

zMonthly September 24

Central banks boost markets

After hitting new all-time highs in the previous month, equity markets came under selling pressure in the first week of September. Disappointing US economic data and a weak employment report spurred fears of a recession. However, further declines in US inflation figures for August brought relief to investors. While the European Central Bank unsurprisingly cut interest rates for a second time by 25 basis points, the US Federal Reserve kicked off the rate cutting cycle with an unusually large move of half a percentage point. Combined with the hint of two more possible rate cuts by the end of the year, this added further weight to the 'soft landing' scenario hoped for by many investors. Equity markets reacted positively, with some reaching new all-time highs. The Swiss monetary authorities also lived up to expectations, cutting interest rates by 25 basis points to 1% against the backdrop of a significant easing in inflationary pressures. Towards the end of the month, the Chinese party leadership provided a boost to the markets. It unveiled the most comprehensive package of measures since the pandemic to stimulate the weak domestic economy. At the Capital Market Day, industrial group Schweiter Technologies presented new medium-term targets, which were well received by investors. Roche shares were punished after a study of an early-stage weight loss drug showed more side effects than rival candidates. Insurer Baloise reported solid results for the past six months. It also published new targets for the next four years. However, there were no significant strategic changes. The fund lost 1.1% in September (SPI -1.6%).

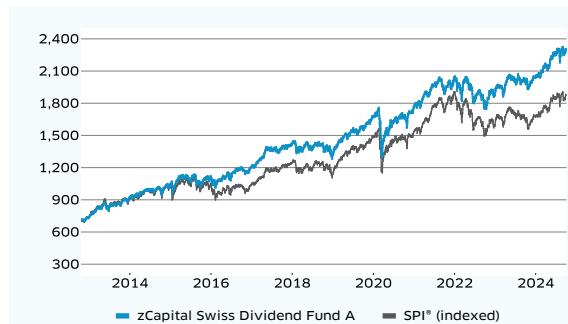
Lem out of the portfolio

During the month, we sold the remaining position in Lem. We increased our holdings in Roche, Nestlé, Sulzer and DKSH.

Rising liquidity

Economic data is coming in below expectations, company sentiment is subdued, and inflation is falling, thanks in part to lower oil prices. In addition, the US labour market is starting to weaken. This is an ideal environment for central banks to cut interest rates or, as in China, to launch generous stimulus programmes. As a result, large amounts of liquidity are being pumped into equity markets, as we saw during the financial crisis. For example, after a period of negative growth, global M2 money supply is rising again. Accordingly, equity markets in the US, Asia and Europe have gone into risk-on mode. Gold and cryptocurrencies are also on the rise. We would not be surprised to see interest rates in Switzerland move towards zero next year. This would bring us back to an environment of scarce investment opportunities. For now, however, the markets must deal with the US elections, which have so far received surprisingly little attention from the equity markets.

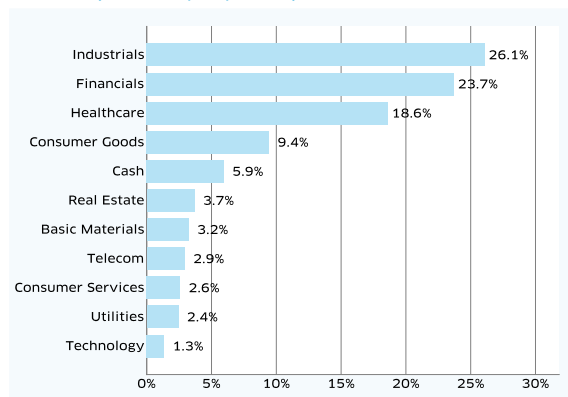
Performance since Launch (as of 30/09/2024)



Performance (as of 30/09/2024)

MTD (Fund / Benchmark)	-1.1% / -1.6%
YTD	12.2% / 11.5%
1 year	14.0% / 13.0%
3 years p.a.	6.4% / 2.6%
5 years p.a.	7.7% / 5.8%
10 years p.a.	8.5% / 6.4%
Since launch p.a.	10.2% / 8.4%

Sectors (as of 30/09/2024)



Largest Positions (as of 30/09/2024)

1	Roche	9.6%
2	Nestle	9.4%
3	Novartis	9.0%
4	ABB	5.9%
5	Zurich Insurance Group	5.1%
6	Holcim	3.9%
7	Swiss Re	3.3%
8	Swisscom	2.9%
9	SGS	2.7%
10	Givaudan	2.5%
11	Julius Baer	2.4%
12	Baloise	2.4%
13	Accelleron	2.3%
14	Sulzer	2.2%
15	Kühne + Nagel	2.2%

Investment Strategy

The zCapital Swiss Dividend Fund invests in Swiss equities that pay an attractive, reliable dividend or where dividend income is expected to grow. The fund invests in 30 to 40 companies from the universe of the SPI® (Swiss Performance Index). Around half of the fund assets is invested in blue chips and the other half in second-line stocks. zCapital pursues a long-term, active investment style. The stock selection is based on a combination of fundamental company analyses with a proprietary dividend analysis tool. Key ESG aspects and macroeconomic factors are also included in the decision-making process.

Portfolio Structure (as of 30/09/2024)

Net Asset Value	CHF 2,295.30 per Share A
Total Assets	CHF 681 m
Investment Exposure	94.0%
Number of Companies	35

Statistics 3 Years (as of 30/09/2024)

Volatility Fund p.a.	10.9%
Beta (current)	0.8
Dividend yield of invested companies *	3.5%
Large caps in percentage of portfolio	58.7%

* This figure includes the weighted future dividend yields from the companies invested in, as estimated by zCapital. It does not provide any indication of the final level of dividend that will be paid out by the "zCapital Swiss Dividend Fund". As of 30/09/2024.

Termsheet

Fund-Name	zCapital Swiss Dividend Fund (Class A)
Asset Manager	zCapital AG, Zug
Swiss Security Number / ISIN	19466655 / CH0194666555
Price Publications	www.zcapital.ch, www.swissfunddata.ch, www.fundinfo.com
Bloomberg / Reuters	ZCAPDIV SW Equity / 19466655.S
Benchmark	Swiss Performance Index SPI®
Morningstar-Rating	★★★★★
Minimum Investment / Reference Currency	No minimum investment required / CHF
Fund Type / Distribution	Swiss Securities Fund / Authorized for public distribution in Switzerland and Germany
Management Fee (incl. Fund Management and Custodian Fees)	1% p.a.
Issue Fee / Redemption Fee	None
Total Expense Ratio (TER) as of 31/05/2024	1.01%
Fund Management Company / Custodian Bank	LLB Swiss Investment AG, Zürich / Bank Julius Bär & Co. AG, Zürich
Subscriptions and Redemptions	On each bank working day at Net Asset Value (NAV). Subscriptions and redemptions which are placed with the Custodian Bank by 3.45 pm CET on a bank business day (Order Day), are processed on the next bank working day (Valuation Day) based on the Order Day's closing price.
Auditor	PricewaterhouseCoopers AG, Zurich

Monthly Performance (as of 30/09/2024)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2012										-0.9%*	1.6%	1.5%	2.2%*
2013	4.9%	4.3%	3.2%	2.2%	0.2%	-2.1%	1.9%	-0.3%	2.8%	3.4%	1.2%	1.7%	25.8%
2014	0.5%	2.7%	1.5%	1.0%	1.6%	-0.5%	0.1%	1.6%	0.8%	-0.1%	2.9%	-0.1%	12.7%
2015	-3.0%	6.9%	2.3%	0.8%	0.6%	-4.2%	5.2%	-4.8%	-2.7%	4.6%	2.2%	-0.2%	7.3%
2016	-2.8%	-1.6%	1.8%	1.8%	3.9%	-1.1%	2.0%	1.9%	0.7%	-2.0%	-0.3%	3.5%	7.8%
2017	0.8%	3.3%	3.0%	3.7%	3.3%	-1.5%	1.4%	-1.8%	2.4%	0.9%	0.6%	0.3%	17.5%
2018	0.4%	-3.0%	-0.0%	2.9%	-3.3%	0.9%	3.1%	-0.1%	-0.3%	-1.3%	-0.8%	-5.5%	-7.0%
2019	6.2%	3.4%	1.5%	3.7%	-1.3%	3.1%	0.4%	0.4%	2.0%	1.3%	1.9%	1.8%	27.1%
2020	0.7%	-6.9%	-6.4%	5.2%	3.0%	2.3%	-0.5%	2.9%	0.2%	-5.1%	8.5%	2.8%	5.7%
2021	-0.3%	-0.1%	6.2%	0.4%	2.5%	2.3%	1.3%	1.5%	-5.4%	2.4%	-0.8%	4.9%	15.3%
2022	-2.7%	-1.8%	2.9%	1.3%	-3.5%	-6.1%	3.8%	-2.1%	-5.0%	4.7%	3.2%	-2.0%	-7.9%
2023	4.4%	-0.4%	1.3%	3.5%	-1.1%	0.5%	1.2%	-1.8%	-0.1%	-3.2%	3.1%	1.7%	9.2%
2024	1.1%	1.1%	3.7%	-1.5%	4.9%	0.3%	2.5%	0.7%	-1.1%				12.2%

* since Launch date (22 October 2012)

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