

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. Shares in Vifor Pharma ripped following the takeover bid from Australian pharmaceuticals company CSL. The announcement made by media firm TX Group at its Capital Markets Day that it would distribute an extraordinary dividend in each of the next three years received a warm welcome at the stock market. 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 +19.0% (SPI Extra +22.2%).

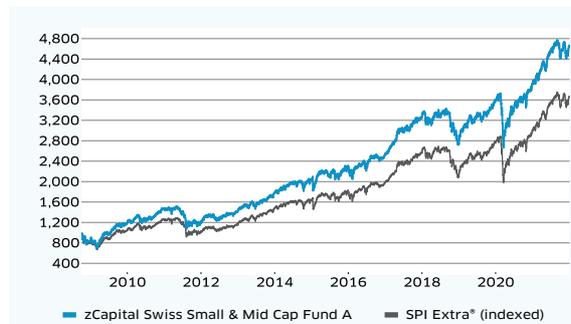
Portfolio adjustments

December saw us increase our holdings in Tecan, BKW, Kühne+Nagel, TX Group and Skan. At the same time, we reduced exposures in Logitech, Georg Fischer, Dormakaba and Vifor Pharma. We sold off minor positions in Pierer Mobility and APG.

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 and reasonable valuations.

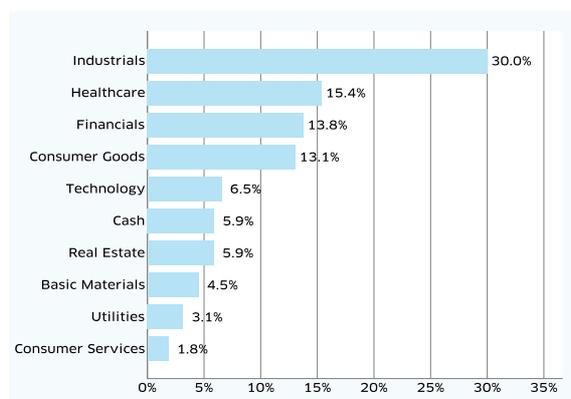
Performance since Launch (as of 30/12/2021)



Performance (as of 30/12/2021)

MTD (Fund / Benchmark)	4.9% / 5.3%
YTD	19.0% / 22.2%
1 year	19.0% / 22.2%
3 years p.a.	18.7% / 19.8%
5 years p.a.	13.0% / 13.1%
10 years p.a.	14.5% / 13.7%
Since launch p.a.	12.4% / 10.4%

Sectors (as of 30/12/2021)



Largest Positions (as of 30/12/2021)

1	Lindt & Sprüngli	6.6%
2	Sonova	6.0%
3	Julius Baer	4.5%
4	Kühne + Nagel	4.2%
5	Straumann	4.1%
6	Schindler	4.0%
7	Baloise	3.2%
8	VAT Group	3.2%
9	Swatch	2.9%
10	BKW	2.5%
11	Barry Callebaut	2.5%
12	PSP Swiss Property	2.3%
13	Logitech	2.3%
14	Temenos	2.3%
15	SIG Combibloc	2.2%

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 30/12/2021)

Net Asset Value	CHF 4,643.98 per Share A
Total Assets	CHF 1264 m
Investment Exposure	94.1%
Number of Companies	64

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

Volatility Fund / Index p.a.	14.9% / 16.0%
Tracking Error	2.2%
Information Ratio	-0.6

Termsheet

Fund-Name	zCapital Swiss Small & Mid Cap Fund (Class A)
Asset Manager	zCapital AG, Zug
Swiss Security Number / ISIN	4534164 / CH0045341648
Price Publications	www.zcapital.ch, www.swissfunddata.ch, www.fundinfo.com
Bloomberg / Reuters	ZCAPSWI SW Equity / 4534164.S
Benchmark	SPI Extra® (Swiss small & mid cap equities)
Morningstar-Rating	★★★★
Minimum Investment / Reference Currency	No minimum investment required / CHF
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)	1.5% p.a., of which 0.1% donated to charities which engage in "Children and Education"
Issue Fee / Redemption Fee	None / 0.4% in favour of the fund
Total Expense Ratio (TER) as of 31/05/2021	1.50%
Soft Closing	The investment strategy of the Fund is capacity constrained. Therefore, the Fund is currently closed for new investors.
Subscriptions and Redemptions	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.
Auditor	PricewaterhouseCoopers AG, Zurich

Yearly Performance (as of 30/12/2021)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund	40.2%	23.4%	-18.4%	17.8%	26.0%	15.2%	12.8%	9.3%	29.0%	-14.4%	28.7%	9.2%	19.0%
SPI Extra®	29.6%	20.1%	-19.1%	13.9%	27.7%	11.4%	11.0%	8.5%	29.7%	-17.2%	30.4%	8.1%	22.2%

Monthly Performance (as of 30/12/2021)

2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Fund	0.3%	1.8%	5.7%	0.6%	4.4%	2.6%	2.2%	1.6%	-4.9%	2.3%	-3.3%	4.9%	19.0%
SPI Extra®	0.3%	2.1%	6.4%	0.8%	4.4%	2.9%	2.3%	2.5%	-5.0%	2.1%	-3.3%	5.3%	22.2%