

zMonthly January 24

Muted start to the year

The uptrend that began in October came to a halt at the turn of the year, as surprisingly robust US labour market data caused government bond yields to rise. Against the backdrop of continued solid economic growth and slightly higher-than-expected US inflation in December, market hopes for interest rate cuts were dampened. This was echoed by central bank officials. Following Jerome Powell's comments at the Fed's press conference at the end of January, a rate cut in March is no longer expected. The focus has shifted to the earnings season. US technology heavyweights were boosted by a strong earnings report from Taiwanese chip giant TSMC, which helped US equity markets to new all-time highs. Komax shares came under pressure after the company issued a surprisingly severe profit warning. Flavour and fragrance maker Givaudan reported better-than-expected results. The company continued to reduce its greenhouse gas emissions last year and expressed confidence in meeting its 2030 ESG targets. SGS announced the appointment of a new CEO alongside its full year results. This outweighed the rather weak set of figures, which was reflected in a jump in the share price. The Fund was down 1.0% in January.

Lonza new in the portfolio

We added Lonza to the portfolio. In our view, the shares of the pharmaceutical supplier have been overly penalised. Its medium-term growth prospects are attractive. The company has also significantly improved its sustainability profile by setting credible climate targets and cleaning up its environmental legacy. We added to Swiss Re as well as DKSH and took profits on Givaudan.

Potential for interest rate disappointment

Market strategists and economists at the major banks disagree on the future of the economy and interest rates. We see considerable potential for disappointment in the hope that policy rates will fall sharply. Financial conditions in both the US and Europe have improved significantly in recent weeks and are as loose as they were in the zero-interest rate phase in 2021. This reduces the pressure on central banks to cut rates quickly. We are paying particular attention to the oil price, which has risen by around 5% since the beginning of the year. If the situation in the Middle East escalates further, we can expect higher prices. This would have a negative impact on inflation. We are sceptical that a scenario of lower inflation, falling interest rates and a stable economy will materialise. Stock market volatility is likely to increase, not least as the reporting season heats up.

Performance since Launch (as of 31/01/2024)



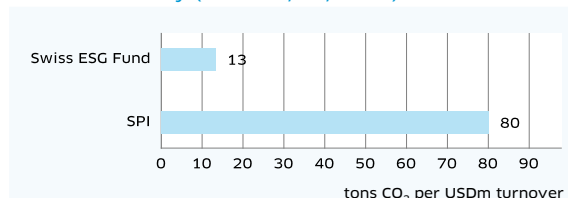
Performance (as of 31/01/2024)

MTD	-1.0%
YTD	-1.0%
1 year	4.3%
3 years p.a.	2.7%
Since launch p.a.	2.7%

ESG Key Figures (as of 31/01/2024)

MSCI ESG Rating	AA
RepRisk Rating	A
zRating (Fund / SPI)	70 / 67
Estimated global warming Fund	<1.5°C
Companies which contribute positively to the UN SDGs (Fund / SPI)	83% / 60%

Carbon Intensity (as of 31/01/2024)



Largest Positions (as of 31/01/2024)

1	Roche	9.4%
2	ABB	6.0%
3	Zurich Insurance Group	4.5%
4	Swiss Re	4.5%
5	Lonza	4.2%
6	Givaudan	3.8%
7	Schindler	3.8%
8	Sonova	3.6%
9	SGS	3.4%
10	Comet	3.4%

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.

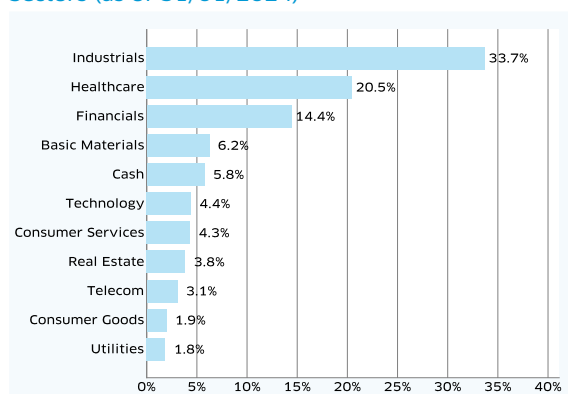
Impact of zCapital

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 31/01/2024)

Net Asset Value	CHF 1,071.72 per Share A
Total Assets	CHF 24 m
Investment Exposure	94.2%
Number of Companies	32

Sectors (as of 31/01/2024)



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) 30/11/2023	1.39%
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 31/01/2024)

	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%
2024	-1.0%												-1.0%

* since Launch date (29 January 2021)

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