

zMonthly October 17

Record setting continues

The record high on the international stock markets persisted in the month of October. During the course of the month, the US and Swiss stock exchanges recorded new all-time highs. This development was partly due to positive economic figures. The fact that the global economic engine is functioning remarkably well at the moment was confirmed by the latest report from the International Monetary Fund (IMF). The IMF was particularly optimistic as regards developed countries and revised its global growth forecast upwards for the current and coming year. Investors eagerly awaited the results of the monthly meeting of the ECB Governing Council. The announcement that total monthly bond purchases would be halved from January 2018 and that this policy would be extended until at least the end of September 2018 was no surprise and left the markets largely unimpressed. The third-quarter reports resulted in a great deal more movement on the Swiss Stock Exchange. Flavour and fragrance manufacturer Givaudan recorded a significant acceleration in growth and exceeded analysts' expectations. The results from ABB were also positively received. The two pharmaceutical multinationals experienced a damper. At Roche, the fears about possible loss of revenue resulting from biosimilars overshadowed the fundamentally good quarterly figures. In the case of Novartis, investors showed their disappointment regarding the postponement of the decision concerning the Alcon eyecare division. The fund finished the month with a gain of 0.9% (SPI + 1.5%).

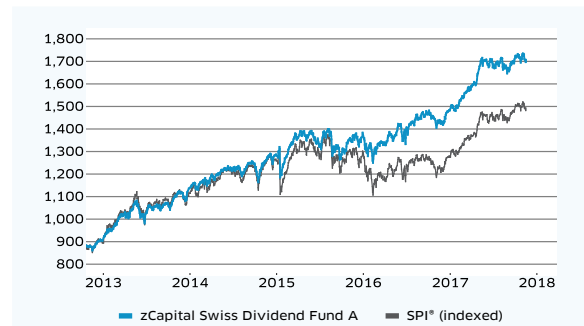
Another placement of VAT stock

After Partners Group placed a further tranche of vacuum valve manufacturer VAT, private equity investors have now withdrawn almost completely. We took advantage of the opportunity and were able to further increase our position at a discount. We have also added to our holdings in Roche, Allreal, EMS-Chemie and PSP Swiss Property. We took profits in Nestlé, Swisscom and Swiss Re.

Broad economic upswing

The global confidence in an economic upswing has spilled over to Switzerland. This was reflected in the Purchasing Managers' Index and in the KOF economic barometer, which both reached their highest levels since 2010 during October. The euro continued to gain against the Swiss franc and was quoted at over CHF 1.16. In the course of the year, the above developments were reflected in climbing share prices, particularly in the case of cyclical stocks. The generous monetary policy of central banks is more and more difficult to understand in the light of the synchronous global upswing. As long as the European Central Bank continues to boost market liquidity and interest rates are not increased, it is also highly unlikely that the Swiss National Bank will be able to make any adjustments with regard to interest rates. In the US, however, markets are expecting a further interest rate hike in December. Apart from valuations, there is thus currently little reason for stock prices to drop.

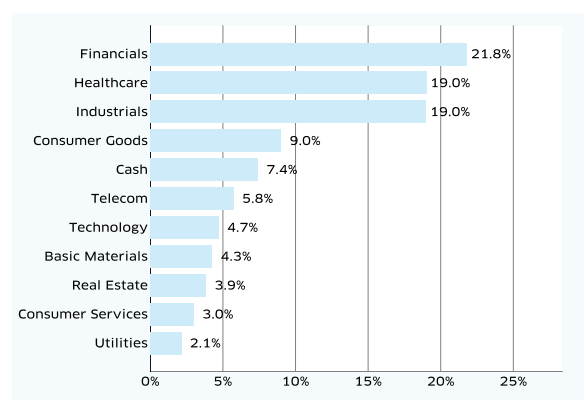
Performance since Launch (as of 16/11/2017)



Performance (as of 16/11/2017)

MTD (Fund / Benchmark)	-1.0% / -1.0%
YTD	15.2% / 17.1%
1 year	19.2% / 21.5%
3 years p.a.	10.8% / 6.2%
5 years p.a.	14.7% / 11.9%
Since launch p.a.	13.9% / 10.9%

Sectors (as of 16/11/2017)



Largest Positions (as of 16/11/2017)

1	Novartis	9.5%
2	Roche	9.4%
3	Nestlé	9.0%
4	Swiss Re	4.2%
5	ABB	3.9%
6	Zurich Insurance Group	3.7%
7	Swisscom	3.4%
8	Givaudan	3.0%
9	Logitech	2.9%
10	VAT Group	2.9%
11	Kühne + Nagel	2.6%
12	Partners Group	2.5%
13	Adecco	2.5%
14	Sunrise	2.4%
15	GAM	2.2%

Investment Strategy

The zCapital Swiss Dividend Fund invests in Swiss equities with attractive dividends and follows an active investment approach. Stock selection is based on a proprietary dividend analysis tool combined with fundamental research. Corporate governance risks are thereby taken into consideration. The fund invests in 25 to 40 shares from the universe of the SPI (Swiss Performance Index). Around half of the fund's assets is invested in blue chips, and the other half in small and mid caps.

zCapital adopts an active investment style. The stock selection is based on a combination of fundamental company analysis and a proprietary dividend analysis tool. Systematic risks of dividend shares are examined, corporate governance is assessed and investment opportunities are identified.

Portfolio Structure (as of 16/11/2017)

Net Asset Value	CHF 1,707.47 per Share A
Total Assets	CHF 420 m
Investment Exposure	92.6%
Number of Companies	36

Statistics 3 Years (as of 16/11/2017)

Volatility Fund p.a.	11.6%
Beta (current)	0.7
Dividend yield of invested companies *	3.5%
Large caps in percentage of portfolio	49.6%

* 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 31/10/2017.

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 31/05/2017	1.01%
Fund Management Company / Custodian Bank	LB(Swiss) Investment AG, Zurich / Bank Julius Baer & Co. Ltd., Zurich
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 16/11/2017)

	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%	-1.0%		15.2%

* since Launch date (22 October 2012)