

## zMonthly September 23

### Rising interest rates weigh on equity markets

Stock markets had a mixed start to the month. In Europe, concerns about an economic slowdown weighed on sentiment. Despite the deteriorating economic outlook, the European Central Bank raised interest rates for the tenth consecutive time to a new multi-year high of 4.5%. In the US, headline inflation rose again in August on the back of higher energy prices, but core inflation fell to its lowest level in two years. Against this backdrop, the Fed's pause on interest rates came as no great surprise. However, the Fed made it clear that interest rates are likely to remain high for some time and that rate cuts are not on the cards for the time being. Somewhat unexpectedly, the Swiss National Bank (SNB) also refrained from raising interest rates, citing the current decline in inflation as the main reason. However, SNB President Thomas Jordan hinted that interest rates may not have peaked yet. In the wake of the global central bank decisions, capital market yields rose to multi-year highs in some cases, weighing on equity prices. Energy provider BKW exceeded expectations in the first half of the year and raised its full-year EBIT forecast. Turbocharger manufacturer Accelleron reported dynamic sales growth and confirmed its targets for the current financial year. Shares in insurer Baloise came under pressure following disappointing half-year results. The Fund lost 0.1% in September (SPI -2.0%).

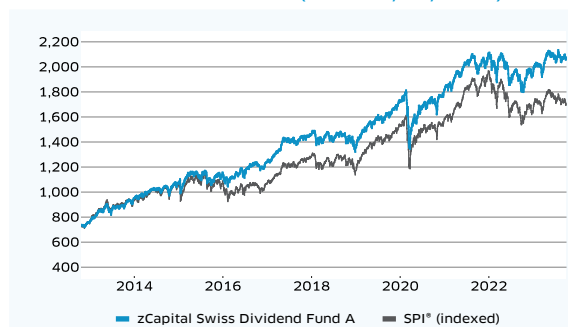
### Some portfolio adjustment

During the month, we added to our positions in Roche, Givaudan, DKSH and Accelleron. On the other hand, holdings in Novartis, BKW, Swiss Life, Logitech, Zurich Insurance Group and VAT Group were reduced.

### Investors become more cautious

Since the beginning of the year, equity markets have been driven by hopes of easing inflationary pressures, a peak in interest rates and a soft landing for the economy. However, sentiment has now turned. Uncertainties such as rising oil prices and higher interest rates on 10-year government bonds are leading to a kind of buyers' strike and lower stock prices. In conversations with portfolio companies, we are sensing a growing pessimism about the economic outlook. The main problem is the lack of new orders since the summer and depleting order books in the industrial sector. If this trend does not change soon, we expect cost-cutting measures at various companies. It is becoming increasingly clear that the central banks' actions will not be without painful consequences for the economy and the equity markets. We are holding back on purchases until we have more visibility.

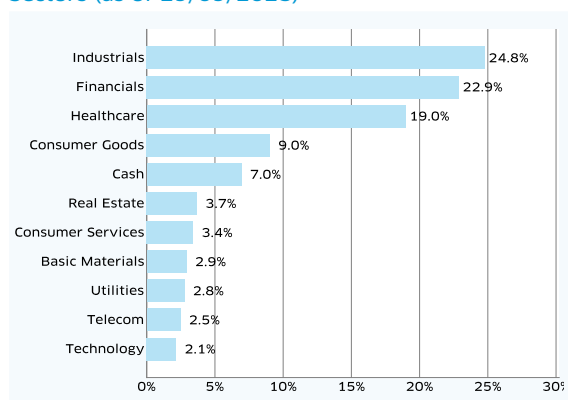
### Performance since Launch (as of 29/09/2023)



### Performance (as of 29/09/2023)

MTD (Fund / Benchmark)	-0.1% / -2.0%
YTD	7.6% / 4.6%
1 year	15.2% / 10.7%
3 years p.a.	6.5% / 4.0%
5 years p.a.	7.3% / 5.9%
10 years p.a.	8.8% / 6.5%
Since launch p.a.	9.9% / 8.0%

### Sectors (as of 29/09/2023)



### Largest Positions (as of 29/09/2023)

1	Novartis	9.6%
2	Roche	9.3%
3	Nestle	9.0%
4	ABB	5.0%
5	Zurich Insurance Group	4.2%
6	Holcim	3.4%
7	Swiss Re	3.4%
8	Julius Baer	2.5%
9	SGS	2.5%
10	Swisscom	2.5%
11	PSP Swiss Property	2.2%
12	Swiss Life	2.2%
13	Logitech	2.1%
14	Givaudan	2.1%
15	Inficon	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 29/09/2023)

<b>Net Asset Value</b>	CHF 2,076.13 per Share A
<b>Total Assets</b>	CHF 530 m
<b>Investment Exposure</b>	93.0%
<b>Number of Companies</b>	35

## Statistics 3 Years (as of 29/09/2023)

<b>Volatility Fund p.a.</b>	11.2%
<b>Beta (current)</b>	0.8
<b>Dividend yield of invested companies *</b>	3.9%
<b>Large caps in percentage of portfolio</b>	56.5%

\* 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 29/09/2023.

## 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 29/09/2023)

	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%	-1.8%	-0.1%				7.6%

\* since Launch date (22 October 2012)

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