

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 significant setbacks in some of the index heavyweights. In general, reports that fell short of expectations were punished more than positive surprises were rewarded. The industrial group Sulzer suffered after a moderate order intake. Dental company Straumann and laboratory equipment supplier Tecan both came under pressure following profit warnings from competitors. On the other hand, elevator and escalator manufacturer Schindler reported a convincing improvement in profitability. Shares in the healthcare group Galenica also reacted positively to the medium-term targets raised at its investor day. The fund lost 4.8% (SPI Extra -5.3%) in October.

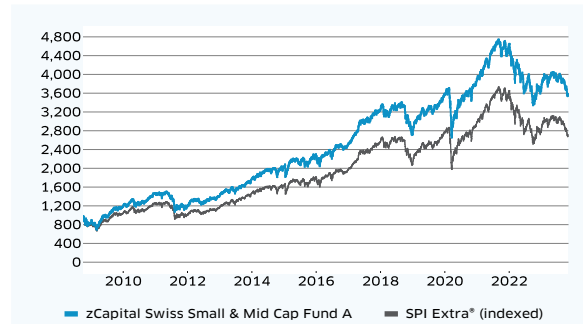
Sandoz new in the portfolio

We added a position in Sandoz following its spin-off from Novartis on October 4. We also added Dottikon ES, Barry Callebaut and U-Blox. We reduced our positions in Inficon, Ypsomed, VAT Group and Sulzer.

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.

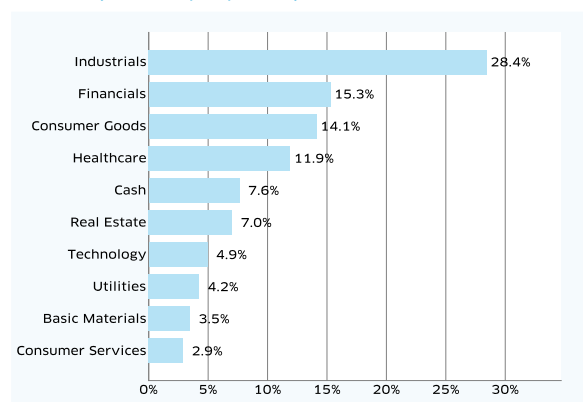
Performance since Launch (as of 31/10/2023)



Performance (as of 31/10/2023)

MTD (Fund / Benchmark)	-4.8% / -5.3%
YTD	-1.8% / -1.8%
1 year	1.4% / 1.3%
3 years p.a.	1.1% / 1.4%
5 years p.a.	2.9% / 2.5%
10 years p.a.	7.8% / 6.7%
Since launch p.a.	9.0% / 7.0%

Sectors (as of 31/10/2023)



Largest Positions (as of 31/10/2023)

1	Lindt & Sprüngli	6.7%
2	SGS	5.0%
3	Julius Baer	5.0%
4	Schindler	4.5%
5	Swatch	4.0%
6	Baloise	3.7%
7	PSP Swiss Property	3.3%
8	Roche	3.2%
9	BKW	3.1%
10	Straumann	3.1%
11	Sandoz Group	2.7%
12	VAT Group	2.6%
13	SIG Group	2.5%
14	Temenos	2.4%
15	Galenica	2.4%

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 31/10/2023)

Net Asset Value	CHF 3,582.69 per Share A
Total Assets	CHF 865 m
Investment Exposure	92.3%
Number of Companies	64

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

Volatility Fund / Index p.a.	14.6% / 15.7%
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 / 0.25% 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 31/10/2023)

	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%	-1.8%
SPI Extra®	22.2%	-24.0%	-1.8%

* since Launch date (6 October 2008)

Monthly Performance (as of 31/10/2023)

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%	-3.7%	-4.8%			-1.8%
SPI Extra®	7.6%	1.5%	0.8%	1.2%	-1.6%	0.4%	1.4%	-2.6%	-4.6%	-5.3%			-1.8%

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