

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. Testing and inspection company SGS exceeded analysts' expectations for organic growth and confirmed its annual targets. Huber+Suhner, a manufacturer of connection technology, reported a record level of orders for the first nine months of the year. Banking software specialist Temenos presented better-than-expected quarterly results and raised its outlook, boosting its shares. In October, the fund increased by 2.7% (SPI Extra +2.7%).

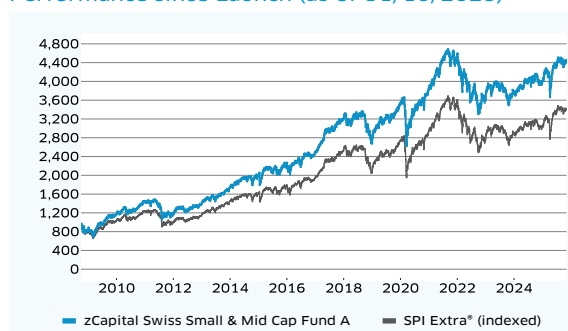
Aryzta new to the portfolio

The baked goods manufacturer Aryzta unexpectedly lowered its outlook and dismissed its CEO. We took advantage of the sharp drop in the share price to build a position. We also participated in a further placement of Galderma shares and added to positions in EMS-Chemie and Belimo. We realised gains on BKW, Hiag Immobilien and Flughafen Zürich.

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. In this environment, we remain defensively positioned.

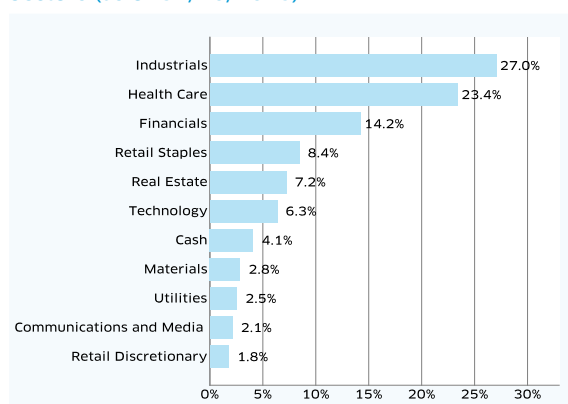
Performance since Launch (as of 31/10/2025)



Performance (as of 31/10/2025)

MTD (Fund / Benchmark)	2.7% / 2.7%
YTD	11.6% / 13.2%
1 year	11.0% / 12.0%
3 years p.a.	8.4% / 8.9%
5 years p.a.	5.3% / 5.8%
10 years p.a.	7.5% / 7.1%
Since launch p.a.	9.3% / 7.7%

Sectors (as of 31/10/2025)



Largest Positions (as of 31/10/2025)

1	Galderma Group	6.2%
2	Lindt & Sprüngli	5.7%
3	SGS	5.1%
4	Schindler	4.5%
5	Sandoz Group	4.2%
6	Baloise	3.9%
7	Sonova	3.1%
8	Julius Baer	3.0%
9	PSP Swiss Property	2.9%
10	Straumann	2.9%
11	Belimo	2.8%
12	Temenos	2.5%
13	Swiss Prime Site	2.4%
14	Huber + Suhner	2.2%
15	Roche	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 31/10/2025)

Net Asset Value	CHF 4,445.44 per Share A
Total Assets	CHF 1189 m
Investment Exposure	96.1%
Number of Companies	64

Statistics 3 Years (as of 31/10/2025)

Volatility Fund / Index p.a.	11.5% / 12.4%
Tracking Error	1.7%
Information Ratio	-0.4

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 31/10/2025)

	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%	11.6%
SPI Extra®	22.2%	-24.0%	6.5%	3.8%	13.2%

* since Launch date (6 October 2008)

Monthly Performance (as of 31/10/2025)

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%	-2.7%	2.7%			11.6%
SPI Extra®	6.7%	-0.7%	-2.6%	0.5%	6.2%	0.5%	2.4%	-0.0%	-2.5%	2.7%			13.2%

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