

zMonthly February 26

AI fears trigger volatility

At the beginning of the month, scepticism about the economic viability of huge investment plans led to a sharp correction in the share prices of certain US tech companies. Software companies were hit even harder. As AI models have become more powerful and intelligent, concerns have grown that their business models could be overtaken by artificial intelligence. This uncertainty quickly spread to other sectors. Following insurance companies and financial service providers, logistics companies also incurred significant losses. In the US, the president suffered a legal defeat. The Supreme Court ruled that the reciprocal tariffs introduced by the government were unconstitutional. The response from the Oval Office was prompt. Trump issued an executive order imposing a 10% tariff on imported goods. The stock markets reacted calmly overall. Swisscom narrowly met expectations, but this was enough to push the share price to new record highs. Indoor climate specialist Zehnder benefited from the trend towards more energy-efficient buildings, presenting attractive figures for the past year. However, the shares still suffered losses due to the cautious outlook. Banking software provider Temenos recorded a significant increase in profits last year and raised its medium-term targets for 2028. The fund gained 4.3% in February.

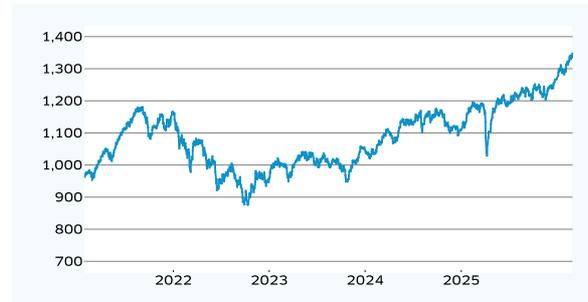
Few portfolio adjustments

We slightly increased our positions in Logitech, VZ Holding and Kardex. Conversely, we trimmed our positions in Novartis and Roche.

Switzerland is an expensive location

Our regular management meetings with portfolio companies give us a good sense of potential strategic adjustments. The main problem at the moment is the high cost of doing business in Switzerland. This affects not only manufacturing but also, increasingly, the service sector. The strong Swiss franc and weak currencies in highly indebted exporting countries are putting pressure on companies to cut costs to remain competitive in the long term. We therefore anticipate announcements in the coming months regarding the relocation of production to lower-cost locations, such as Asia, and the transfer of office jobs to service centres in lower-wage countries. For small and mid-cap companies, the peak of the annual reporting season is approaching. Companies' results and outlooks will be decisive for the further performance of their shares. In the short term, however, the situation in the Middle East and the oil price will determine the direction of the stock markets. This points to sharply rising volatility and falling share prices.

Performance since Launch (as of 27/02/2026)



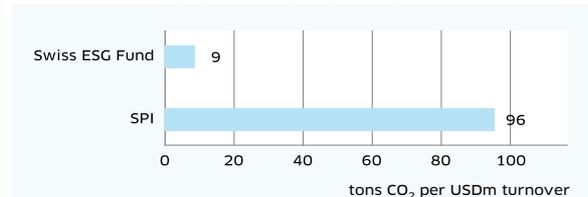
Performance (as of 27/02/2026)

MTD	4.3%
YTD	6.2%
1 year	14.2%
3 years p.a.	10.3%
5 years p.a.	7.1%
Since launch p.a.	6.8%

ESG Key Figures (as of 27/02/2026)

RepRisk Rating (Fund / SPI)	A / BBB
zRating	70 / 67
Companies that meet Paris climate targets	97% / 77%
Estimated global warming 2050	1.5°C / 1.8°C
Companies which contribute positively to the UN SDGs	80% / 67%

Carbon Intensity (as of 27/02/2026)



Largest Positions (as of 27/02/2026)

1	Novartis AG	9.9%
2	Roche	9.6%
3	ABB	6.9%
4	Zurich Insurance Group	5.4%
5	Swisscom	3.1%
6	SGS	3.0%
7	Alcon	2.9%
8	Givaudan	2.9%
9	Lonza	2.8%
10	Geberit	2.7%

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.

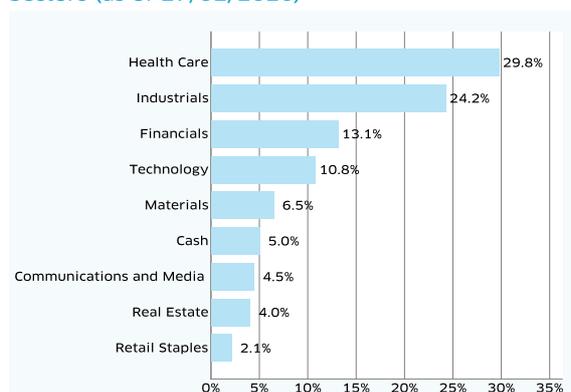
Impact of zCapital

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 27/02/2026)

Net Asset Value	CHF 1,346.68 per Share A
Total Assets	CHF 45 m
Number of Companies	35

Sectors (as of 27/02/2026)



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) 30/11/2025	1.36%
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 27/02/2026)

	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%	1.2%	2.3%	14.5%
2026	1.8%	4.3%											6.2%

* since Launch date (29 January 2021)

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