

zMonthly August 23

China weighs on markets

Global equity markets started August with losses. Rising interest rates were partly responsible for the weakness. The downgrade of the US credit rating by Fitch added uncertainty and pushed US Treasury yields to new highs for the year. Italian Prime Minister Giorgia Meloni surprised market participants by announcing the intention to impose an excess profits tax on bank interest income. After a brief selloff in European equity markets, the government backtracked and watered down the tax. In the second half of the month, fears about China's economic development came to the fore. Weak economic data was compounded by renewed problems at some major property developers. There were also fears that the property crisis could spread to the financial sector. The annual meeting of central bankers in Jackson Hole had little impact on equity markets. Very strong half-year results from chipmaker Nvidia and weaker US economic data provided positive momentum in the last days of the month. TE Connectivity wants to take over electrical components manufacturer Schaffner and is offering shareholders a significant premium. Financial services provider VZ Holding posted strong half-year results and a confident outlook, which helped the share price to rise. The fund lost 2.1% in August (SPI Extra -2.6%).

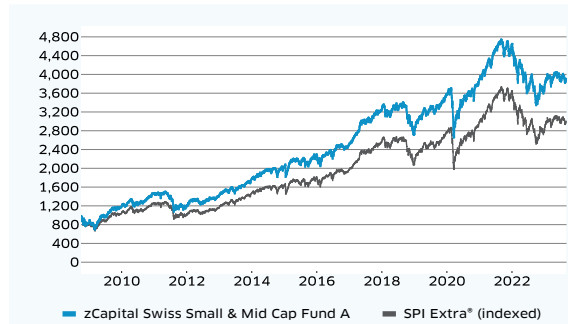
Trading volumes remain low

As in July, trading volumes were low in August and there was little activity in the fund. We increased our holdings in Accelaron, Lindt & Sprüngli and Romande Energie. The latter benefited from the strong half-year results of Alpiq, in which it indirectly holds a 10% stake. We slightly reduced our position in Clariant.

Uncertainty over interest rate policy

The half-year reporting season is largely over. In Switzerland, analysts have lowered earnings estimates for around 45% of companies, while raising them for 30%. On balance, earnings estimates for the SPI have been revised somewhat lower since the beginning of July. By contrast, the S&P 500 Index has continued to benefit from the strong US economy, which has led to a slight increase in earnings estimates in the US. In September, the focus is likely to shift to macroeconomic data. After the Jackson Hole meeting, there is no clarity on the next steps in interest rate policy. In particular, the eagerly awaited speech by Fed Chairman Jerome Powell provided few concrete clues. The fact is that inflation remains well above the 2% target in all major economies except China. The central banks' work is not yet done and markets are likely to remain nervous.

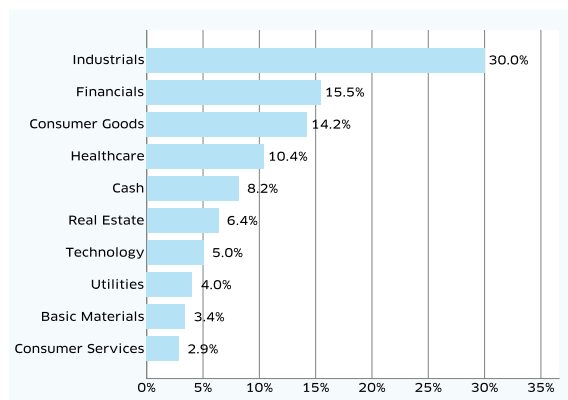
Performance since Launch (as of 31/08/2023)



Performance (as of 31/08/2023)

MTD (Fund / Benchmark)	-2.1% / -2.6%
YTD	7.2% / 8.6%
1 year	4.7% / 5.9%
3 years p.a.	2.9% / 3.2%
5 years p.a.	2.9% / 2.5%
10 years p.a.	9.4% / 8.5%
Since launch p.a.	9.7% / 7.8%

Sectors (as of 31/08/2023)



Largest Positions (as of 31/08/2023)

1	Lindt & Sprüngli	6.9%
2	Julius Baer	5.6%
3	SGS	5.0%
4	Schindler	4.4%
5	Swatch	4.0%
6	Baloise	3.6%
7	Straumann	3.5%
8	Roche	3.2%
9	BKW	3.1%
10	PSP Swiss Property	2.9%
11	VAT Group	2.9%
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 31/08/2023)

Net Asset Value	CHF 3,908.79 per Share A
Total Assets	CHF 945 m
Investment Exposure	91.8%
Number of Companies	64

Statistics 3 Years (as of 31/08/2023)

Volatility Fund / Index p.a.	14.8% / 16.0%
Tracking Error	2.0%
Information Ratio	-0.3

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 31/08/2023)

	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%	7.2%
SPI Extra®	22.2%	-24.0%	8.6%

* since Launch date (6 October 2008)

Monthly Performance (as of 31/08/2023)

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%	-2.1%					7.2%
SPI Extra®	7.6%	1.5%	0.8%	1.2%	-1.6%	0.4%	1.4%	-2.6%					8.6%

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.