

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 9.3% over the year.

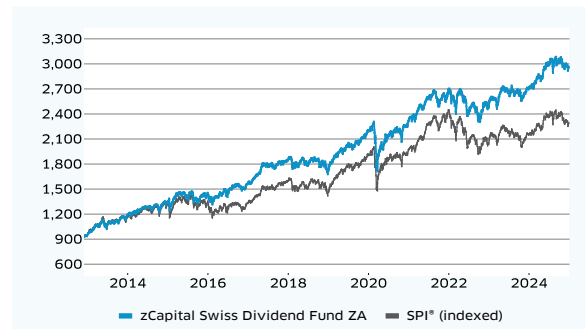
Additions to Big Caps

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.

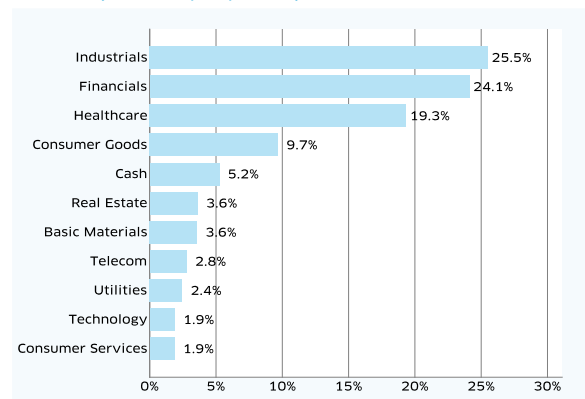
Performance since Launch (as of 30/12/2024)



Performance (as of 30/12/2024)

MTD (Fund / Benchmark)	-1.1% / -1.3%
YTD	9.3% / 6.2%
1 year	9.3% / 6.2%
3 years p.a.	3.4% / -2.0%
5 years p.a.	6.2% / 3.8%
10 years p.a.	8.2% / 5.7%
Since launch p.a.	10.1% / 7.7%

Sectors (as of 30/12/2024)



Largest Positions (as of 30/12/2024)

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

Net Asset Value	CHF 2,960.90 per Share ZA
Total Assets	CHF 701 m
Investment Exposure	94.8%
Number of Companies	34

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

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

Fund-Name	zCapital Swiss Dividend Fund (Class ZA)
Asset Manager	zCapital AG, Zug
Swiss Security Number / ISIN	19994459 / CH0199944593
Price Publications	www.swissfunddata.ch, www.fundinfo.com
Bloomberg / Reuters	ZCADVZA SW Equity / 19994459.S
Benchmark	Swiss Performance Index SPI®
Morningstar-Rating	★★★★★
Fund Type / Distribution	Swiss Securities Fund / Authorized for public distribution in Switzerland and Germany
Fund Management Company / Custodian Bank	LLB Swiss Investment AG, Zürich / Bank Julius Bär & Co. AG, Zürich
Management Fee (incl. Fund Management and Custodian Fees)	0.75% p.a.
Issue Fee / Redemption Fee	None
Total Expense Ratio (TER) as of 31/05/2024	0.76%
Requirements	Minimum initial subscription and minimum investment amount of CHF 3 m
Subscriptions and Redemptions	On each bank working day at Net Asset Value (NAV). The investor shall always notify zCapital via an e-mail sent to info@zcapital.ch, what amount or what number of fund units it wishes to subscribe to, by means of which channel. Subscriptions and redemptions which are placed with the Custodian Bank by 3.45pm 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 30/12/2024)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2012												1.3%*	1.3%*
2013	5.0%	4.3%	3.2%	2.2%	0.2%	-2.1%	2.0%	-0.3%	2.9%	3.4%	1.2%	1.7%	26.1%
2014	0.6%	2.8%	1.5%	1.0%	1.6%	-0.5%	0.1%	1.6%	0.8%	-0.0%	2.9%	-0.1%	13.0%
2015	-3.0%	6.9%	2.3%	0.9%	0.6%	-4.1%	5.2%	-4.8%	-2.7%	4.7%	2.3%	-0.1%	7.6%
2016	-2.8%	-1.5%	1.9%	1.8%	3.9%	-1.1%	2.0%	1.9%	0.7%	-2.0%	-0.3%	3.5%	8.1%
2017	0.8%	3.4%	3.0%	3.7%	3.3%	-1.5%	1.4%	-1.8%	2.5%	0.9%	0.6%	0.3%	17.7%
2018	0.4%	-3.0%	0.0%	3.0%	-3.2%	0.9%	3.1%	-0.1%	-0.3%	-1.3%	-0.8%	-5.5%	-6.8%
2019	6.2%	3.4%	1.5%	3.8%	-1.3%	3.1%	0.5%	0.4%	2.1%	1.3%	2.0%	1.8%	27.4%
2020	0.7%	-6.8%	-6.3%	5.2%	3.0%	2.3%	-0.5%	2.9%	0.3%	-5.0%	8.5%	2.8%	5.9%
2021	-0.2%	-0.1%	6.2%	0.4%	2.5%	2.3%	1.3%	1.5%	-5.4%	2.4%	-0.8%	4.9%	15.6%
2022	-2.7%	-1.9%	3.0%	1.3%	-3.4%	-6.1%	3.8%	-2.1%	-5.0%	4.7%	3.2%	-2.0%	-7.7%
2023	4.4%	-0.4%	1.3%	3.5%	-1.1%	0.6%	1.2%	-1.7%	-0.0%	-3.2%	3.1%	1.8%	9.5%
2024	1.2%	1.2%	3.8%	-1.4%	4.9%	0.4%	2.6%	0.7%	-1.1%	-2.6%	0.9%	-1.1%	9.3%

* since Launch date (3 December 2012)

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