Monthly factsheet as of 31.10.2026

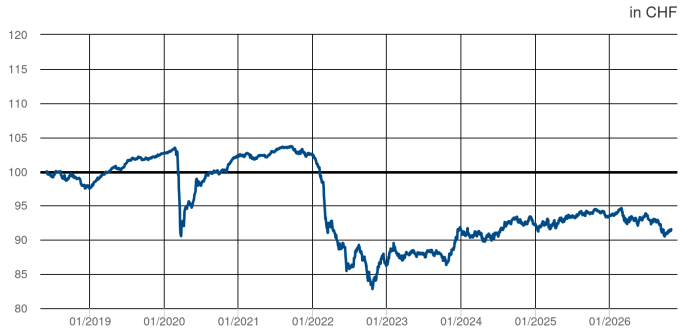
# Zugerberg Funds - ZF Income Fund B

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 | 0.83% |
| 3 months | -1.08% |
| 2026 (YTD) | -2.06% |
| 1 year | -2.87% |
| 3 years (annualized) | 1.76% |
| Since Inception (annualized) | -1.04% |
| Since Inception | -8.44% |
| Lowest NAV | 81.00 |
| Highest NAV | 103.22 |
| Months with Positive Returns | 57% |
| Sharpe Ratio (last 3 years) | 0.33 |
| Max. Drawdown (last 3 years) | -4.39% |
| Max. Drawdown Length (days for last 3 years) | 151 |
| Max. Drawdown Recovery (days for last 3 years) | - |

## Modified Duration

| | |
|---|---|
| < 1 year | 5% |
| 1 - 3 years | 5% |
| 3 - 5 years | 34% |
| 5 - 7 years | 26% |
| > 7 years | 30% |

## 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.) | 656.98 |
| NAV Fund Class B (CHF Mio.) | 650.28 |
| NAV per Unit (CHF) | 86.42 |
| Modified Duration (Years) | 6.3 |
| Yield to Worst (%, local currency) | 3.4 |
| Yield to Worst (%, hedged CHF) | 1.8 |
| ø Credit Rating | A- |
| Cash Position (%) | 1.4 |
| No. of Sectors | 20 |
| No. of Issuers / Issues | 190 / 257 |
| Top 10 Positions (%) | 5.7 |

* Securities portfolio, including cash.

## Expenses

| | |
|---|---|
| Management Fee (% p.a.) | 0.50 |
| Total Expense Ratio (TER) as of 30.06.2026 (%) | 0.63 |

## Investment Amounts

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

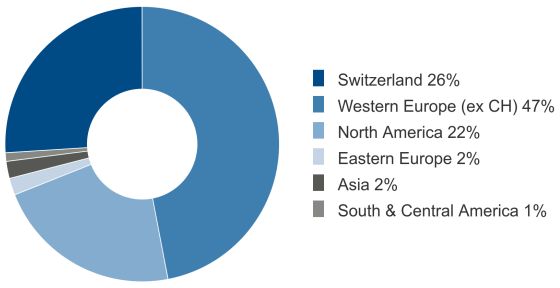
## Rating Breakdown

| | |
|---|---|
| AAA | 6% |
| AA+ | 3% |
| AA | 3% |
| AA- | 6% |
| A+ | 13% |
| A | 10% |
| A- | 24% |
| BBB+ | 16% |
| BBB | 15% |
| BBB- | 2% |
| BB+ | 0% |
| BB | 1% |
| <BB | 1% |

## Top 10 Industry Sectors

| | |
|---|---|
| Banking | 17% |
| Insurance | 13% |
| Consumer Non-Cyclical | 13% |
| Capital Goods | 9% |
| Consumer Cyclical | 8% |
| Technology | 6% |
| Utility | 4% |
| Basic Industry | 4% |
| Electric | 4% |
| Communications | 3% |

## Geographic Diversification




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## Monthly Commentary

October brought greater differentiation across equity and credit markets as investors reassessed the costs and returns of the AI investment boom. Pressure centred on leveraged AI infrastructure providers, or "neoclouds", such as CoreWeave, suggesting a repricing of financing risk rather than clear evidence of collapsing AI demand. Measurable benefits outside technology remained harder to identify, increasing scrutiny of prospective cash generation and refinancing needs. AI investment supported activity, while demand for energy and capital added to inflation and financing pressures. The scale of the build-out meant that shifts in sentiment could influence growth and rate expectations even before spending slowed. Tighter financing conditions reinforced this feedback loop. Lower government-bond yields alongside wider credit spreads suggested a 'sweep' to safety, with bull-flattening across the relevant benchmark curves. US net interest costs hit a record $1.05tn in fiscal 2026, up 8.4% from 2025. Nominal GDP growth supports corporate revenues and tax receipts; growth above the effective borrowing cost eases debt dynamics, although persistent primary deficits remain a risk. In Europe, France's ten-year spread over Germany reached an intra-month high of approximately 174bp, its highest since 2011. By October 30, around 64.5% of French investment-grade (IG) corporate debt outstanding traded through OATs, a series high highlighting the divergence between sovereign and corporate credit.

Euro IG yields broke their uptrend since late June, declining -0.06% to 4.18%. The modest fall despite strong bull-flattening of the German government-bond curve reflected spread widening of 14bp to 105bp, still below the 25-year median of 112bp. Credit decompression prevailed, with lower-rated segments generally widening more. Total returns were positive, but excess returns were negative. US IG yields fell 0.25% to 5.79%, supported by strong Treasury bull-flattening. Spreads widened 10bp to 90bp, well below their 25-year median of 123bp. Widening affected all rating segments, with AA and BBB bonds most affected. Amazon, Meta, Nvidia and Google widened considerably within AA, as did SpaceX, Intel and Oracle within BBB. The US IG Technology Index's spread relative to the US Corporate Index rose to +19bp from -31bp two years earlier, despite similar average ratings of A/A-. This 50bp reversal underscored growing concern over the scale of AI capital expenditure and the time needed to generate returns. Total returns were strongly positive, while excess returns were negative. Euro high-yield (HY) yields rose for a fifth consecutive month, reaching 6.90% (+0.46%). Spreads widened 65bp to 370bp, approaching their 25-year median of 392bp. Broad-based decompression hit the relatively small CCC segment hardest. Both total and excess returns were negative. US HY yields edged down 0.04% to 8.31%, while spreads widened 29bp to 340bp, remaining below their 25-year median of 416bp. CCC spreads surged a further 197bp to 1,151bp, having breached 1,000bp on October 1. BB widening remained contained at 12bp, compared with 38bp for B-rated debt. This divergence pointed to selective stress; broader deterioration in higher-quality credit would signal contagion. Total returns were positive, but excess returns were decisively negative.

The ZIF returned +0.83% in October, outperforming the Swiss Bond Index (SBI) by 0.07%. Carry contributed +0.22% in local-currency terms, while bull-flattening in Swiss, German and US Treasury government-bond markets supported returns. These gains were partially offset by a negative impact of wider credit spreads and currency-hedging costs. At month-end the fund's yield-to-worst stood at 3.4% (-0.1%) in local currency terms and at 1.8% (-0.1%) on a CHF-hedged basis. The average coupon was unchanged at 2.5%, while the average bond price increased to 95.3% (+0.7%). The option-adjusted spread widened by 8bp to 112bp, and the modified duration edged down to 6.3 (-0.1).

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