

zMonthly January 25

European stock markets perform strongly in January

Global equity markets had a subdued start to the year as the prospect of fewer interest rate cuts by the US Federal Reserve continued to have an impact. In addition, equity markets reacted with losses to strong labour market data and the subsequent rise in US government bond yields. The publication of slightly better US inflation figures for December marked a turning point in sentiment. European equity markets in particular began to rally. As the month progressed, attention turned to the actions of the new US President, Donald Trump. He made a dynamic start to his second term by issuing a number of executive orders, but initially refrained from introducing new tariffs, which was greeted with relief. The Chinese start-up DeepSeek caused a brief but severe shock in the technology sector. Its newly launched AI model R1 is said to have been trained at significantly lower costs and with less powerful chips compared to similar chatbots. This sent the shares of tech giant Nvidia in particular tumbling. For once, banking software specialist Temenos surprised investors with a positive profit warning, sending its share price up accordingly. Shares in cable machinery maker Komax soared after new orders came in well ahead of expectations. After laboratory equipment supplier Tecan had to lower its forecast for 2024 twice, the decline in sales was less severe than feared, which boosted the share price. The fund gained +6.0% in January (SPI Extra +6.7%).

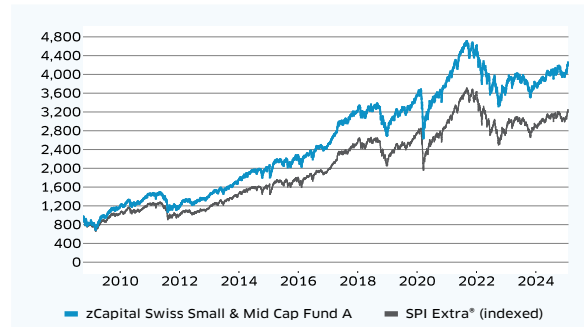
Changes to the fund

In January, we increased our holdings in Emmi, Tecan, Arbonia and SGS. By contrast, we took profits in R&S Group and Burckhardt Compression.

Trump launches a trade war

The markets had hoped that Trump was bluffing, but now he is doing it after all. The imposition of high tariffs on imports from Canada and Mexico and additional tariffs on goods from China will only create losers and could trigger a spiral of escalation. A trade war will lead to higher prices for consumers and lower economic growth. It is probably only a matter of time before tariffs are imposed on imports from Europe and Switzerland. Uncertainty still surrounds the further impact of the political changes in America. For example, it is still completely unclear what specific measures will be taken in terms of tax policy or regulatory measures. Led by a few large caps, the reporting season has already started in January. This will increasingly occupy us in the coming weeks. The start to the new trading year has been very encouraging for Swiss equities as well, exceeding our expectations. However, visibility remains low and Trump's unpredictability could still bring us some surprises.

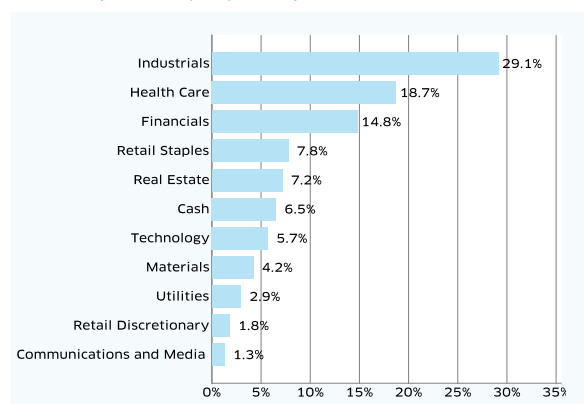
Performance since Launch (as of 31/01/2025)



Performance (as of 31/01/2025)

| | |
|-------------------------------|---------------|
| MTD (Fund / Benchmark) | 6.0% / 6.7% |
| YTD | 6.0% / 6.7% |
| 1 year | 11.6% / 10.7% |
| 3 years p.a. | -0.5% / -1.0% |
| 5 years p.a. | 3.7% / 3.4% |
| 10 years p.a. | 8.4% / 7.9% |
| Since launch p.a. | 9.4% / 7.6% |

Sectors (as of 31/01/2025)



Largest Positions (as of 31/01/2025)

| | | |
|-----------|--------------------|------|
| 1 | Lindt & Sprüngli | 5.4% |
| 2 | SGS | 4.9% |
| 3 | Schindler | 4.8% |
| 4 | Sandoz Group | 4.1% |
| 5 | Baloise | 4.1% |
| 6 | Julius Baer | 3.9% |
| 7 | Straumann | 3.5% |
| 8 | Roche | 3.2% |
| 9 | PSP Swiss Property | 3.1% |
| 10 | Temenos | 3.0% |
| 11 | VAT Group | 2.8% |
| 12 | Galderma Group | 2.7% |
| 13 | Galenica | 2.5% |
| 14 | Swiss Prime Site | 2.5% |
| 15 | Belimo | 2.4% |

Investment Strategy

The zCapital Swiss Small & Mid Cap Fund invests in Swiss small and mid-cap stocks and measures itself against the SPI Extra® (all SPI® stocks without SMI® or without the 20 largest securities). The fund assets are invested in a broadly diversified portfolio of 50 to 70 companies. zCapital strives to consistently exceed the benchmark return with a long-term, active investment style. Investment decisions are based on fundamental company analyses, considering and assessing corporate governance and other key ESG aspects. Macroeconomic factors are also included in the decision-making process.

Portfolio Structure (as of 31/01/2025)

| | |
|----------------------------|--------------------------|
| Net Asset Value | CHF 4,245.23 per Share A |
| Total Assets | CHF 1120 m |
| Investment Exposure | 93.7% |
| Number of Companies | 62 |

Statistics 3 Years (as of 31/01/2025)

| | |
|-------------------------------------|---------------|
| Volatility Fund / Index p.a. | 13.7% / 14.8% |
| Tracking Error | 1.8% |
| Information Ratio | 0.2 |

Termsheet

| | |
|--|---|
| Fund-Name | zCapital Swiss Small & Mid Cap Fund (Class A) |
| Asset Manager | zCapital AG, Zug |
| Swiss Security Number / ISIN | 4534164 / CH0045341648 |
| Price Publications | www.zcapital.ch, www.swissfunddata.ch, www.fundinfo.com |
| Bloomberg / Reuters | ZCAPSWI SW Equity / 4534164.S |
| Benchmark | SPI Extra® (Swiss small & mid cap equities) |
| 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 |
| Fund Management Company / Custodian Bank | LLB Swiss Investment AG, Zürich / Bank Julius Bär & Co. AG, Zürich |
| Management Fee (incl. Fund Management and Custodian Fees) | 1.5% p.a., of which 0.1% donated to charities which engage in "Children and Education" |
| Issue Fee / Redemption Fee | None / 0.25% in favour of the fund |
| Total Expense Ratio (TER) as of 30/11/2024 | 1.50% |
| 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 |

Yearly Performance (as of 31/01/2025)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------|---------|-------|-------|--------|-------|-------|-------|-------|------|-------|--------|-------|------|
| Fund | -14.5%* | 40.2% | 23.4% | -18.4% | 17.8% | 26.0% | 15.2% | 12.8% | 9.3% | 29.0% | -14.4% | 28.7% | 9.2% |
| SPI Extra® | -18.5%* | 29.6% | 20.1% | -19.1% | 13.9% | 27.7% | 11.4% | 11.0% | 8.5% | 29.7% | -17.2% | 30.4% | 8.1% |

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|-------------|-------|--------|------|------|------|
| Fund | 19.0% | -21.1% | 5.0% | 5.2% | 6.0% |
| SPI Extra® | 22.2% | -24.0% | 6.5% | 3.8% | 6.7% |

* since Launch date (6 October 2008)

Monthly Performance (as of 31/01/2025)

| 2025 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year |
|-------------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|
| Fund | 6.0% | | | | | | | | | | | | 6.0% |
| SPI Extra® | 6.7% | | | | | | | | | | | | 6.7% |

This document is promotion material. This document of zCapital Ltd does not constitute an offer or recommendation for the purchase or sale of investment funds. The information herein is subject to change at any time. No liability is accepted for any incorrect information. Past performance is not a reliable indicator of current or future performance. The performance figures do not include commissions and costs, which arise at subscription and redemption of units. According to Swiss law, the zCapital Swiss Small & Mid Cap Fund falls into the category of "Securities Fund". Investors are advised of the risks described in the fund prospectus. Investors have to be prepared to accept and be in a financial position to bear (possibly substantial) losses. The legal fund documents are available free of charge from zCapital Ltd, Baarerstrasse 82, 6300 Zug, Switzerland or on the website www.zcapital.ch. Ombudsman is Finanzombudsstelle Schweiz (FINOS). With respect to any sales restrictions, investors should seek independent advice on the applicable legal, financial or tax principles in the country concerned. This document is not intended for natural persons or legal entities for whom the use would breach the legal system of their state on account of their nationality or the domicile of the respective person or for other reasons. This applies in particular to persons with residence or domicile in the USA, Great Britain and Japan.