

## zMonthly March 24

### New highs again

The chase for records continued unabated in March on stock markets around the world. Asset classes such as gold and bitcoin also hit new highs. The positive sentiment was reflected in a significant fall in the volatility or "fear index" VIX. Even surprisingly high US inflation figures and rising bond yields failed to impress investors. Both the European and US central banks were reluctant to change interest rates. ECB chief Christine Lagarde held out the prospect of a rate cut in June, while the US Federal Reserve hinted at the possibility of three rate cuts by the end of the year. Markets welcomed these announcements. The Swiss National Bank caused a stir with a surprise cut in its policy rate of 25 basis points to 1.5%. SNB President Thomas Jordan cited inflation, which had been within the target range for some time, as the main reason for the move. As a result, the Swiss franc weakened against the US dollar and the euro. Energy company BKW pleased investors with good annual results and a much better than expected outlook for the current year. Leading turbocharger manufacturer Accelleron exceeded analysts' estimates at all levels and the share price continued to rise. Real estate company Hiag, which is trading well below book value, increased its rental income and reduced its vacancy rate more than expected. The fund gained 3.5% in March (SPI Extra 3.7%).

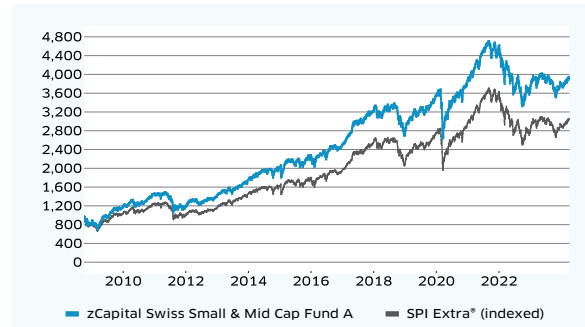
### Galderma new to our portfolio

We participated in the successful IPO of Galderma, the Zug-based dermatology specialist. The proceeds will be used to reduce debt and accelerate growth. We also added to our positions in Burckhardt Compression, Bossard and DocMorris. On the other hand, we reduced our exposure to Tecan and Julius Baer.

### US monetary policy under pressure from Washington?

Fed Chairman Jerome Powell has been holding out the prospect of interest rate cuts to the markets for several months now, despite many data points to the contrary. In contrast to Switzerland, inflation in the US is running at 3.2%, well above the target. The US economy will grow faster than the eurozone this year and the labour market is at full employment with wage growth of 4-5%. Financing conditions are as favourable as they were in the boom year of 2021. House prices remain high, which has an overall positive effect on wealth and supports consumption. The US economy seems to be coping better than expected with the higher interest rate environment. The overall impression is that the Fed is under strong political pressure to cut rates too early. As a result, the strong momentum in equity markets could continue for some time, in the spirit of "never fight the Fed".

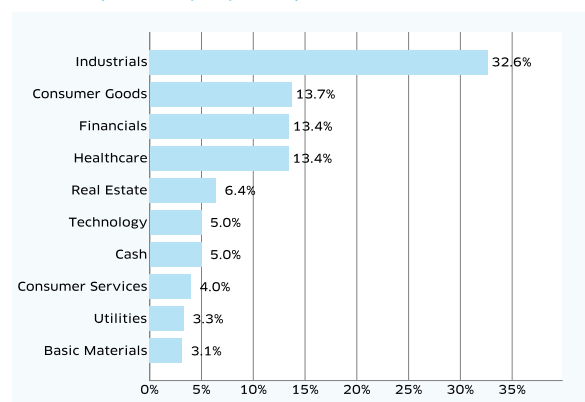
Performance since Launch (as of 28/03/2024)



Performance (as of 28/03/2024)

MTD (Fund / Benchmark)	3.5% / 3.7%
YTD	3.8% / 4.6%
1 year	3.6% / 4.7%
3 years p.a.	-1.6% / -1.5%
5 years p.a.	5.4% / 5.5%
10 years p.a.	7.8% / 7.2%
Since launch p.a.	9.4% / 7.7%

Sectors (as of 28/03/2024)



Largest Positions (as of 28/03/2024)

1	Lindt & Sprüngli	6.6%
2	Schindler	5.1%
3	SGS	5.0%
4	VAT Group	3.8%
5	Straumann	3.7%
6	Baloise	3.5%
7	Swatch	3.4%
8	Julius Baer	3.2%
9	PSP Swiss Property	3.0%
10	Roche	2.8%
11	Sandoz Group	2.7%
12	Galenica	2.5%
13	SIG Group	2.5%
14	BKW	2.4%
15	Temenos	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 28/03/2024)

<b>Net Asset Value</b>	CHF 3,949.40 per Share A
<b>Total Assets</b>	CHF 1006 m
<b>Investment Exposure</b>	95.0%
<b>Number of Companies</b>	65

## Statistics 3 Years (as of 28/03/2024)

<b>Volatility Fund / Index p.a.</b>	14.4% / 15.5%
<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 28/03/2024)

	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%	3.8%
SPI Extra®	22.2%	-24.0%	6.5%	4.6%

\* since Launch date (6 October 2008)

## Monthly Performance (as of 28/03/2024)

2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>Fund</b>	-0.0%	0.3%	3.5%										3.8%
SPI Extra®	0.1%	0.7%	3.7%										4.6%

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