

zMonthly June 25

Middle East conflict only a short-term drag

Stock markets got off to a positive start in the month under review. Despite the ongoing back-and-forth in the trade war, investors remained calm in the face of threats. Markets have learned by now that President Trump always chickens out (TACO) in the end. Meanwhile the US and China reached a preliminary trade agreement. Additionally, the slower rise in US consumer prices ensured the recovery continued. However, this was offset by rising tensions in the Middle East following Israel's attack on Iran. The initial sharp rise in oil prices, coupled with concerns about supply bottlenecks in the event of a Strait of Hormuz blockade, led to a sell-off on stock markets. The bombing of Iranian nuclear facilities by US military aircraft marked a turning point in the conflict. Oil prices then fell significantly, allowing equity markets to recover. While the US Federal Reserve kept its key interest rate unchanged, the Swiss National Bank reduced its benchmark rate to zero percent. The main reason for this was that inflation fell into negative territory in May. Contrary to the optimistic mood in the US, which helped some indices reach new highs, discussions with Swiss company representatives revealed a more cautious outlook regarding developments in the first half of the year and the coming six months. Huber+Suhner has opened a new factory in Poland for Polatis optical circuit switches. This technology enables AI data centres in particular to save electricity. Production capacity is set to increase by at least a factor of five over the next two years. The fund lost 0.3% in June.

Alcon new to the fund

Alcon is the global market leader in ophthalmology. The ageing population indicates good growth potential. Following the setback caused by the reduced margin forecast for 2025, we purchased an initial tranche. We increased our position in Landis+Gyr and reduced our holdings in SIG, Temenos and DKSH.

Dollar crash becomes a burden

Since the beginning of the year, the US dollar has fallen by 12% against the Swiss franc, with the currency now trading below 80 centimes. Asian currencies, such as the Chinese renminbi and the Indian rupee, have also dropped significantly. Only the euro remained stable throughout the year. From the second quarter of 2025 onwards, this will have a significant negative effect on export companies. On average, the overall negative revenue impact for the year is likely to be in the range of 4–6%. Profit estimates must therefore be revised downwards. President Trump intends to implement his 'One Big Beautiful Bill' by 4 July at the latest. However, it still needs to be approved by the Senate, as some Republicans are concerned about further increases in debt. The deadline for the postponed reciprocal tariffs is 9 July. The market is relaxed and assumes that the US President will extend this deadline. Switzerland could be one of the next countries to reach an agreement with the US. Nevertheless, an overall tariff rate of around 10% is likely to remain in place. Although stock markets are currently optimistic, we see considerable risks for the second half of the year.

Performance since Launch (as of 30/06/2025)



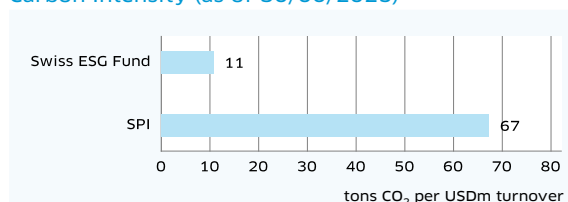
Performance (as of 30/06/2025)

MTD	-0.3%
YTD	7.5%
1 year	5.6%
3 years p.a.	8.1%
Since launch p.a.	4.9%

ESG Key Figures (as of 30/06/2025)

RepRisk Rating (Fund / SPI)	A / BBB
zRating	71 / 68
Companies that meet Paris climate targets	100% / 80%
Estimated global warming 2050	<1.5°C / 1.6°C
Companies which contribute positively to the UN SDGs	84% / 63%

Carbon Intensity (as of 30/06/2025)



Largest Positions (as of 30/06/2025)

1	Roche	8.8%
2	Novartis	8.8%
3	ABB	5.5%
4	Zurich Insurance Group	5.4%
5	Lonza	3.9%
6	Givaudan	3.6%
7	Swiss Re	3.6%
8	SGS	3.3%
9	Geberit	3.2%
10	Swisscom	2.9%

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.

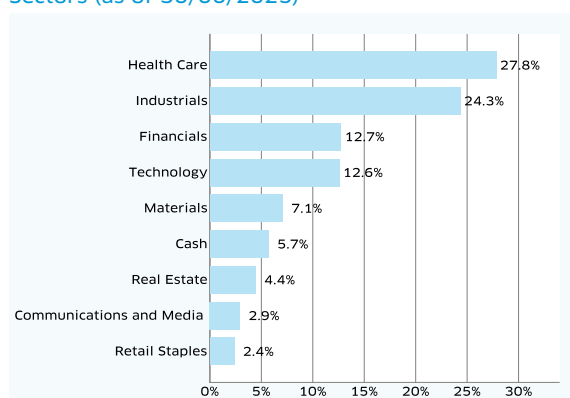
Impact of zCapital

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 30/06/2025)

Net Asset Value	CHF 1,201.32 per Share A
Total Assets	CHF 36 m
Investment Exposure	95.2%
Number of Companies	34

Sectors (as of 30/06/2025)



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
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
Management Fee (incl. Fund Management and Custodian Fees)	1.25%
Issue Fee / Redemption Fee	none
Total Expense Ratio (TER) 31/05/2025	1.34%
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 2.45 pm 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 30/06/2025)

	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%	2.1%	4.3%	-2.9%	4.8%	-0.3%	3.6%	-0.2%	0.3%	-4.1%	-0.4%	-0.9%	5.1%
2025	6.1%	0.0%	-1.5%	0.2%	3.0%	-0.3%							7.5%

* since Launch date (29 January 2021)

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