

## zMonthly September 25

### Interest rate cut in the US

Global stock markets got off to a positive start in September. The number of new jobs created in the US in August was significantly lower than expected. In view of the cooling labour market, investors considered a US Federal Reserve interest rate cut to be highly likely. Meanwhile, inflation in the United States remained high at 2.9% in August, well above the Fed's target rate of 2%. As expected, however, the US Federal Reserve eased its monetary policy for the first time this year by cutting interest rates by 0.25%. An even bigger cut was prevented by the delicate balance between labour market weakness and continued uncertainty surrounding inflation. Nevertheless, stock markets reacted positively, with Wall Street reaching another record high. In contrast, the European Central Bank ended its easing cycle after eight consecutive interest rate cuts, leaving its key interest rate unchanged. The Swiss National Bank followed suit. Moreover, auction platform Ricardo plays an important role in the Swiss circular economy. Shares in the packaging specialist SIG Group plummeted following a profit warning and the suspension of dividends. Temenos shares also came under pressure following the departure of its CEO. Landis+Gyr announced the sale of its European business for USD 215 million. The fund lost 1.3% in September.

### SMG and Zug Estates new to the portfolio

We built up a position in the wake of SMG's IPO. We also acquired shares in Zug Estates as part of a placement. We took advantage of Temenos' weak share price to make additional purchases. We completely exited PSP Swiss Property and Bossard.

### Tariff headwinds in the second half of the year

US President Trump has now set his sights on the pharmaceutical industry too. From 1 October, a tariff of 100% will be levied on imports of branded drugs to the US. However, companies that build new production facilities in the US will be exempt. These tariffs are having a visible impact on the prices of imported goods, which ultimately affects US consumers. The Swiss economy is also feeling the effects of this erratic trade policy. A KOF survey of Swiss companies shows that they expect a decline in sales under the new tariff regime. In addition, falling profit margins are forcing companies to reduce investment. After a solid first half of the year due to forward purchasing, headwinds are likely to intensify in the current semester. Furthermore, uncertainties stemming from the US government are having an impact on the markets. These are being exacerbated by the government shutdown.

### Performance since Launch (as of 30/09/2025)



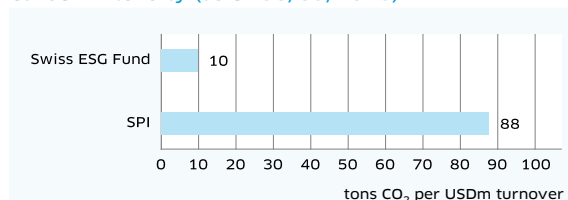
### Performance (as of 30/09/2025)

MTD	-1.3%
YTD	9.2%
1 year	3.4%
3 years p.a.	10.6%
Since launch p.a.	5.0%

### ESG Key Figures (as of 30/09/2025)

RepRisk Rating (Fund / SPI)	A / A
zRating	70 / 68
Companies that meet Paris climate targets	100% / 79%
Estimated global warming 2050	<1.5°C / 1.6°C
Companies which contribute positively to the UN SDGs	83% / 63%

### Carbon Intensity (as of 30/09/2025)



### Largest Positions (as of 30/09/2025)

1	Novartis	9.5%
2	Roche	9.4%
3	ABB	6.5%
4	Zurich Insurance Group	5.8%
5	Lonza	3.5%
6	SGS	3.3%
7	Swiss Re	3.1%
8	Givaudan	3.1%
9	Swisscom	3.0%
10	Landis+Gyr	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.

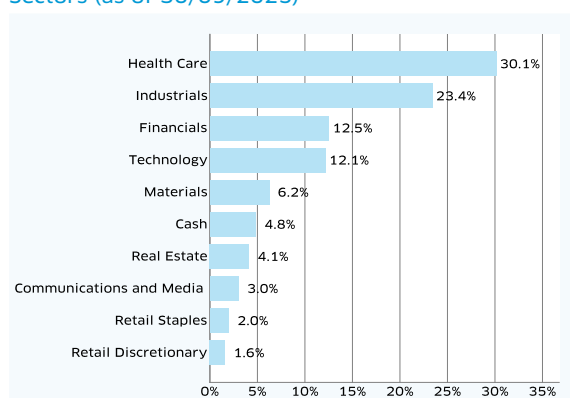
## Impact of zCapital

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 30/09/2025)

<b>Net Asset Value</b>	CHF 1,220.46 per Share A
<b>Total Assets</b>	CHF 37 m
<b>Investment Exposure</b>	95.3%
<b>Number of Companies</b>	34

## Sectors (as of 30/09/2025)



## Termsheet

<b>Fund-Name</b>	Swiss ESG Fund (Class A)
<b>Asset Manager</b>	zCapital AG, Zug
<b>Swiss Security Number / ISIN</b>	59273267 / CH0592732678
<b>Price Publications</b>	www.zcapital.ch, www.swissfunddata.ch, www.fundinfo.com
<b>Bloomberg / Reuters</b>	ZCAPESG SW Equity / 59273267.S
<b>Morningstar-Rating</b>	★★★★★
<b>Minimum Investment / Reference Currency</b>	No minimum investment required / CHF
<b>Fund Type / Distribution</b>	Swiss Securities Fund / Authorized for public distribution in Switzerland and Germany
<b>Management Fee (incl. Fund Management and Custodian Fees)</b>	1.25%
<b>Issue Fee / Redemption Fee</b>	none
<b>Total Expense Ratio (TER) 31/05/2025</b>	1.34%
<b>Fund Management Company / Custodian Bank</b>	LLB Swiss Investment AG, Zurich / Bank Julius Baer & Co. Ltd., Zurich
<b>Subscriptions and Redemptions</b>	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.
<b>Auditor</b>	PricewaterhouseCoopers AG, Zurich

## Monthly Performance (as of 30/09/2025)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2021</b>		-0.9%	6.4%	1.2%	3.6%	4.2%	3.2%	2.0%	-6.1%	1.5%	-0.3%	4.5%	20.6%*
<b>2022</b>	-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%
<b>2023</b>	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%
<b>2024</b>	-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%
<b>2025</b>	6.1%	0.0%	-1.5%	0.2%	3.0%	-0.3%	1.8%	1.1%	-1.3%				9.2%

\* since Launch date (29 January 2021)

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