

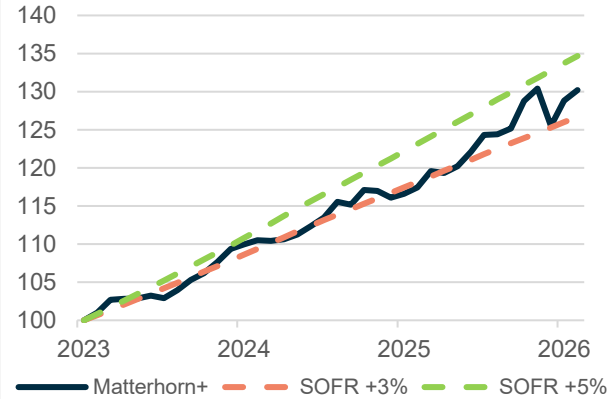
Reichmuth Matterhorn+ USD - P

Positive First Half-Year

YTD +5.0%

In the first half of the year, the portfolio generated a return of 5.0% and outperformed the hedge fund benchmark (HFRX Global Hedge Fund Index 4.8%). We have achieved our goal of generating a return of 3–5% above the risk-free rate (SOFR) over a multi-year cycle in the past three years.

Annualized return of 9.1% over 3 years



Hedge funds are back in vogue

The global hedge fund industry surpassed the $5 trillion mark in AUM in 2025, and interest in active managers continues to grow. Given the volatile macroeconomic environment and challenging valuations in the stock market, institutional investors plan to further expand their allocations to hedge funds. While demand for hedge funds was low during the decade from 2010 to 2020 due to low interest rates and cheap money, a reversal is now on the horizon. In this new market environment, characterized by structurally higher inflation, geopolitical risks, and increased market dispersion, strategies that operate outside of extremely concentrated benchmarks and illiquid private-market investments without true market prices are gaining importance for absolute-return investors.

Opportunities for active strategies

With the growing interest in hedge funds, we are paying increasing attention to fund size in our selection process. A fund that is too large can limit the manager's flexibility and increase unintended liquidity risks. Particularly in the credit sector, we have recently reduced our positions in successful, large funds (Sona, GoldenTree). On the other hand, we are making new investments in funds that are still operating below their capacity. We are currently focusing particularly on global macro strategies, which, thanks to a high degree of freedom, can flexibly position themselves in response to macroeconomic developments. We also see opportunities with long/short equity managers, whose targeted stock selection means they are hardly correlated with the overall market.

To further protect the portfolio against potential dislocations in the credit market, we continue to hold a position in a tail hedge fund that benefits from widening credit spreads. As risk premiums rise, we will opportunistically reallocate a portion of our liquid investments back into the credit market.

Furthermore, the Reichmuth Matterhorn+ portfolio aims to invest as independently as possible from prevailing benchmarks across both equities and fixed income. Especially in today's environment of extremely high index concentration, actively managed strategies help to diversify a traditional portfolio.

Patrick Erne, Portfolio Manager

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