

## 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. The IPO of Swiss Marketplace Group (SMG) on the Swiss Stock Exchange was the largest in Europe so far this year. The operator of various online platforms is well-established in the real estate and automotive sectors. Meanwhile, shares in packaging specialist SIG Group plummeted following a profit warning and the suspension of the dividend for 2025. In September, the fund lost 2.7% (SPI Extra -2.5%).

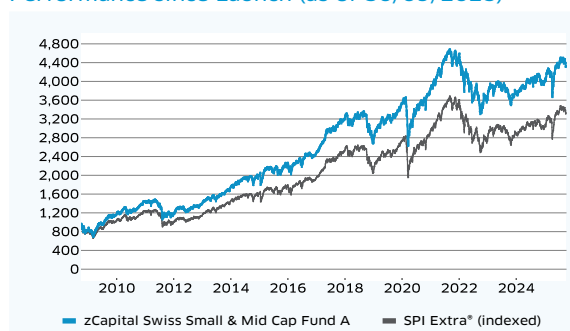
### Sonova and SMG new to the portfolio

Hearing aid manufacturer Sonova has returned to the SPI Extra following the definitive inclusion of Amrize in the SMI. We have therefore built up a position in Sonova. We also received an allocation as part of the SMG IPO. We made further purchases in Temenos, Allreal, and Cembra Money Bank. Conversely, we reduced our positions in Lindt & Sprüngli, Roche, Barry Callebaut, Sandoz, VAT Group and Julius Bär.

### 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.

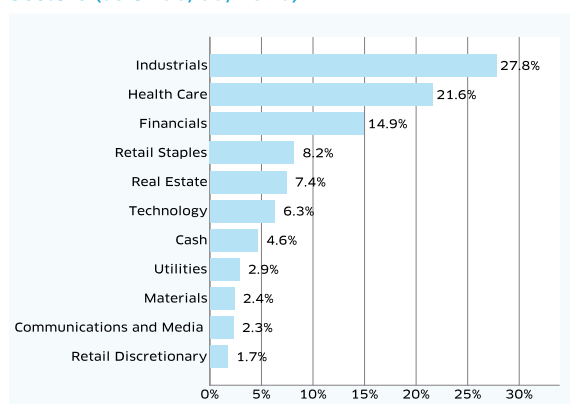
### Performance since Launch (as of 30/09/2025)



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

MTD (Fund / Benchmark)	-2.7% / -2.5%
YTD	8.7% / 10.3%
1 year	4.4% / 4.8%
3 years p.a.	8.6% / 9.4%
5 years p.a.	3.9% / 4.3%
10 years p.a.	7.8% / 7.5%
Since launch p.a.	9.2% / 7.5%

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



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

1	Lindt & Sprüngli	5.7%
2	Schindler	4.9%
3	Galderma Group	4.9%
4	SGS	4.9%
5	Baloise	4.0%
6	Sandoz Group	3.8%
7	Julius Baer	3.2%
8	Sonova	3.2%
9	PSP Swiss Property	3.0%
10	Belimo	2.7%
11	Straumann	2.5%
12	Swiss Prime Site	2.4%
13	BKW	2.3%
14	Roche	2.2%
15	Temenos	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 30/09/2025)

<b>Net Asset Value</b>	CHF 4,329.07 per Share A
<b>Total Assets</b>	CHF 1149 m
<b>Investment Exposure</b>	95.5%
<b>Number of Companies</b>	63

## Statistics 3 Years (as of 30/09/2025)

<b>Volatility Fund / Index p.a.</b>	11.8% / 12.7%
<b>Tracking Error</b>	1.7%
<b>Information Ratio</b>	-0.5

## Termsheet

<b>Fund-Name</b>	zCapital Swiss Small & Mid Cap Fund (Class A)
<b>Asset Manager</b>	zCapital AG, Zug
<b>Swiss Security Number / ISIN</b>	4534164 / CH0045341648
<b>Price Publications</b>	www.zcapital.ch, www.swissfunddata.ch, www.fundinfo.com
<b>Bloomberg / Reuters</b>	ZCAPSWI SW Equity / 4534164.S
<b>Benchmark</b>	SPI Extra® (Swiss small & mid cap equities)
<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>Fund Management Company / Custodian Bank</b>	LLB Swiss Investment AG, Zürich / Bank Julius Bär & Co. AG, Zürich
<b>Management Fee (incl. Fund Management and Custodian Fees)</b>	1.5% p.a., of which 0.1% donated to charities which engage in "Children and Education"
<b>Issue Fee / Redemption Fee</b>	None / 0.25% in favour of the fund
<b>Total Expense Ratio (TER) as of 31/05/2025</b>	1.50%
<b>Subscriptions and Redemptions</b>	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.
<b>Auditor</b>	PricewaterhouseCoopers AG, Zurich

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Fund</b>	-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%
<b>SPI Extra®</b>	-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
<b>Fund</b>	19.0%	-21.1%	5.0%	5.2%	8.7%
<b>SPI Extra®</b>	22.2%	-24.0%	6.5%	3.8%	10.3%

\* since Launch date (6 October 2008)

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

2025	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>Fund</b>	6.0%	-0.8%	-2.4%	0.6%	5.4%	-0.0%	2.4%	0.4%	-2.7%				8.7%
<b>SPI Extra®</b>	6.7%	-0.7%	-2.6%	0.5%	6.2%	0.5%	2.4%	-0.0%	-2.5%				10.3%

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