zCapital

Swiss Small & Mid Cap Fund

Class A

zMonthly August 26

Bond market turmoil

Equity markets started the month of August on a confident note. A temporary easing of tensions in the Middle East, weaker US labour market data and slightly lower inflation dampened expectations of further interest rate hikes by the US Federal Reserve (Fed). This, combined with a stabilisation in technology stocks, pushed several equity indices to new record highs. As the month progressed, attention turned to long-term US interest rates. Concerns about high levels of government debt and uncertainty about the future course of monetary policy led to a significant rise in long-term US Treasury yields. In response, Treasury Secretary Scott Bessent announced a significant expansion of buybacks of long-term Treasury bonds and pledged to step them up further if necessary. However, the dampening effect on yields was short-lived. Renewed tensions in the Middle East led to higher oil prices, keeping inflation risks elevated. This issue was also at the centre of Fed Chair Kevin Warsh's first Jackson Hole speech. His comment that the inflation situation had not improved significantly recently was interpreted as a possible signal of rising interest rates. Financial services provider VZ Holding beat market expectations with its half-year results and outlook, sending its shares to new highs. Shares of packaging manufacturer SIG Group plunged after the newly appointed CEO was ousted just five months into the role. The fund rose slightly by 0.1% in August (SPI Extra +0.3%).

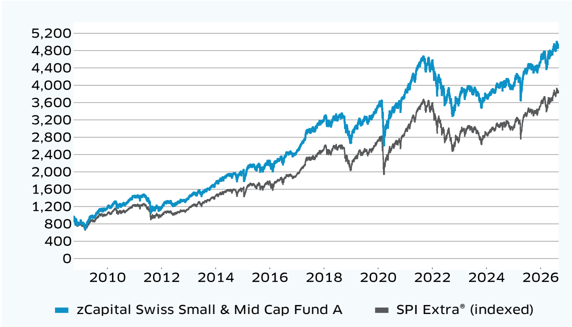
Several portfolio adjustments

In August, we reduced our holdings in Tecan, Forbo and SIG Group. We participated in Landis+Gyr's share buyback. Conversely, we added to our positions in Huber+Suhner, Georg Fischer and Allreal.

How credible is Kevin Warsh?

Although Kevin Warsh took a hard line on inflation in his speech, we do not expect a rate hike before the midterm elections in November. Since the beginning of the year, the Fed has purchased $310 billion of T-bills. As these are money market instruments rather than long-term bonds, the purchases are less stimulative than traditional quantitative easing, but they are not without macroeconomic significance. In our view, the test of Warsh's credibility lies not in the timing of the next rate hike, but in the evolution of the central bank's balance sheet, which has been expanding since December 2025. Ample liquidity in the system is one reason for the high level of speculation in markets. What matters most are broad US financial conditions such as credit spreads, mortgage rates and equity prices. According to Bloomberg, these are currently more accommodative than at any point since the turn of the millennium. In the Swiss equity market, too, we are seeing increasing volatility in individual stocks, which has little to do with the fundamental factors of the companies concerned. As active fund managers, we see such extreme movements within a changing market structure as an opportunity for countercyclical action.

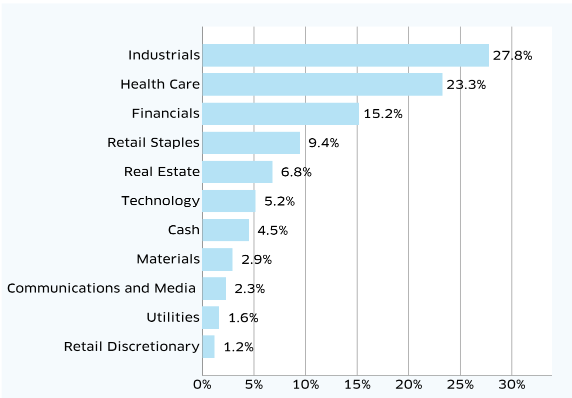
Performance since Launch (as of 31/08/2026)



Performance (as of 31/08/2026, net)

MTD (Fund / Benchmark)	0.1% /	0.3%
YTD	7.6% /	8.8%
1 year	10.0% /	12.5%
3 years p.a.	8.2% /	9.0%
5 years p.a.	1.1% /	1.1%
10 years p.a.	7.3% /	7.2%
Since launch p.a.	9.5% /	8.0%

Sectors (as of 31/08/2026)



Largest Positions (as of 31/08/2026)

1	Galderma Group	6.7%
2	Sandoz Group	5.1%
3	Helvetia Baloise	5.0%
4	SGS	4.6%
5	Schindler	4.4%
6	Lindt & Sprüngli	4.1%
7	Julius Baer	3.8%
8	VAT Group	3.5%
9	Roche	3.0%
10	PSP Swiss Property	2.9%
11	Temenos	2.6%
12	Straumann	2.5%
13	Belimo	2.5%
14	DSM Firmenich	2.5%
15	Swiss Prime Site	2.3%

zCapital AG
Baarerstrasse 82
6300 Zug
T + 41 41 729 80 80
www.zcapital.ch

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 31/08/2026)

Net Asset Value	CHF 4,875.64 per Share A
Total Assets	CHF 1233 m
Number of Companies	62

Statistics 3 Years (as of 31/08/2026)

Volatility Fund / Index p.a.	11.0% / 11.7%
Tracking Error	1.6%
Information Ratio	-0.5

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 31/08/2026, net)

	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%	7.6%
SPI Extra®	22.2%	-24.0%	6.5%	3.8%	16.9%	8.8%

* since Launch date (6 October 2008)

Monthly Performance (as of 31/08/2026, net)

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%	0.1%					7.6%
SPI Extra®	2.2%	3.6%	-6.5%	3.5%	2.8%	3.3%	-0.5%	0.3%					8.8%