

## 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. Private equity specialist Partners Group surprised on the upside with higher performance fees. The sale of wind farm operator CWP Renewables made a significant contribution. Komax announced ambitious growth plans at its Capital Markets Day. The new medium-term goals include sustainability targets for the first time. One aspiration is to make all products recyclable by 2028. Shares in insurer Baloise came under pressure following disappointing half-year results. The Fund was down 1.5% in September.

### Further increases in U-Blox and Tecan

During the month, we increased our positions in U-Blox and Tecan, while reducing positions in Sonova, Logitech and Ypsomed. Temenos was sold in full.

### 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)



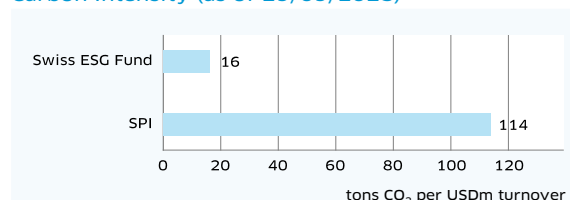
### Performance (as of 29/09/2023)

<b>MTD</b>	-1.5%
<b>YTD</b>	6.0%
<b>1 year</b>	14.4%
<b>Since launch p.a.</b>	1.6%

### ESG Key Figures (as of 29/09/2023)

<b>MSCI ESG Rating</b>	AA
<b>RepRisk Rating</b>	AA
<b>zRating (Fund / SPI)</b>	69 / 68
<b>Estimated global warming Fund</b>	<1.5°C
<b>Companies which contribute positively to the UN SDGs (Fund / SPI)</b>	80% / 60%

### Carbon Intensity (as of 29/09/2023)



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

<b>1</b>	Roche	8.8%
<b>2</b>	ABB	5.7%
<b>3</b>	Givaudan	4.9%
<b>4</b>	Zurich Insurance Group	4.5%
<b>5</b>	Swiss Re	4.1%
<b>6</b>	Schindler	3.4%
<b>7</b>	SGS	3.1%
<b>8</b>	U-Blox	3.1%
<b>9</b>	Gurit	3.0%
<b>10</b>	Tecan	2.8%

## 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.

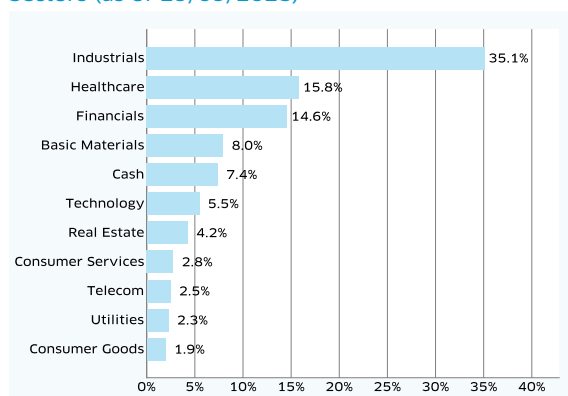
## Impact of zCapital

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 29/09/2023)

<b>Net Asset Value</b>	CHF 1,030.01 per Share A
<b>Total Assets</b>	CHF 20 m
<b>Investment Exposure</b>	92.6%
<b>Number of Companies</b>	32

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



## 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 29/09/2023)

	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%	-1.1%	-1.5%				6.0%

\* since Launch date (29 January 2021)

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