

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. Roche shares rose after the pharmaceutical group announced the acquisition of Carmot Therapeutics, a biotech company specialising in obesity and diabetes. Laboratory equipment supplier Tecan announced that its greenhouse gas reduction targets had been validated by the Science Based Targets initiative, a mark of quality for reduction plans. 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. While 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 11.4% in 2023.

Schaffner no longer in the portfolio

Schaffner shares are no longer in the portfolio following the completion of the takeover by TE Connectivity. On the other hand, we added to our positions in Sonova, Bachem, Roche, SGS and Lem.

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)



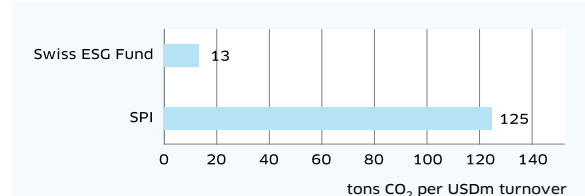
Performance (as of 29/12/2023)

MTD	3.6%
YTD	11.4%
1 year	10.2%
Since launch p.a.	3.2%

ESG Key Figures (as of 29/12/2023)

MSCI ESG Rating	AA
RepRisk Rating	A
zRating (Fund / SPI)	69 / 67
Estimated global warming Fund	<1.5°C
Companies which contribute positively to the UN SDGs (Fund / SPI)	82% / 60%

Carbon Intensity (as of 29/12/2023)



Largest Positions (as of 29/12/2023)

1	Roche	9.5%
2	ABB	6.0%
3	Givaudan	4.5%
4	Zurich Insurance Group	4.5%
5	Schindler	3.7%
6	Swiss Re	3.6%
7	Sonova	3.5%
8	Galenica	3.3%
9	Sika	3.2%
10	Comet	3.1%

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.

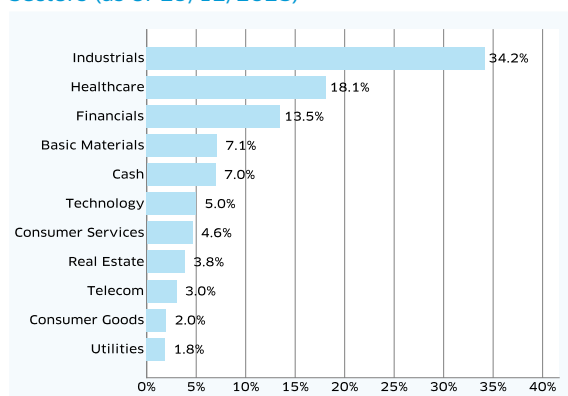
Impact of zCapital

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 29/12/2023)

Net Asset Value	CHF 1,082.80 per Share A
Total Assets	CHF 24 m
Investment Exposure	93.0%
Number of Companies	31

Sectors (as of 29/12/2023)



Termsheet

Fund-Name	Swiss ESG Fund (Class A)
Asset Manager	zCapital AG, Zug
Swiss Security Number / ISIN	59273267 / CH0592732678
Price Publications	www.zcapital.ch, www.swissfunddata.ch, www.fundinfo.com
Bloomberg / Reuters	ZCAPESG SW Equity / 59273267.S
Minimum Investment / Reference Currency	No minimum investment required / CHF
Fund Type / Distribution	Swiss Securities Fund / Authorized for public distribution in Switzerland and Germany
Management Fee (incl. Fund Management and Custodian Fees)	1.25%
Issue Fee / Redemption Fee	none
Total Expense Ratio (TER) 31/05/2023	1.43%
Fund Management Company / Custodian Bank	LLB Swiss Investment AG, Zurich / Bank Julius Baer & Co. Ltd., Zurich
Subscriptions and Redemptions	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.
Auditor	PricewaterhouseCoopers AG, Zurich

Monthly Performance (as of 29/12/2023)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2021		-0.9%	6.4%	1.2%	3.6%	4.2%	3.2%	2.0%	-6.1%	1.5%	-0.3%	4.5%	20.6%*
2022	-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%
2023	5.7%	-0.3%	0.2%	2.8%	-0.9%	0.1%	1.0%	-1.1%	-1.5%	-4.0%	5.6%	3.6%	11.4%

* since Launch date (29 January 2021)

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