

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. Sunrise reported solid quarterly figures, with price increases having a particularly positive impact on earnings. In August, the fund increased by 0.4% (SPI Extra unchanged).

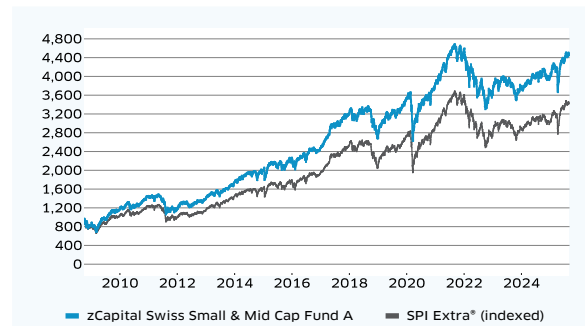
Some portfolio changes

We made a few changes in the face of market volatility. We bought shares in Tecan, Vontobel, TX Group and Huber+Suhner. Conversely, we reduced our positions in Roche, VAT, Comet, Komax and R&S Group.

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.

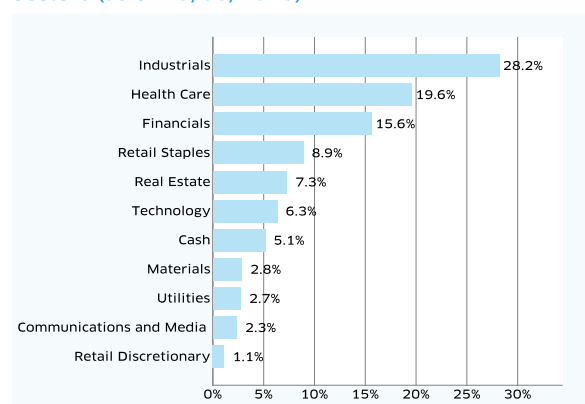
Performance since Launch (as of 29/08/2025)



Performance (as of 29/08/2025)

MTD (Fund / Benchmark)	0.4% / -0.0%
YTD	11.8% / 13.1%
1 year	8.7% / 8.6%
3 years p.a.	6.4% / 6.8%
5 years p.a.	4.7% / 4.9%
10 years p.a.	7.9% / 7.5%
Since launch p.a.	9.4% / 7.7%

Sectors (as of 29/08/2025)



Largest Positions (as of 29/08/2025)

1	Lindt & Sprüngli	6.0%
2	Schindler	5.0%
3	Galderma Group	4.9%
4	SGS	4.7%
5	Baloise	4.3%
6	Sandoz Group	4.2%
7	Julius Baer	3.5%
8	PSP Swiss Property	3.0%
9	Belimo	2.9%
10	Straumann	2.8%
11	Roche	2.5%
12	Swiss Prime Site	2.5%
13	Temenos	2.2%
14	BKW	2.2%
15	Galenica	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 29/08/2025)

Net Asset Value	CHF 4,450.84 per Share A
Total Assets	CHF 1155 m
Investment Exposure	95.0%
Number of Companies	61

Statistics 3 Years (as of 29/08/2025)

Volatility Fund / Index p.a.	12.2% / 13.2%
Tracking Error	1.7%
Information Ratio	-0.3

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 29/08/2025)

	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%	11.8%
SPI Extra®	22.2%	-24.0%	6.5%	3.8%	13.1%

* since Launch date (6 October 2008)

Monthly Performance (as of 29/08/2025)

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%	0.4%					11.8%
SPI Extra®	6.7%	-0.7%	-2.6%	0.5%	6.2%	0.5%	2.4%	-0.0%					13.1%

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