

zMonthly June 24

SNB surprises markets again

In June, the focus was on the interest rate decisions of the major central banks. While the European Central Bank cut interest rates for the first time since 2019, as expected, the US Federal Reserve left its key interest rate range unchanged. Most market observers had anticipated this decision, given the continued strength of the US economy and persistent inflationary pressures. Even the Fed's indication that it expected only one more rate cut this year failed to dampen sentiment. The latest US inflation report for May, which showed a slight decline, added to optimism. Government bond yields fell and US equity markets continued their record run, widening the gap with European equity indices. The French President's announcement of early parliamentary elections was partly responsible for Europe's weaker performance. This caused nervousness in the markets. In addition, the euro weakened significantly against the Swiss franc. This and the moderate Swiss inflation rate were probably the main reasons for the Swiss National Bank's surprise interest rate cut of a further 25 basis points to 1.25%. The wire processing machine manufacturer Komax had to issue a profit warning for the current year due to a subdued order intake. The Fund was down 0.3% in June.

Temenos back in the portfolio

We have added Temenos again to our portfolio. The growth prospects of the market leader in core banking software are probably underestimated and the valuation is attractive after the price decline of recent months. In addition, governance should improve following the change of CEO and changes to the Board of Directors. We also added to our positions in Belimo and Zurich and reduced the positions in Comet, Givaudan, Komax and SIG Group.

Economic hopes fading

Many companies are pinning their hopes on a recovery in demand in the second half of the year. This hope has not yet been fulfilled. On the one hand, there are signs of weakness in consumer spending in the US, and on the other hand, companies do not see a turnaround in incoming orders. Poor consumer sentiment is reflected in a less dynamic global economy. A lack of orders and a high cost base usually lead to lower margins. We expect some companies to announce cost-cutting measures or restructuring programs in their half-year reports. The share prices of some cyclical companies have already priced in a lot of negative news. However, we currently see more upside potential for defensive businesses, for example in the healthcare sector. Volumes tend to be lower during the upcoming summer holidays, so we expect the stock market to be more volatile.

Performance since Launch (as of 28/06/2024)



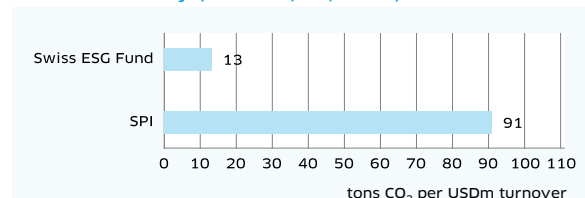
Performance (as of 28/06/2024)

MTD	-0.3%
YTD	7.2%
1 year	12.0%
3 years p.a.	0.8%
Since launch p.a.	5.1%

ESG Key Figures (as of 28/06/2024)

MSCI ESG Rating	AA
RepRisk Rating	A
zRating (Fund / SPI)	69 / 67
Estimated global warming Fund	<1.5°C
Companies which contribute positively to the UN SDGs (Fund / SPI)	80% / 61%

Carbon Intensity (as of 28/06/2024)



Largest Positions (as of 28/06/2024)

1	Roche	9.3%
2	ABB	6.4%
3	Zurich Insurance Group	6.0%
4	Novartis	5.6%
5	Sika	3.9%
6	Lonza	3.9%
7	Swiss Re	3.3%
8	Sonova	3.2%
9	Swisscom	3.2%
10	SGS	3.1%

Investment Strategy

The zCapital Swiss ESG Fund invests in Swiss equities which zCapital believes qualify as sustainable companies and have an attractive risk and return profile. The fund's assets are invested in a concentrated portfolio of 25 to 35 stocks from the SPI (Swiss Performance Index) universe. In addition to ESG integration, companies which violate social and environmental criteria are excluded. The sustainability of companies is also promoted through engagement and voting. zCapital invests with a long-term horizon and pursues an active selection process.

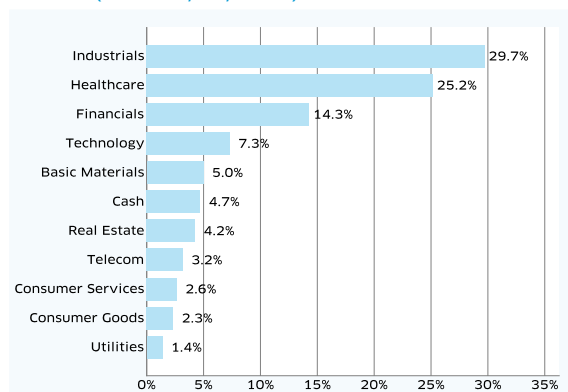
Impact of zCapital

zCapital plants each year 100 trees for every million Swiss francs of assets under management in the zCapital Swiss ESG Fund. In cooperation with myclimate, it is ensured that the trees are cared for in the long term. The project combines nature and climate protection with the creation of new sources of income for small farmers.

Portfolio Structure (as of 28/06/2024)

Net Asset Value	CHF 1,170.66 per Share ZA
Total Assets	CHF 27 m
Investment Exposure	95.3%
Number of Companies	33

Sectors (as of 28/06/2024)



Termsheet

Fund-Name	Swiss ESG Fund (Class ZA)
Asset Manager	zCapital AG, Zug
Swiss Security Number / ISIN	59273268 / CH0592732686
Price Publications	www.zcapital.ch, www.swissfunddata.ch, www.fundinfo.com
Bloomberg / Reuters	ZCESGZA SW Equity / 59273268.S
Morningstar-Rating	★★★
Minimum Investment / Reference Currency	CHF 3 Mio. / CHF
Fund Type / Distribution	Swiss Securities Fund / Authorized for public distribution in Switzerland and Germany
Management Fee (incl. Fund Management and Custodian Fees)	0.90%
Issue Fee / Redemption Fee	none
Total Expense Ratio (TER) 31/05/2024	1.03%
Requirements	The minimum subscription and minimum investment amount per investor or per asset manager is CHF 3m. Moreover, a written agreement has to be signed with zCapital prior to the investment.
Fund Management Company / Custodian Bank	LLB Swiss Investment AG, Zurich / Bank Julius Baer & Co. Ltd., Zurich
Subscriptions and Redemptions	On each bank working day at Net Asset Value (NAV). Subscription and redemption orders received by the custodian bank by 3.45 p.m. CET at the latest on a given bank business day (order day, T) will be settled on the next bank business day (valuation date) on the basis of the net asset value calculated on that date. The net asset value used to settle the order is therefore not known when the order is placed (forward pricing). The net asset value is calculated on the valuation date on the basis of the closing prices on the order day.
Auditor	PricewaterhouseCoopers AG, Zurich

Monthly Performance (as of 28/06/2024)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2021		-0.9%	6.4%	1.2%	3.7%	4.3%	3.3%	2.1%	-6.1%	1.5%	-0.3%	4.6%	21.0%*
2022	-6.5%	-3.3%	1.6%	-1.1%	-3.7%	-6.9%	4.4%	-3.5%	-5.8%	4.4%	3.0%	-1.6%	-18.2%
2023	5.7%	-0.2%	0.2%	2.8%	-0.9%	0.2%	1.0%	-1.1%	-1.5%	-3.9%	5.6%	3.7%	11.8%
2024	-1.0%	2.2%	4.3%	-2.9%	4.9%	-0.3%							7.2%

* since Launch date (29 January 2021)

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