

## zMonthly October 23

### Swiss equities fall below levels at the start of the year

October once again lived up to its reputation as a bad month for stock markets. Following the buyers' strike in August and September, selling pressure increased. Further rising interest rates and the geopolitical escalation in the Middle East made for a bumpy start. Commodity prices reacted first and foremost to the Hamas militia's attack on Israel, while the initial nervousness in the equity markets quickly subsided. On the back of positive economic data from the US, interest rates on 10-year US government bonds briefly broke through the 5% mark, reaching their highest level since the global financial crisis. This was one reason why equity markets came under renewed pressure. It was compounded by several disappointing quarterly results, which led to some significant share price reactions. Pharmaceutical contract manufacturer Lonza, which is not represented in the fund, lowered its guidance for next year and disappointed with an adjustment to its medium-term targets, which was reflected in a fall in the share price. Industrial group ABB suffered despite good quarterly figures and a raised outlook. Conversely, computer peripherals maker Logitech impressed with surprisingly good quarterly results and an increase in its full-year guidance. Shares in the healthcare group Galenica also reacted positively to the medium-term targets raised at its investor day. The fund lost 3.2% (SPI -5.2%) in October.

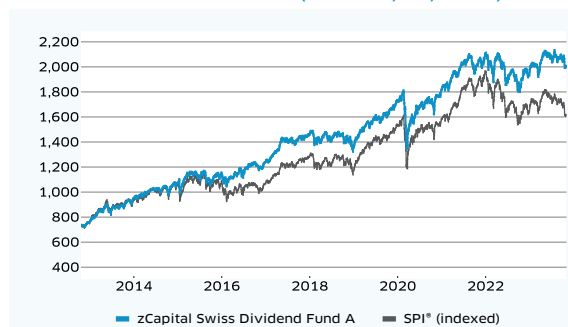
### Sandoz spin-off

As Novartis shareholders, we received shares in the generics company Sandoz in the course of the spin-off. We took advantage of the share price increase to sell part of the position. We also reduced our position in Logitech. Acquisitions were made in Nestlé, Roche and Givaudan.

### Economic risks on the rise

According to several companies, consumers were more cautious than expected, especially in October, and destocking continued. Several profit warnings abroad and in Switzerland, such as Forbo and Medmix, confirm this. With interest rates likely to remain higher for longer than many market participants expect, equity markets will have to find a new valuation level. Money market investments and bonds once again offer alternative investment opportunities. In addition, there is a significant risk that the economy will cool down or even slip into recession next year. Although some stocks now offer attractive entry levels, the market is unlikely to have found a bottom yet.

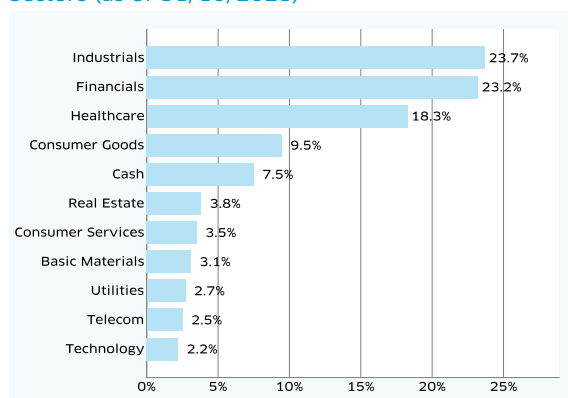
### Performance since Launch (as of 31/10/2023)



### Performance (as of 31/10/2023)

MTD (Fund / Benchmark)	-3.2% / -5.2%
YTD	4.2% / -0.9%
1 year	5.3% / -1.4%
3 years p.a.	7.2% / 4.3%
5 years p.a.	6.8% / 5.1%
10 years p.a.	8.1% / 5.7%
Since launch p.a.	9.5% / 7.4%

### Sectors (as of 31/10/2023)



### Largest Positions (as of 31/10/2023)

1	Nestle	9.4%
2	Roche	9.1%
3	Novartis	9.1%
4	ABB	4.8%
5	Zurich Insurance Group	4.4%
6	Swiss Re	3.6%
7	Holcim	3.3%
8	Swisscom	2.5%
9	SGS	2.4%
10	Julius Baer	2.3%
11	Givaudan	2.3%
12	PSP Swiss Property	2.3%
13	Swiss Life	2.2%
14	Logitech	2.2%
15	Galenica	2.0%

## 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 31/10/2023)

<b>Net Asset Value</b>	CHF 2,009.55 per Share A
<b>Total Assets</b>	CHF 519 m
<b>Investment Exposure</b>	92.5%
<b>Number of Companies</b>	36

## Statistics 3 Years (as of 31/10/2023)

<b>Volatility Fund p.a.</b>	11.1%
<b>Beta (current)</b>	0.8
<b>Dividend yield of invested companies *</b>	4.0%
<b>Large caps in percentage of portfolio</b>	56.4%

\* 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 31/10/2023.

## 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 31/10/2023)

	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%	-3.2%			4.2%

\* since Launch date (22 October 2012)

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