Tycho Zazove Convertible Arbitrage Fund

ZAZOVE
Convertible Securities Management

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.

Commentary

The strategy returned -0.70% during July.

Market conditions shifted meaningfully during the month as became increasingly selective following an exceptionally strong first half for AI-related securities. While broader equity markets remained relatively resilient, the areas that had benefited most from investor enthusiasm during the first half experienced a meaningful repricing. Within convertibles, weakness was concentrated in AI-related and higher-delta securities, while primary issuance slowed significantly following June's record volumes.

The portfolio's performance was driven primarily by this repricing in convertible valuations associated with wider credit spreads. Carry remained a positive contributor during the month, partially offsetting the valuation decline. Listed option activity continued to provide an active opportunity set despite modestly negative attribution resulting from realized losses associated with the sale of several convertible positions.

Portfolio positioning remained largely unchanged throughout July. Leverage continued to be maintained at conservative levels, credit quality remained skewed toward higher-quality issuers, and trading activity outside of routine portfolio management remained relatively limited.

Although July's repricing modestly improved the opportunity set, the portfolio did not believe valuations had adjusted sufficiently to warrant materially increasing risk. In our view, the market has begun to place greater emphasis on the fundamental characteristics of outright convertibles as long credit and long volatility instruments rather than viewing them primarily as vehicles for equity participation.

Looking ahead, we remain constructive on the long-term opportunity set for convertible arbitrage given the substantial financing needs associated with the ongoing AI capital expenditure cycle. However, while July represented a step toward more attractive valuations, we continue to believe expected returns remain below the threshold required to justify meaningfully higher leverage. The portfolio therefore remains selectively positioned while preserving flexibility to capitalize on more attractive opportunities should market conditions continue to evolve.

Please see link for additional information.
Link to Video: Zazove Convertible Arbitrage July Update

Fund Details

Launch Date:	29th April 2026
Fund Size:	$60m
Zazove AUM:	$2.1bn
Fund Structure:	UCITS
Domicile:	Ireland
Min Investment:	Class SI: $50,000,000 Class I: $1,000,000 Class R:$100,000 Class SIF: $50,000,000
Currencies:	USD (base); GBP, CHF, EUR (all hedged)
Management Fee:	Class F: 0.5% (Founders only) Class SI: 1% Class I: 1.25% Class R: 2% Class SIF: 2%* *no performance fee
Pricing:	Daily
Liquidity:	Daily
Performance Fee:	20% above one month SOFR hurdle and high water mark
Manager:	Waystone Management Company (IE) Limited
Investment Manager:	Kepler Partners LLP
Sub Inv. Manager:	Zazove Associates, LLC
Portfolio Managers:	Bret Lannert Gene Pretti
Inv. Universe:	Global
UK Reporting Status:	Yes
Country Registrations:	Ireland UK Germany Spain Switzerland

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 (%)	191%
Short Exposure (%)	-90%
Net Exposure (%)	100%
Number of Issuers	34
Conversion Premium	44%
Investment Premium	35%
Delta	0.59
Gamma	0.67
Portfolio Duration	1.34
Current Yield	1.65%
YTP/YTM	-6.21%

Source: Zazove Associates, LLC.

Credit Quality	% Long
A	0%
BBB	39%
BB	86%
B	58%
CCC	7%
CC	0%

Maturity Distribution	% Long
0 - 3 Years	105%
3 - 5 Years	78%
5 - 7 Years	8%
7+ Years	0%

Source: Zazove Associates, LLC.

Top 5 Long Positions	*% LMV	Adj. Yield	Maturity
Snowflake	4.9%	0.00%	10-01-27
Vishay Intertechnology	4.9%	1.59%	09-15-30
World Kinect	4.5%	2.18%	07-01-28
Akamai Technologies	4.1%	0.32%	09-01-27
Oscar Health	4.0%	1.45%	09-01-30

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

Top 5 Net Positions	*% NMV
PG&E	4.8%
Parsons	4.6%
Rivian Automotive	3.8%
Freshpet	3.4%
AST SpaceMobile	3.3%

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

Asset Class Exposures

	Long	Short	Gross
Convertibles	191%	0%	191%
Credit	0%	0%	0%
Equities	0%	-90%	90%
Interest Rates	0%	0%	0%
Opportunities	0%	0%	0%
Volatility Arbitrage	0%	0%	0%
Total	**191%**	**-90%**	**281%**

Source: Zazove Associates, LLC.

Regional Exposure

	Gross	Net
Asia	0%	0%
Europe	6%	3%
North America	275%	98%
Other	0%	0%
Total	**281%**	**100%**

Gross Attribution by Return Driver

	June	July	Aug	Sept	Oct	Nov	Dec	YTD*
Carry	0.25%	0.28%						0.53%
New Issue	0.15%	0.00%						0.15%
Tail Hedge	-0.05%	-0.07%						-0.12%
Basis	1.16%	-0.83%						0.33%
Volatility	0.35%	-0.07%						0.28%
Total Return (Gross)	**1.85%**	**-0.70%**						**1.15%**

This chart and table reports gross profit and loss as at 31st July, 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 1st June onwards
Source: Zazove Associates, LLC.

Share Classes

	NAV PER SHARE	ISIN	INCEPTION DATE
Class F USD	101.18	IE000C6FPSE3	27 May 2026
Class F EUR	101.44	IE000C820V34	29 Apr 2026
Class F GBP	101.67	IE000HD5OHI4	29 Apr 2026
Class SIF GBP	101.40	IE000LBMCC35	18 May 2026

All data as at 31st July 2026 unless otherwise stated.
Source: Tycho Capital unless otherwise stated.

Disclaimer

This factsheet is produced 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 sections entitled Risk Factors in the Prospectus. 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. Any securities or sectors referred to in this factsheet must not be taken as an investment recommendation or indication that investments in the same will be profitable. The price and value of investments can go down as well as up. Income may fluctuate reflecting changes in market conditions, currency movement and taxation liabilities. Investment in the Fund described in this factsheet carries a substantial degree of risk. You may not get back the original amount invested. An investment in the Fund should only be made by persons who can sustain a loss on their investment. Any such investment should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors.

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