

zMonthly October 25

Stock markets defy the shutdown

Despite the US government shutdown, stock markets continued to rise at the start of the month. Notably, shares in the healthcare sector saw significant gains. This was triggered by an agreement between pharmaceutical company Pfizer and the US government: Pfizer will reduce the prices of certain drugs and invest in US-based production sites in return for lower tariffs. The renewed trade dispute between China and the US caused a brief interruption to the rally. In response to China tightening export rules for rare earths, the US threatened new tariffs. The delayed publication of September's inflation data brought back the positive mood. The slightly below-forecast price increase fuelled hopes of an upcoming interest rate cut by the US Federal Reserve, leading to new record highs for some indices. The Fed met these expectations. However, the stock market initially reacted negatively to Jerome Powell's comment that a further interest rate cut in December was not yet a done deal. Novartis shares came under pressure following slightly disappointing earnings for the previous quarter. Logitech, on the other hand, posted strong quarterly figures despite challenging conditions. Meanwhile, 78% of Logitech's products now contain recycled plastics. Testing and inspection company SGS exceeded analysts' expectations for organic growth. Sustainability services grew at double-digit rates. Banking software specialist Temenos presented better-than-expected quarterly results and raised its outlook, boosting its shares. The fund gained 1.2% in October.

Little changes to the portfolio

We did not make major changes to the portfolio during the month under review. We slightly increased our positions in Novartis and Kardex, while reducing our holdings in Logitech and Baloise.

The industrial sector is suffering

The industrial sector has been waiting for an economic upturn in Europe for some time. However, there are now increasing signs that China is exacerbating the situation. Individual companies are reporting delays to major projects, which are having a negative impact on order intake. There is also no sign of recovery in the automotive industry. Price pressure in China has even intensified further. In the chemical industry, capacity utilisation has fallen to its lowest level in 20 years. Some observers believe that the low point could soon be reached. Positive stand-outs at the moment are investments in data centers, which are in the triple-digit billions USD. Companies operating in the sector are among the beneficiaries. In Switzerland, these include ABB, Belimo and Huber+Suhner, for example. We are surprised that US politicians and investors are showing so little interest in the government shutdown, which has now been ongoing for a month. The longer the shutdown continues, the more negative effects it will have on the economy in a number of areas. These and other political uncertainties will continue to influence stock markets.

Performance since Launch (as of 31/10/2025)



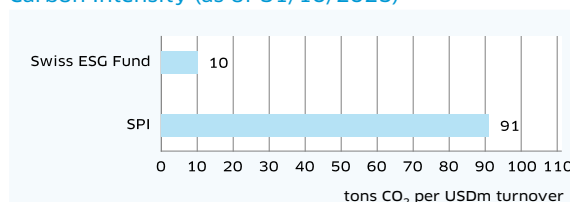
Performance (as of 31/10/2025)

MTD	1.2%
YTD	10.6%
1 year	9.2%
3 years p.a.	9.5%
Since launch p.a.	5.2%

ESG Key Figures (as of 31/10/2025)

RepRisk Rating (Fund / SPI)	A / A
zRating	71 / 68
Companies that meet Paris climate targets	97% / 78%
Estimated global warming 2050	1.6°C / 1.7°C
Companies which contribute positively to the UN SDGs	83% / 64%

Carbon Intensity (as of 31/10/2025)



Largest Positions (as of 31/10/2025)

1	Novartis	9.6%
2	Roche	8.8%
3	ABB	6.4%
4	Zurich Insurance Group	6.1%
5	Givaudan	3.6%
6	SGS	3.3%
7	Lonza	3.3%
8	Swiss Re	3.0%
9	Swisscom	3.0%
10	Geberit	2.6%

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.

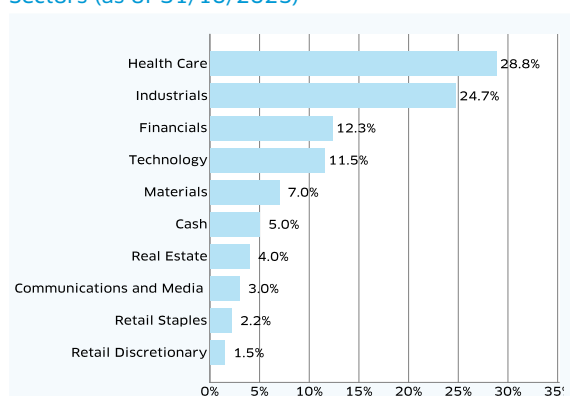
Impact of zCapital

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 31/10/2025)

Net Asset Value	CHF 1,235.38 per Share A
Total Assets	CHF 39 m
Investment Exposure	95.1%
Number of Companies	34

Sectors (as of 31/10/2025)



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 31/10/2025)

	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%	-1.3%	1.2%			10.6%

* since Launch date (29 January 2021)

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