

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. Swatch reported a significant increase in sales and profits. Julius Baer shares rose sharply after the bank posted solid figures and attracted more new money than expected. Schindler is making good progress with its restructuring and clearly beat earnings expectations. Inficon jumped almost 20% after the semiconductor supplier raised its full-year guidance following strong figures. The fund increased by 1.2% in July (SPI Extra +1.4%).

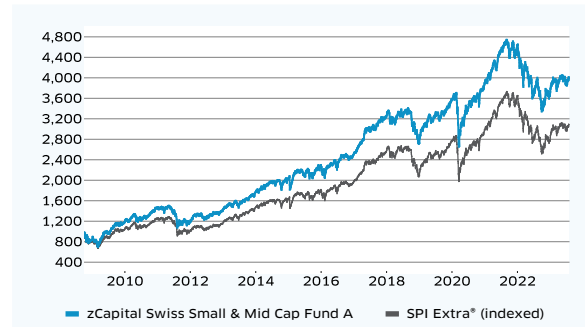
Low portfolio activity

The holiday month of July was characterised by low trading volumes and there was little activity in the Fund. We sold Kühne + Nagel completely after the stock was included in the Swiss Market Index the previous month. We also exited a remaining holding in AMS-Osram. We added to our positions in Galenica, Schindler and VZ Holding.

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.

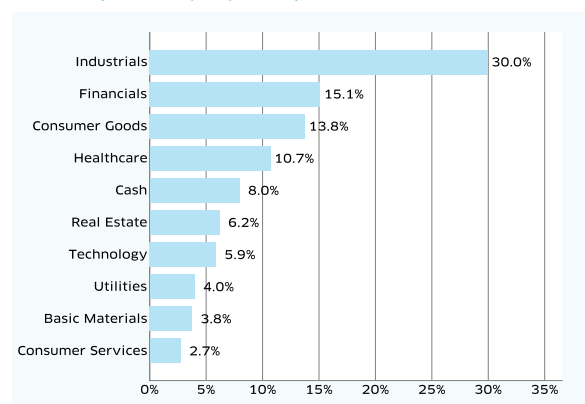
Performance since Launch (as of 31/07/2023)



Performance (as of 31/07/2023)

MTD (Fund / Benchmark)	1.2% / 1.4%
YTD	9.5% / 11.6%
1 year	1.9% / 2.9%
3 years p.a.	5.2% / 6.1%
5 years p.a.	3.6% / 3.2%
10 years p.a.	9.8% / 8.9%
Since launch p.a.	9.9% / 8.0%

Sectors (as of 31/07/2023)



Largest Positions (as of 31/07/2023)

1	Lindt & Sprüngli	5.9%
2	Julius Baer	5.6%
3	SGS	5.2%
4	Schindler	4.7%
5	Swatch	4.3%
6	Straumann	3.8%
7	Baloise	3.5%
8	Roche	3.3%
9	BKW	3.1%
10	VAT Group	2.9%
11	PSP Swiss Property	2.8%
12	SIG Group	2.8%
13	Temenos	2.7%
14	Galenica	2.2%
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 31/07/2023)

Net Asset Value	CHF 3,993.27 per Share A
Total Assets	CHF 1016 m
Investment Exposure	92.0%
Number of Companies	64

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

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 31/07/2023)

	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%	9.5%
SPI Extra®	22.2%	-24.0%	11.6%

* since Launch date (6 October 2008)

Monthly Performance (as of 31/07/2023)

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%	1.2%						9.5%
SPI Extra®	7.6%	1.5%	0.8%	1.2%	-1.6%	0.4%	1.4%						11.6%

This document is promotion material. This document of zCapital Ltd does not constitute an offer or recommendation for the purchase or sale of investment funds. The information herein is subject to change at any time. No liability is accepted for any incorrect information. Past performance is not a reliable indicator of current or future performance. The performance figures do not include commissions and costs, which arise at subscription and redemption of units. According to Swiss law, the zCapital Swiss Small & Mid Cap Fund falls into the category of "Securities Fund". Investors are advised of the risks described in the fund prospectus. Investors have to be prepared to accept and be in a financial position to bear (possibly substantial) losses. The legal fund documents are available free of charge from zCapital Ltd, Baarerstrasse 82, 6300 Zug, Switzerland or on the website www.zcapital.ch. Ombudsman is Finanzombudsstelle Schweiz (FINOS). With respect to any sales restrictions, investors should seek independent advice on the applicable legal, financial or tax principles in the country concerned. This document is not intended for natural persons or legal entities for whom the use would breach the legal system of their state on account of their nationality or the domicile of the respective person or for other reasons. This applies in particular to persons with residence or domicile in the USA, Great Britain and Japan.