, while spreads were almost unchanged at 79bp (-1bp), still below the 25-year monthly median of 112bp. Higher government yields therefore dominated performance: total returns were deeply negative, whereas excess returns were broadly flat. US IG yields increased to 5.46% (+0.26%) as the Treasury curve also bear-steepened. Spreads widened modestly to 78bp (+4bp), but remained well below the long-term median of 123bp. The weaker spread environment added to the negative effect from higher government yields, leaving both total and excess returns negative. Euro high-yield (HY) yields rose to 5.68% (+0.33%), while spreads widened only marginally to 272bp (+3bp), still well inside the 25-year median of 402bp. The widening was concentrated in CCC- and B-rated segments, whilst the larger BB-rated segment tightened. Total returns were negative due to higher benchmark yields, whereas excess returns were positive. US HY yields rose to 7.41% (+0.25%), while spreads widened to 279bp (+9bp), remaining well below their 25-year median of 420bp. Unlike Europe, widening was broad-based across all rating segments. Total returns were negative, reflecting higher Treasury yields and weaker credit spreads.

The US IG technology subindex, which accounts for around 10% of US IG, experienced a broad-based repricing in July. OAS spreads widened across all rating categories and maturities. The sector widened by 11bp to 89bp, compared with only 4bp to 78bp for the broader US corporate index. As a result, technology ended the month around 11bp wider than the overall market despite its slightly higher average rating of A/A-, compared with A- for the broader index. The move was concentrated among several large AI- and cloud-related issuers. Spreads widened notably for Oracle (+30bp), Broadcom (+28bp), Nvidia (+20bp) and Alphabet (+15bp), while Microsoft widened by 9bp. Investors increasingly priced sector concentration, elevated AI-related capital expenditure and potential additional debt supply rather than conventional credit risk alone. The sector's relatively long duration also amplified its July underperformance. Overall, around $100bn of euro- and US-denominated IG bonds are trading at spreads above the BB curve. This points to a sizeable pool of potential fallen angels and shows that parts of the lower-rated IG universe are already priced more like high-yield credits.

The ZIF recorded a return of -1.24% in July, underperforming the Swiss Bond Index (SBI) by 0.17%. Performance benefited from a positive carry of +0.21% in local currency. Spread effects were marginally positive overall, while interest-rate effects were negative, due to rising Swiss and German benchmark yields and US Treasury yields amid bear-steepening yield curves. After currency-hedging costs, these factors resulted in a negative overall return. The fund's yield-to-worst increased to 3.1% (+0.2%) in local currency and to 1.6% (+0.2%) on a CHF-hedged basis. The average coupon remained unchanged at 2.5%, while the average bond price declined by 1.3% to 96.6%. The option-adjusted spread (OAS) tightened marginally to 96bp (-1bp), while the modified duration remained remained stable at 6.2.

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