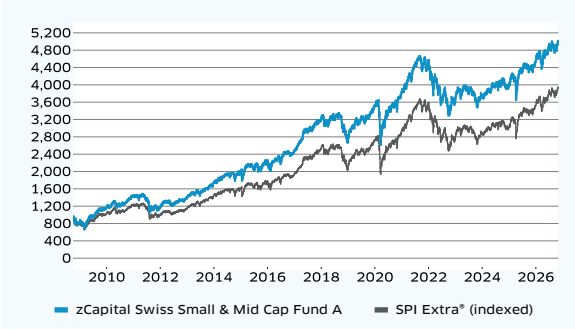
zMonthly October 26

Strong Swiss Equity Market
At the start of the month, the bond market set the tone for the stock markets. Yields on ten-year US government bonds briefly reached their highest level in around 25 years. Furthermore, doubts about fiscal policy caused yield spreads on French government bonds to reach levels not seen since the eurozone debt crisis. However, US President Donald Trump eased tensions by announcing that he would refrain from launching attacks against Iran ahead of the mid-term elections. Following this announcement, yields declined slightly. As the month progressed, scepticism grew regarding highly indebted AI companies, particularly after the cloud provider CoreWeave encountered financing problems. This further pressured the tech sector, prompting investors to shift their holdings into defensive sectors. The Swiss stock market performed significantly better than others, benefiting from this shift. The SMI climbed to a new record high. As expected, the US Federal Reserve and the ECB left key interest rates unchanged at their respective meetings, a move that caused hardly any reaction from the markets. Schindler's shares rose sharply after the elevator manufacturer exceeded expectations in terms of both order intake and profitability. Smart meter manufacturer Landis+Gyr secured a major order in the US in October. Despite lower turnover, the company revised its margin target upwards following the first half of the year. Banking software provider Temenos improved its profitability and raised its profit targets, a move that was rewarded by investors in the form of share price gains. The fund rose by 3.6% in October (SPI Extra: +3.3%).

A quiet month
In October, we increased our holdings in BKW, Sulzer and Julius Bär. Conversely, we reduced our positions in SGS, Tecan and Georg Fischer.

What next after the US mid-term elections?
The US mid-term elections on 3 November could lead to increased volatility and sector rotation. A divided Congress would not pose a significant obstacle for the markets. However, a Democratic victory in both chambers would be an unfavourable scenario for equities, particularly for technology and financial stocks. While Trump's veto power would remain an effective brake, increased regulatory pressure and political uncertainty could push up risk premiums. The most disruptive factor would be a bitter dispute over the budget and the debt ceiling. In such a scenario, shares in the renewable energy and healthcare sectors are likely to perform relatively well. Following the elections, markets also expect President Trump to decide on his next course of action regarding Iran. Both a negotiated solution and renewed military escalation are possible. Two further issues are also likely to influence market developments: growing doubts about the sustainability of enormous artificial intelligence investments, and the rising risk of inflation resulting from sharp energy price rises.

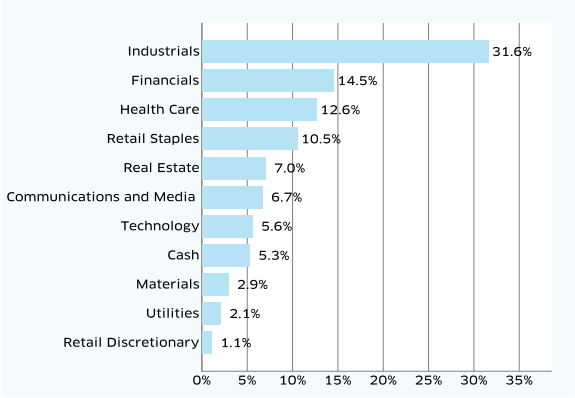
Performance since Launch (as of 30/10/2026)



Performance (as of 30/10/2026, net)

MTD (Fund / Benchmark)	3.6% / 3.3%
YTD	10.6% / 12.0%
1 year	13.1% / 15.6%
3 years p.a.	12.8% / 14.2%
5 years p.a.	2.2% / 2.3%
10 years p.a.	7.6% / 7.6%
Since launch p.a.	9.5% / 8.1%

Sectors (as of 30/10/2026)



Largest Positions (as of 30/10/2026)

1	Helvetia Baloise	5.2%
2	Schindler	5.1%
3	SGS	4.7%
4	Swisscom	4.6%
5	Lindt & Sprüngli	4.0%
6	Julius Baer	3.6%
7	DSM-Firmenich	3.5%
8	Roche	3.4%
9	Kühne + Nagel	3.4%
10	VAT Group	3.2%
11	PSP Swiss Property	3.0%
12	Sonova	3.0%
13	Temenos	2.7%
14	Straumann	2.6%
15	Belimo	2.4%

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 30/10/2026)

Net Asset Value	CHF 5,010.33 per Share A
Total Assets	CHF 1249 m
Number of Companies	62

Statistics 3 Years (as of 30/10/2026)

Volatility Fund / Index p.a.	10.9% / 11.6%
Tracking Error	1.6%
Information Ratio	-0.9

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 31/05/2026	1.50%
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 is calculated on the valuation date on the basis of the closing prices on the order day.
Auditor	PricewaterhouseCoopers AG, Zurich

Yearly Performance (as of 30/10/2026, 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%	10.6%
SPI Extra®	22.2%	-24.0%	6.5%	3.8%	16.9%	12.0%

* since Launch date (6 October 2008)

Monthly Performance (as of 30/10/2026, 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%	-0.8%	3.6%			10.6%
SPI Extra®	2.2%	3.6%	-6.5%	3.5%	2.8%	3.3%	-0.5%	0.3%	-0.4%	3.3%			12.0%

This document is promotion material. This document of zCapital Ltd does not constitute an offer or recommendation for the purchase or sale of investment funds. The information herein is subject to change at any time. No liability is accepted for any incorrect information. Past performance is not a reliable indicator of current or future performance. The performance figures do not include commissions and costs, which arise at subscription and redemption of units. According to Swiss law, the zCapital Swiss Small & Mid Cap Fund falls into the category of "Securities Fund". Investors are advised of the risks described in the fund prospectus. Investors have to be prepared to accept and be in a financial position to bear (possibly substantial) losses. The legal fund documents are available free of charge from zCapital Ltd, Baarerstrasse 82, 6300 Zug, Switzerland or on the website www.zcapital.ch. Ombudsman is Finanzombudsstelle Schweiz (FINOS). With respect to any sales restrictions, investors should seek independent advice on the applicable legal, financial or tax principles in the country concerned. This document is not intended for natural persons or legal entities for whom the use would breach the legal system of their state on account of their nationality or the domicile of the respective person or for other reasons. This applies in particular to persons with residence or domicile in the USA, Great Britain and Japan.