

zMonthly August 24

Rapid recovery after the shock

August began with a shock to international stock markets. Following weaker US employment data, falling purchasing managers' indices and a surprise interest rate hike by the Bank of Japan, investors went into risk-off mode. The yen strengthened significantly, causing the Japanese stock market to slump, which in turn had a knock-on effect on other equity markets around the world. In addition, the VIX volatility index, which is regarded as a fear index, recorded its largest ever intraday rise. Fears of recession were somewhat tempered by the unexpectedly low level of initial jobless claims in the US. The Bank of Japan also indicated that it would hold off raising interest rates for the time being in the wake of the turmoil. This eased market fears, and a surprisingly rapid recovery began. The renewed decline in US inflation was interpreted as meaning that nothing stands in the way of the Fed cutting its key rate in September. This was also reflected in Fed Chairman Jerome Powell's speech at the annual Jackson Hole conference. In the end, major markets ended the volatile month on a positive note. Cosmetics manufacturer L'Oréal acquired a 10% stake in skincare specialist Galderma, which had a positive impact on the latter's share price. At transformer manufacturer R&S Group, the takeover of an Irish competitor was rewarded with significant share price gains. Shares in financial services provider VZ Holding reached a new all-time high following its solid half-year results. The fund gained 0.8% in August (SPI Extra +0.6%).

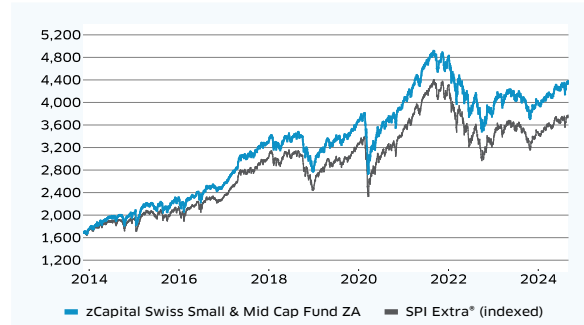
Exit from Ascom

We sold our small position in Ascom on the back of yet another disappointing half-year result. We also slightly reduced our positions in Straumann and SGS. We bought Galderma, TX Group, U-Blox, BKW and Arbonia.

Weak growth in Germany and China

As part of the half-yearly reporting, it became apparent that several manufacturing companies were complaining about challenging markets in Germany and China. Both countries are in a difficult economic situation, with the construction industry and consumer spending suffering. As a second-round effect, many companies in those countries are reducing or postponing planned investments in equipment. Both Germany at 12% and China (including Hong Kong) at 14% are among the most important export markets for Switzerland. If both markets weaken at the same time, the Swiss industry will not be able to escape the downward trend. There are also reports from China of increasing, price-aggressive competition against Western companies. We will continue to monitor the impact on Swiss companies and be even more selective in our stock selection. After the end of the semi-annual reporting period, equity markets are likely to focus on possible interest rate cuts.

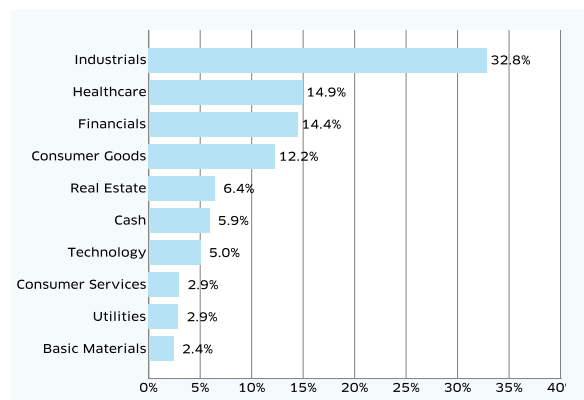
Performance since Launch (as of 30/08/2024)



Performance (as of 30/08/2024)

MTD (Fund / Benchmark)	0.8% / 0.6%
YTD	9.1% / 8.6%
1 year	7.4% / 7.0%
3 years p.a.	-3.6% / -4.8%
5 years p.a.	5.5% / 5.0%
10 years p.a.	8.2% / 7.1%
Since launch p.a.	9.2% / 7.7%

Sectors (as of 30/08/2024)



Largest Positions (as of 30/08/2024)

1	Lindt & Sprüngli	5.7%
2	SGS	5.2%
3	Schindler	4.7%
4	Baloise	4.1%
5	Sandoz Group	3.5%
6	VAT Group	3.5%
7	Julius Baer	3.4%
8	Roche	3.3%
9	Straumann	3.2%
10	PSP Swiss Property	2.9%
11	Swatch Group	2.8%
12	Galenica	2.3%
13	Belimo	2.3%
14	Temenos	2.2%
15	BKW	2.1%

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 30/08/2024)

Net Asset Value	CHF 4,381.85 per Share ZA
Total Assets	CHF 1050 m
Investment Exposure	94.1%
Number of Companies	63

Statistics 3 Years (as of 30/08/2024)

Volatility Fund / Index p.a.	14.5% / 15.6%
Tracking Error	1.9%
Information Ratio	0.5

Termsheet

Fund-Name	zCapital Swiss Small & Mid Cap Fund (Class ZA)
Asset Manager	zCapital AG, Zug
Swiss Security Number / ISIN	22475680 / CH0224756806
Price Publications	www.swissfunddata.ch, www.fundinfo.com
Bloomberg / Reuters	ZCAPSZA SW Equity / 22475680.S
Benchmark	SPI Extra® (Swiss small & mid cap equities)
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)	1% p.a.
Issue Fee / Redemption Fee	None / 0.25% in favour of the fund
Total Expense Ratio (TER) as of 31/05/2024	1.00%
Requirements	Minimum initial subscription and minimum investment amount of CHF 5 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

Yearly Performance (as of 30/08/2024)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fund	3.3%*	16.4%	13.4%	9.8%	29.6%	-14.0%	29.4%	9.7%	19.6%	-20.7%	5.6%	9.1%
SPI Extra®	2.2%*	11.4%	11.0%	8.5%	29.7%	-17.2%	30.4%	8.1%	22.2%	-24.0%	6.5%	8.6%

* since Launch date (15 November 2013)

Monthly Performance (as of 30/08/2024)

2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Fund	-0.0%	0.4%	3.5%	-1.2%	3.5%	-1.2%	3.2%	0.8%					9.1%
SPI Extra®	0.1%	0.7%	3.7%	-1.5%	3.3%	-1.8%	3.3%	0.6%					8.6%

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