

## Tycho Zazove Convertible Arbitrage Fund



### Objective

The Tycho Zazove Convertible Arbitrage Fund seeks to deliver an annual return of cash +4-5% with bond-like volatility. To achieve this objective the sub-investment manager, Zazove Associates, LLC, employs a dynamic approach to Convertible Arbitrage with three core return drivers: Carry, Volatility Capture/Gamma Trading, and Tactical Opportunities. These primary return drivers are complemented by a structural tail hedge and dynamic credit overlay designed to enhance the overall risk / return profile of the strategy. The fund is actively managed and is not managed in reference to a benchmark.

### Commentary

September represented an unusually challenging environment for convertible arbitrage as three important valuation inputs moved adversely at the same time. Interest rates rose, credit spreads widened, and volatility declined. While each of these factors periodically creates headwinds for convertible valuations, it is relatively unusual for all three to move against the asset class simultaneously. The monthly loss was driven by the impact of those changes in convertible valuations. Carry and active volatility capture were positive contributors during the month and helped offset a portion of these mark-to-market losses.

Despite the difficult performance environment, we believe September represented an important improvement in the opportunity set. We entered the third quarter with convertible valuations near the richest levels observed during the current cycle. By late September, however, we began to observe broader cheapening beyond what could be explained by those inputs alone. By quarter-end, convertible valuations had moved from cycle-rich levels to marginally cheap.

The primary market provided another indication that the supply-demand balance was beginning to shift. Global convertible issuance exceeded \$66 billion during the third quarter, the largest third-quarter total on record, while year-to-date issuance surpassed \$200 billion. Despite the volume of issuance, terms remained aggressive. We therefore participated selectively. New transactions traded down approximately half a point on average during their first day of trading, suggesting limited residual demand following issuance.

We largely maintained portfolio leverage throughout the third-quarter valuation reset. We believe that patience was appropriate: lower convertible prices do not necessarily represent better value when the fundamental inputs underlying those securities have deteriorated. That distinction has now begun to change.

Entering the fourth quarter, the opportunity set is meaningfully more attractive than it was three months ago. We believe the potential for further cheapening remains real and intend to preserve the ability to act quickly should additional dislocation develop. At the same time, we do not intend to pass on the opportunity to incorporate high-quality securities into the portfolio at today's improved valuations.

September's simultaneous combination of higher rates, wider credit spreads and lower volatility was unusually adverse and tends to be transitory. While the resulting valuation adjustment negatively affected third-quarter performance, it has also begun to create the type of relative-value opportunities for which we have been patiently preserving capital.

Please see link for additional information.

Link to Video: Zazove Convertible Arbitrage September Update

### Fund Details

|                                                                                                                                      |                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| <b>Launch Date:</b>                                                                                                                  | 29 <sup>th</sup> April 2026                                                                                                       |
| <b>Fund Size:</b>                                                                                                                    | \$81m                                                                                                                             |
| <b>Zazove AUM:</b>                                                                                                                   | \$2.1bn                                                                                                                           |
| <b>Fund Structure:</b>                                                                                                               | UCITS                                                                                                                             |
| <b>Domicile:</b>                                                                                                                     | Ireland                                                                                                                           |
| <b>Min Investment:</b>                                                                                                               | Class SI: \$50,000,000<br>Class I: \$1,000,000<br>Class R: \$100,000<br>Class SIF: \$50,000,000                                   |
| <b>Currencies:</b>                                                                                                                   | USD (base); GBP, CHF, EUR (all hedged)                                                                                            |
| <b>Annual Management Charge:</b><br><i>(charged on the Fund's net asset value and included in the ongoing charges figure on p.3)</i> | Class F: 0.50% (Founders only)<br>Class SI: 1.00%<br>Class I: 1.25%<br>Class R: 2.00%<br>Class SIF: 2.00%*<br>*no performance fee |
| <b>Pricing:</b>                                                                                                                      | Daily                                                                                                                             |
| <b>Liquidity:</b>                                                                                                                    | Daily                                                                                                                             |
| <b>Performance Fee:</b>                                                                                                              | 20% above one month SOFR hurdle and high water mark (excluding Class SIF)                                                         |
| <b>Manager:</b>                                                                                                                      | Waystone Management Company (IE) Limited                                                                                          |
| <b>Investment Manager:</b>                                                                                                           | Kepler Partners LLP                                                                                                               |
| <b>Sub Inv. Manager:</b>                                                                                                             | Zazove Associates, LLC                                                                                                            |
| <b>Portfolio Managers:</b>                                                                                                           | Bret Lannert<br>Gene Pretti                                                                                                       |
| <b>Inv. Universe:</b>                                                                                                                | Global                                                                                                                            |
| <b>UK Reporting Status:</b>                                                                                                          | Yes                                                                                                                               |
| <b>Country Registrations:</b>                                                                                                        | Ireland<br>UK<br>France<br>Germany<br>Italy (Inst)<br>Spain<br>Switzerland (QI)                                                   |

Performance\*

Due to local UCITS regulations, we are unable to show discrete monthly performance data for the first 12 months.

|      | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YTD |
|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 2026 |     |     |     |     |     |     |     |     |     |     |     |     |     |

\*Monthly performance will be shown here from April 2027 onwards. Past performance is not a reliable indicator of future results. The value of investments and the income from them may fall as well as rise and you may not get back the amount of your original investment. The return of your investment may increase or decrease as a result of currency fluctuations if your investment is made in a currency other than that used in the past performance calculation.

Portfolio Statistics

Portfolio Characteristics

|                    |         |
|--------------------|---------|
| Long Exposure (%)  | 137.72% |
| Short Exposure (%) | -62.81% |
| Net Exposure (%)   | 74.92%  |
| Number of Issuers  | 34      |
| Conversion Premium | 46.19%  |
| Investment Premium | 30.94%  |
| Delta              | 54.22   |
| Gamma              | 0.64    |
| Portfolio Duration | 1.33    |
| Current Yield      | 1.74%   |
| YTP/YTM            | -3.36%  |

Source: Zazove Associates, LLC.

Credit Quality

Long (%)

|     |       |
|-----|-------|
| A   | 0.0%  |
| BBB | 29.1% |
| BB  | 60.2% |
| B   | 42.9% |
| CCC | 5.4%  |
| CC  | 0%    |

Maturity Distribution

Long (%)

|             |       |
|-------------|-------|
| 0 - 3 Years | 70.8% |
| 3 - 5 Years | 61.4% |
| 5 - 7 Years | 5.5%  |
| 7+ Years    | 0.0%  |

Source: Zazove Associates, LLC.

Top 5 Long Positions

LMV (%)\*

Adj. Yield

Maturity

|                        |      |       |            |
|------------------------|------|-------|------------|
| Cheesecake Factory     | 5.6% | 1.27% | 15/03/2030 |
| Akamai Technologies    | 5.0% | 0.34% | 01/09/2027 |
| Vishay Intertechnology | 4.7% | 1.71% | 15/09/2030 |
| World Kinect           | 4.2% | 2.42% | 01/07/2028 |
| Oscar Health           | 4.0% | 1.49% | 01/09/2030 |

\*Long Market Value.  
Source: Zazove Associates, LLC.

Top 5 Net Positions

NMV (%)\*

|                     |      |
|---------------------|------|
| PG&E                | 5.4% |
| Parsons             | 4.7% |
| Southern Company    | 4.0% |
| Akamai Technologies | 4.0% |
| Affirm              | 4.0% |

\*Net Market Value.  
Source: Zazove Associates, LLC.

Asset Class Exposures

|                      | Long          | Short         | Gross         |
|----------------------|---------------|---------------|---------------|
| Convertibles         | 137.7%        | 0.0%          | 137.7%        |
| Equities             | 0.0%          | -62.7%        | 62.7%         |
| Tail Hedge           | 0.0%          | 0.0%          | 0.0%          |
| Equity Options       | 0.0%          | -0.1%         | 0.1%          |
| Opportunities        | 0.0%          | 0.0%          | 0.0%          |
| Volatility Arbitrage | 0.0%          | 0.0%          | 0.0%          |
| <b>Total</b>         | <b>137.7%</b> | <b>-62.8%</b> | <b>200.5%</b> |

Source: Zazove Associates, LLC.

Regional Exposure

|               | Gross         | Net          |
|---------------|---------------|--------------|
| Asia          | 0.0%          | 0.0%         |
| Europe        | 6.6%          | 2.5%         |
| North America | 193.9%        | 72.5%        |
| Other         | 0.0%          | 0.0%         |
| <b>Total</b>  | <b>200.5%</b> | <b>74.9%</b> |

Gross Attribution by Return Driver

|                             | June         | July          | Aug           | Sept          | Oct | Nov | Dec | YTD*         |
|-----------------------------|--------------|---------------|---------------|---------------|-----|-----|-----|--------------|
| Carry                       | 0.25%        | 0.28%         | 0.18%         | 0.21%         |     |     |     | 1.11%        |
| New Issue                   | 0.15%        | 0.00%         | 0.11%         | -0.01%        |     |     |     | 0.32%        |
| Tail Hedge                  | -0.05%       | -0.07%        | -0.10%        | -0.07%        |     |     |     | -0.34%       |
| Basis                       | 1.16%        | -0.83%        | -1.01%        | -2.82%        |     |     |     | -1.31%       |
| Volatility                  | 0.35%        | -0.07%        | 0.68%         | 0.58%         |     |     |     | 1.09%        |
| <b>Total Return (Gross)</b> | <b>1.85%</b> | <b>-0.70%</b> | <b>-0.14%</b> | <b>-2.10%</b> |     |     |     | <b>0.88%</b> |

This table reports gross profit and loss, by month and year-to-date before expenses and fees have been included. Returns are summarised to provide an illustration of where the profit and loss is being generated. Fund expenses and fees and the categorisations can lead to variation in the attribution data. Past performance is not a reliable indicator of future results.

\*YTD from and including 1<sup>st</sup> June onwards

Source: Zazove Associates, LLC.

Share Classes

|               | NAV PER SHARE | ISIN         | ONGOING CHARGES* | INCEPTION DATE |
|---------------|---------------|--------------|------------------|----------------|
| Class F USD   | 98.91         | IE000C6FPSE3 | 0.77%            | 27 May 2026    |
| Class F EUR   | 98.76         | IE000C820V34 | 0.77%            | 29 Apr 2026    |
| Class F GBP   | 99.41         | IE000HD50HI4 | 0.77%            | 29 Apr 2026    |
| Class SIF GBP | 98.97         | IE000LBMCC35 | 2.27%            | 18 May 2026    |

\*The ongoing charges figure is based on estimated annual expenses including investment management fees, administrator fees, director fees, depositary & trustee fees and audit fees. It excludes performance fees and portfolio transaction costs. This figure may vary from year to year.

All data as at 30th September 2026 unless otherwise stated.

Source: Tycho Capital unless otherwise stated.

## Disclaimer

This factsheet is produced and issued by the Investment Manager for marketing purposes only and does not constitute an offer or solicitation to subscribe for shares in the Tycho Zazove Convertible Arbitrage Fund (the "Fund"), a sub-fund of Tycho ICAV, registered as an Irish collective asset-management vehicle on 22 December 2015 with variable capital constituted as an umbrella fund with segregated liability between sub-funds in Ireland and authorised by the Central Bank pursuant to the Act and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended). For more information on the risks associated with the Fund, please refer to the "Investment Risks" sections of the Prospectus and the Fund's Supplement. Full details regarding the Fund are set out in the Key Investor Information Document (the "KIID"), the Key Information Document (the "KID"), the Prospectus including the Supplement, the Instrument of Incorporation and the latest Audited Financial Statements published for the Fund (the "Fund Documents"). Before any subscription, you should read the Fund Documents. The information provided in the Fund Documents should not be considered a recommendation to purchase or sell any particular security. The Fund Documents are available at the following link: <https://funds.tychocap.com/>. The Prospectus, the Supplement and the KIIDs are available in English. The KIDs are available in English, German and Spanish.

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