

## zMonthly September 24

### Central banks boost markets

After hitting new all-time highs in the previous month, equity markets came under selling pressure in the first week of September. Disappointing US economic data and a weak employment report spurred fears of a recession. However, further declines in US inflation figures for August brought relief to investors. While the European Central Bank unsurprisingly cut interest rates for a second time by 25 basis points, the US Federal Reserve kicked off the rate cutting cycle with an unusually large move of half a percentage point. Combined with the hint of two more possible rate cuts by the end of the year, this added further weight to the 'soft landing' scenario hoped for by many investors. Equity markets reacted positively, with some reaching new all-time highs. The Swiss monetary authorities also lived up to expectations, cutting interest rates by 25 basis points to 1% against the backdrop of a significant easing in inflationary pressures. Towards the end of the month, the Chinese party leadership provided a boost to the markets. It unveiled the most comprehensive package of measures since the pandemic to stimulate the weak domestic economy. At the Capital Market Day, industrial group Schweiter Technologies presented new medium-term targets, which were well received by investors. Insurer Baloise reported solid results for the past six months. It also published new targets for the next four years. However, there were no significant strategic changes. The fund gained 0.8% in September (SPI Extra +0.6%).

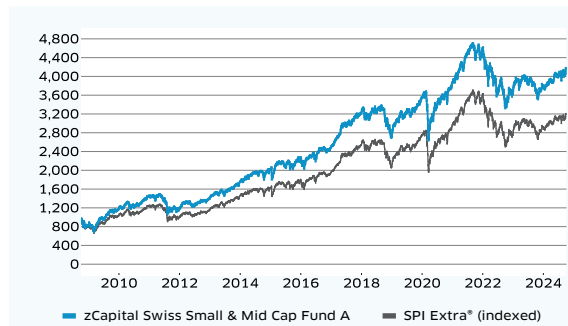
### Minor portfolio adjustments

We made only minor adjustments to the portfolio in September. We participated in the placement of Galderma and added to VAT, Schweiter and Straumann. On the other side, we slightly reduced our exposure to VZ Holding, Barry Callebaut and Tecan.

### Rising liquidity

Economic data is coming in below expectations, company sentiment is subdued, and inflation is falling, thanks in part to lower oil prices. In addition, the US labour market is starting to weaken. This is an ideal environment for central banks to cut interest rates or, as in China, to launch generous stimulus programmes. As a result, large amounts of liquidity are being pumped into equity markets, as we saw during the financial crisis. For example, after a period of negative growth, global M2 money supply is rising again. Accordingly, equity markets in the US, Asia and Europe have gone into risk-on mode. Gold and cryptocurrencies are also on the rise. We would not be surprised to see interest rates in Switzerland move towards zero next year. This would bring us back to an environment of scarce investment opportunities. For now, however, the markets must deal with the US elections, which have so far received surprisingly little attention from the equity markets.

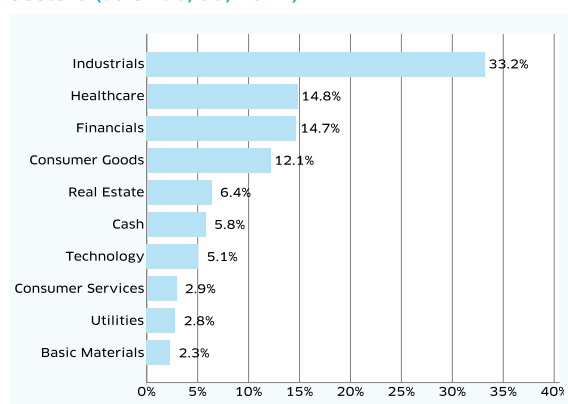
### Performance since Launch (as of 30/09/2024)



### Performance (as of 30/09/2024)

MTD (Fund / Benchmark)	0.8% / 0.6%
YTD	9.5% / 9.3%
1 year	11.5% / 12.3%
3 years p.a.	-2.0% / -2.8%
5 years p.a.	4.7% / 4.7%
10 years p.a.	7.9% / 7.3%
Since launch p.a.	9.5% / 7.7%

### Sectors (as of 30/09/2024)



### Largest Positions (as of 30/09/2024)

Rank	Company	Allocation (%)
1	Lindt & Sprüngli	5.5%
2	SGS	5.2%
3	Schindler	4.9%
4	Baloise	4.3%
5	Straumann	3.6%
6	VAT Group	3.5%
7	Julius Baer	3.5%
8	Sandoz Group	3.3%
9	Roche	3.1%
10	PSP Swiss Property	2.9%
11	Swatch Group	2.9%
12	Belimo	2.3%
13	Galenica	2.3%
14	Temenos	2.1%
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 30/09/2024)

<b>Net Asset Value</b>	CHF 4,167.86 per Share A
<b>Total Assets</b>	CHF 1060 m
<b>Investment Exposure</b>	94.2%
<b>Number of Companies</b>	63

## Statistics 3 Years (as of 30/09/2024)

<b>Volatility Fund / Index p.a.</b>	14.4% / 15.5%
<b>Tracking Error</b>	1.9%
<b>Information Ratio</b>	0.3

## 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 31/05/2024</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 30/09/2024)

	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%
<b>SPI Extra®</b>	-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%	9.5%
<b>SPI Extra®</b>	22.2%	-24.0%	6.5%	9.3%

\* since Launch date (6 October 2008)

## Monthly Performance (as of 30/09/2024)

2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>Fund</b>	-0.0%	0.3%	3.5%	-1.3%	3.4%	-1.3%	3.1%	0.7%	0.8%				9.5%
<b>SPI Extra®</b>	0.1%	0.7%	3.7%	-1.5%	3.3%	-1.8%	3.3%	0.6%	0.6%				9.3%

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