

## zMonthly May 26

### AI enthusiasm is driving stock markets

In May, the situation in the Middle East continued to have a significant impact on global financial markets. Periods of hope for a swift agreement were repeatedly followed by setbacks. Meanwhile, the ongoing blockade of the Strait of Hormuz has led to increased inflationary pressure due to rising commodity and transport costs. Consequently, consumer prices, and even more so producer prices, have risen significantly in the US. Against this backdrop and amid rising interest rates, the new US Federal Reserve Chairman, Kevin Warsh, will find it difficult to justify a cut in key interest rates any time soon. Despite this challenging environment, stock markets have proven to be highly resilient and, with some reaching new record highs. In particular, companies in the semiconductor sector have benefited from the AI boom, with technology-focused stock markets in the US, Taiwan and South Korea performing exceptionally well. Defensive markets such as Switzerland were less able to capitalise on this. Shares in the connector manufacturer Huber+Suhner surged following strong results from a US competitor and positive target price revisions. Electricity meter manufacturer Landis+Gyr forecast a decline in sales for the current financial year, weighing on the share price. Private bank Julius Bär fell short of expectations with weak net new money growth, prompting investors to sell off shares. The fund rose by 2.3% in May (SPI Extra +2.8%).

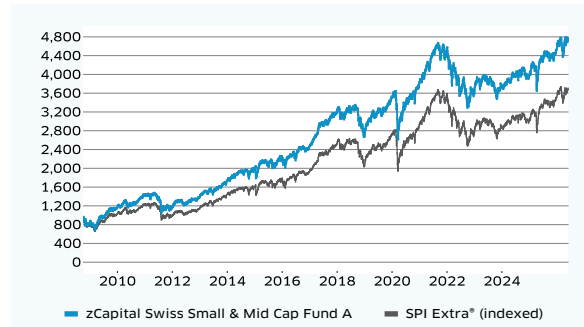
### DSM-Firmenich newly listed on the SIX

In early May, the Dutch-Swiss specialty chemicals company made the surprise announcement that it would be dual-listed on the SIX Swiss Exchange alongside Amsterdam from 21 May. With a weighting of 3.2%, DSM-Firmenich ranks in the top 10 of the SPI Extra index. We have built up an underweight position. While the strategic realignment is convincing, growth acceleration and margin improvements have yet to materialise. In addition, we have purchased more shares in Bossard and Galenica. Conversely, we have exited our positions in Clariant and Ypsomed entirely and reduced our weightings in DKSH and Bachem.

### How long can risks be ignored?

The situation in the Middle East remains volatile despite tentative steps towards reconciliation between the US and Iran. Although markets have long anticipated the imminent reopening of the Strait of Hormuz, a swift negotiated solution remains uncertain. According to experts, Iran can withstand the US naval blockade for another two to three months. President Trump, on the other hand, is making it clear that he wants to extricate himself from this conflict as quickly as possible as the midterm elections in early November draw nearer. Meanwhile, optimism continues to dominate the stock markets, led by the boom surrounding artificial intelligence. Rising inflation figures and the accompanying higher long-term interest rates seem to be of little concern. In our view, however, this poses risks that investors cannot completely ignore.

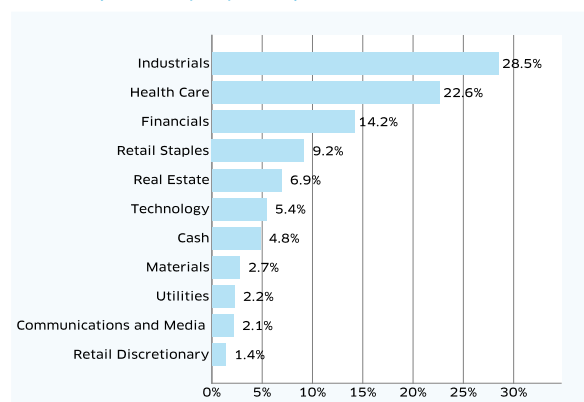
### Performance since Launch (as of 29/05/2026)



### Performance (as of 29/05/2026)

<b>MTD (Fund / Benchmark)</b>	2.3% / 2.8%
<b>YTD</b>	5.4% / 5.4%
<b>1 year</b>	11.2% / 12.5%
<b>3 years p.a.</b>	6.8% / 7.2%
<b>5 years p.a.</b>	2.0% / 2.0%
<b>10 years p.a.</b>	7.4% / 7.1%
<b>Since launch p.a.</b>	9.5% / 7.9%

### Sectors (as of 29/05/2026)



### Largest Positions (as of 29/05/2026)

<b>1</b>	Galderma Group	6.9%
<b>2</b>	Sandoz Group	5.1%
<b>3</b>	Helvetia Baloise	4.9%
<b>4</b>	SGS	4.7%
<b>5</b>	Schindler	4.4%
<b>6</b>	Lindt & Sprüngli	4.0%
<b>7</b>	VAT Group	3.6%
<b>8</b>	Julius Baer	3.3%
<b>9</b>	PSP Swiss Property	3.0%
<b>10</b>	Straumann	2.9%
<b>11</b>	Belimo	2.7%
<b>12</b>	Roche	2.6%
<b>13</b>	Swiss Prime Site	2.5%
<b>14</b>	Temenos	2.5%
<b>15</b>	Huber + Suhner	2.4%

## 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 29/05/2026)

<b>Net Asset Value</b>	CHF 4,776.13 per Share A
<b>Total Assets</b>	CHF 1208 m
<b>Number of Companies</b>	60

## Statistics 3 Years (as of 29/05/2026)

<b>Volatility Fund / Index p.a.</b>	11.1% / 11.9%
<b>Tracking Error</b>	1.6%
<b>Information Ratio</b>	-0.3

## 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 30/11/2025</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 29/05/2026)

	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%
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	2026							
<b>Fund</b>	19.0%	-21.1%	5.0%	5.2%	14.2%	5.4%							
SPI Extra®	22.2%	-24.0%	6.5%	3.8%	16.9%	5.4%							

\* since Launch date (6 October 2008)

## Monthly Performance (as of 29/05/2026)

2026	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>Fund</b>	1.9%	3.3%	-6.1%	4.2%	2.3%								5.4%
SPI Extra®	2.2%	3.6%	-6.5%	3.5%	2.8%								5.4%

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