

## 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. SGS announced the appointment of a new CEO alongside its full year results. The appointment outweighed the rather weak set of figures, which was reflected in a jump in the share price. Semiconductor supplier Inficon reported better-than-expected sales and profitability. Watchmaker Swatch Group posted a sharp decline in margins in the second half of the year, which was a negative surprise for investors. The Fund was flat in January (SPI Extra +0.1%).

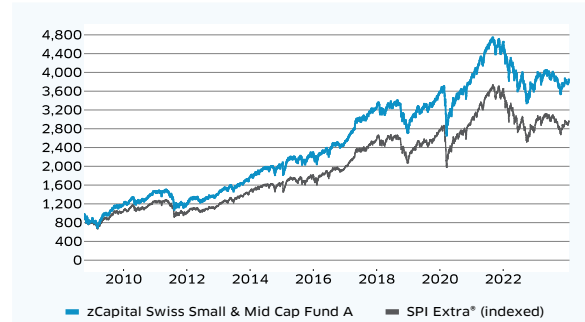
### Technology stocks added

We increased our holdings in technology stocks Inficon, VAT Group and AMS-Osram. We also bought DocMorris, Swissquote, Valiant and Cembra Money Bank. On the other side, we reduced Julius Baer and Ypsomed and exited the small position in Idorsia.

### 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.

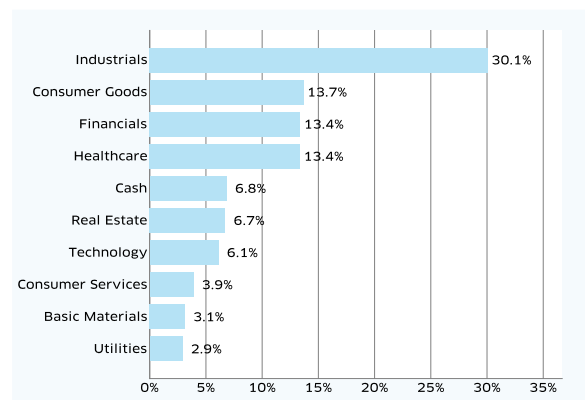
### Performance since Launch (as of 31/01/2024)



### Performance (as of 31/01/2024)

MTD (Fund / Benchmark)	-0.0% / 0.1%
YTD	-0.0% / 0.1%
1 year	-1.4% / -0.9%
3 years p.a.	-0.6% / -0.4%
5 years p.a.	5.1% / 5.0%
10 years p.a.	7.9% / 7.1%
Since launch p.a.	9.3% / 7.4%

### Sectors (as of 31/01/2024)



### Largest Positions (as of 31/01/2024)

1	Lindt & Sprüngli	7.1%
2	SGS	5.0%
3	Schindler	4.9%
4	Baloise	3.6%
5	Straumann	3.5%
6	Swatch	3.4%
7	Julius Baer	3.2%
8	VAT Group	3.2%
9	Roche	3.2%
10	PSP Swiss Property	3.1%
11	Sandoz Group	3.1%
12	Temenos	2.8%
13	Galenica	2.7%
14	SIG Group	2.1%
15	BKW	1.9%

## 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 31/01/2024)

<b>Net Asset Value</b>	CHF 3,829.89 per Share A
<b>Total Assets</b>	CHF 954 m
<b>Investment Exposure</b>	93.2%
<b>Number of Companies</b>	64

## Statistics 3 Years (as of 31/01/2024)

<b>Volatility Fund / Index p.a.</b>	14.5% / 15.7%
<b>Tracking Error</b>	1.9%
<b>Information Ratio</b>	-0.2

## Termsheet

<b>Fund-Name</b>	zCapital Swiss Small & Mid Cap Fund (Class A)
<b>Asset Manager</b>	zCapital AG, Zug
<b>Swiss Security Number / ISIN</b>	4534164 / CH0045341648
<b>Price Publications</b>	www.zcapital.ch, www.swissfunddata.ch, www.fundinfo.com
<b>Bloomberg / Reuters</b>	ZCAPSWI SW Equity / 4534164.S
<b>Benchmark</b>	SPI Extra® (Swiss small & mid cap equities)
<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>Fund Management Company / Custodian Bank</b>	LLB Swiss Investment AG, Zürich / Bank Julius Bär & Co. AG, Zürich
<b>Management Fee (incl. Fund Management and Custodian Fees)</b>	1.5% p.a., of which 0.1% donated to charities which engage in "Children and Education"
<b>Issue Fee / Redemption Fee</b>	None / 0.25% in favour of the fund
<b>Total Expense Ratio (TER) as of 30/11/2023</b>	1.50%
<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

## Yearly Performance (as of 31/01/2024)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Fund</b>	-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	2024
<b>Fund</b>	19.0%	-21.1%	5.0%	-0.0%
SPI Extra®	22.2%	-24.0%	6.5%	0.1%

\* since Launch date (6 October 2008)

## Monthly Performance (as of 31/01/2024)

2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>Fund</b>	-0.0%												-0.0%
SPI Extra®	0.1%												0.1%

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