

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. Turbocharger manufacturer Accelleron impressed with a significant increase in sales during the first half of the year. The forecast for 2025 was significantly increased, resulting in a strong rally in the stock. Banking software provider Temenos also exceeded expectations. Together with the upward revision of its outlook, this led to a surge in the share price. Meanwhile, connection technology specialist Huber+Suhner announced a significant order for optical circuit switches from a global data centre operator, marking a milestone for this growth initiative. Conversely, Lindt & Sprüngli shares declined following a mixed first half, with negative volume growth of 4.6%. In July, the fund increased by 2.4% (SPI Extra +2.4%).

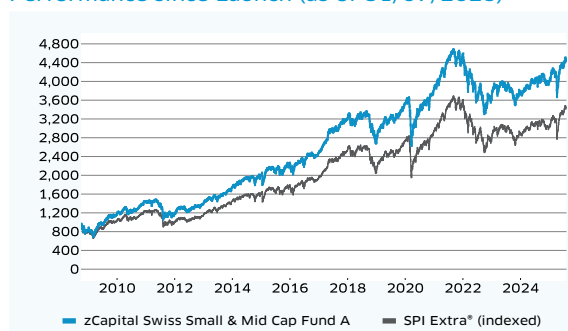
Galderma placement

We participated in another share placement, this time of around 7% of Galderma, by existing private equity investors. Additionally, we increased our exposure to Belimo, Interroll, and Vontobel. Conversely, we realised gains on R&S Group and VAT.

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.

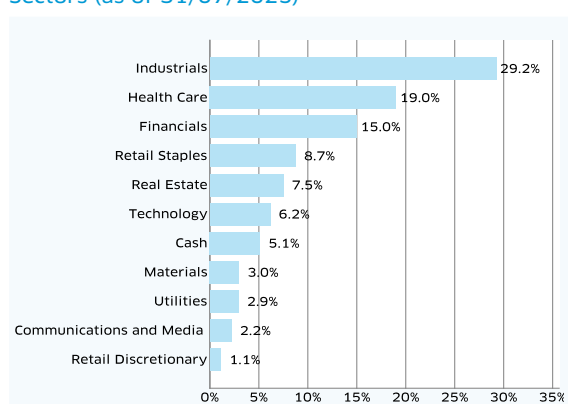
Performance since Launch (as of 31/07/2025)



Performance (as of 31/07/2025)

MTD (Fund / Benchmark)	2.4% / 2.4%
YTD	11.3% / 13.1%
1 year	8.6% / 8.7%
3 years p.a.	4.6% / 4.9%
5 years p.a.	5.5% / 6.0%
10 years p.a.	7.4% / 7.0%
Since launch p.a.	9.4% / 7.8%

Sectors (as of 31/07/2025)



Largest Positions (as of 31/07/2025)

Rank	Company	Allocation (%)
1	Lindt & Sprüngli	6.0%
2	Schindler	5.0%
3	SGS	4.8%
4	Galderma Group	4.5%
5	Baloise	4.2%
6	Sandoz Group	3.9%
7	Julius Baer	3.4%
8	Belimo	3.1%
9	PSP Swiss Property	3.1%
10	Straumann	2.9%
11	Roche	2.7%
12	Swiss Prime Site	2.5%
13	BKW	2.4%
14	Temenos	2.3%
15	Galenica	2.2%

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 31/07/2025)

Net Asset Value	CHF 4,433.53 per Share A
Total Assets	CHF 1150 m
Investment Exposure	95.0%
Number of Companies	62

Statistics 3 Years (as of 31/07/2025)

Volatility Fund / Index p.a.	12.4% / 13.4%
Tracking Error	1.7%
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 31/05/2025	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 2.45 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 31/07/2025)

	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	2025
Fund	19.0%	-21.1%	5.0%	5.2%	11.3%
SPI Extra®	22.2%	-24.0%	6.5%	3.8%	13.1%

* since Launch date (6 October 2008)

Monthly Performance (as of 31/07/2025)

2025	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Fund	6.0%	-0.8%	-2.4%	0.6%	5.4%	-0.0%	2.4%						11.3%
SPI Extra®	6.7%	-0.7%	-2.6%	0.5%	6.2%	0.5%	2.4%						13.1%

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