31st December 2025
Private & Confidential

CRYSTAL FUND

BK Opportunities Fund 7

CLO Mezzanine Fund

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NAV 60.85%	Monthly Return [1]	1.3%
	Year-to-Date	10.7%
	Annual Return since inception [2]	14.0%
Distribution 10.00%	Cumulative Distributions [2,3]	83.3%
	Cumulative Return [2,3]	48.0%

1. Non-annualized — 2. Weighted average distribution of all classes — 3. since inception in October 2021.

The Eurozone ended 2025 with resilient 1.4% GDP growth and inflation at the 2.0% target, fueling record equity gains (STOXX 600 +17%). In credit markets, a sharp bifurcation emerged: while formal loan defaults remained low at 1.08%, "dual-track" distress hit higher due to out-of-court restructurings (LMEs) in sectors like Media and Healthcare. This stress was balanced by a structural shift in the CLO market, where the 2025 Solvency II Reform slashed capital charges for senior AA tranches from 37.5% to 8.1%, unlocking massive liquidity from European insurers.

BK Opportunities Fund 7 is a closed-end fund investing in a diverse portfolio of BB tranches in European CLOs, with a time horizon of seven years from inception.

Creditflux by Debtwire
Manager Awards 2024
Best CLO Fund

Signatory of: PRI Principles for Responsible Investment

CRYSTALFUND MEMBER OF
STRUCTURED FINANCE ASSOCIATION

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PORTFOLIO OVERVIEW

BK Opportunities Fund 7 (BK-7) was launched in Q2 2021. Over the years, we have actively traded BB and B-rated tranches of European CLOs. Our portfolio has remained very diversified across all sectors, with a very low idiosyncratic exposure. In addition to capturing the usual extra return of CLOs from its niche market, we have employed various structural arbitrage strategies, in some cases linked to the duration of our positions.

This quarter, BK Opportunities Fund-7 is making a weighted average distribution of 10.0% (non-annualised, based on number of shares). Payments will be wired on the 3rd February 2026. The cumulative distribution of the fund is 83.34% (non-annualized, based on the weighted average distribution of all classes), and the annual return since inception is +14.0% (net), materially exceeding our expectations at the fund's launch.

The fund has exited its reinvestment phase and is now amortizing, so we are focusing on monetizing our positions. As we collect coupons & principal and now distribute all proceeds, the fund's performance should continue to strengthen, and distribution will accelerate.

NAV
60.85%

Distribution
10.00%

Payments will be wired on February 3, 2026.

MARKET COMMENTARY

The Economy: Resilience

The Eurozone economy concluded 2025 with a resilient performance, characterized by stabilizing prices and a pause in the aggressive rate-cutting cycle of previous years. Real GDP growth in the final quarter remained steady, contributing to an upgraded annual average of 1.4% for 2025. Headline inflation successfully reached the European Central Bank's target, easing to 2.0% in December, while core inflation remained slightly stickier at 2.4%. In its final meeting on December 18, 2025, the ECB maintained a "data-dependent" stance by holding key interest rates steady, leaving the deposit facility rate at 2.00%.

Corporate Markets: Solid Year

European equity markets finished 2025 on a high note, with the STOXX 600 reaching fresh record highs. The market was buoyed by resilient corporate earnings—specifically in the financials and healthcare sectors — benefiting from the ECB's plateauing interest rates. Despite geopolitical trade tensions, the STOXX 50 and STOXX 600 ended the year with total gains of roughly 18% and 17%, respectively, marking their strongest annual performance since 2021. The market was also significantly impacted by a 13.4% appreciation of the Euro against the USD, which acted as a headwind for exporters but boosted returns for domestic Euro-denominated portfolios.

Corporate loans: Bifurcation

The European leveraged loan market concluded 2025 with a "two-track" default narrative, a bifurcation. While the headline payment default rate for the Morningstar European Leveraged Loan Index (ELLI) remained historically low at approximately 1.08% by principal amounting to November 2025, this figure masks significant underlying stress. When including Liability Management Exercises (LMEs) and distressed exchanges—where borrowers restructure debt out of court to avoid formal bankruptcy—the "dual-track" default rate rose to 2.15% that is still low by historical standards.

This gap highlights a growing trend of "shadow defaults" in sectors like Media and Healthcare, which together drove nearly 30% of restructuring activity as firms grappled with the lagged effects of elevated interest rates.

CLO Markets: The AA Demand Shift

The European CLO market saw record-breaking activity in Q4 with €33 billion in issuance, but the most significant trend was the surge in demand for AA and High-A tranches. This was driven by the Solvency II Reform (2025 Overhaul), which drastically lowered the capital charges for insurers investing in "Senior" tranches of non-STS securitizations like CLOs. For example, the spread risk capital charge for a AAA/AA CLO fell from levels comparable to equity (37.5%) to just 8.1%, making these tranches a highly capital-efficient alternative to traditional corporate bonds for European insurance giants.

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BK Opportunities Fund 7

December 31st, 2025

NET PERFORMANCE	
Monthly Return [1]	1.3%
Year-to-Date	10.7%
Annual Return since inception [3]	14.0%
Cumulative Distributions since inception/October 2021 [3]	83.3%
Cumulative Return since inception/October 2021 [3]	48.0%

NAV	Distribution
60.85%	10.00%

Payments will be wired around February 3, 2026.

EUR FUND AND MARKET PERFORMANCES

Returns	BK 7	JPM CLO BB Index [5]	Palmer Square Index	Hedge Fund Index [6]	Euro S&L Loan Index [7]	EuroStoxx 600
Monthly Return [1]	1.3%	1.1%	0.7%	0.4%	0.5%	2.7%
Year-to-Date Return [1]	10.7%	9.1%	7.6%	7.3%	4.1%	16.7%
Annual Return [2, 3]	14.0%	11.4%	8.0%	4.4%	5.5%	6.4%

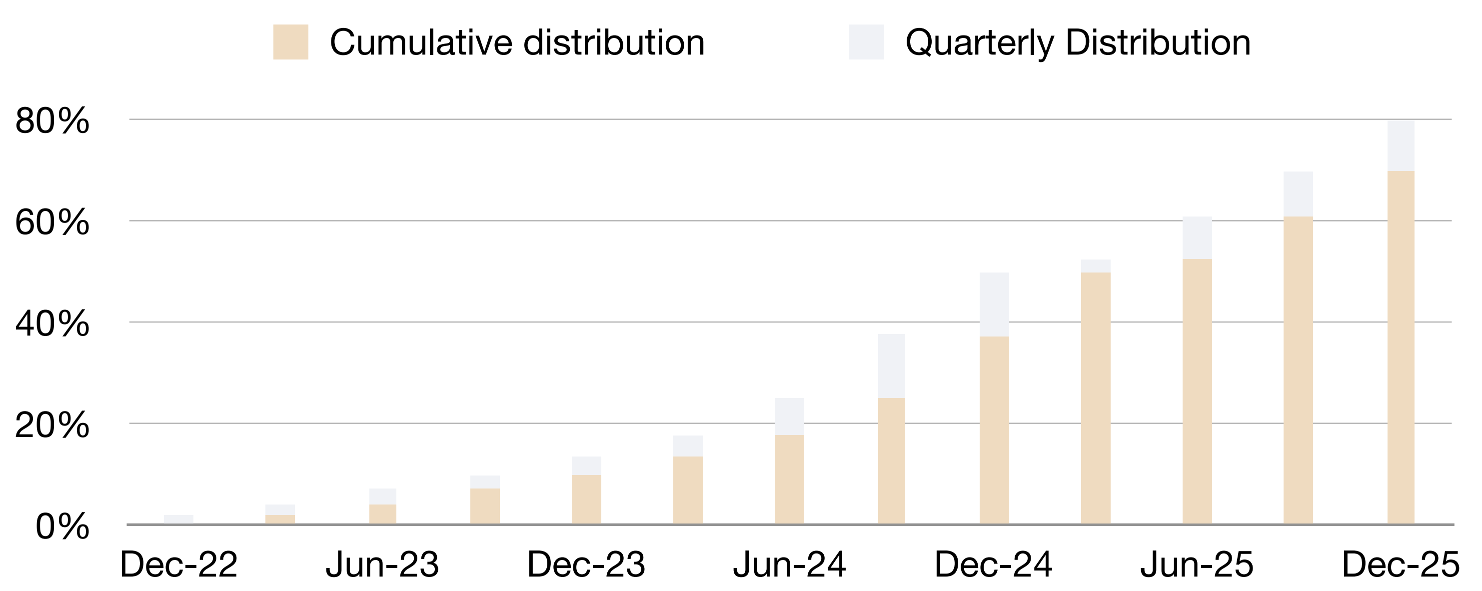
EUR MONTHLY PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025	2.0%	1.3%%	0.5%	(0.5%)	1.6%	1.0%	0.8%	1.2%	0.6%	0.1%	0.4%	1.3%	10.7%
2024	5.0%%	2.9%%	2.3%%	1.5%%	1.3%%	0.9%	0.4%	0.5%	0.4%	1.5%	0.2%	1.4%%	19.6%
2023	5.8%	7.2%	(2.6%)	4.6%	0.6%	2.0%	2.5%	3.0%	0.4%	0.5%	0.0%	6.1%%	34.1%
2022	0.1%	(2.5%)	(1.1%)	0.9%	(9.0%)	(8.4%)	(1.4%)	5.0%	(3.3%)	(1.7%)	2.6%	1.3%	(17.1%)
2021										2.4%	1.0%	0.5%	4.0%

QUARTERLY DISTRIBUTION

Quarterly Distribution [8]	10.00%
Cumulative Distribution [8, 9]	79.75%
NAV [10]	60.85%
Investor Value [11]	140.59%

DISTRIBUTION



1. Non-annualized — 2. Since inception — 3. Weighted average distribution of all classes — 4. Based on the total return level of the JPM CLOIE Index — 5. Based on the total return level of the JPM CLOIE Index. We used the USD index due to the absence of a euro CLO index. — 6. Index designed to present the overall hedge fund universe. — 7. European Corporate Lond Index , sums principal, interest and reinvestment returns — 8. Cash on cash, based on the Contribution Amount — 9. Since inception of BK Opportunities Fund-7, Oct 2021 — 10. Net Asset Value after distributions as of 31st December 2024, as a percentage of Contribution Amount — 11. Sum of the cumulative distributions since inception and the 31st December 2023 NAV based on weighted average calculation.

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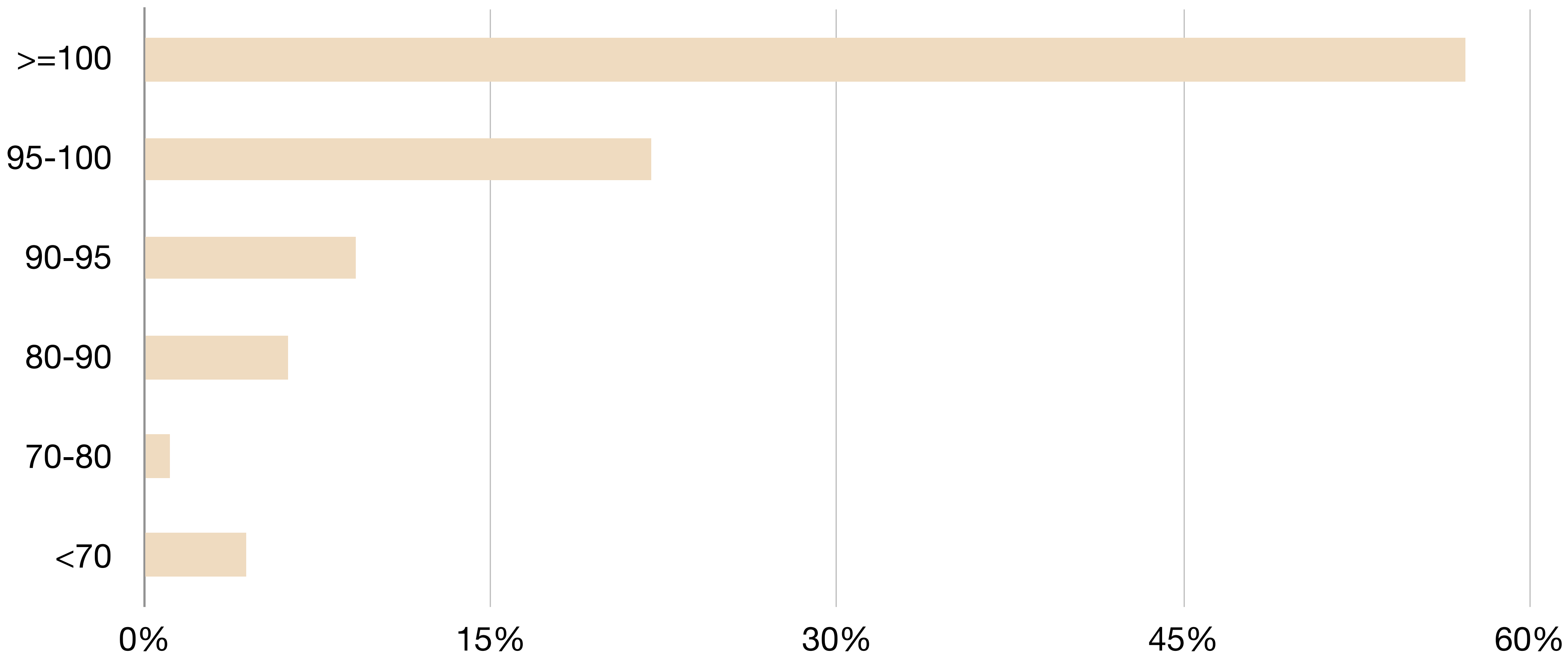
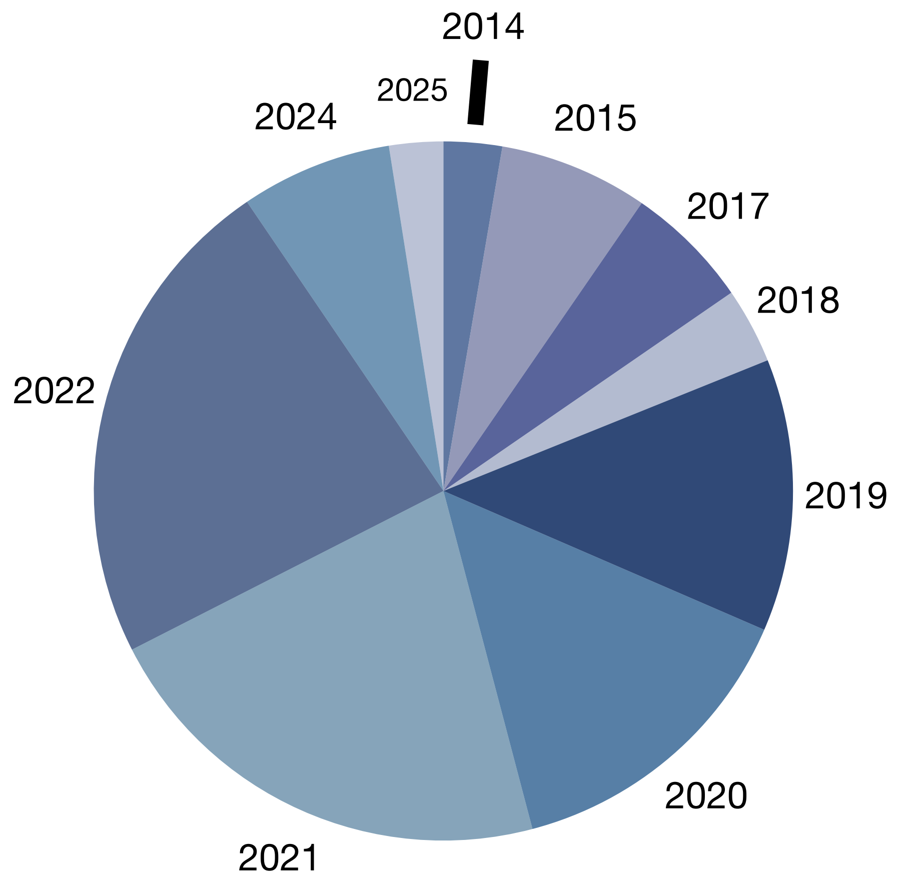
BK Opportunities Fund 7

December 31st, 2025

LOOK-THROUGH COLLATERAL PRICE



VINTAGE



FUND SUMMARY

2021 –PRESENT €

BK-7

Currency: EUR
Fund's Inception: October 2021
Maturity*: October 2026
Distribution: Quarterly
Investment Manager: Oristan Ireland DAC
Administrator: Apex Funds Services
Custodian: CIBC Bank & Trust
Banker: Northern Trust
Counsel: Dillon Eustace
Auditor: Deloitte

Bloomberg Page:
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** Excluding the possible 2-year extension*

TOP 10 INDUSTRY

Industry	% of Portfolio
Healthcare & Pharmaceuticals	14.7%
Services: Business	9.1%
High Tech Industries	7.1%
Chemicals, Plastics, & Rubber	7.0%
Telecommunications	6.2%
Construction & Building	5.8%
Beverage, Food & Tobacco	5.4%
Banking, Finance, Insurance	5.4%
Capital Equipment	4.5%
Services: Consumer	4.0%

TOP 10 ISSUERS EXPOSURE

Issuer	% of Portfolio
Ineos Ltd	2.0%
Liberty Global Plc	1.8%
Vmed O2 UK	1.2%
Lorca JVCO	1.1%
3I Group	1.0%
Quimper Ab	0.8%
Althea Acq	0.8%
Kantar Global	0.8%
Laboratoire Eimer	0.8%
Altice NV	0.8%

CRYSTAL FUND RECENT AWARDS

PAN-FINANCE AWARD WINNER 2025	Creditflux Manager Awards 2024 Winner	Worldwide Finance Awards	2024 PREQIN AWARDS	Creditflux Manager Awards 2023 Winner
Best CLO Fund 2025	Best CLO Fund 2024	Best CLO Investment Management Firm 2024 – Europe	Top Performing Credit Strategy hedge funds 2024	Best CLO Fund 2023

CRYSTAL FUND is a family of investment vehicles managed by Oristan Ireland DAC.
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