

## zMonthly December 23

### Prospects of interest rate cuts boost markets

Following the previous month's gains, the positive sentiment continued in December. The publication of better-than-expected US employment data was not enough to dampen equity markets. Towards the middle of the month, central banks took centre stage. It was the US Federal Reserve which sent markets into euphoria with a U-turn. Fed Chairman Jerome Powell signalled that the hiking cycle was over and that rate cuts were being considered for 2024. Investors are now expecting a soft landing for the economy and reckon that diminishing inflationary pressure is reason enough to cut rates. Repeated attacks on container ships in the Red Sea led to rising freight rates, helping the shares of logistics group Kühne + Nagel. Swiss Re's profit targets announced at its Investor Day and the absence of any reference to a share buyback programme were received negatively by the market. Overall, 2023 was a year of mostly positive headlines. The MSCI World Index gained 10.8% in CHF over the year. This strong performance was mainly driven by the "Magnificent Seven" technology stocks in the US. The Swiss equity market was unable to keep pace due to its defensive weighting and the strength of the Swiss franc (SPI +6.1%). The fund gained 9.2% in 2023.

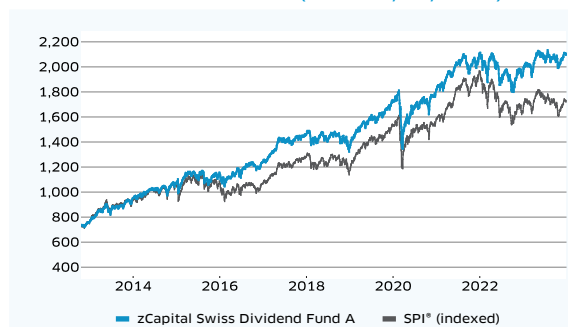
### Exit from Sandoz

During the month, we exited Sandoz completely and reduced our position in Logitech. On the other hand, we made purchases in Swisscom, SGS and DKSH.

### A year of unknowns

Since the end of October, equity markets have been anticipating a dream scenario of full employment, moderate economic growth, lower energy prices, subdued inflation and falling interest rates. We doubt that this near-perfect stock market world will materialise in the new year. Discussions with managers give us a more nuanced picture of the real economy. Concerns are growing about the marked strength of the Swiss franc, the shortage of skilled labour, rising wages, falling order intake and price pressure. We therefore expect a mixed reporting season with a number of negative surprises on the earnings front. In addition, the outlook for future business development is likely to be rather subdued. Politics is also a big unknown. In particular, the US presidential election in November will keep equity markets very busy. In the fund, however, we can continue to focus primarily on the fundamental factors of the individual companies.

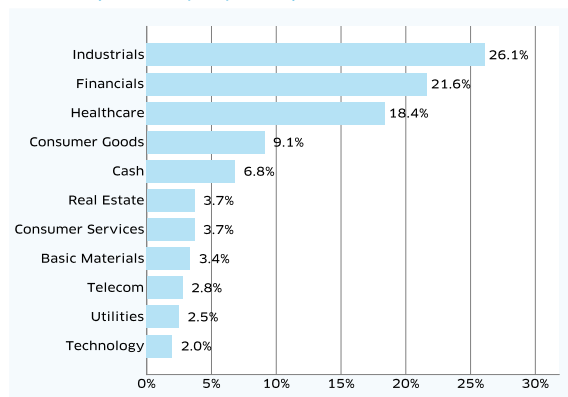
### Performance since Launch (as of 29/12/2023)



### Performance (as of 29/12/2023)

MTD (Fund / Benchmark)	1.7% / 2.4%
YTD	9.2% / 6.1%
1 year	8.2% / 4.9%
3 years p.a.	5.0% / 3.0%
5 years p.a.	9.3% / 8.2%
10 years p.a.	8.3% / 6.4%
Since launch p.a.	9.8% / 7.9%

### Sectors (as of 29/12/2023)



### Largest Positions (as of 29/12/2023)

1	Roche	9.2%
2	Novartis	9.1%
3	Nestle	9.1%
4	ABB	5.7%
5	Zurich Insurance Group	4.2%
6	Holcim	3.9%
7	Swiss Re	3.0%
8	Swisscom	2.8%
9	Givaudan	2.5%
10	SGS	2.5%
11	PSP Swiss Property	2.2%
12	Accelleron	2.2%
13	Swiss Life	2.1%
14	Partners Group	2.1%
15	DKSH	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 29/12/2023)

<b>Net Asset Value</b>	CHF 2,107.66 per Share A
<b>Total Assets</b>	CHF 559 m
<b>Investment Exposure</b>	93.2%
<b>Number of Companies</b>	35

## Statistics 3 Years (as of 29/12/2023)

<b>Volatility Fund p.a.</b>	10.9%
<b>Beta (current)</b>	0.8
<b>Dividend yield of invested companies *</b>	3.9%
<b>Large caps in percentage of portfolio</b>	57.6%

\* 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 29/12/2023.

## 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 29/12/2023)

	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%	3.1%	1.7%	9.2%

\* since Launch date (22 October 2012)

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