

zMonthly September 24

Central banks boost markets

After hitting new all-time highs in the previous month, equity markets came under selling pressure in the first week of September. Disappointing US economic data and a weak employment report spurred fears of a recession. However, further declines in US inflation figures for August brought relief to investors. While the European Central Bank unsurprisingly cut interest rates for a second time by 25 basis points, the US Federal Reserve kicked off the rate cutting cycle with an unusually large move of half a percentage point. Combined with the hint of two more possible rate cuts by the end of the year, this added further weight to the 'soft landing' scenario hoped for by many investors. Equity markets reacted positively, with some reaching new all-time highs. The Swiss monetary authorities also lived up to expectations, cutting interest rates by 25 basis points to 1% against the backdrop of a significant easing in inflationary pressures. Towards the end of the month, the Chinese party leadership provided a boost to the markets. It unveiled the most comprehensive package of measures since the pandemic to stimulate the weak domestic economy. At the Investor Day, Belimo highlighted its key growth drivers. With field devices for heating, ventilation and air conditioning, the company helps customers to reduce energy costs and CO₂ emissions in buildings. Insurer Baloise reported solid results for the past six months. It also published new targets for the next four years. However, there were no significant strategic changes. The fund gained 0.3% in September.

Huber + Suhner added to the portfolio

We added Huber + Suhner to the portfolio. We believe that the growth prospects of this technology group are underestimated. We slightly reduced our exposure to Sika and Tecan, while increasing our positions in Novartis, U-Blox and Schindler.

Rising liquidity

Economic data is coming in below expectations, company sentiment is subdued, and inflation is falling, thanks in part to lower oil prices. In addition, the US labour market is starting to weaken. This is an ideal environment for central banks to cut interest rates or, as in China, to launch generous stimulus programmes. As a result, large amounts of liquidity are being pumped into equity markets, as we saw during the financial crisis. For example, after a period of negative growth, global M2 money supply is rising again. Accordingly, equity markets in the US, Asia and Europe have gone into risk-on mode. Gold and cryptocurrencies are also on the rise. We would not be surprised to see interest rates in Switzerland move towards zero next year. This would bring us back to an environment of scarce investment opportunities. For now, however, the markets must deal with the US elections, which have so far received surprisingly little attention from the equity markets.

Performance since Launch (as of 30/09/2024)



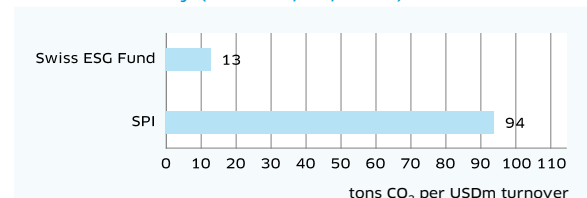
Performance (as of 30/09/2024)

MTD	0.3%
YTD	11.3%
1 year	17.1%
3 years p.a.	2.5%
Since launch p.a.	5.8%

ESG Key Figures (as of 30/09/2024)

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% / 64%

Carbon Intensity (as of 30/09/2024)



Largest Positions (as of 30/09/2024)

1	Roche	8.8%
2	Novartis	6.9%
3	Zurich Insurance Group	6.4%
4	ABB	5.9%
5	Lonza	4.3%
6	Sika	3.5%
7	SGS	3.4%
8	Geberit	3.3%
9	Swisscom	3.2%
10	Swiss Re	3.2%

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.

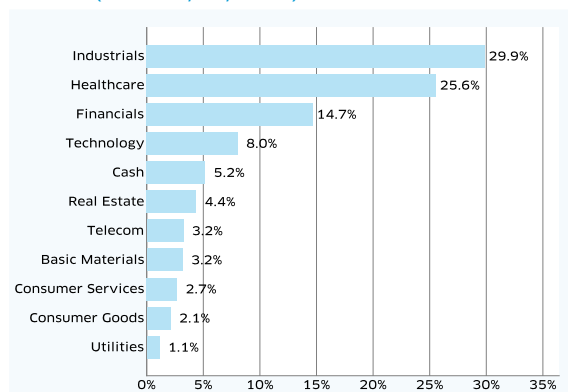
Impact of zCapital

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 30/09/2024)

Net Asset Value	CHF 1,215.46 per Share ZA
Total Assets	CHF 29 m
Investment Exposure	94.8%
Number of Companies	33

Sectors (as of 30/09/2024)



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 30/09/2024)

	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%	3.6%	-0.2%	0.3%				11.3%

* since Launch date (29 January 2021)

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