

zMonthly June 23

More rate hikes in the pipeline

Global financial markets started June with gains. The US debt ceiling standoff was resolved, averting a potential default. Strong US labour market data added to the optimism. Private payrolls in May were well above market expectations. Meetings of the major central banks were then on the agenda. The US Federal Reserve paused after ten consecutive rate hikes and unsurprisingly kept its key interest rate range between 5% and 5.25%. The European Central Bank, on the other hand, raised rates by another 0.25% to 4%, while making it clear that a further hike in July was highly likely. The Swiss National Bank also raised its key rate by 0.25% to 1.75%. A next increase to 2% is expected in September. Nevertheless, several stock market indices reached new annual or even all-time highs. Towards the end of the month, however, weaker economic data from the eurozone dampened sentiment somewhat. In Switzerland, several companies had to issue profit warnings. Both the intralogistics company Interroll and the apparel manufacturer Calida now expect earnings to be below last year's levels. The derivatives specialist Leonteq, which is not held in the portfolio, suffered a slump in its trading business, which will significantly reduce its annual profit. The market also reacted negatively to the surprise and immediate resignation of Logitech CEO Bracken Darrell. The Fund gained 0.1% in June (SPI Extra +0.4%).

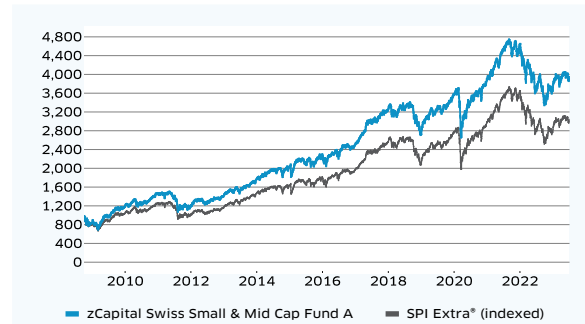
Kühne + Nagel no longer in SPI Extra

Kühne + Nagel was promoted to the SMI blue-chip index in place of Credit Suisse, which meant we had to reduce our position significantly. Gurit was added to the portfolio as a new position. The manufacturer of core materials for wind turbines should benefit from the accelerated expansion of renewable energies. We also increased our holdings in Julius Baer, BKW, SGS, SIG Group, U-Blox and Huber + Suhner.

Start of half-year reporting season

Half-year reporting will start in mid-July. We expect a mixed picture. On the one hand, many manufacturing companies benefited from full order books in the first half of the year and should therefore report good sales figures. On the other hand, new orders have been weak since April. In addition, we are receiving signals from various sectors of accelerated destocking as supply chains have normalised and companies become more cautious about the future. Another challenge is the Swiss franc, which is particularly strong against the US dollar, the Japanese yen and the Chinese renminbi. This will also affect financial companies active internationally, whose assets under management are denominated in foreign currencies. Even small reductions in guidance are likely to lead to larger share price movements. However, we also expect positive earnings surprises in our portfolio.

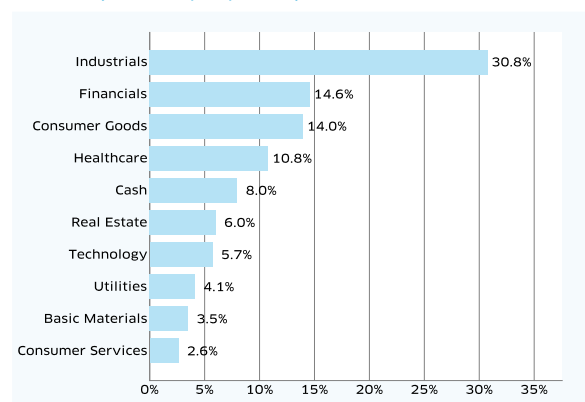
Performance since Launch (as of 30/06/2023)



Performance (as of 30/06/2023)

MTD (Fund / Benchmark)	0.1% / 0.4%
YTD	8.2% / 10.0%
1 year	7.1% / 8.7%
3 years p.a.	5.0% / 5.8%
5 years p.a.	3.8% / 3.3%
10 years p.a.	10.1% / 9.2%
Since launch p.a.	9.9% / 8.0%

Sectors (as of 30/06/2023)



Largest Positions (as of 30/06/2023)

1	Lindt & Sprüngli	6.2%
2	SGS	5.2%
3	Julius Baer	5.2%
4	Schindler	4.6%
5	Swatch	4.1%
6	Straumann	3.8%
7	Baloise	3.4%
8	Roche	3.4%
9	BKW	3.2%
10	VAT Group	3.0%
11	SIG Group	2.9%
12	PSP Swiss Property	2.7%
13	Temenos	2.6%
14	Barry Callebaut	2.1%
15	Tecan	2.1%

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 30/06/2023)

Net Asset Value	CHF 3,947.55 per Share A
Total Assets	CHF 1005 m
Investment Exposure	92.0%
Number of Companies	66

Statistics 3 Years (as of 30/06/2023)

Volatility Fund / Index p.a.	14.8% / 16.0%
Tracking Error	2.0%
Information Ratio	-0.5

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 31/05/2023	1.51%
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 30/06/2023)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fund	-14.5%*	40.2%	23.4%	-18.4%	17.8%	26.0%	15.2%	12.8%	9.3%	29.0%	-14.4%	28.7%	9.2%
SPI Extra®	-18.5%*	29.6%	20.1%	-19.1%	13.9%	27.7%	11.4%	11.0%	8.5%	29.7%	-17.2%	30.4%	8.1%

	2021	2022	2023
Fund	19.0%	-21.1%	8.2%
SPI Extra®	22.2%	-24.0%	10.0%

* since Launch date (6 October 2008)

Monthly Performance (as of 30/06/2023)

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Fund	6.5%	1.4%	0.2%	1.4%	-1.5%	0.1%							8.2%
SPI Extra®	7.6%	1.5%	0.8%	1.2%	-1.6%	0.4%							10.0%

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