

## 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. At Logitech, the decline in operating profit was less than feared. Schindler is making good progress with its restructuring and clearly beat earnings expectations. The Fund gained 1.0% in July.

### Portfolio adjustments

In July, we realised gains in Lem and Medacta, while adding to positions in Gurit, Bossard, Belimo and Schindler. We sold a remaining position in Meyer Burger due to increasing price pressure on solar modules in Europe.

### 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)



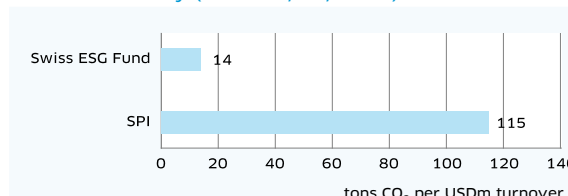
Performance (as of 31/07/2023)

MTD	1.0%
YTD	8.8%
1 year	4.6%
Since launch p.a.	2.7%

ESG Key Figures (as of 31/07/2023)

MSCI ESG Rating	AA
RepRisk Rating	AA
zRating (Fund / SPI)	68 / 66
Estimated global warming Fund	<1.5°C
Companies which contribute positively to the UN SDGs (Fund / SPI)	81% / 60%

Carbon Intensity (as of 31/07/2023)



Largest Positions (as of 31/07/2023)

1	Roche	8.9%
2	ABB	5.9%
3	Zurich Insurance Group	4.4%
4	Givaudan	4.2%
5	Swiss Re	3.9%
6	Schindler	3.8%
7	SGS	3.3%
8	Sika	3.1%
9	Sonova	3.1%
10	Logitech	3.1%

## Investment Strategy

The zCapital Swiss ESG Fund invests in Swiss equities which zCapital believes qualify as sustainable companies and have an attractive risk and return profile. The fund's assets are invested in a concentrated portfolio of 25 to 35 stocks from the SPI (Swiss Performance Index) universe. In addition to ESG integration, companies which violate social and environmental criteria are excluded. The sustainability of companies is also promoted through engagement and voting. zCapital invests with a long-term horizon and pursues an active selection process.

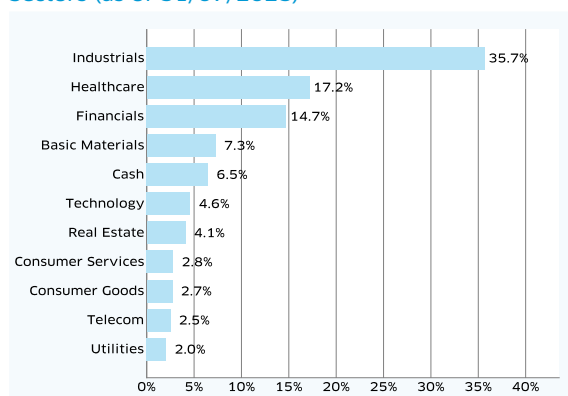
## Impact of zCapital

zCapital plants each year 100 trees for every million Swiss francs of assets under management in the zCapital Swiss ESG Fund. In cooperation with myclimate, it is ensured that the trees are cared for in the long term. The project combines nature and climate protection with the creation of new sources of income for small farmers.

## Portfolio Structure (as of 31/07/2023)

<b>Net Asset Value</b>	CHF 1,057.39 per Share A
<b>Total Assets</b>	CHF 20 m
<b>Investment Exposure</b>	93.5%
<b>Number of Companies</b>	33

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



## Termsheet

<b>Fund-Name</b>	Swiss ESG Fund (Class A)
<b>Asset Manager</b>	zCapital AG, Zug
<b>Swiss Security Number / ISIN</b>	59273267 / CH0592732678
<b>Price Publications</b>	www.zcapital.ch, www.swissfunddata.ch, www.fundinfo.com
<b>Bloomberg / Reuters</b>	ZCAPESG SW Equity / 59273267.S
<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>	1.25%
<b>Issue Fee / Redemption Fee</b>	none
<b>Total Expense Ratio (TER) 31/05/2023</b>	1.43%
<b>Fund Management Company / Custodian Bank</b>	LLB Swiss Investment AG, Zurich / Bank Julius Baer & Co. Ltd., Zurich
<b>Subscriptions and Redemptions</b>	On each bank working day at Net Asset Value (NAV). Subscription and redemption orders received by the custodian bank by 3.45 p.m. CET at the latest on a given bank business day (order day, T) will be settled on the next bank business day (valuation date) on the basis of the net asset value calculated on that date. The net asset value used to settle the order is therefore not known when the order is placed (forward pricing). The net asset value is calculated on the valuation date on the basis of the closing prices on the order day.
<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>2021</b>		-0.9%	6.4%	1.2%	3.6%	4.2%	3.2%	2.0%	-6.1%	1.5%	-0.3%	4.5%	20.6%*
<b>2022</b>	-6.5%	-3.4%	1.6%	-1.1%	-3.8%	-6.9%	4.4%	-3.5%	-5.9%	4.4%	3.0%	-1.6%	-18.5%
<b>2023</b>	5.7%	-0.3%	0.2%	2.8%	-0.9%	0.1%	1.0%						8.8%

\* since Launch date (29 January 2021)

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