

zMonthly December 25

Swiss stock market with year-end rally

Anticipating an imminent interest rate cut by the US Federal Reserve, stock markets rose across the board at the beginning of the month. Fed Chair Jerome Powell did not disappoint investors, lowering the key interest rate by a further 25 basis points. However, more important than the interest rate move was the announcement that the Fed would purchase USD 40 billion worth of US Treasury bills per month to pump liquidity back into the financial system. In contrast, the Swiss National Bank made no adjustments to its monetary policy, leaving its key interest rate at 0%. The mixed results of US tech companies Oracle and Broadcom damped the euphoria surrounding artificial intelligence and briefly weighed on the American stock markets. Meanwhile, the US inflation data for November came as a surprise. The published price changes were well below economists' expectations. This was attributed by observers to distortions related to the government shutdown. Nevertheless, the lower inflationary pressure was received positively by the markets. Cicor shares, which are not held in the portfolio, slumped sharply after a profit warning, even though the forecasts for 2025 had been confirmed shortly before. Composite materials specialist Schweiter Technologies also had to backtrack. A weak final quarter led the company to adjust its own expectations. Overall, 2026 was a very positive year for Swiss equities. Thanks to a year-end rally and the strong performance of some index heavyweights, the SPI Extra increased by 16.9%. The fund gained 14.2% year-on-year.

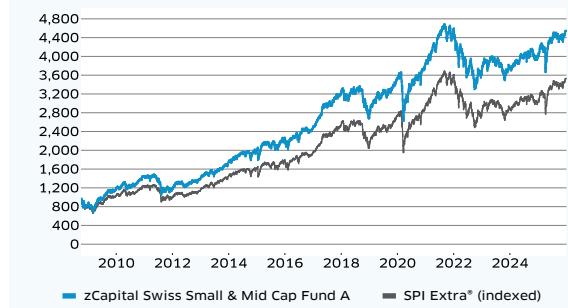
VZ Holding added to the portfolio

We participated in a share placement in VZ Holding, thereby increasing our position. We also bought additional shares in SIG Group and Temenos. Conversely, we realised gains on Galderma and Lindt & Sprüngli. The merger between Helvetia and Baloise was completed at the beginning of December.

2026: More of the same?

Due to the Swiss National Bank's zero interest rate policy, conditions in Switzerland are like those experienced during the pandemic, when the market spoke of a shortage of investment opportunities. Despite the challenging geopolitical environment, US tariffs and the strong domestic currency, Swiss equities have performed well. The issue with this asset class's strong performance was the lack of earnings growth last year. However, things are expected to improve in 2026, with analysts estimating earnings growth of 9% for the SPI. From today's perspective, we consider this to be ambitious. The biggest risk to the stock markets overall is a noticeable slowdown in the US economy, unless the AI boom with its substantial investment can counteract this. Overall, we expect similar issues to influence the markets in the new year, with a US president who will continue to cause surprises and unrest. In this environment, it is worth maintaining a diversified portfolio of quality stocks and accepting the expected volatility.

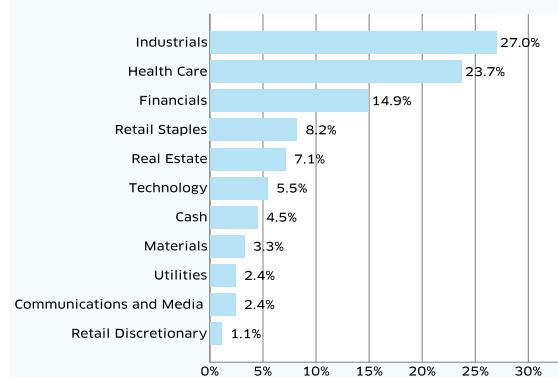
Performance since Launch (as of 30/12/2025)



Performance (as of 30/12/2025)

MTD (Fund / Benchmark)	2.1% / 2.6%
YTD	14.2% / 16.9%
1 year	14.2% / 16.9%
3 years p.a.	8.1% / 8.9%
5 years p.a.	3.5% / 3.7%
10 years p.a.	7.2% / 7.0%
Since launch p.a.	9.4% / 7.8%

Sectors (as of 30/12/2025)



Largest Positions (as of 30/12/2025)

1	Galderma Group	6.5%
2	Helvetia Baloise	5.3%
3	Lindt & Sprüngli	5.1%
4	SGS	5.1%
5	Schindler	4.9%
6	Sandoz Group	4.5%
7	Julius Baer	3.5%
8	PSP Swiss Property	3.0%
9	Temenos	2.9%
10	Sonova	2.7%
11	Roche	2.7%
12	VAT Group	2.6%
13	Straumann	2.6%
14	Belimo	2.6%
15	Swiss Prime Site	2.5%

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 30/12/2025)

Net Asset Value	CHF 4,548.33 per Share A
Total Assets	CHF 1185 m
Number of Companies	61

Statistics 3 Years (as of 30/12/2025)

Volatility Fund / Index p.a.	11.0% / 11.9%
Tracking Error	1.6%
Information Ratio	-0.6

Term sheet

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 30/12/2025)

	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®													
Fund	-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%	14.2%								
SPI Extra®	22.2%	-24.0%	6.5%	3.8%	16.9%								

* since Launch date (6 October 2008)

Monthly Performance (as of 30/12/2025)

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%	0.2%	2.1%	14.2%
SPI Extra®	6.7%	-0.7%	-2.6%	0.5%	6.2%	0.5%	2.4%	-0.0%	-2.5%	2.7%	0.6%	2.6%	16.9%

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