

# Cape Select Bond Fund

Cape Capital SICAV-UCITS

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## Update June 2020

June turned out to be a positive month overall for Fixed Income as such, albeit at a slower pace and intensity than May. Spreads have corrected further down and the overall macro picture remained broadly unchanged. Still, COVID-19 and Central Banks are in the driving seat of generic risk sentiment. Changes are largely a result of positive news on virus treatment and stimuli aimed at threats to the economic recovery versus fears of a possible second wave. Volatility has inched back more, primary markets remained very active as we moved into summer, and curves normalized further (especially inversions in the front end), which helped the fund to gain 31bps in June alone.

The eligible universe of the strategy has now corrected somewhat versus pre-COVID levels, but still remains wide on a relative basis versus comparable senior bonds. Curve inversions still exist in certain pockets, and we continue to see some potential for more compression ahead, especially as primary markets are now turning quiet and as summer advances, the carry elements are again becoming key. The isolated yield-to-call/maturity combination of the bonds continue to look very decent, a reason we again kept our allocations going into July.

On the issuer side, we have seen a few expected calls on both the bank subordinate and corporate issuers side, which again offered decent entry points for the strategy with yield. We expect this to continue in H2 after the summer break, as the call incentives are even higher now. As of the end of June, the Cape Select Bond Fund is comfortably trading above its risk-free benchmark of 3m EUR, but with a running yield of above 1% in EUR and an average maturity of the bonds in the portfolio of less than 6 months. The combination of a high running yield, with a static bullet-type profile of the fund, positions it well to further correct from its carry and deliver a net positive return, acting as a stable cash replacement vehicle with pure Investment Grade quality.

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## Fund information

|                        |                                  |
|------------------------|----------------------------------|
| Current AUM            | EUR 41MM                         |
| Fund Type              | SICAV-UCITS                      |
| ISIN                   | LU1968842036                     |
| Bloomberg              | CSBIBEA LX Equity                |
| Fund Inception         | 02 September 2019                |
| Minimum Investment     | EUR 5,000                        |
| Available Currency     | EUR / CHF / USD                  |
| Redemption             | Daily by 3pm C.E.T               |
| Management Fee         | 0.25% p.a.                       |
| Share Class            | Institutional B EUR Accumulating |
| Fund Domicile          | Luxembourg                       |
| Mgmt Company           | MultiConcept Fund Management     |
| Central Administration | Credit Suisse Fund Services      |
| Auditor                | PwC (Luxembourg)                 |
| Legal Advisor          | Arendt & Medernach               |
| Depository Bank        | Credit Suisse (Luxembourg) S.A.  |

### Notes

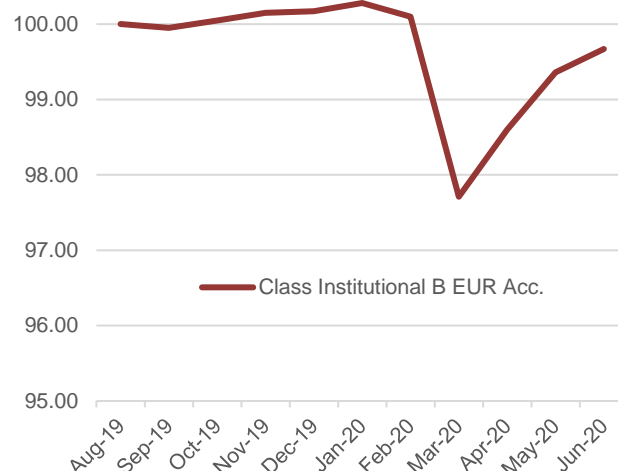
1. Share class Institutional B EUR Acc., monthly NAV net of fees since fund inception 02 September 2019, August 2019 indexed to 100.
2. Annualized standard deviation using monthly return since inception.
3. Risk free / Benchmark is calculated as the annualized return of EURIBOR 3 month since the inception of the Fund.

## Fund strategy

The Cape Select Bond Fund is designed as a liquid and enhanced alternative to holding cash in a negative interest rates environment, seeking to deliver improved returns over traditional money market funds and other short-term credit investments.

The fund mainly invests in very short-term called and callable bonds in the subordinate space of IG rated issuers, offering discounts versus traditional senior bullet bonds of equal quality. Any FX exposure is fully hedged.

## Performance<sup>1</sup>



## Performance (in %)

| Current month | YTD 2020 | 1 year p.a. | 3 year p.a. | 5 year p.a. | Since inception |
|---------------|----------|-------------|-------------|-------------|-----------------|
| 0.31          | -0.50    | NA          | NA          | NA          | -0.33           |

## Fund statistics

|   |            |
|---|------------|
| Average Maturity (months)               | 5.3 months |
| Max Drawdown (%, since inception)       | -2.39      |
| Return (%, annualized since inception)  | -0.40      |
| Volatility (%, annualized) <sup>2</sup> | NA         |
| Sharpe ratio                            | NA         |
| Risk free / Benchmark (%) <sup>3</sup>  | -0.43      |

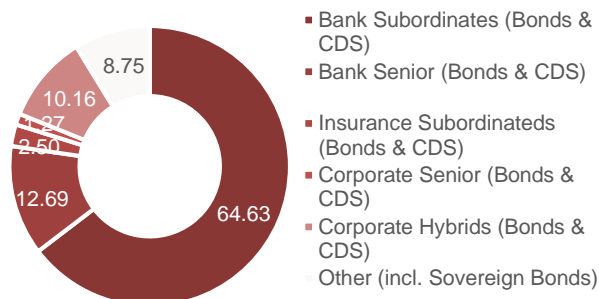
Past performance is not a reliable indicator of future results.  
Please See page 2 for detailed share class information.

# Cape Select Bond Fund

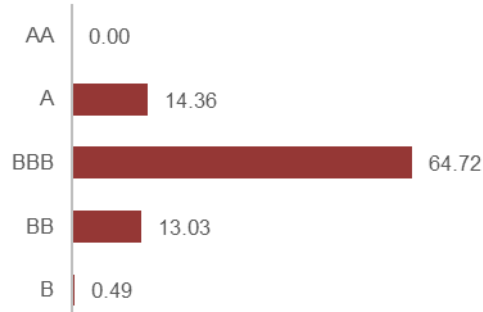
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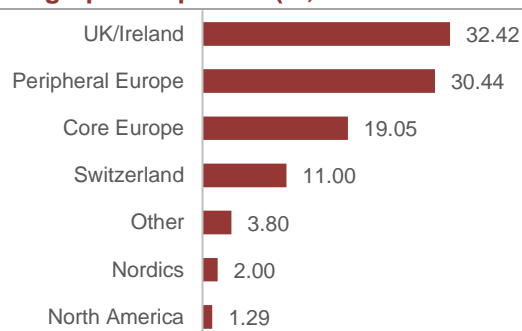
## Risk allocation (%)



## Rating distribution (% of Bonds and CDS)



## Geographic exposure (% of Bonds and CDS)



## Maturity split/exposure (% of Bonds and CDS)



All allocations are calculated based on notional exposures.

Rating refers to security not issuer rating, ratings is based on data from S&P, Moody's and Fitch.

Maturity exposure is calculated using next call date for callable bonds, call date for called bonds and maturity date for bullet bonds.

## Share class information

| Share class              | Bloomberg         | ISIN         | Inception  | Fee p.a. (%) | Current NAV |
|--------------------------|-------------------|--------------|------------|--------------|-------------|
| Institutional B EUR Acc. | CSBIBEA LX Equity | LU1968842036 | 02/09/2019 | 0.25         | 99.67       |
| Institutional B USD Acc. | CCSBIBD LX Equity | LU1968842119 | 07/10/2019 | 0.25         | 101.24      |
| Institutional B CHF Acc. | CCSBIBC LX Equity | LU1968842200 | 27/12/2020 | 0.25         | 99.30       |
| Institutional A EUR Acc. | CACSBIA LX Equity | LU1968841145 | 24/01/2019 | 0.20         | 99.41       |
| Retail A CHF Acc.        | CACSBAC LX Equity | LU1968844164 | 07/02/2020 | 0.35         | 99.20       |

## Share class performance

| in %                     | Jan  | Feb   | Mar   | Apr  | May  | Jun  | Jul | Aug | Sep   | Oct  | Nov  | Dec   | YTD   |
|--------------------------|------|-------|-------|------|------|------|-----|-----|-------|------|------|-------|-------|
| Institutional B EUR Acc. |      |       |       |      |      |      |     |     |       |      |      |       |       |
| 2019                     |      |       |       |      |      |      |     |     | -0.05 | 0.10 | 0.10 | 0.02  | 0.17  |
| 2020                     | 0.11 | -0.18 | -2.39 | 0.91 | 0.77 | 0.31 |     |     |       |      |      |       | -0.50 |
| Institutional B USD Acc. |      |       |       |      |      |      |     |     |       |      |      |       |       |
| 2019                     |      |       |       |      |      |      |     |     |       | 0.28 | 0.27 | 0.30  | 0.85  |
| 2020                     | 0.29 | -0.04 | -2.10 | 1.05 | 0.84 | 0.38 |     |     |       |      |      |       | 0.39  |
| Institutional B CHF Acc. |      |       |       |      |      |      |     |     |       |      |      |       |       |
| 2019                     |      |       |       |      |      |      |     |     |       |      |      | -0.01 | -0.01 |
| 2020                     | 0.07 | -0.21 | -2.41 | 0.86 | 0.76 | 0.27 |     |     |       |      |      |       | -0.69 |
| Institutional A EUR Acc. |      |       |       |      |      |      |     |     |       |      |      |       |       |
| 2020                     | 0.01 | -0.18 | -2.38 | 0.91 | 0.77 | 0.31 |     |     |       |      |      |       | -0.59 |
| Retail A CHF Acc.        |      |       |       |      |      |      |     |     |       |      |      |       |       |
| 2020                     |      | -0.20 | -2.43 | 0.85 | 0.75 | 0.26 |     |     |       |      |      |       | -0.80 |

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