

zMonthly July 25

Sharp fluctuations during the reporting season

Global stock markets got off to a mixed start in the second half of the year. The passing of Trump's 'One Big Beautiful Bill' primarily boosted the US stock market. In other regions, however, the approaching tariff pause caused caution. After the deadline passed without incident on 9 July, the US president announced that he would impose 30% tariffs on goods from the EU and Mexico from 1 August, but the negative market reaction was limited. Investors trusted their experience that such announcements often amount to little more than hot air. And they were right. First, the US agreed with Japan, and then with the EU, on unilateral tariffs of 15%. In Switzerland, the reporting season started off with a few surprises. ABB delivered better-than-expected second-quarter results across the board. The industrial group is benefiting from rising investment in power grid infrastructure, among other factors. Temenos also exceeded expectations. Together with the upward revision of its outlook, this led to a surge in the share price. Time magazine named the company the world's most sustainable software provider. Meanwhile, shares in power sensor manufacturer LEM slumped following the release of disappointing quarterly figures. The fund gained 1.8% in July.

Profit taking

We took advantage of the strong price performance of Zehnder, Landis+Gyr, and U-Blox to realise some gains. Conversely, we increased our holdings in Roche, Novartis, and Alcon. We exited LEM entirely.

Tariff shock for Switzerland

The Federal Council, trade associations and companies had hoped for a reasonable deal with Donald Trump. However, things turned out differently — for now, at least. From 7 August, exports from Switzerland shall be subject to a 39% tariff, which many companies will find untenable. As a small, innovative country, Switzerland has little room for manoeuvre. Trump wants more production in the US. He has already received significant investment pledges from the EU and Japan. By 2028, private companies are expected to invest a total of around USD 1.15 trillion. These investments are lacking in Europe and Japan, and will impact America's stagnant labour market. Consequently, wages and inflation are likely to rise. In their half-year reports, companies in the industrial sector spoke of great uncertainty and low visibility. US tariffs and trade barriers are causing production shifts, project delays, and extra warehousing. This is resulting in additional costs and lower margins. So far this year, market participants have remained positive on the stock markets, without sufficiently pricing in risks. This could now come back to haunt them.

Performance since Launch (as of 31/07/2025)



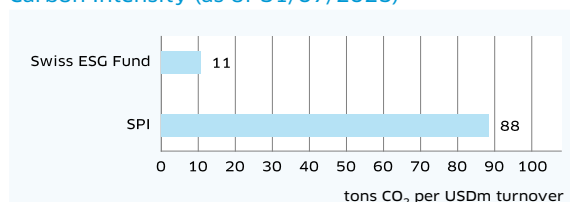
Performance (as of 31/07/2025)

MTD	1.8%
YTD	9.5%
1 year	3.8%
3 years p.a.	7.2%
Since launch p.a.	5.3%

ESG Key Figures (as of 31/07/2025)

RepRisk Rating (Fund / SPI)	A / A
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	83% / 63%

Carbon Intensity (as of 31/07/2025)



Largest Positions (as of 31/07/2025)

1	Roche	9.3%
2	Novartis	8.7%
3	ABB	6.0%
4	Zurich Insurance Group	5.2%
5	Lonza	3.8%
6	Swiss Re	3.7%
7	SGS	3.3%
8	Givaudan	3.1%
9	Geberit	3.1%
10	Huber + Suhner	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.

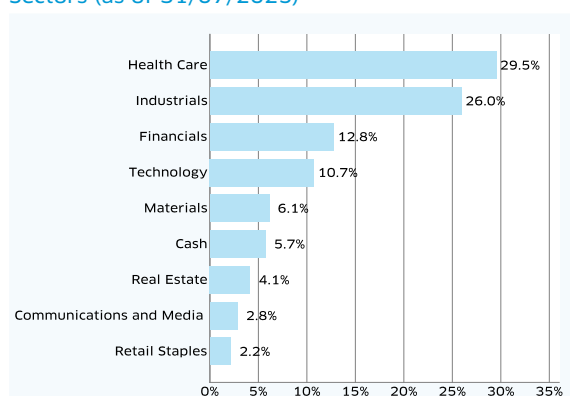
Impact of zCapital

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 31/07/2025)

Net Asset Value	CHF 1,223.49 per Share A
Total Assets	CHF 37 m
Investment Exposure	94.4%
Number of Companies	34

Sectors (as of 31/07/2025)



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 31/07/2025)

	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%	1.8%						9.5%

* since Launch date (29 January 2021)

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