

## zMonthly July 23

### Focus on reporting season

At the beginning of the month, equity markets came under pressure from poor economic data in China. Strong US labour market data also weighed on markets. The good employment situation and rising wages are pushing up inflation, which could prompt the Federal Reserve to raise interest rates further. Towards the middle of the month, however, sentiment brightened as the decline in US inflation in June raised hopes that the cycle of interest rate hikes would soon come to an end. Weak manufacturing PMIs in Europe had little impact on markets. Unsurprisingly, both the US and European central banks raised interest rates by 0.25%. Towards the end of the month, the reporting season for the first half year picked up speed. Swiss corporate results have been mixed so far. A number of industrial companies, such as Clariant, SFS, Dätwyler and Arbonia, had to lower their forecasts for the current financial year. This was explained by the economic slowdown, destocking and the strengthening of the Swiss franc. Other companies, however, were able to surprise positively. ABB achieved strong sales growth and a significant increase in profitability. Julius Baer shares rose sharply after the bank posted solid figures and attracted more new money than expected. Inficon jumped almost 20% after the semiconductor supplier raised its full-year guidance following strong figures. In July the fund gained 1.2% (SPI +0.4%).

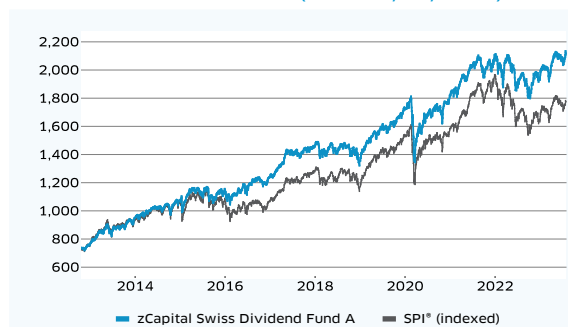
### Portfolio adjustments

There was little activity in the portfolio during the holiday month of July. We increased our positions in Givaudan, Nestlé, Roche and PSP Swiss Property. On the other hand, we realised gains in Inficon.

### Have interest rates peaked yet?

With interest rates at 5.5% in the US and 4.25% in Europe, central banks are approaching the interest rate peak. However, in our view, the peak has not yet been reached as the labour market and consumption are still very robust. Core inflation is still too high and far from the 2% target. Thus, there are few reasons for lower interest rates at the moment. Both the Fed and the ECB have made it clear that their next interest rate decisions will depend solely on future economic data. Either there will be a pause in September or another hike. Recessionary signals are needed before the interest rate turnaround is initiated. However, the majority of financial market participants have been speculating on lower interest rates for months. As a result, equity markets have performed well. In August we will continue to focus on the analysis of the half-year figures.

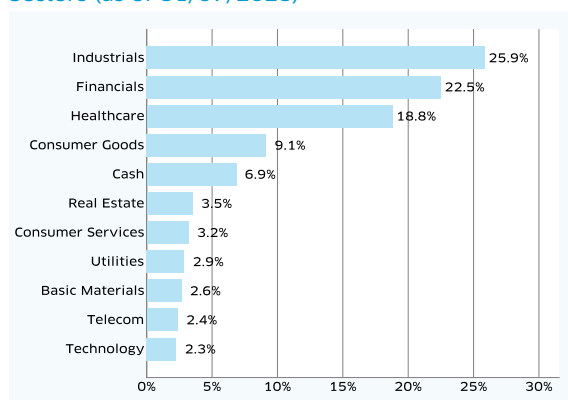
### Performance since Launch (as of 31/07/2023)



### Performance (as of 31/07/2023)

MTD (Fund / Benchmark)	1.2% / 0.4%
YTD	9.6% / 8.7%
1 year	7.8% / 3.3%
3 years p.a.	8.3% / 6.4%
5 years p.a.	7.6% / 6.5%
10 years p.a.	9.3% / 7.3%
Since launch p.a.	10.3% / 8.5%

### Sectors (as of 31/07/2023)



### Largest Positions (as of 31/07/2023)

1	Novartis	9.4%
2	Roche	9.3%
3	Nestle	9.1%
4	ABB	5.3%
5	Zurich Insurance Group	4.2%
6	Holcim	3.5%
7	Swiss Re	3.0%
8	SGS	2.7%
9	Julius Baer	2.7%
10	Swisscom	2.4%
11	Swiss Life	2.3%
12	Logitech	2.2%
13	BKW	2.2%
14	DKSH	2.1%
15	PSP Swiss Property	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 31/07/2023)

<b>Net Asset Value</b>	CHF 2,114.71 per Share A
<b>Total Assets</b>	CHF 546 m
<b>Investment Exposure</b>	93.2%
<b>Number of Companies</b>	35

## Statistics 3 Years (as of 31/07/2023)

<b>Volatility Fund p.a.</b>	11.4%
<b>Beta (current)</b>	0.8
<b>Dividend yield of invested companies *</b>	3.7%
<b>Large caps in percentage of portfolio</b>	56.3%

\* 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 31/07/2023.

## 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 31/05/2023</b>	1.01%
<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 31/07/2023)

	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%
<b>2022</b>	-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%
<b>2023</b>	4.4%	-0.4%	1.3%	3.5%	-1.1%	0.5%	1.2%						9.6%

\* since Launch date (22 October 2012)

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