

zMonthly November 23

Markets in risk-on mode

The storm in fixed income markets eased noticeably at the beginning of the month. Weaker-than-expected industrial data and a cooling US labour market led to a significant decline in government bond yields, which in turn fueled equity markets. Fed Chairman Jerome Powell's statement that he was not confident that interest rates were restrictive enough to beat inflation only briefly dampened sentiment. The release of US inflation figures for October provided another strong boost to equity markets. With the data coming in slightly below expectations, many market participants concluded that interest rates had peaked. As a result, rates fell further and stock market complacency, as measured by the VIX volatility index, reached a temporary low. Following the rally, some stock indices were trading close to their highs for the year. The investor day held by semiconductor supplier Comet triggered a surge in the share price. Although the company's medium-term targets were postponed, they were slightly adjusted upwards. In addition to a sluggish operating performance, the private bank Julius Baer had to report an increase in loan loss provisions and was drawn into the downward spiral of the Signa insolvency. Insurers Baloise and Helvetia expect significantly higher claims for the full year due to an above-average number of major loss events. The fund gained 4.8% in November (SPI Extra +5.8%).

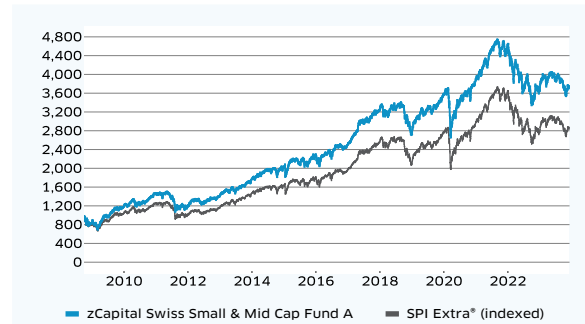
Bachem and ams-Osram new in the portfolio

We built up a position in Bachem, the world leader in peptide production, after its shares fell back to more attractive valuation levels. We also invested again in the Austrian-German sensor manufacturer ams-Osram in the context of its capital increase. On the other hand, we reduced our positions in EMS-Chemie and Vontobel.

Conflicting market signals

Weaker-than-expected US economic data and a falling US dollar confirm our baseline scenario of a US recession in the course of next year. Many market participants are currently betting on a soft landing with several interest rate cuts in 2024. However, given the rise in consumers' longer-term inflation expectations and the Fed's mandate to bring inflation down to its target corridor of below 2%, this is likely to be a rather unrealistic scenario. Such aggressive rate cuts are only conceivable in the event of a significant economic slowdown. However, markets would then enter a phase of falling earnings estimates, which in the past has usually led to lower share prices. We do not expect any major swings until the end of the year and therefore maintain our positioning.

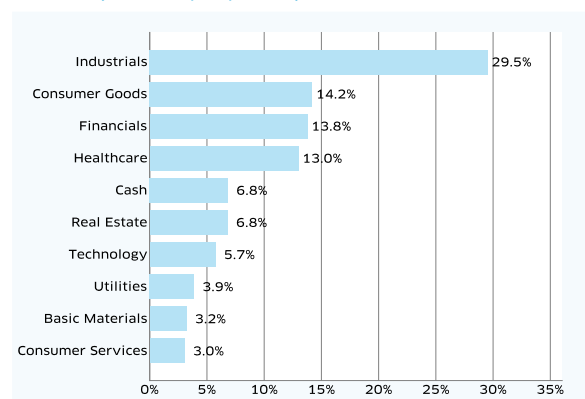
Performance since Launch (as of 30/11/2023)



Performance (as of 30/11/2023)

MTD (Fund / Benchmark)	4.8% / 5.8%
YTD	2.9% / 3.9%
1 year	2.0% / 2.4%
3 years p.a.	-0.2% / -0.2%
5 years p.a.	5.1% / 4.9%
10 years p.a.	8.1% / 7.2%
Since launch p.a.	9.2% / 7.3%

Sectors (as of 30/11/2023)



Largest Positions (as of 30/11/2023)

1	Lindt & Sprüngli	6.8%
2	SGS	4.8%
3	Schindler	4.6%
4	Swatch	3.9%
5	Julius Baer	3.9%
6	Baloise	3.6%
7	Straumann	3.3%
8	PSP Swiss Property	3.3%
9	VAT Group	3.1%
10	Roche	3.1%
11	BKW	2.9%
12	Sandoz Group	2.7%
13	Temenos	2.6%
14	SIG Group	2.5%
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 30/11/2023)

Net Asset Value	CHF 3,753.09 per Share A
Total Assets	CHF 917 m
Investment Exposure	93.2%
Number of Companies	66

Statistics 3 Years (as of 30/11/2023)

Volatility Fund / Index p.a.	14.6% / 15.7%
Tracking Error	2.0%
Information Ratio	-0.1

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 30/11/2023)

	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%	2.9%
SPI Extra®	22.2%	-24.0%	3.9%

* since Launch date (6 October 2008)

Monthly Performance (as of 30/11/2023)

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%	4.8%		2.9%
SPI Extra®	7.6%	1.5%	0.8%	1.2%	-1.6%	0.4%	1.4%	-2.6%	-4.6%	-5.3%	5.8%		3.9%

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