

## 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. At its investor day, Swiss Re presented an optimistic outlook for the coming year, which was well received by investors. The reinsurer continues to benefit from a favourable pricing environment due to the large number of natural disasters in recent years. SGS intends to significantly expand its sustainability services in the area of climate protection. In addition to concrete measures for the reduction of greenhouse gas emissions, the company also targets to support clients in the fulfilment of increasing regulatory requirements. 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. The fund increased by 5.4% year-on-year.

### Little change in the portfolio

During the month we sold a small remaining position in Komax. We also reduced our position in Romande Energie and made small purchases in Novartis, Logitech and Huber+Suhner.

### 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)



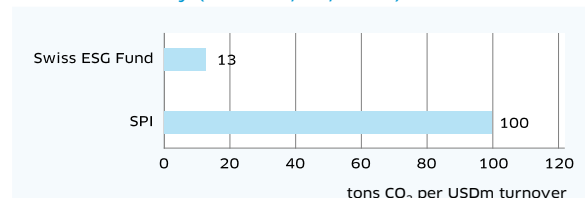
### Performance (as of 30/12/2024)

MTD	-0.8%
YTD	5.4%
1 year	5.4%
3 years p.a.	-1.2%
Since launch p.a.	4.0%

### ESG Key Figures (as of 30/12/2024)

MSCI ESG Rating	AA
RepRisk Rating	A
zRating (Fund / SPI)	70 / 67
Estimated global warming Fund	<1.5°C
Companies which contribute positively to the UN SDGs (Fund / SPI)	82% / 63%

### Carbon Intensity (as of 30/12/2024)



### Largest Positions (as of 30/12/2024)

1	Roche	9.1%
2	Novartis	7.4%
3	ABB	6.3%
4	Zurich Insurance Group	6.2%
5	Lonza	4.2%
6	Givaudan	3.9%
7	Swiss Re	3.8%
8	SGS	3.5%
9	Geberit	3.3%
10	Swisscom	3.0%

## 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.

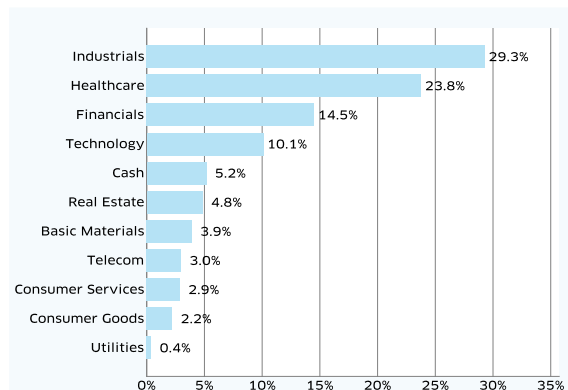
## Impact of zCapital

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 30/12/2024)

<b>Net Asset Value</b>	CHF 1,151.98 per Share ZA
<b>Total Assets</b>	CHF 33 m
<b>Investment Exposure</b>	94.8%
<b>Number of Companies</b>	32

## Sectors (as of 30/12/2024)



## Termsheet

<b>Fund-Name</b>	Swiss ESG Fund (Class ZA)
<b>Asset Manager</b>	zCapital AG, Zug
<b>Swiss Security Number / ISIN</b>	59273268 / CH0592732686
<b>Price Publications</b>	www.zcapital.ch, www.swissfunddata.ch, www.fundinfo.com
<b>Bloomberg / Reuters</b>	ZCESGZA SW Equity / 59273268.S
<b>Morningstar-Rating</b>	★★★★
<b>Minimum Investment / Reference Currency</b>	CHF 3 Mio. / CHF
<b>Fund Type / Distribution</b>	Swiss Securities Fund / Authorized for public distribution in Switzerland and Germany
<b>Management Fee (incl. Fund Management and Custodian Fees)</b>	0.90%
<b>Issue Fee / Redemption Fee</b>	none
<b>Total Expense Ratio (TER) 31/05/2024</b>	1.03%
<b>Requirements</b>	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.
<b>Fund Management Company / Custodian Bank</b>	LLB Swiss Investment AG, Zurich / Bank Julius Baer & Co. Ltd., Zurich
<b>Subscriptions and Redemptions</b>	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.
<b>Auditor</b>	PricewaterhouseCoopers AG, Zurich

## Monthly Performance (as of 30/12/2024)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2021</b>		-0.9%	6.4%	1.2%	3.7%	4.3%	3.3%	2.1%	-6.1%	1.5%	-0.3%	4.6%	21.0%*
<b>2022</b>	-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%
<b>2023</b>	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%
<b>2024</b>	-1.0%	2.2%	4.3%	-2.9%	4.9%	-0.3%	3.6%	-0.2%	0.3%	-4.1%	-0.3%	-0.8%	5.4%

\* since Launch date (29 January 2021)

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. This document and the "ZA" class of the zCapital Swiss ESG Fund only directs to investors who meet the following requirements: (i) minimum subscriptions of CHF 3,000,000 in the zCapital Swiss ESG Fund subfund and (ii) a written asset management agreement or equivalent with zCapital AG. 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 ESG 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. The fund does not use a benchmark comparison.