

zMonthly February 24

Nvidia dominates stock markets

Stock markets outside Europe set the tone for the month, with the US and Japan outperforming the rest of the world. Strong US employment data and optimism about the growth of artificial intelligence drove individual indices to new record highs. The release of US inflation data for January briefly dampened the euphoria. The focus then shifted to the results of chip developer Nvidia. Last quarter's sales and a very optimistic outlook led to a broad-based rally. The situation for many Swiss tech stocks is less cheerful. Shares in semiconductor manufacturer AMS-Osram plunged 39% after Apple cancelled a key MicroLED project overnight. Banking software maker Temenos was targeted by US short-seller Hindenburg Research. Allegations of accounting irregularities, earnings manipulation and customer dissatisfaction led to a massive slump in the share price. The shares of building materials supplier Arbonia reacted positively to the announcement of ongoing negotiations for the sale of its Climate division. Consumer credit bank Cembra exceeded market expectations thanks to a much better second half of the year. Regional bank Valiant also posted a convincing annual result. The fund rose by 0.3% in February (SPI Extra +0.7%).

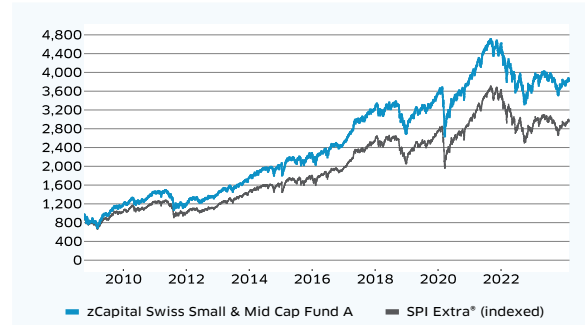
Temenos position increased

We took advantage of the fall in Temenos' share price to add to our position. We believe that the market reaction was exaggerated, as we currently do not consider any of the short sellers' allegations to be particularly new or substantial. We slightly increased our positions in Valiant, BKW, Emmi and SIG Group. On the other hand, we sold shares in Bachem and VZ Holding.

Valuation discrepancies

While stocks in artificial intelligence, semiconductors and anti-obesity drugs are experiencing a downright stock market hype, the rest are more or less floundering. In the first group, valuations have risen massively on the back of growth fantasies, while in the traditional sectors there are more and more cheap stocks to be found. That said, visibility is low in areas such as industrials and construction. Swiss companies with a high proportion of sales in Europe and Asia are suffering from the difficult economic environment and are hardly able to provide an outlook for the current year. Hopes are pinned on an improvement in demand in the second half of the year. As long as market participants do not see any signs of recovery in the cyclical sectors, valuation differentials are unlikely to change. European markets will continue to be dominated by the reporting season.

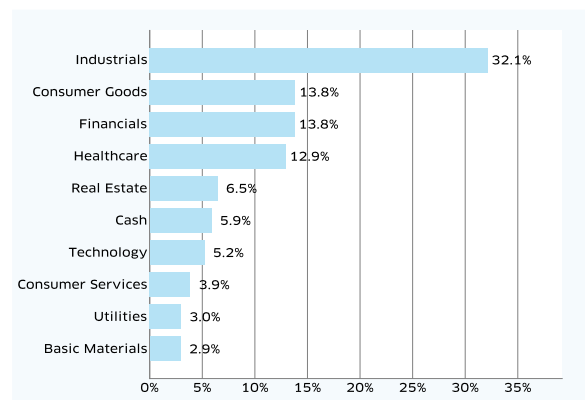
Performance since Launch (as of 29/02/2024)



Performance (as of 29/02/2024)

MTD (Fund / Benchmark)	0.3% / 0.7%
YTD	0.3% / 0.8%
1 year	-2.5% / -1.6%
3 years p.a.	-1.1% / -0.9%
5 years p.a.	4.6% / 4.7%
10 years p.a.	7.6% / 6.8%
Since launch p.a.	9.3% / 7.4%

Sectors (as of 29/02/2024)



Largest Positions (as of 29/02/2024)

1	Lindt & Sprüngli	6.9%
2	Schindler	5.3%
3	SGS	5.3%
4	VAT Group	3.9%
5	Baloise	3.7%
6	Straumann	3.6%
7	Swatch	3.5%
8	Julius Baer	3.2%
9	PSP Swiss Property	3.0%
10	Roche	2.9%
11	Sandoz Group	2.9%
12	Galenica	2.7%
13	Temenos	2.2%
14	SIG Group	2.2%
15	BKW	2.1%

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 29/02/2024)

Net Asset Value	CHF 3,816.04 per Share A
Total Assets	CHF 964 m
Investment Exposure	94.1%
Number of Companies	64

Statistics 3 Years (as of 29/02/2024)

Volatility Fund / Index p.a.	14.4% / 15.6%
Tracking Error	1.9%
Information Ratio	-0.2

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 30/11/2023	1.50%
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 29/02/2024)

	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	2024
Fund	19.0%	-21.1%	5.0%	0.3%
SPI Extra®	22.2%	-24.0%	6.5%	0.8%

* since Launch date (6 October 2008)

Monthly Performance (as of 29/02/2024)

2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Fund	-0.0%	0.3%											0.3%
SPI Extra®	0.1%	0.7%											0.8%

This document is promotion material. This document of zCapital Ltd does not constitute an offer or recommendation for the purchase or sale of investment funds. The information herein is subject to change at any time. No liability is accepted for any incorrect information. Past performance is not a reliable indicator of current or future performance. The performance figures do not include commissions and costs, which arise at subscription and redemption of units. According to Swiss law, the zCapital Swiss Small & Mid Cap Fund falls into the category of "Securities Fund". Investors are advised of the risks described in the fund prospectus. Investors have to be prepared to accept and be in a financial position to bear (possibly substantial) losses. The legal fund documents are available free of charge from zCapital Ltd, Baarerstrasse 82, 6300 Zug, Switzerland or on the website www.zcapital.ch. Ombudsman is Finanzombudsstelle Schweiz (FINOS). With respect to any sales restrictions, investors should seek independent advice on the applicable legal, financial or tax principles in the country concerned. This document is not intended for natural persons or legal entities for whom the use would breach the legal system of their state on account of their nationality or the domicile of the respective person or for other reasons. This applies in particular to persons with residence or domicile in the USA, Great Britain and Japan.