

## zMonthly December 24

### Turbulence over the Fed's interest rate outlook

The US and some European stock markets continued to rise at the beginning of the month, setting new records. By contrast, the Swiss stock market failed to pick up speed and remained more or less flat. Even the interest rate cut by the Swiss National Bank did not help. Contrary to expectations, the SNB made a substantial cut of half a percentage point, citing a decline in inflationary pressures. Investors reacted much more strongly to the meeting of the US Federal Reserve. It was not so much the rate cut of 25 basis points that caused uncertainty, but the outlook. Only two more rate cuts are expected before the end of 2025. Previously, market participants had anticipated three rate cuts. In the aftermath of the Fed meeting, US equity markets suffered their biggest one-day loss since the turmoil in early August and the year-end rally failed to materialise. Swiss Life's new strategic goals for the period up to 2027 did not fully convince investors and led to profit-taking. By contrast, investors reacted positively to new growth targets and structural adjustments at Lonza, the pharmaceutical contract manufacturer not held in the fund. Over the past calendar year, the MSCI World Index gained 29% in CHF terms. This impressive performance was again largely driven by the "Magnificent Seven" stocks in the US. The Swiss equity market was held back by the weak performance of some of the index heavyweights (SPI +6.2%). The fund gained 9.0% over the year.

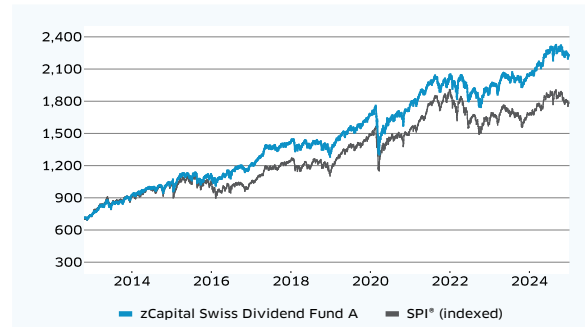
### Additions to Big Caps

During the month we increased our holdings in Novartis, Roche, Nestlé, Givaudan, VAT Group, Logitech, BKW and Baloise. Profits were realised on ABB, Swiss Re and Julius Bär.

### Trump 2.0 creates uncertainty

On 20 January 2025, Donald Trump will be sworn in for a second term as President of the United States. Since his election in early November, expectations of his 'America First' policies have soared. However, Trump's economic plans are full of contradictions and his protectionist agenda will tend to have inflationary side effects. As a result, 10-year US Treasury yields rose 40 basis points to 4.6% in December and the US dollar is trending higher. These facts are unlikely to leave equity markets untouched. In particular, the overheated US equity market could face a challenging start to the new year, in line with the adage "buy the rumour, sell the fact". This could mark a turning point for the significant relative underperformance of European equities. We will continue to focus on our fundamental research work in the year ahead.

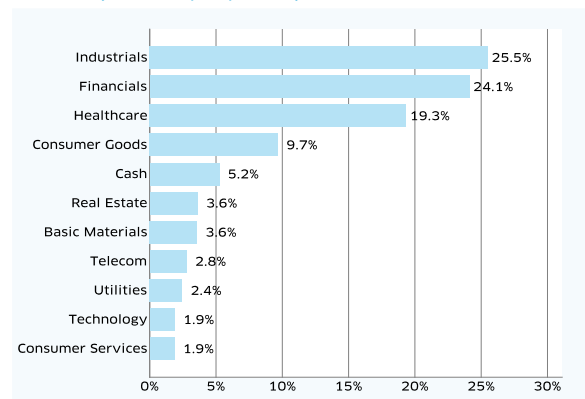
### Performance since Launch (as of 30/12/2024)



### Performance (as of 30/12/2024)

<b>MTD (Fund / Benchmark)</b>	-1.1% / -1.3%
<b>YTD</b>	9.0% / 6.2%
<b>1 year</b>	9.0% / 6.2%
<b>3 years p.a.</b>	3.1% / -2.0%
<b>5 years p.a.</b>	6.0% / 3.8%
<b>10 years p.a.</b>	7.9% / 5.7%
<b>Since launch p.a.</b>	9.8% / 7.8%

### Sectors (as of 30/12/2024)



### Largest Positions (as of 30/12/2024)

<b>1</b>	Roche	9.7%
<b>2</b>	Nestle	9.7%
<b>3</b>	Novartis	9.6%
<b>4</b>	ABB	5.6%
<b>5</b>	Zurich Insurance Group	5.3%
<b>6</b>	Holcim	3.8%
<b>7</b>	Swiss Re	3.3%
<b>8</b>	Givaudan	3.0%
<b>9</b>	Swisscom	2.8%
<b>10</b>	SGS	2.7%
<b>11</b>	Julius Baer	2.6%
<b>12</b>	Baloise	2.4%
<b>13</b>	DKSH	2.2%
<b>14</b>	Sulzer	2.1%
<b>15</b>	Accelleron	2.1%

## 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 30/12/2024)

<b>Net Asset Value</b>	CHF 2,229.45 per Share A
<b>Total Assets</b>	CHF 701 m
<b>Investment Exposure</b>	94.8%
<b>Number of Companies</b>	34

## Statistics 3 Years (as of 30/12/2024)

<b>Volatility Fund p.a.</b>	10.8%
<b>Beta (current)</b>	0.8
<b>Dividend yield of invested companies *</b>	3.7%
<b>Large caps in percentage of portfolio</b>	60.2%

\* 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 30/12/2024.

## Termsheet

<b>Fund-Name</b>	zCapital Swiss Dividend Fund (Class A)
<b>Asset Manager</b>	zCapital AG, Zug
<b>Swiss Security Number / ISIN</b>	19466655 / CH0194666555
<b>Price Publications</b>	www.zcapital.ch, www.swissfunddata.ch, www.fundinfo.com
<b>Bloomberg / Reuters</b>	ZCAPDIV SW Equity / 19466655.S
<b>Benchmark</b>	Swiss Performance Index SPI®
<b>Morningstar-Rating</b>	★★★★★
<b>Minimum Investment / Reference Currency</b>	No minimum investment required / CHF
<b>Fund Type / Distribution</b>	Swiss Securities Fund / Authorized for public distribution in Switzerland and Germany
<b>Management Fee (incl. Fund Management and Custodian Fees)</b>	1% p.a.
<b>Issue Fee / Redemption Fee</b>	None
<b>Total Expense Ratio (TER) as of 31/05/2024</b>	1.01%
<b>Fund Management Company / Custodian Bank</b>	LLB Swiss Investment AG, Zürich / Bank Julius Bär & Co. AG, Zürich
<b>Subscriptions and Redemptions</b>	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.
<b>Auditor</b>	PricewaterhouseCoopers AG, Zurich

## Monthly Performance (as of 30/12/2024)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2012</b>										-0.9%*	1.6%	1.5%	2.2%*
<b>2013</b>	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%
<b>2014</b>	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%
<b>2015</b>	-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%
<b>2016</b>	-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%
<b>2017</b>	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%
<b>2018</b>	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%
<b>2019</b>	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%
<b>2020</b>	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%
<b>2021</b>	-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%
<b>2022</b>	-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%
<b>2023</b>	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%
<b>2024</b>	1.1%	1.1%	3.7%	-1.5%	4.9%	0.3%	2.5%	0.7%	-1.1%	-2.7%	0.9%	-1.1%	9.0%

\* since Launch date (22 October 2012)

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