31st December 2025
Private & Confidential

CRYSTAL FUND

BK Investment Grade 8

CLO Investment Grade Fund

$ €

USD CLASS	
NAV 109.12%	
Distribution 1.5%	
Monthly Return [1]	0.0%
Year-to-Date since inception	6.7%
Annual Return since inception [2]	9.9%
Cumulative Distributions since inception/ October 2021 [2]	14.5%
Cumulative Return since inception/October 2021	23.6%

EURO CLASS	
NAV 111.91%	
Distribution 1.5%	
Monthly Return [1]	0.8%
Year-to-Date since inception	10.1%
Annual Return since inception [2]	11.8%
Cumulative Distributions since inception/ October 2021 [2]	14.5%
Cumulative Return since inception/October 2021	26.4%

1. Non-annualized — 2. Weighted average distribution of all classes

In 2025, the global economy achieved a long-awaited "soft landing" as inflation retreated to central bank targets without triggering a recession. While the US outperformed with 2.6% GDP growth and a booming AI-driven stock market (S&P 500 +24%), the Eurozone remained resilient at 1.4% growth with a significant recovery in the financial sector. The credit story was one of bifurcation: headline default rates stayed low, but a surge in "shadow defaults" (LMEs) revealed underlying stress in both regions. Meanwhile, the CLO market entered a new era, driven by retail ETF inflows in the US and a massive regulatory overhaul (Solvency II) in Europe that unlocked billions in insurance capital.

BK Investment Grade Fund 8 is a closed-end fund investing in a diverse portfolio of BBB tranches in US and 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

PORTFOLIO OVERVIEW

We have built a robust portfolio of BBB CLO tranches with USD (56%) and Euro (44%) positions. The portfolio is diversified by profile (the style of the CLO manager), vintage, and duration. We have participated in both new issues and the secondary markets, but have been more active in the latter over the recent months.

The priority has been on selecting our reinvestments given current market conditions and a spread-tightening environment; we receive both interest (from the payment of the coupon) and principal (from transactions being restructured, more precisely called resets). If a portion is kept for distribution, most of these proceeds are reinvested as we identify opportunities that fit our target return for BK Investment Grade-8. The objective is to maximize the expected returns while maintaining the same resistance levels. The portfolio is designed to benefit from a market softening but also resist more conservative scenarios. The fund distributes 1.5% for each USD and Euro class this quarter, bringing the total distribution to 14.5% since inception. Payments are being wired on or around 30th January 2026.

Since its inception, the USD portfolio has delivered 9.9% annually, and the Euro portfolio has delivered 11.8%, exceeding our expectations. We believe the portfolio will continue to deliver strong performances as we maintain our trading discipline and strategy.

USD CLASS
NAV 109.12%
Distribution 1.5%

EURO CLASS
NAV 111.91%
Distribution 1.5%

Payments will be wired on January 30, 2026.

MARKET COMMENTARY

The Economy: Different Speed Stabilisation

Western economies successfully navigated the transition from aggressive rate-hiking to a "higher-for-longer" plateau.

Real GDP grew by 1.4% in Europe. Headline inflation hit the ECB's 2.0% target in December, while the deposit facility rate was held steady at 2.00% to manage stickier core inflation (2.4%).

The US economy remained the global engine with 2.6% growth. The Federal Reserve maintained a more restrictive stance than the ECB, ending the year with rates at 3.75% to ensure labor market cooling remained on track.

Corporate Markets: Record Highs & Currency Shifts

The S&P 500 (+24%) dominated the first half of the year, driven by "Magnificent Seven" tech earnings. In the second half, capital began rotating into "value" sectors and European markets as US valuations reached a 30% premium over historical averages.

In Europe, the STOXX 600 (+17%) was led by the banking and healthcare sectors. However, a 13.4% appreciation of the Euro against the USD acted as a headwind for European exporters while boosting returns for domestic investors.

Corporate loans: The "Dual-Track" Default Reality

A clear "bifurcation" emerged in 2025 between companies with healthy balance sheets and those buried in high-interest debt.

Official payment defaults remained low (1.08% in Europe, 1.45% in the US). However, Liability Management Exercises (LMEs)—where borrowers restructure debt out-of-court—pushed "dual-track" default rates to 2.15% in Europe and 4.2% in the US.

Over 30% of this restructuring activity was concentrated in the Media, Healthcare, and Consumer Products sectors, where firms struggled with the lagged effects of elevated interest rates.

CLO Markets: The Institutional Overhaul

Issuance volume broke records as structural changes brought new types of buyers into the Collateralized Loan Obligation market.

Europe (Solvency II Overhaul): The most significant shift was the 2025 Solvency II Reform, which slashed capital charges for insurers holding AA tranches from 37.5% to just 8.1%. This transformed senior CLO tranches into highly capital-efficient corporate bond substitutes for European insurance giants.

USA (ETF Retailization): The US market was buoyed by a "retail wave." CLO ETFs (like JAAA) surpassed $30 billion in AUM, providing a permanent, liquid bid for AAA and AA tranches that helped keep US spreads stable despite higher local SOFR rates.

CRYSTAL FUND

2023 –PRESENT $ €

BK-8

BK Investment Grade 8

December 31st, 2025

USD CLASS NET PERFORM	
Monthly [1]	0.0%
Year-to-Date since inception	6.7%
Annual Return since inception[3]	9.9%
Cumulative Distribution [2,3]	14.5%
Cummulative Return [2]	23.6%

EURO CLASS NET PERFORM	
Monthly [1]	0.8%
Year-to-Date since inception	10.1%
Annual Return since inception[3]	11.8%
Cumulative Distribution [2,3]	14.5%
Cummulative Return [2]	26.4%

USD CLASS

NAV 109.12%
Distribution 1.5%

EURO CLASS

NAV 111.91%
Distribution 1.5%

Payments will be wired on January 30, 2026.

USD FUND AND MARKET PERFORMANCES

Returns	BK 8	JPM CLO BBB Index [4]	Palmer Square Index	Hedge Fund Index [6]	LSTA Corp Loan Index [7]	S&P 500 Index
Monthly Return [1]	0.0%	0.7%	0.7%	0.4%	0.6%	-0.1%
Year-to-Date Return [1]	6.7%	7.1%	7.6%	7.3%	5.9%	16.4%
Annual Return [2, 3]	9.9%	10.8%	11.5%	6.9%	8.3%	18.0%

USD MONTHLY PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025	0.9%	0.6%	0.7%	0.4%	0.9%	0.7%	0.0%	1.2%	0.7%	0.1%	0.3%	0.0%	6.7%
2024	2.6%	0.8%	1.3%	1.0%	1.1%	0.9%	0.2%	0.1%	0.7%	0.9%	0.8%	0.7%	11.6%
2023								1.2%	0.0%	0.2%	0.4%	1.9%	3.7%

EUR FUND AND MARKET PERFORMANCES

Returns	BK 8	JPM CLO BBB Index [5]	Palmer Square Index	Hedge Fund Index [6]	Euro S&L Loan Index [8]	EuroStoxx 600
Monthly Return [1]	0.8%	0.7%	0.7%	0.4%	0.5%	2.7%
Year-to-Date Return [1]	10.1%	7.1%	7.6%	7.3%	4.1%	16.7%
Annual Return [2, 3]	11.8%	10.8%	11.5%	6.9%	7.2%	9.9%

EUR MONTHLY PERFORMANCE

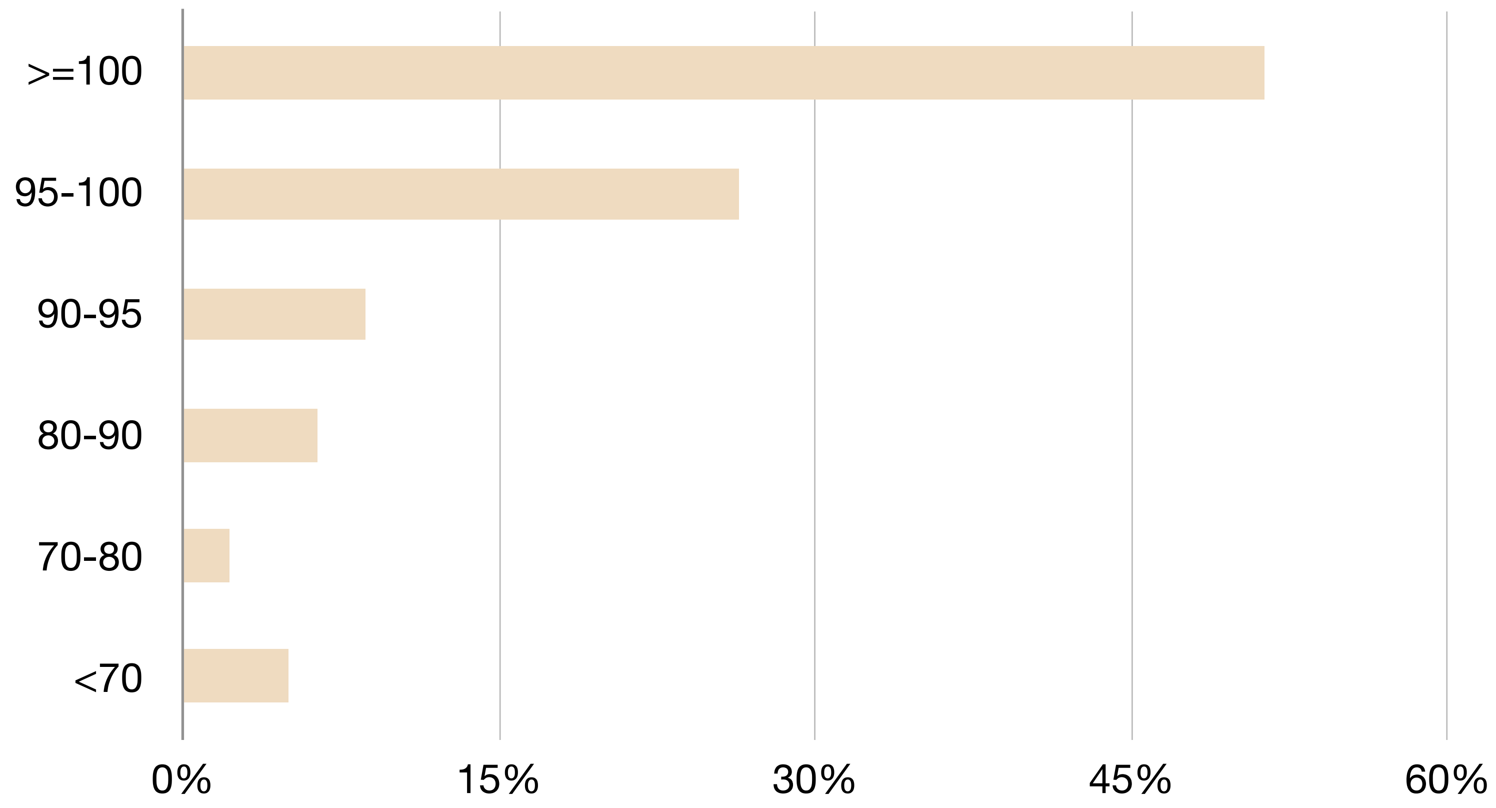
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025	1.4%	0.6%	0.3%	0.0%	0.6%	1.0%	1.5%	1.0%	0.7%	1.1%	0.6%	0.8%	10.1%
2024	2.2%	1.4%	2.0%	0.7%	0.5%	0.7%	0.0%	0.0%	0.9%	1.3%	1.7%	0.7%	12.7%
2023								1.8%	0.0%	0.0%	1.1%	0.2%	3.1%%

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. S&P LSTA US Lverage Loand Index Total Rertun, sums principal, interest and reinvestment returns. — 8. European Corporate Lond Index , sums principal, interest and reinvestment returns.

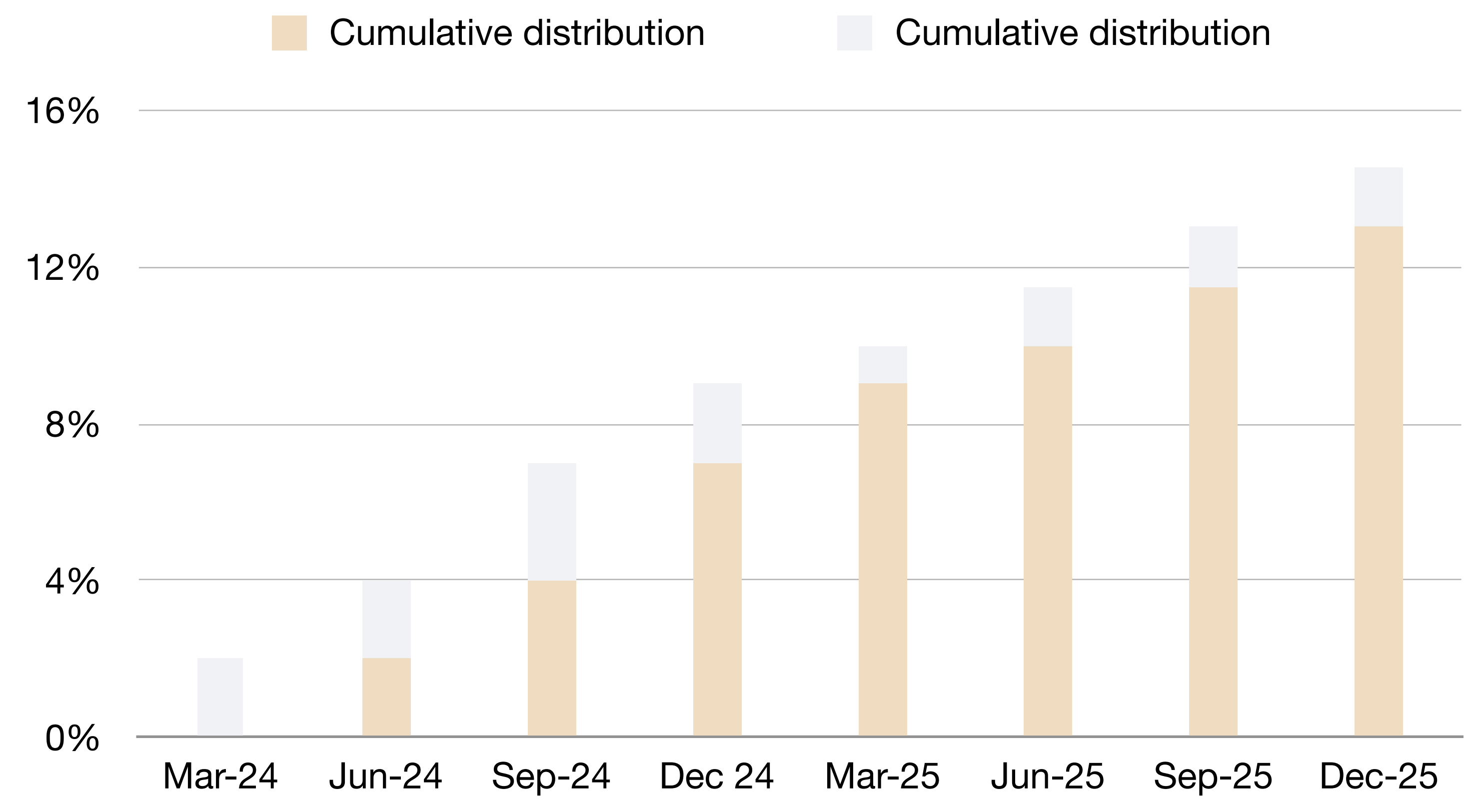
BK Investment Grade 8

December 31st, 2025

LOOK-THROUGH COLLATERAL PRICE



DISTRIBUTION



FUND SUMMARY

BK-8 (2023 – PRESENT, $ €)

Currency: USD & EUR
Fund's Inception: June 2023
Maturity*: June 2028
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 USD:
BKIG8AU KY <Eqty> (USD KY Feeder)
BKIG8AE KY <Eqty> (EUR KY Feeder)
Bloomberg Page EUR:
BK8A1US LX <Eqty> (USD LX feeder)
BK8A1EU LX <Eqty> (EUR LX Feeder)

** Excluding the possible 2-year extension*

TOP 10 INDUSTRY

Industry	% of Portfolio
Healthcare & Pharmaceuticals	10.6%
Services: Business	9.3%
High Tech Industries	9.0%
Banking, Finance, Insurance & Real Estate	7.3%
Chemicals, Plastics, & Rubber	5.4%
Construction & Building	4.5%
Telecommunications	43%
Hotel & Leisure	43%
Beverage, Food & Tobacco	4.1%
Capital Equipment	3.8%

TOP 10 ISSUERS EXPOSURE

Issuer	% of Portfolio
Ineos	1.4%
Liberty Global Plc	1.1%
Vmed O2 UK	0.8%
3I Group	0.5%
Altice NV	0.5%
Kantar Global	0.5%
Lorca JVCO	0.5%
Clarios Int	0.5%
IVC Acquisition	0.4%
Sigma Hlolding	0.4%

CRYSTAL FUND RECENT AWARDS

PAN-FINANCE Award Winner 2025	Creditflux Manager Awards 2024 Winner	Worldwide Finance Awards	Preqin Awards 2024	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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Dublin D02 HW77 Ireland

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