

## zMonthly December 21

### Year-end rally

Global markets recovered surprisingly quickly from fears surrounding Omicron, the latest variant of Covid-19. The sentiment was calmed down primarily due to the view expressed by experts that – although significantly more infectious – the new mutation may cause less severe courses of disease. The jump in US inflation likewise failed to bring the market recovery to a halt. November saw inflation reach its highest rate since 1982 at 6.8%. Similarly, consumer prices in the Eurozone and in the UK showed stronger-than-expected increases. Central banks were therefore under pressure to adjust their monetary policy. The Bank of England was the first major central bank to increase its base rate. The Fed announced it would end bond purchases as early as March, and three rate hikes are on the cards for this year. The announcements on monetary policy sent equity markets on a rollercoaster ride. However, thanks to the absence of further negative headlines on Omicron, sentiment was buoyant in the run-up to the year-end. Several indices once again surpassed their existing record levels. At its Capital Markets Day, the industrial group ABB raised its mid-term revenue growth target. Pharmaceuticals group Novartis announced it would use the proceeds from the disposal of its Roche bearer shares to buy back its own shares, prompting a jump in the share price. All in all, 2021 was an above-average year for markets. A strong economic recovery, coupled with sharply rising corporate earnings constituted the basis for booming equity markets. The fund posted an annual performance of +15.3% (SPI +23.4%).

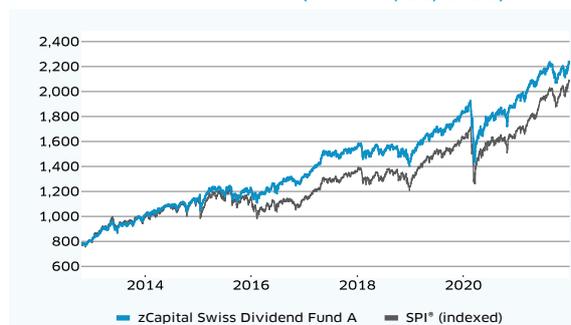
### Portfolio adjustments

We reduced our holdings in Roche, Novartis, Helvetia, Nestlé, ABB and EMS-Chemie slightly in the month under review. At the same time, we increased our positions in Cembra Money Bank and Julius Bär.

### New year starts with many unknowns

Market developments suggest investors are unlikely to be fazed by anything at the moment. Fact is, however, the uptrend is being driven by an increasingly small number of stocks. Added to that, the risks that caused greater nervousness in recent weeks did not go away over the festive period. For instance, the potential implications of the Omicron variant on the economic situation are difficult to gauge. Central banks will need to apply the monetary brakes more firmly in view of rising inflation rates. To date, markets have barely responded to the increased tightening of expansionary monetary policy. Companies face rising costs due to the persistently tight supply situation, which will negatively impact margins and earnings. We continue to favour companies with strong pricing power as well as a sustainable dividend policy.

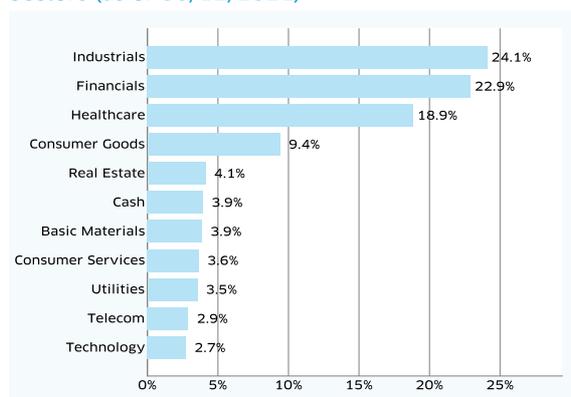
### Performance since Launch (as of 30/12/2021)



### Performance (as of 30/12/2021)

MTD (Fund / Benchmark)	4.9% / 5.9%
<b>YTD</b>	<b>15.3% / 23.4%</b>
<b>1 year</b>	<b>15.3% / 23.4%</b>
<b>3 years p.a.</b>	<b>15.6% / 18.7%</b>
<b>5 years p.a.</b>	<b>11.1% / 12.9%</b>
<b>Since launch p.a.</b>	<b>12.0% / 11.2%</b>

### Sectors (as of 30/12/2021)



### Largest Positions (as of 30/12/2021)

<b>1</b>	Novartis	9.4%
<b>2</b>	Roche	9.4%
<b>3</b>	Nestle	9.4%
<b>4</b>	ABB	5.6%
<b>5</b>	Zurich Insurance Group	4.5%
<b>6</b>	Swiss Life	3.3%
<b>7</b>	Holcim	3.0%
<b>8</b>	Swisscom	2.9%
<b>9</b>	BKW	2.8%
<b>10</b>	SGS	2.8%
<b>11</b>	Logitech	2.7%
<b>12</b>	DKSH	2.3%
<b>13</b>	Lem Hldg	2.3%
<b>14</b>	Bystronic	2.1%
<b>15</b>	Partners Group	2.1%

## Investment Strategy

The zCapital Swiss Dividend Fund invests in Swiss equities that pay an attractive, reliable dividend or where dividend income is expected to grow. The fund invests in 30 to 40 companies from the universe of the SPI® (Swiss Performance Index). Around half of the fund assets is invested in blue chips and the other half in second-line stocks. zCapital pursues a long-term, active investment style. The stock selection is based on a combination of fundamental company analyses with a proprietary dividend analysis tool. Key ESG aspects and macroeconomic factors are also included in the decision-making process.

## Portfolio Structure (as of 30/12/2021)

<b>Net Asset Value</b>	CHF 2,225.38 per Share A
<b>Total Assets</b>	CHF 482 m
<b>Investment Exposure</b>	96.1%
<b>Number of Companies</b>	33

## Statistics 3 Years (as of 30/12/2021)

<b>Volatility Fund p.a.</b>	13.6%
<b>Beta (current)</b>	0.9
<b>Dividend yield of invested companies *</b>	3.1%
<b>Large caps in percentage of portfolio</b>	58.7%

\* This figure includes the weighted future dividend yields from the companies invested in, as estimated by zCapital. It does not provide any indication of the final level of dividend that will be paid out by the "zCapital Swiss Dividend Fund". As of 30/12/2021.

## Termsheet

<b>Fund-Name</b>	zCapital Swiss Dividend Fund (Class A)
<b>Asset Manager</b>	zCapital AG, Zug
<b>Swiss Security Number / ISIN</b>	19466655 / CH0194666555
<b>Price Publications</b>	www.zcapital.ch, www.swissfunddata.ch, www.fundinfo.com
<b>Bloomberg / Reuters</b>	ZCAPDIV SW Equity / 19466655.S
<b>Benchmark</b>	Swiss Performance Index SPI®
<b>Morningstar-Rating</b>	★★
<b>Minimum Investment / Reference Currency</b>	No minimum investment required / 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>	1% p.a.
<b>Issue Fee / Redemption Fee</b>	None
<b>Total Expense Ratio (TER) as of 31/05/2021</b>	1.00%
<b>Fund Management Company / Custodian Bank</b>	LLB Swiss Investment AG, Zürich / Bank Julius Bär & Co. AG, Zürich
<b>Subscriptions and Redemptions</b>	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.
<b>Auditor</b>	PricewaterhouseCoopers AG, Zurich

## Monthly Performance (as of 30/12/2021)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2012</b>										-0.9%*	1.6%	1.5%	2.2%*
<b>2013</b>	4.9%	4.3%	3.2%	2.2%	0.2%	-2.1%	1.9%	-0.3%	2.8%	3.4%	1.2%	1.7%	25.8%
<b>2014</b>	0.5%	2.7%	1.5%	1.0%	1.6%	-0.5%	0.1%	1.6%	0.8%	-0.1%	2.9%	-0.1%	12.7%
<b>2015</b>	-3.0%	6.9%	2.3%	0.8%	0.6%	-4.2%	5.2%	-4.8%	-2.7%	4.6%	2.2%	-0.2%	7.3%
<b>2016</b>	-2.8%	-1.6%	1.8%	1.8%	3.9%	-1.1%	2.0%	1.9%	0.7%	-2.0%	-0.3%	3.5%	7.8%
<b>2017</b>	0.8%	3.3%	3.0%	3.7%	3.3%	-1.5%	1.4%	-1.8%	2.4%	0.9%	0.6%	0.3%	17.5%
<b>2018</b>	0.4%	-3.0%	-0.0%	2.9%	-3.3%	0.9%	3.1%	-0.1%	-0.3%	-1.3%	-0.8%	-5.5%	-7.0%
<b>2019</b>	6.2%	3.4%	1.5%	3.7%	-1.3%	3.1%	0.4%	0.4%	2.0%	1.3%	1.9%	1.8%	27.1%
<b>2020</b>	0.7%	-6.9%	-6.4%	5.2%	3.0%	2.3%	-0.5%	2.9%	0.2%	-5.1%	8.5%	2.8%	5.7%
<b>2021</b>	-0.3%	-0.1%	6.2%	0.4%	2.5%	2.3%	1.3%	1.5%	-5.4%	2.4%	-0.8%	4.9%	15.3%

\* since Launch date (22 October 2012)

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