Swiss Small & Mid Cap Fund
Class A

zMonthly July 26

AI stocks under pressure

At the start of the month, the AI rally took a sharp turn. Rumours that Meta intends to market its computing capacity externally have fuelled concerns about potential overcapacities. Consequently, investors took profit mainly in semiconductor stocks. Midway through the month, the ceasefire between the US and Iran broke down. Attacks in the Strait of Hormuz and by the Houthi militia in the Red Sea caused the oil price to temporarily rise to over USD 100. Subsequently, lower-than-expected US inflation data and a brief easing of tensions in the Iran conflict provided support for defensive stock markets, such as Switzerland's. Meanwhile, the decline in AI-related stocks continued. The renewed increase in investment plans for AI infrastructure, such as those announced by Alphabet, were met with growing scepticism. In contrast, the new US tariffs of 12.5% on Swiss imports prompted only modest responses. Towards the end of the month, the US Federal Reserve left its benchmark interest rates unchanged at 3.50–3.75%. The earnings season for the first six months of the year is in full swing. EMS-Chemie posted strong results and raised its outlook slightly, a move that was well received by the market. Inficon, a measurement technology specialist, has significantly accelerated its growth and raised its guidance for the current year. Elevator manufacturer Schindler delivered a better operating margin for the second quarter, but its revenues disappointed. This put pressure on the stock. The fund lost 0.4% in the month under review (SPI Extra -0.5%).

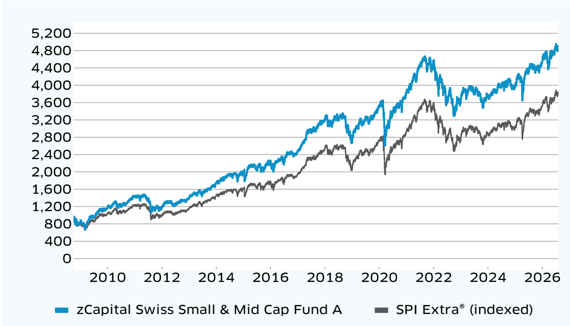
Various portfolio adjustments

In July, we took advantage of the significantly lower prices of Dottikon ES and Huber+Suhner shares to make additional purchases. Conversely, we reduced our holdings in Inficon, Belimo, SIG Group and Straumann.

Keeping an eye on the bond market

Since the second week of July, the geopolitical environment has deteriorated again, and concerns about the war in the Gulf region escalating have grown. Unlike the bond markets, however, the stock markets seem largely unconcerned about higher energy prices and the associated inflation risks. However, rising yields on 10- and 30-year government bonds are making corporate borrowing more expensive and are likely to curb consumer spending and slow economic growth. At the same time, the bond market is clearly signalling to the new Fed Chair, Kevin Warsh, that investors want better compensation for long-term inflation risks. This puts pressure on the Fed to tighten monetary policy over the course of the year to combat excessive inflation. This would benefit consumers suffering from rising prices. History shows that a sustained rise in long-term interest rates can eventually become problematic for stock markets, especially in environments characterised by excessive speculation and high valuations. We remain committed to our investment strategy. In the short term, our focus is primarily on the half-year financial results.

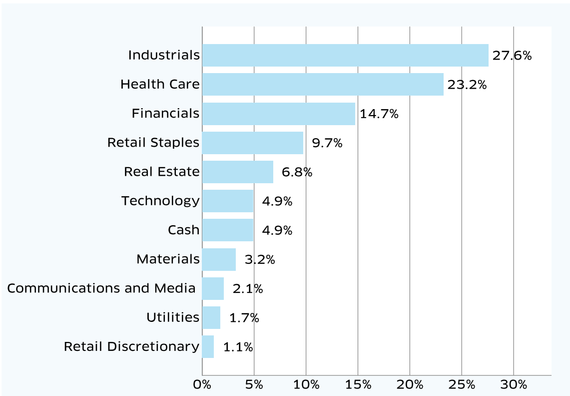
Performance since Launch (as of 31/07/2026)



Performance (as of 31/07/2026)

MTD (Fund / Benchmark)	-0.4% / -0.5%
YTD	7.5% / 8.4%
1 year	10.3% / 12.1%
3 years p.a.	7.4% / 7.9%
5 years p.a.	1.4% / 1.5%
10 years p.a.	7.4% / 7.3%
Since launch p.a.	9.5% / 8.0%

Sectors (as of 31/07/2026)



Largest Positions (as of 31/07/2026)

1	Galderma Group	7.0%
2	Helvetia Baloise	5.0%
3	Sandoz Group	5.0%
4	SGS	4.7%
5	Lindt & Sprüngli	4.3%
6	Schindler	4.2%
7	Julius Baer	3.6%
8	VAT Group	3.5%
9	Roche	3.0%
10	PSP Swiss Property	3.0%
11	Straumann	2.7%
12	Swiss Prime Site	2.5%
13	Belimo	2.5%
14	DSM Firmenich	2.4%
15	Temenos	2.4%

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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 31/07/2026)

Net Asset Value	CHF 4,870.69 per Share A
Total Assets	CHF 1235 m
Number of Companies	61

Statistics 3 Years (as of 31/07/2026)

Volatility Fund / Index p.a.	11.0% / 11.8%
Tracking Error	1.6%
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 30/11/2025	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 31/07/2026)

	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	2026
Fund	19.0%	-21.1%	5.0%	5.2%	14.2%	7.5%
SPI Extra®	22.2%	-24.0%	6.5%	3.8%	16.9%	8.4%

* since Launch date (6 October 2008)

Monthly Performance (as of 31/07/2026)

2026	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Fund	1.9%	3.3%	-6.1%	4.2%	2.3%	2.4%	-0.4%						7.5%
SPI Extra®	2.2%	3.6%	-6.5%	3.5%	2.8%	3.3%	-0.5%						8.4%