

zMonthly November 18

Markets ruled by anxiety

The tensely awaited midterm elections in the US played out with no major surprises, and equity markets gave a sigh of relief at the outcome. But the euphoria was short-lived. What followed was heightened anxiety resulting in broad-based losses. Known causes of uncertainty like Brexit and the trade war were joined by fears regarding growth. Economic indicators out of Europe and China in particular point to a slowdown. While the economic engine Germany posted a slight decline in growth for the third quarter, the Chinese economy continued to lose momentum as well. The trade war with the US is also likely to do further damage. In this environment, investors worry that profit forecasts for the coming year are too high. Federal Reserve Chair Jerome Powell was able to calm the markets towards the end of the month. His remarks were taken to mean the Fed might slow the pace of future interest rate hikes. The Blue Chip Index SMI again proved more resilient than the mid-cap segment. This allowed the likes of pharma giant Novartis to close the month in the black. Ahead of the planned Alcon spinoff, information and objectives for the eye care division were presented to investors at the company's Capital Markets Day. At the other end of the spectrum, the Zurich Airport stock came under enormous pressure following a proposal to revise charges by the Federal Office of Civil Aviation (FOCA). In November, the fund suffered losses of 0.8% (SPI -0.9%).

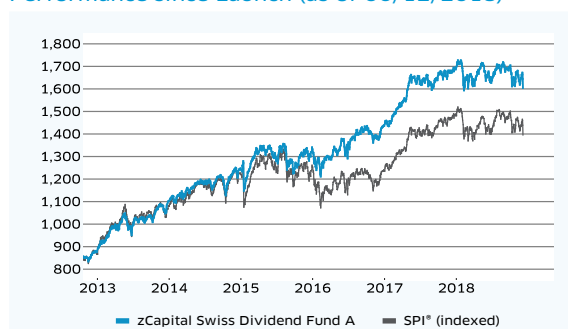
Minimal portfolio activity

In a volatile and agitated market, we were not particularly active. We increased our positions in LafargeHolcim, Logitech, SGS and Baloise, and reduced those in VAT Group, Helvetia and LLB.

Swiss economy cooling off

Switzerland's economy cooled off unexpectedly in the third quarter, following in the footsteps of its most important trading partner Germany. One of the reasons for this was a drop in exports, and it was also likely connected with the weakening trend in emerging market currencies. In the last seven weeks, oil has lost 35% of its value. This drastic price fall could be a harbinger of diminishing global demand, which would hurt Switzerland's export driven economy. Short-term market performances will largely be dictated by negotiations in the US-China trade war. At the weekend, the two nations' presidents brought a temporary reprieve, but uncertainty still looms large. For these reasons, we are maintaining a cautious positioning in the Fund.

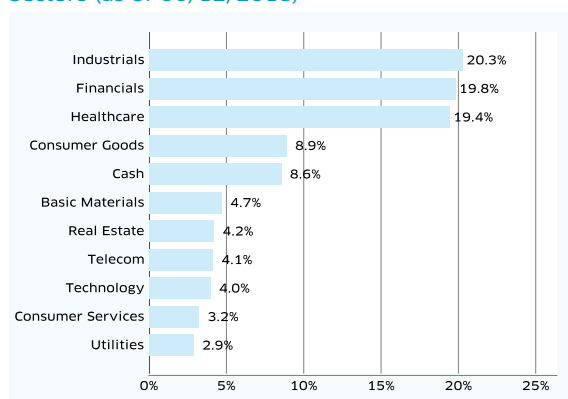
Performance since Launch (as of 06/12/2018)



Performance (as of 06/12/2018)

MTD (Fund / Benchmark)	-3.4% / -3.9%
YTD	-4.9% / -5.8%
1 year	-4.2% / -5.0%
3 years p.a.	6.8% / 3.8%
5 years p.a.	8.5% / 5.7%
Since launch p.a.	10.8% / 8.3%

Sectors (as of 06/12/2018)



Largest Positions (as of 06/12/2018)

1	Roche	9.7%
2	Novartis	9.7%
3	Nestle	8.9%
4	ABB	3.9%
5	Zurich Insurance Group	3.8%
6	Swiss Re	3.3%
7	Swisscom	2.7%
8	Logitech	2.6%
9	Givaudan	2.5%
10	SGS	2.3%
11	LafargeHolcim	2.3%
12	Liechtensteinische Landesbank	2.2%
13	BKW	2.2%
14	EMS-Chemie	2.2%
15	Allreal	2.1%

Investment Strategy

The zCapital Swiss Dividend Fund invests in Swiss equities that pay an attractive, reliable dividend or where dividend income is expected to grow. The fund invests in 30 to 40 companies from the universe of the SPI® (Swiss Performance Index). Around half of the fund assets is invested in blue chips and the other half in second-line stocks. zCapital pursues a long-term, active investment style. The stock selection is based on a combination of fundamental company analyses with a proprietary dividend analysis tool. Key ESG aspects and macroeconomic factors are also included in the decision-making process.

Portfolio Structure (as of 06/12/2018)

Net Asset Value	CHF 1,603.86 per Share A
Total Assets	CHF 427 m
Investment Exposure	91.5%
Number of Companies	37

Statistics 3 Years (as of 06/12/2018)

Volatility Fund p.a.	10.3%
Beta (current)	0.8
Dividend yield of invested companies *	3.6%
Large caps in percentage of portfolio	49.5%

* This figure includes the weighted future dividend yields from the companies invested in, as estimated by zCapital. It does not provide any indication of the final level of dividend that will be paid out by the "zCapital Swiss Dividend Fund". As of 30/11/2018.

Termsheet

Fund-Name	zCapital Swiss Dividend Fund (Class A)
Asset Manager	zCapital AG, Zug
Swiss Security Number / ISIN	19466655 / CH0194666555
Price Publications	www.zcapital.ch, www.swissfunddata.ch, www.fundinfo.com
Bloomberg / Reuters	ZCAPDIV SW Equity / 19466655.S
Benchmark	Swiss Performance Index SPI®
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% p.a.
Issue Fee / Redemption Fee	None
Total Expense Ratio (TER) as of 30/11/2017	1.02%
Fund Management Company / Custodian Bank	LLB Swiss Investment AG, Zürich / Bank Julius Bär & Co. AG, Zürich
Subscriptions and Redemptions	On each bank working day at Net Asset Value (NAV). Subscriptions and redemptions which are placed with the Custodian Bank by 3.45 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

Monthly Performance (as of 06/12/2018)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2012										-0.9%*	1.6%	1.5%	2.2%*
2013	4.9%	4.3%	3.2%	2.2%	0.2%	-2.1%	1.9%	-0.3%	2.8%	3.4%	1.2%	1.7%	25.8%
2014	0.5%	2.7%	1.5%	1.0%	1.6%	-0.5%	0.1%	1.6%	0.8%	-0.1%	2.9%	-0.1%	12.7%
2015	-3.0%	6.9%	2.3%	0.8%	0.6%	-4.2%	5.2%	-4.8%	-2.7%	4.6%	2.2%	-0.2%	7.3%
2016	-2.8%	-1.6%	1.8%	1.8%	3.9%	-1.1%	2.0%	1.9%	0.7%	-2.0%	-0.3%	3.5%	7.8%
2017	0.8%	3.3%	3.0%	3.7%	3.3%	-1.5%	1.4%	-1.8%	2.4%	0.9%	0.6%	0.3%	17.5%
2018	0.4%	-3.0%	-0.0%	2.9%	-3.3%	0.9%	3.1%	-0.1%	-0.3%	-1.3%	-0.8%	-3.4%	-4.9%

* since Launch date (22 October 2012)