alegra capital

PvB Alegra CLO Fund

Managed by PvB and Alegra Capital, a Specialist in CLO Investing Since 2006

Cycle-tested expertise. Institutional discipline. Aligned capital.

Investor Presentation | August 2026

Executive Summary

- Alegra Capital is a **partner-owned European CLO specialist** with more than **22 years of experience** investing through multiple market cycles and curating deep manager relationships, proprietary analytics and strong alignment with investors.
- PvB Pernet von Ballmoos AG is a **partner owned FINMA regulated Fund Management Company** focused on Governance, Risk Management, Compliance and Administration.

Why Investors Choose Alegra

- **Specialist focus:** Dedicated to European CLO investing for over two decades
- **Cycle-tested track record:** Experience across the GFC, Eurozone stress and Covid dislocation
- **Differentiated sourcing and manager access:** Longstanding relationships across CLO managers and arrangers
- **Analytical edge:** Deep structural analysis and risk modelling
- **Strong alignment:** Meaningful partner capital invested alongside clients

Investment Highlights

- **Credit risk – exposure vs. more than 500 obligors**
- **Loans are senior secured – high relative recovery rate in case of defaults**
- **USA and Europe – no emerging markets**
- **Floating interest rate – no duration risk**
- **Non-investment grade – alternative to high yield bonds**
- **"Live" since 2006: Crisis test in 2008 and 2020**
- **Annualized Return: 9% p.a. since inception**

privateequitywire

EUROPEAN CREDIT AWARDS 2024

2022 INVESTORS CHOICE AWARDS

EMEA INVESTOR CHOICE AWARDS 2022

LIPPER FUND AWARDS FROM REFINITIV
2019 WINNER SWITZERLAND

LIPPER FUND AWARDS 2019

Benefits of CLOs as an Asset Class

CLOs offer a combination of characteristics that few alternatives can match

Attractive Characteristics

- **Floating-rate income**: Helps mitigate interest rate risk
- **Spread premium (debt tranches):** Rated CLO tranches offer materially higher spreads than comparably-rated corporate bonds, with a historical loss rate below 0.1% for rated European CLO tranches
- **Return potential (equity tranches)**: CLO equity targets returns in the mid-to-high teens, driven by the structural funding arbitrage between loan income and debt financing costs
- **Structural protection**: Subordination, coverage tests and cash flow waterfalls
- **Diversified collateral**: Typically 100+ underlying corporate loans
- **Active management**: CLO managers actively trade and optimize portfolios

CLO Market Update

Volatility creates opportunities across both debt and equity tranches

Current Market Environment

- **Widespread loan margin repricing** to 300-325bps as demand for loans increases due to new CLO formation in Europe.
- **Loan refinancing risks** are decreasing as borrowers extend maturities, with stronger credits also able to reduce financing costs.
- **Loan credit dispersion** continues but with selective improvements in chemical and building materials sectors, differentiation in software credits also evident with many names now priced above 95.
- **CLO spread and return bifurcation** in subordinated and junior mezzanine tranches presents double-digit return opportunities for risk tolerant investors.
- **Cash flow appeal** as portfolio generates c. 20% annual cash yield on equity positions which provides reinvestment capital during volatile periods.

Current Strategy Focus

- **Secondary equity is focus** but levels currently adjusting to current ongoing repricing wave. Ultimately this will lead to better opportunities relative to primary given immediate portfolio transparency.
- **Debt rotation** evident as shorter-dated debt is repaid on reset transactions. Switching focus to higher spread opportunities in the primary market.
- **Primary equity** deals continue to be monitored, especially as pressure to add higher spread or discounted loans to portfolios grows.
- **Mid-to-high teens return expectations** driven by disciplined secondary entry points and negotiated concessions in the primary market (purchase discounts and management fee rebates).

Market commentary as of July 2026. Updated quarterly.

Alegra's Edge in CLO Investing

Independence, access and analytics: a combination built over 22 years

Independent by design
No conflicts from CLO issuance and objective manager selection

Deep market access
20+ year relationships across European CLO managers and arrangers

Analytical advantage
Proprietary modelling, structuring work and scenario testing

Proven through cycles
Experience investing in both stable and stressed market environments

Aligned capital
€ 25 million of partner capital invested alongside clients

Our edge is the combination of access, judgment and discipline — applied consistently over time.

Experienced Leadership Team

All senior team members have been involved in the CLO market since 2001

Daniel Riediker

Partner & CEO
37 Years' Experience

- Co-founded Alegra Capital in 2003
- Former CEO of a Zurich Financial Services (ZFS) subsidiary, where he led its European CDO group
- Extensive background in structured finance and alternative risk transfer

Philippe Jodin

Partner, Risk & Portfolio Management
30 Years' Experience

- Co-founded Alegra Capital in 2003
- Former Vice President of a ZFS subsidiary, specializing in quantitative analysis and stochastic pricing for complex transactions
- Previously part of the actuarial team at The Canadian Surety Company in Toronto

Tarun Buxani

Partner, Portfolio Management
24 Years' Experience

- Joined Alegra Capital in 2015, bringing over two decades of expertise in managing high-yielding credit portfolios
- Former CLO manager turned CLO investor; previously managing multiple loan and high yield CLO vehicles at PGIM
- Held prior credit roles at NIBC Credit Management as a CLO portfolio manager and at Threadneedle Investments
- Began investing in the CLO market in 2001 at a former ZFS subsidiary

Brian Ratner

Business Development & Investor Relations
32 Years' Experience

- Joined Alegra Capital in 2025, bringing over three decades of experience in structured credit and investor relations
- Previously held senior marketing roles at Davidson Kempner and Brevan Howard, focusing on credit strategies
- Led the European syndicate desk for Bank of America's global CLO business
- Deep expertise in primary issuance, deal structuring and investor engagement across EMEA

alegra capital

Credit Crisis – we were tested

Market shocks offer opportunities for those who understand the CLO portfolios

- **PvB Alegra CLO Fund experienced high downside and upside price volatility:**
  - Fund returned -70% in 2008, +127% in 2009 and +99% in 2010, HWM recovery: November 2010
  - Fund returned -44% in February/March 2020, +60% (April 2020 – December 2020)
- **Asset Performance:**
  - Decline in all asset prices, yet impact on CLO tranches relatively greater due to forced unwind of positions held with short term financing and from levered accounts
  - Greater ‘buy-and-hold’ participation in the CLO market now, especially at the AAA-level mitigates repeat, whilst the number of investors buying on mtm leverage has reduced
  - The self-repairing nature of CLO structures has proven to work and resulted in limited actual loss rates
  - Key risk remains that of unexpected loan defaults
- **Alegra Experience:**
  - High customer loyalty due to transparency and pro-active communication
  - No gates, no ‘side-pockets’
  - Consistent, systematic investment process
  - Crisis as opportunity: new investments were made at significant discounts

A Disciplined Investment Process

Alegra applies a disciplined framework, combining top-down market judgment with bottom-up structural and collateral analysis

Opportunity Assessment

Macro analysis

Assessment of loan market

Value in primary vs. secondary market

Advanced CLO Analytics

Proprietary scenario testing

Filtering tail risk names

via Moody's Structured Finance analytical tools

Independent Manager Assessment

Direct access to all managers

In-depth credit views

Conflict free

Structural Assessment

Equity cash flows

Debt subordination

Investment parameters

Structural covenants

Active Portfolio Management

Long-term investing with opportunistic trading

Relative value analysis

No leverage used

4
Market cycles navigated since 2000

100%
Coverage of European CLO universe

1000+
Manager meetings Since 2000

22
Manager Platforms owned across our funds

60
Deals owned across our funds

alegra capital

A Repeatable Analytical Framework for Each Investment

Experience, product knowledge, credit insights and industry relationships drive our questioning

Market

- Credit cycle positioning
- Primary vs. secondary opportunities
- Relative value & liquidity assessment

22+ year track record across multiple credit cycles

Manager

- Decision makers' backgrounds, track record & resources
- Ability to effectively trade out of problem credits
- Credit profile preferences & investment style

20+ active manager relationships across Europe

Portfolio

- Largest positions & concentration risk
- Non-senior risk proportion
- Credit quality: weakest names analysis
- Look for good companies with overleveraged balance sheets

Deep dive analysis

Structure

- Investment abilities & restrictions
- Debt tranche protections & covenants
- Assess the "equity friendly" nature of the deal in terms of the impact on asset selection and equity cash flows
- Early call probability analysis
- Post-reinvestment period runway

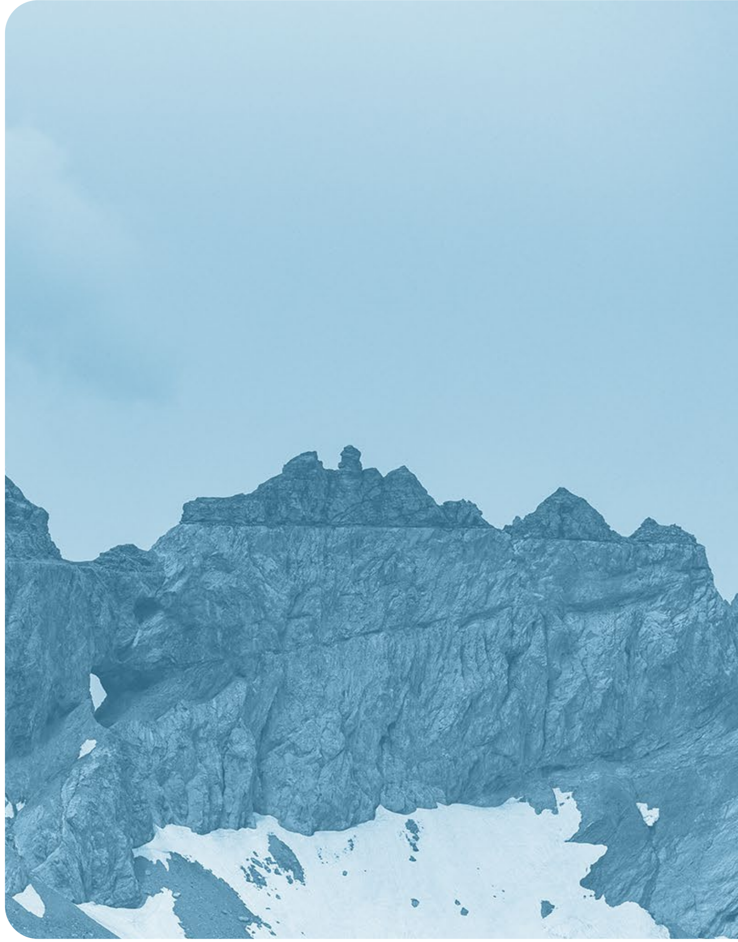
25+ years CLO structuring expertise

alegra capital

Portfolio Construction for Long-Term Outperformance

Disciplined construction, active oversight and downside awareness drive consistent alpha

Each position underwritten as a long-term hold	Deep fundamental analysis before every purchase; positions sized for conviction
Active trading used selectively	Opportunistic rotation in response to market dislocation; refinancings and resets create additional value
No leverage at fund level	Pure CLO exposure; no leverage amplifies downside risk
Disciplined downside awareness	Avoided 43% of market defaults through superior security selection; swift crisis recovery



Built to compound, designed to withstand stress.

Multiple Levers for Return Generation

Alegra's analysis of CLO tranches is focused on generating returns from multiple sources

CLO EQUITY (SUSTAINABLE UPSIDE)

CLO DEBT (DOWNSIDE PROTECTION)

Strong cash-flowing CLO equity

Front-loaded cash flows offset credit and market risk

Economically justified resets and refinancings

Resulting in lower debt costs and/or additional economics for CLO equity

Post-Reinvestment Period investment flexibility

Extends equity cash flows beyond modelled returns

Longer CLO debt at wide spreads and discounts

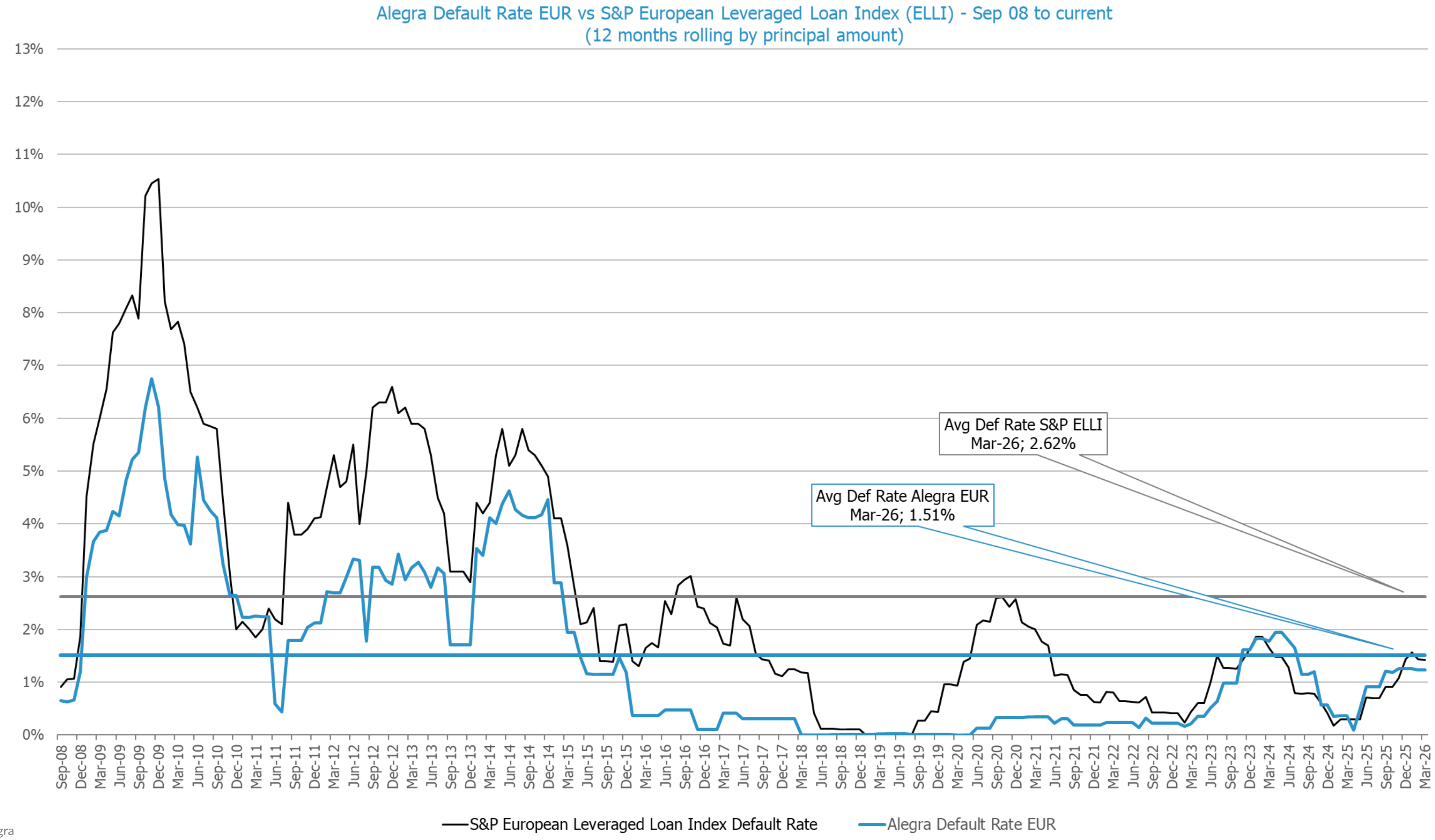
Counters spread widening and provides convexity play

Shorter CLO debt

Lower average life and amortisation profile provides defensive qualities

Superior Security Selection Drives Fewer Defaults

Through careful security selection, we have exposure to portfolios that consistently demonstrate a lower default rate than the market



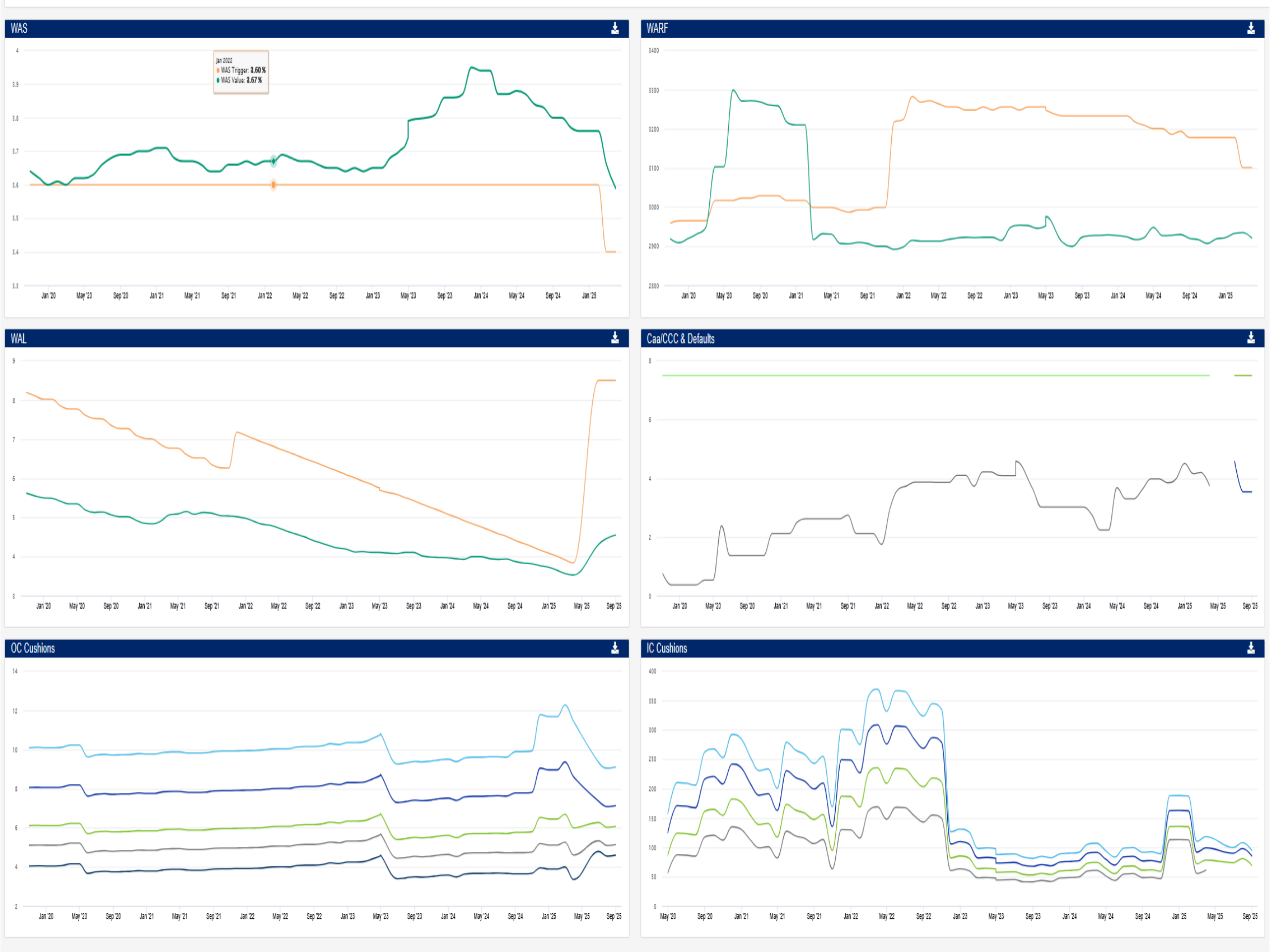
Source: S&P LCD, Alegra

Technology-Enabled Portfolio Insight

Proprietary analytics platform co-developed with Moody's provides real-time transparency

- Real-time CLO monitoring via Moody's Structured Finance Portal (co-developed by Alegra)
- Loan-level transparency across all portfolio positions
- Proprietary cash flow and scenario modelling for every tranche
- Cross-portfolio concentration analysis and overlap detection
- Integrated ESG screening and sustainability analytics

Technology amplifies judgment — it does not replace it.



Performance since inception

+ 8.8% p.a. in USD since launch in 2006

Last 3 years:

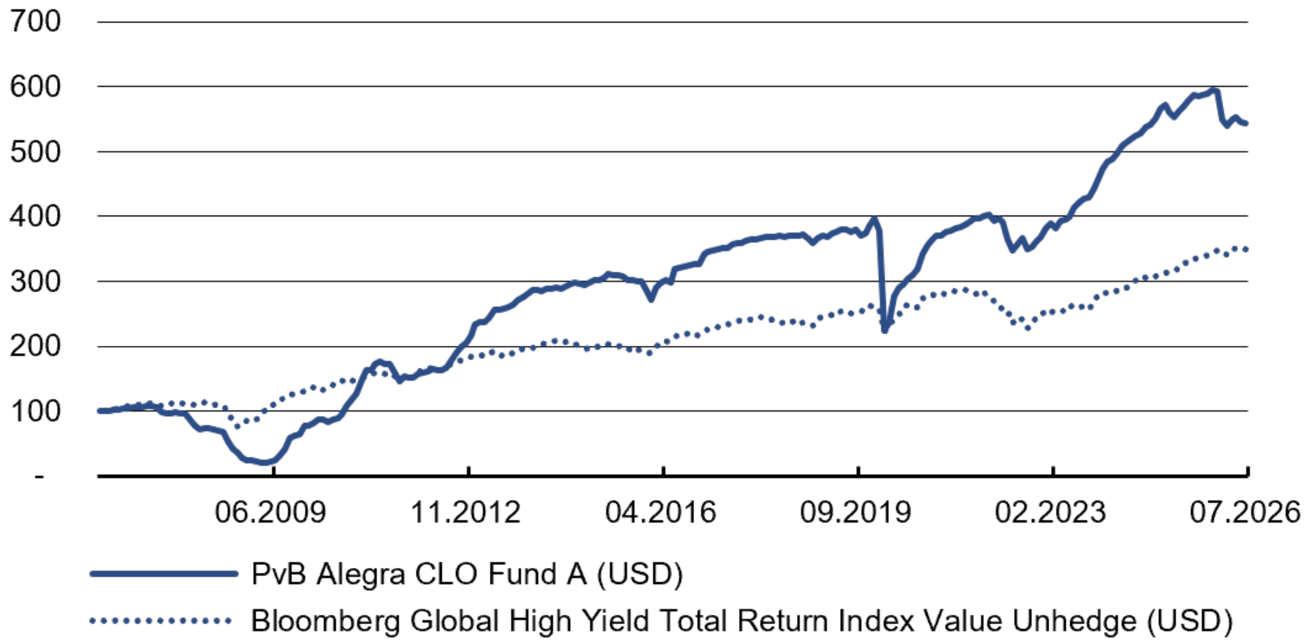
Performance: 9.5% p.a. (USD)

Volatility: 6.9% p.a.

Corona crisis:

-44% (March/April 2020)

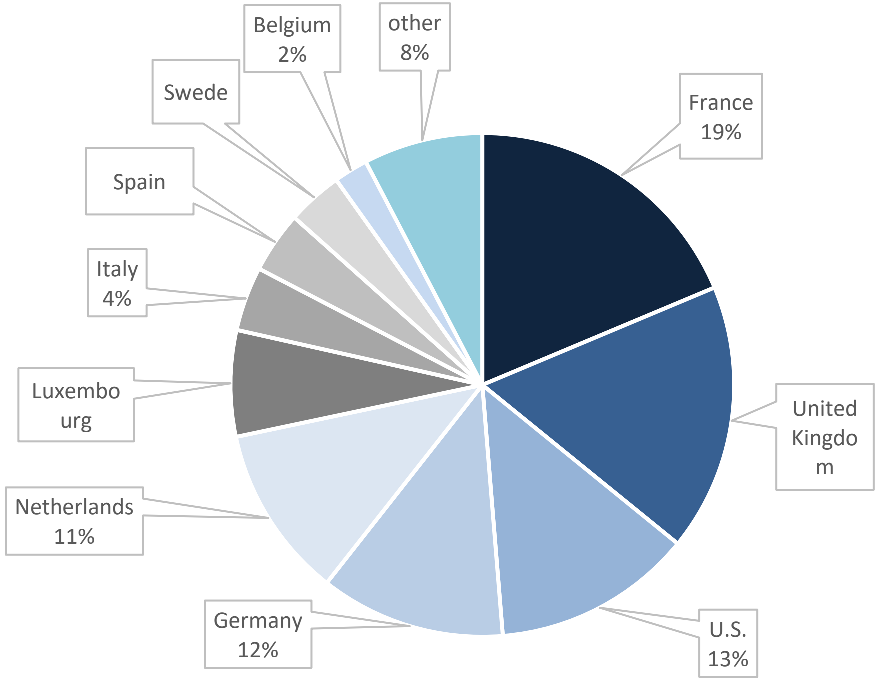
+60% (April-December 2020)



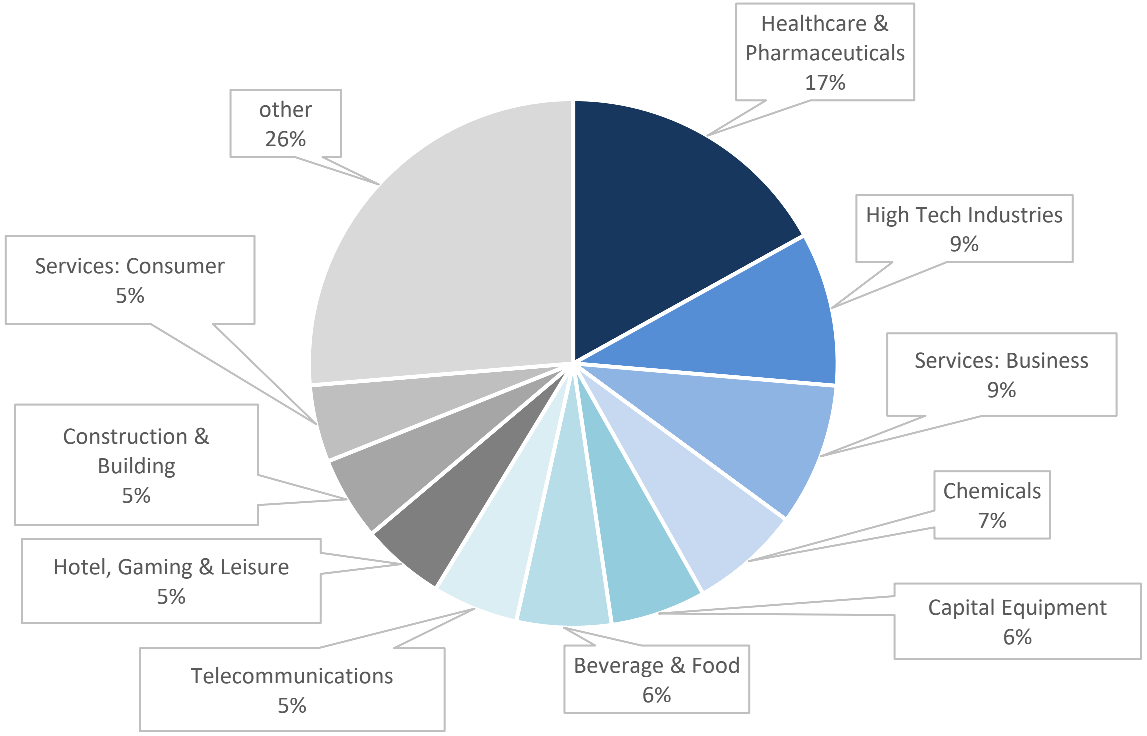
Source: PvB, Alegra Capital AG, Bloomberg, based on market values, data as of 31.07.2026, class A, launch of the Fund: 1.8.2006, The performance of past values and returns is no indicator of their current or future development. The performance of values and returns does not include the fees and costs which may be charged when buying, selling and/of switching units.

Allocation overview

By Region:



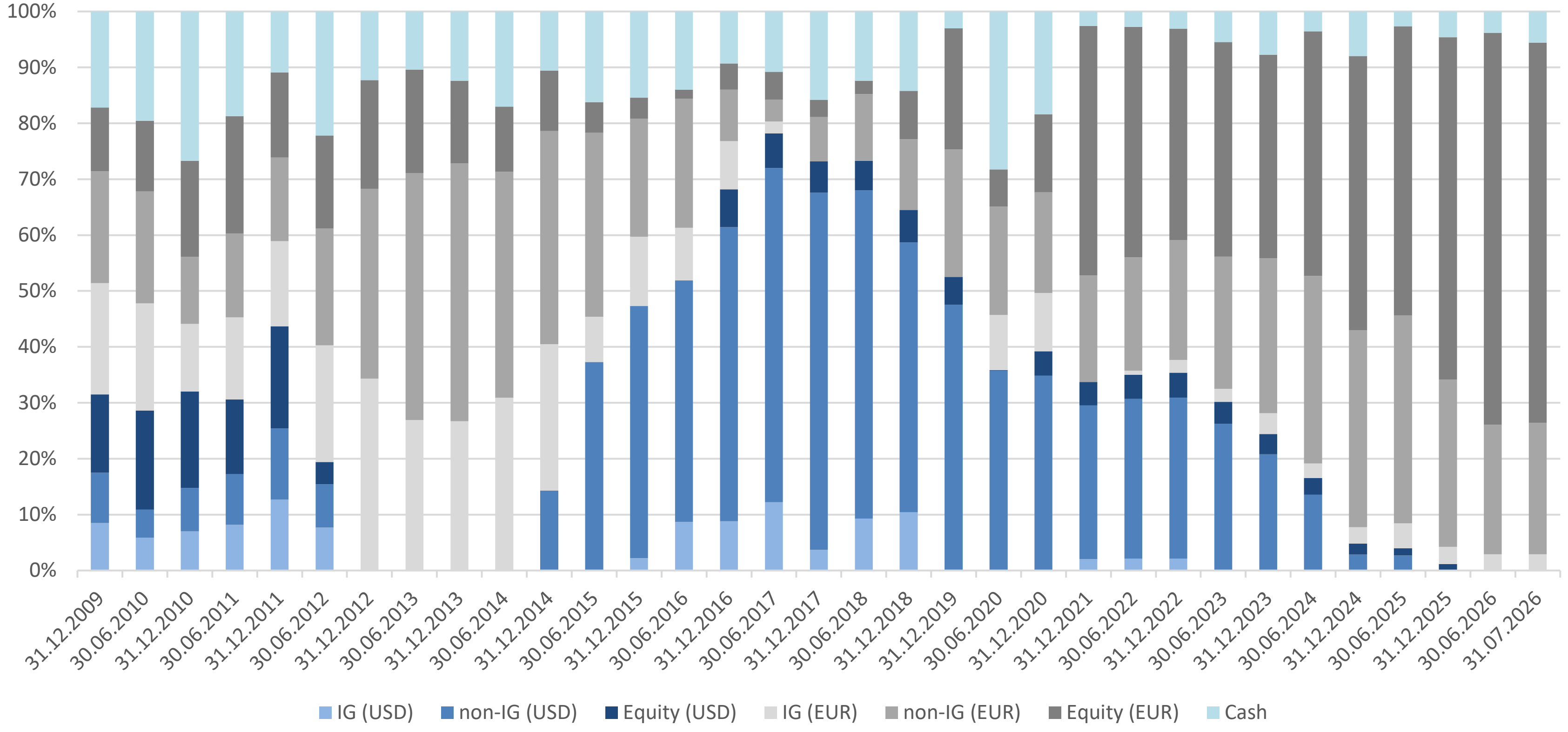
By Sector:



Source: PvB, Alegra Capital AG, Bloomberg, based on market values, data as of 31.07.2026, class A, launch of the Fund: 1.8.2006, The performance of past values and returns is no indicator of their current or future development. The performance of values and returns does not include the fees and costs which may be charged when buying, selling and/of switching units.

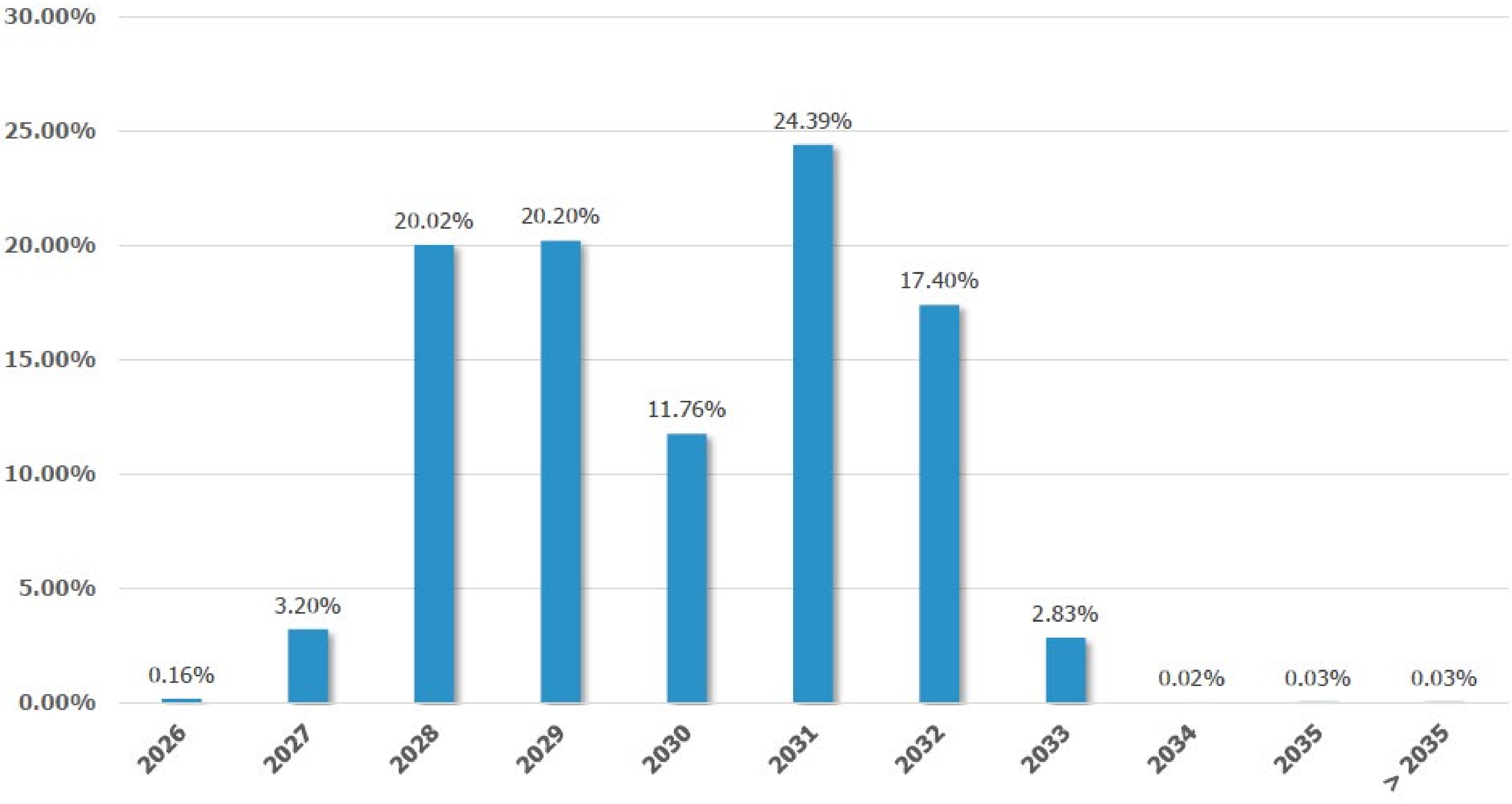
alegra capital

Allocation history by Rating and Currency



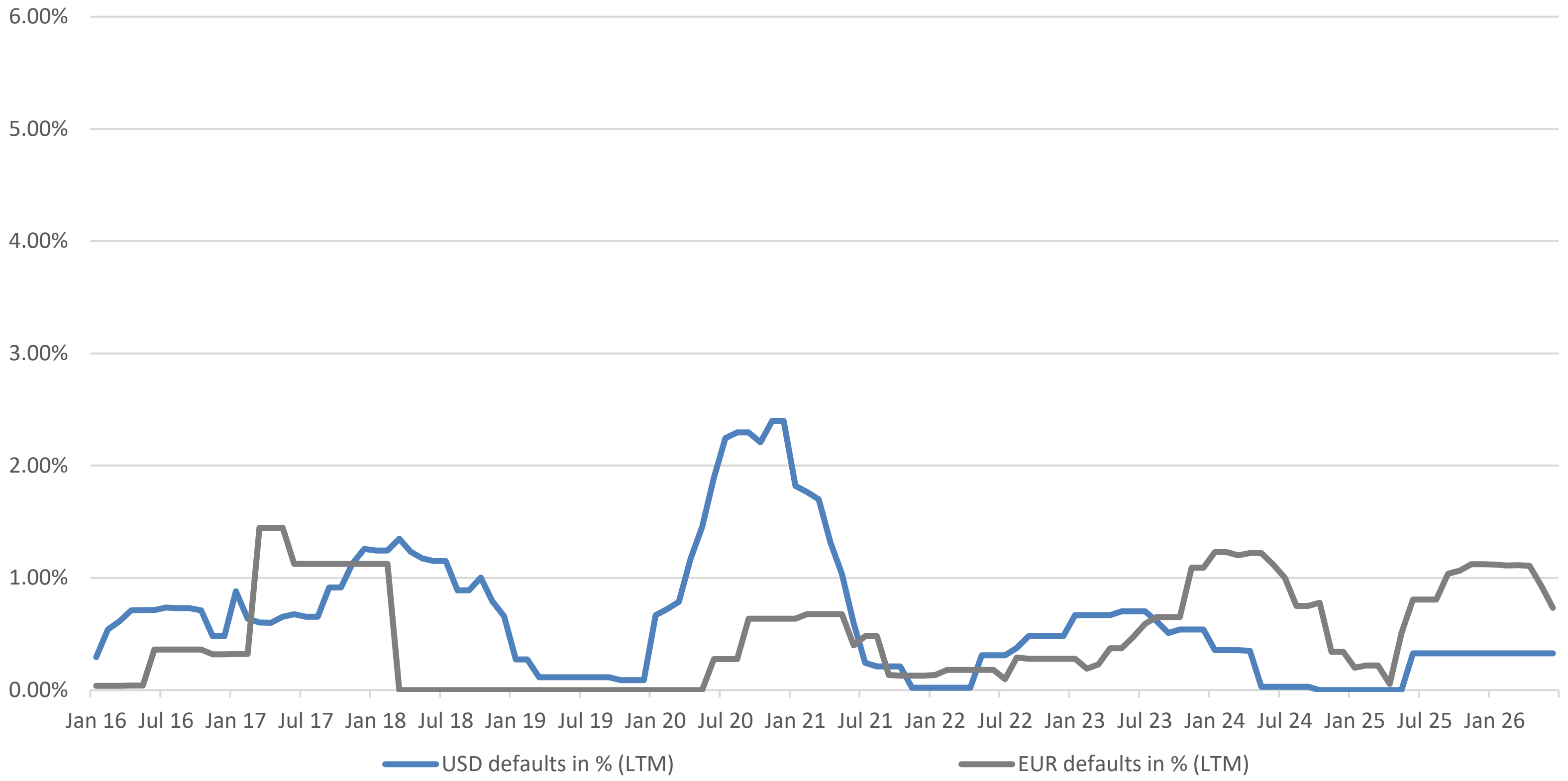
Source: PvB, Alegra Capital AG, Bloomberg, based on market values, data as of 31.07.2026, class A, launch of the Fund: 1.8.2006, The performance of past values and returns is no indicator of their current or future development. The performance of values and returns does not include the fees and costs which may be charged when buying, selling and/of switching units.

Collateral Maturity Profile



Source: Source: Alegra Capital AG and Moody's Analytics data as of June 30, 2026, all loans of portfolio positions at principal amounts

PvB Alegra CLO Fund – Default History



Source: Alegra Capital AG, S&P, data as of June 30, 2026

alegra capital

Operational Details

- FINMA regulated mutual fund, category “other funds for traditional investments”, depository bank: Cantonal Bank of Vaud (BCV)
- Portfoliocurrency: USD (hedging of non-USD risk via 3M forward contracts)
- Subscriptions: monthly
- Redemptions: monthly (5 weeks notice), 2% redemption commission in favor of the FUND if redemption is not as of quarter end.

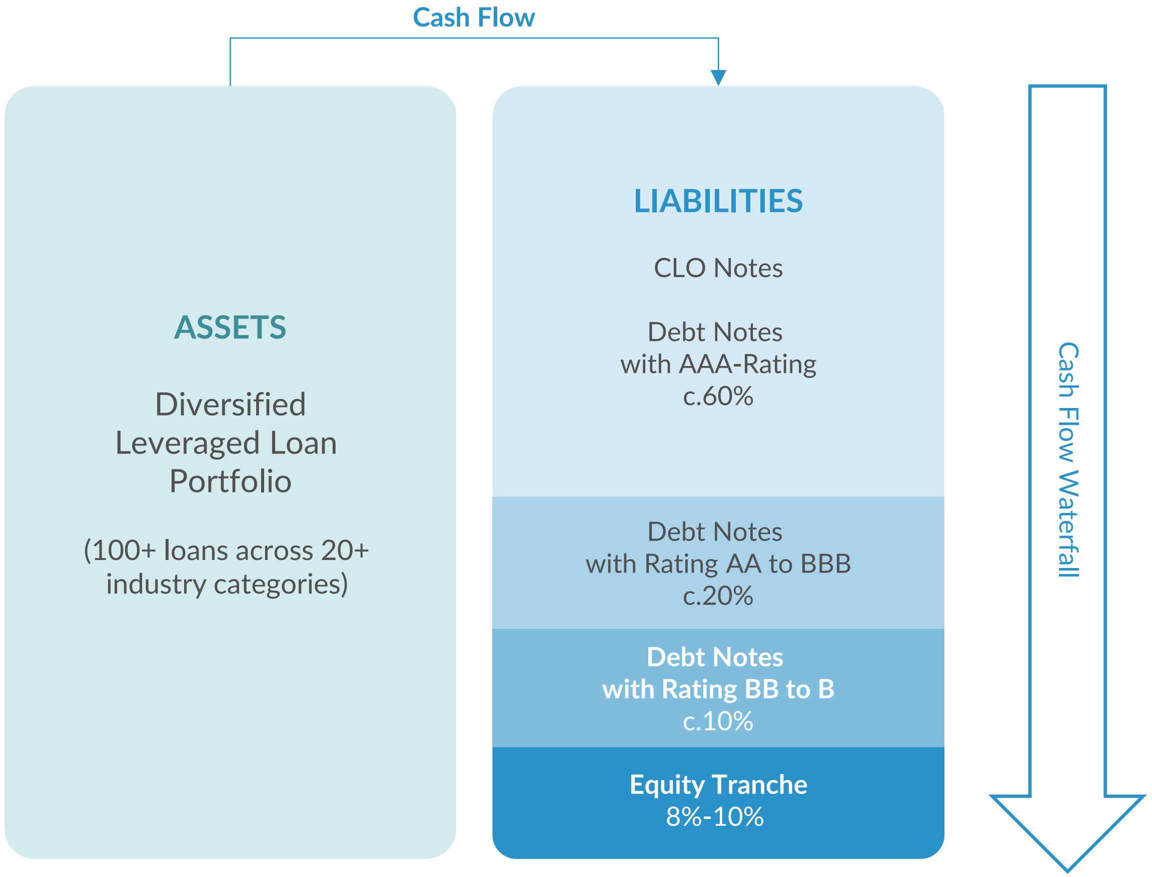
Class	Currency	ISIN	Domicile		Mgmt Fee	Trailer/Rebate	Minimum	Distribution
			CH	Non-CH				
A	USD	CH0025508901	No	Yes	2%	max. 1%	None	No
S	USD	CH0034402450	Yes	Yes	2%	max. 1%	None	Yes
I	USD	CH0312215970	No	Yes	1%	No	0.5m	No
I	EUR	CH1317638521	No	Yes	1%	No	0.5m	No
I	CHF	CH0312224220	Yes	Yes	1%	No	0.5m	Yes

Appendix

What is a CLO?

Collateralized loan obligations (CLOs) are actively managed securitisations, backed by a diversified pool of non-investment grade secured loans (leveraged loans)

- CLOs are primarily floating-rate products, issued to take advantage of the funding gap between Assets (Leveraged Loans) and Liabilities (CLO Notes)
- Typical CLO vehicle size is EUR 300-500m with 100-120 distinct loans
- CLOs are capitalised via the issuance of rated notes from ‘AAA’ (~60% of structure) through to ‘BB’ or ‘B’ rated notes and equity
- The equity tranche receives residual interest income (15-20% distribution p.a.) in exchange for absorbing losses in the portfolio
- Strict rating agency criteria maintains portfolio collateral quality and diversification
- Over-collateralisation covenants protect the integrity of rated notes



CLO Lifecycle

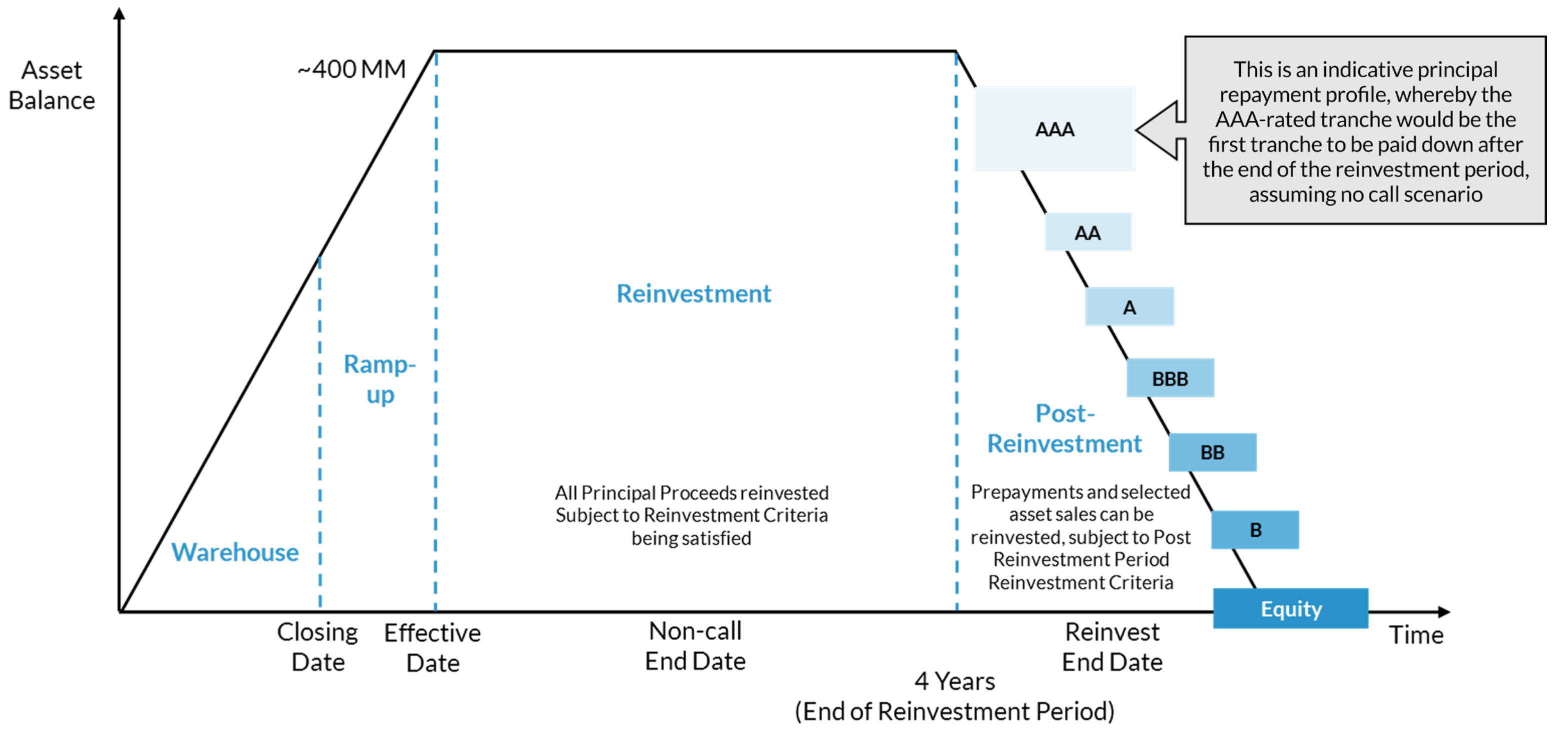
Investment phases and pay-down

Warehousing period (3 to 12 months):
Manager purchases 50%-60% minimum of collateral on arranging bank's balance sheet

Ramp-up period (3 to 6 months):
Manager purchases remaining collateral

Non-call period (first 2 years of reinvestment):
After non-call period, majority equity holders can call or refinance debt tranches

Post-Reinvestment period:
Manager pays down debt tranches in order of seniority and distributes remaining proceeds to equity



alegra capital

How CLO Economics Work [1]

The CLO 'funding arbitrage' is the difference between the income received from the loan collateral and what is paid on the rated notes

Cash Flow

Leveraged Loan Portfolio

(EUR 400m)

Adjusted Weighted

Average Spread

Euribor +325bps[2]

AAA EUR 250m (Class A)
Euribor +130bps

AA EUR 40m (Class B)
Euribor +193bps

A EUR 30m (Class C)
Euribor +230bps

BBB EUR 25m (Class D)
Euribor +320bps

BB EUR 20m (Class E)
Euribor +583bps

B EUR 10m (Class F)
Euribor +893bps

EUR 30m Equity[3]

Waterfall

Income EUR 13m
(325bps x EUR 400m)

-

Cost of Funding EUR 6.72m

BPS		EUR (m)		EUR (m)
130	X	250	=	3.25
193	X	40	=	0.77
230	X	30	=	0.69
320	X	25	=	0.80
583	X	20	=	1.17
893	X	10	=	0.89

=

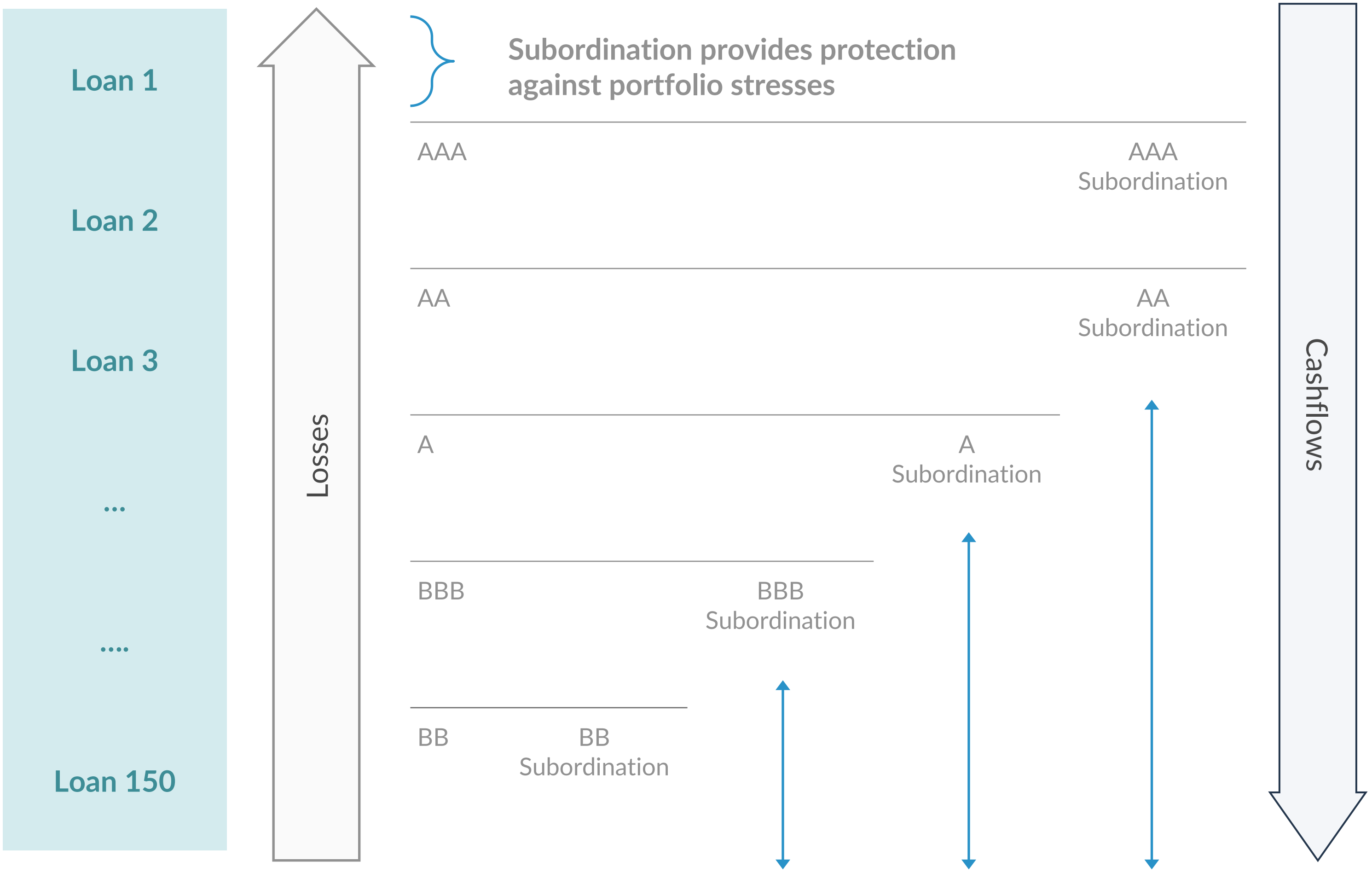
Excess EUR 5.43m
Return p.a. 18%

1. Illustrative calculation only, does not necessarily reflect current market conditions / 2. Adjusted for management fees and expenses / 3. pays for arranging and distribution fees

CLO Subordination

Credit enhancement and tranching creates different rating and risk/reward profiles

- Cash flow is paid sequentially from the top, starting with the most senior CLO classes.
- Losses erode subordination and excess spread from the bottom and possibly redirect cashflows towards senior classes.
- The desired tranche rating is achieved through diversification and leverage, and by employing the cash flow waterfall designed to protect the debt

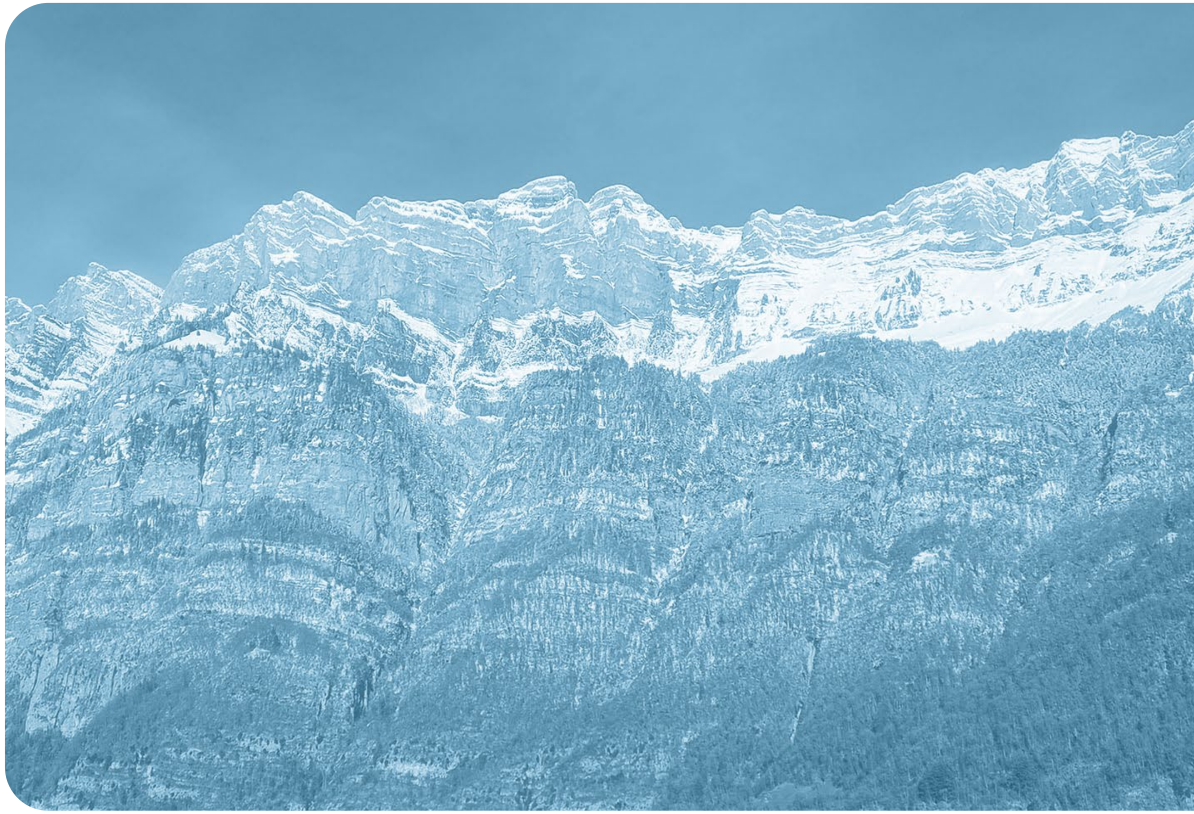


alegra capital

CLO Spread Levels (July 2, 2026)

Primary market CLO spreads

	Current Spread	Change vs last month (Jun 6)	Change YTD
US CLO 3.0			
AAA	127	-	-1
AA	158	3	-8
A	185	-5	-10
BBB	293	-8	3
BB	610	-3	10
B	-	-	-
EUR CLO 2.0			
AAA	127	-2	-5
AA	180	-3	-18
A	203	-10	-25
BBB	308	3	-15
BB	540	5	-18
B	888	-10	-



Source: JP Morgan

alegra capital

Addressing Key Investor Considerations

Misconceptions	Mitigating Factors
CLOs are too complex and opaque	• CLO structures are relatively standard • Tools such as Moody's Structured Finance Portal offer granular analytics on CLO portfolios and performance over time
CLOs are too illiquid	• CLO equity and debt tranches trade in the secondary market • CLO tranche are marked based on broker quotes • Underlying loans are actively traded with observable pricing
CLOs are too risky	• Underlying loans are senior secured loans to large corporates which are underwritten by the originating bank (these are not residential mortgages as in pre-GFC CDOs) • CLO equity tranches distribute regular cash flow (provided OC/IC tests pass) which reduces cost basis • CLO managers can sell deteriorating loans and reinvest opportunistically to build par
CLOs are too volatile	• CLOs exhibit more reported valuation volatility due to their active secondary market pricing vs. private debt, which relies on mark-to-model valuations • Price-value dislocations from market mispricings, technical factors or market stress create compelling investment opportunities that Alegra has consistently capitalized on over 22+ years • Debt tranches of CLOs repay at par, with <0.1% historic loss rate for rated European CLO-tranches since 2000

European CLOs: Key Research Findings

Beyond traditional asset class definitions — Alegra Capital White Paper, March 2026

Key Research Findings

- **Returns vs. risk**: From Q1 2014-Q2 2025, European CLO equity has delivered annualized returns of ~15% with maximum drawdowns comparable to European public equities — a risk/return pairing that warrants greater institutional attention.
- **Income profile**: Quarterly distributions begin within 6–9 months of issuance and continue throughout the vehicle's life, progressively reducing effective capital at risk. This contrasts sharply with the J-curve profile of private equity.
- **Transparency advantage**: CLOs offer mark-to-market pricing transparency that private debt and private equity do not. Reported volatility in private strategies is dampened by appraisal methodologies — understating true economic variability and complicating risk budgeting.
- **Portfolio diversification**: European CLO equity exhibits correlations of 0.47–0.55 to private debt and private equity, and 0.62–0.69 to public equities — lower than the 0.77–0.92 correlations among most traditional alternatives. A 5–10% allocation expands the efficient frontier materially.
- **Current environment**: Periods of market volatility have historically created compelling entry points in CLO equity, both in primary and secondary markets. Current spread widening and technical dislocations are consistent with prior episodes that generated attractive forward returns.

alegra capital

Contact

PvB Pernet von Ballmoos AG
Zollikerstrasse 226
8008 Zurich, Switzerland
Phone + 41 44 205 51 51

Alegra Capital (Lie) AG
Wuhrstrasse 6 / P.O. Box 159
LI-9490 Vaduz, Liechtenstein
Phone + 423 230 14 14

clients@pvb.swiss www.pvb.swiss

Disclaimer

The provided information is for personal use of the recipient and serves advertising- and information purposes. They are not considered an investment advice nor do they consider the specific individual current or future investment objectives, the tax situation, the financial circumstances or the individual needs of the recipient. The expressed opinions are subject to change and reflect the view of PvB Pernet von Ballmoos AG (“PvB”) in the current economic environment. The information and opinions provided are not legally binding and do neither constitute a formal offer nor an invitation to conclude a financial transaction. PvB does not give any guarantee or commitment for the accurateness or completeness of the information and opinions and is not liable for any losses arising from the use of such information or opinions.

Investments should only be made after careful analysis of the current legal prospectus and/or the fund regulations, statutory documents, KIIDs, BIBs and the current annual or semi-annual report, which can be obtained free of charge at PvB, Zollikerstrasse 226, CH-8008 Zurich. Past performance is no reliable indicator for future returns. The performance presented does not consider any costs or other fees in connection with buying, redeeming and/or exchanging of fund units. This document was provided to you upon your request. It shall not be duplicated or forwarded.