

zMonthly May 23

Artificial intelligence in the spotlight

Global equity markets were initially trading in a narrow range. Both the US Federal Reserve and the European Central Bank continued to raise interest rates as expected. However, Fed Chairman Jerome Powell indicated at the press conference that the likelihood of a pause in the rate hike cycle had increased. Growth in the US has stalled, reviving fears of a recession. The government-orchestrated takeover of First Republic Bank by JPMorgan showed that the banking crisis is not over. Political wrangling over the US debt ceiling added to the unease. Treasury Secretary Janet Yellen warned of a possible government default. However, the prospect that both chambers of the US Congress would approve the bill to suspend the debt ceiling boosted market confidence and various stock indices reached new year highs in the second half of the month. Towards the end of the reporting period, the topic of artificial intelligence (AI) led to a rally in the technology sector. This was triggered by a massive increase in sales forecasts by US high-performance chip developer Nvidia. In our universe, VAT Group and Inficon also benefited from the AI enthusiasm and saw significant share price gains. Julius Baer reported lower-than-expected money inflows in the first four months of the year, weighing on its share price. The fund lost 1.1% in May (SPI -1.9%).

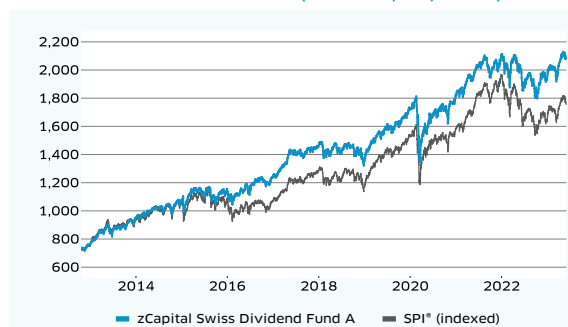
Luzerner Kantonalbank new in the portfolio

We took advantage of the price drop in Luzerner Kantonalbank in connection with the capital increase and built up a position for the first time. We made further acquisitions in Roche, SGS, Swiss Re and DKSH. We reduced our exposure to Logitech, EMS-Chemie, ABB, BKW and Swisscom.

China slow to recover from pandemic

After the abrupt lifting of all Covid measures in December 2022, markets were betting on a rapid recovery of the Chinese economy this year. These hopes are being dashed. In discussions with company representatives, we hear almost unanimously that expectations have not been met so far. Many Chinese companies are reluctant to place large orders, and consumers are reluctant to spend because sentiment is weak and youth unemployment is close to 20%. In addition, almost three-quarters of Chinese households are reported to be over-indebted. The property market is unlikely to be an engine of growth in the future, with large numbers of empty homes and falling prices. Moreover, many provincial governments and cities are financially strapped. This leaves only the little hope of a stimulus from the central government in Beijing. Despite the lower growth forecasts, China remains an important market for many Swiss companies. We will continue to monitor the situation closely, but are cautious about investing in companies with an above-average share of sales in China.

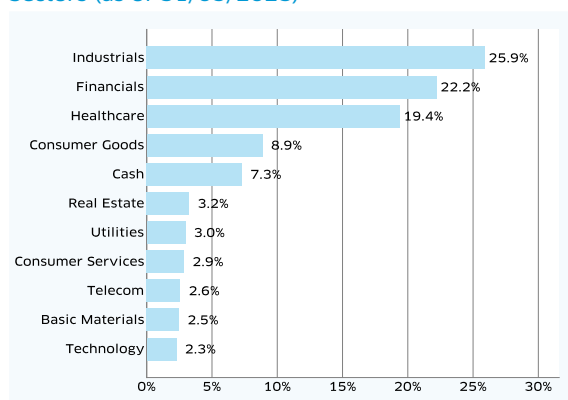
Performance since Launch (as of 31/05/2023)



Performance (as of 31/05/2023)

MTD (Fund / Benchmark)	-1.1% / -1.9%
YTD	7.8% / 7.7%
1 year	3.4% / -0.9%
3 years p.a.	8.3% / 6.5%
5 years p.a.	8.1% / 7.8%
10 years p.a.	9.1% / 7.0%
Since launch p.a.	10.2% / 8.5%

Sectors (as of 31/05/2023)



Largest Positions (as of 31/05/2023)

1	Roche	9.9%
2	Novartis	9.3%
3	Nestle	8.8%
4	ABB	5.3%
5	Zurich Insurance Group	4.4%
6	Holcim	3.5%
7	Swiss Re	3.1%
8	SGS	2.6%
9	Swisscom	2.5%
10	Julius Baer	2.4%
11	Swiss Life	2.4%
12	BKW	2.3%
13	Logitech	2.2%
14	VAT Group	2.1%
15	DKSH	2.0%

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 31/05/2023)

Net Asset Value	CHF 2,079.48 per Share A
Total Assets	CHF 546 m
Investment Exposure	92.7%
Number of Companies	35

Statistics 3 Years (as of 31/05/2023)

Volatility Fund p.a.	11.6%
Beta (current)	0.8
Dividend yield of invested companies *	3.7%
Large caps in percentage of portfolio	54.5%

* 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 31/05/2023.

Termsheet

Fund-Name	zCapital Swiss Dividend Fund (Class A)
Asset Manager	zCapital AG, Zug
Swiss Security Number / ISIN	19466655 / CH0194666555
Price Publications	www.zcapital.ch, www.swissfunddata.ch, www.fundinfo.com
Bloomberg / Reuters	ZCAPDIV SW Equity / 19466655.S
Benchmark	Swiss Performance Index SPI®
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
Management Fee (incl. Fund Management and Custodian Fees)	1% p.a.
Issue Fee / Redemption Fee	None
Total Expense Ratio (TER) as of 30/11/2022	1.01%
Fund Management Company / Custodian Bank	LLB Swiss Investment AG, Zürich / Bank Julius Bär & Co. AG, Zürich
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

Monthly Performance (as of 31/05/2023)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2012										-0.9%*	1.6%	1.5%	2.2%*
2013	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%
2014	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%
2015	-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%
2016	-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%
2017	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%
2018	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%
2019	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%
2020	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%
2021	-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%
2022	-2.7%	-1.8%	2.9%	1.3%	-3.5%	-6.1%	3.8%	-2.1%	-5.0%	4.7%	3.2%	-2.0%	-7.9%
2023	4.4%	-0.4%	1.3%	3.5%	-1.1%								7.8%

* since Launch date (22 October 2012)

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