

zMonthly August 25

Fed signals interest rate cut

Global stock markets began August with losses in response to the latest tariff announcements by the US president. However, the Swiss stock market absorbed the 39% shock surprisingly well, losing virtually nothing. Investors seemed convinced either that the tariffs would not dramatically impact the earnings of listed companies, or that the rate would be reduced. The moderate rise in US inflation in July fuelled hopes that price increases triggered by US tariffs would be lower than feared. Investors then turned their attention to Jackson Hole, where Fed Chairman Jerome Powell delivered his highly anticipated speech. Having recently come under significant pressure from President Trump, Powell placed greater emphasis on the risk of a cooling labour market than on further rising inflationary pressure. This was widely interpreted as a clear indication that the Fed would announce an interest rate cut in September, triggering a positive reaction in stock markets. Shares in semiconductor developer U-Blox surged after the company received a public takeover bid from the private equity firm Advent. Alcon, a specialist in ophthalmology, disappointed with its second-quarter figures and lowered its annual forecast again. As a result, the share price came under pressure. Meanwhile, Givaudan announced a change of CEO and presented its targets for the new strategy period up to 2030, including ambitious sustainability plans. Going forward, the company will, for example, ensure that the procurement of agricultural raw materials does not cause deforestation. The fund gained 1.1% in August.

Hardly any portfolio changes

There were no significant changes to the portfolio during the month under review. We increased our holdings in Novartis, Givaudan and Interroll, while reducing our stake in Geberit and Baloise.

Adaptable Swiss export companies

The management teams of Swiss export companies are currently facing major challenges. There are concerns that the US tariff rate of 39% may remain in place for some time. Added to this, the Swiss franc has appreciated by 13% against the US dollar. Our portfolio companies are broadly diversified, which gives them greater pricing power and the possibility of relocating production to other countries compared to smaller companies. This enables them to offset some of the customs costs. However, the second-round effects of the tariffs are harder to predict. According to a survey by EY, around 70% of Swiss companies have postponed or even cancelled planned investments. Nevertheless, the Swiss export industry has previously demonstrated its ability to respond flexibly to external shocks. Thanks to its innovative strength, low interest rates, and legal certainty, Swiss industry should gain strength in the long term. Once the half-year reporting period is over, the stock market will turn its attention to macroeconomic data and news from the White House. There are unlikely to be any dull moments – stock markets remain challenging.

Performance since Launch (as of 29/08/2025)



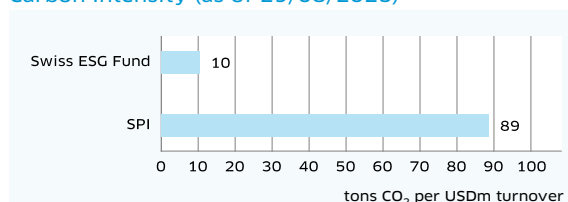
Performance (as of 29/08/2025)

MTD	1.1%
YTD	10.7%
1 year	5.4%
3 years p.a.	8.8%
Since launch p.a.	5.4%

ESG Key Figures (as of 29/08/2025)

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 29/08/2025)



Largest Positions (as of 29/08/2025)

1	Novartis	9.4%
2	Roche	9.3%
3	ABB	5.9%
4	Zurich Insurance Group	5.4%
5	Lonza	3.7%
6	Swiss Re	3.6%
7	SGS	3.2%
8	Givaudan	3.2%
9	Huber + Suhner	3.2%
10	Swisscom	2.8%

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.

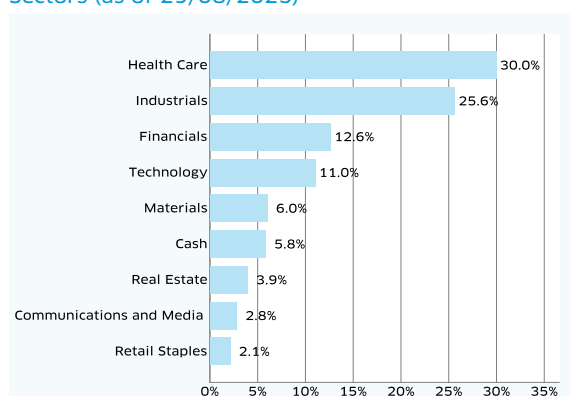
Impact of zCapital

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 29/08/2025)

Net Asset Value	CHF 1,236.80 per Share A
Total Assets	CHF 38 m
Investment Exposure	94.3%
Number of Companies	34

Sectors (as of 29/08/2025)



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 29/08/2025)

	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%	1.1%					10.7%

* since Launch date (29 January 2021)

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