

zMonthly June 17

Signs of tiredness

International stock markets had a very mixed performance in June. The upward trajectory continued in the USA, even though most of the hard economic data fell short of expectations. The flattening of the US yield curve also shows that markets are increasingly calling into doubt the growth stimulus anticipated from Trump's economic policy. At its June meeting, the US Federal Reserve (Fed) raised the benchmark interest rate by 0.25%, as expected. European stock markets initially continued to build on their gains, before eventually turning negative in the last week of trading. In contrast to the USA, the macroeconomic data for Europe was quite upbeat, however. The European Central Bank (ECB) left its monetary policy unchanged for the time being, which did not trigger much response from the markets. The Swiss equity market lagged behind other stock markets up to the middle of the month, but then made up some of its initial losses. Switzerland's three biggest companies were in the spotlight in June. The detailed data on the Aphinity clinical study published by the pharmaceutical group Roche disappointed both analysts and investors. On the other hand, the share price of Novartis surged in response to surprisingly positive results in a broad-based trial of heart medication. Nestlé shares experienced a rollercoaster ride. Initial profit-taking was followed by positive news such as the strategic review of its confectionery business in America, the involvement of the US hedge fund Third Point and the announcement of a share buyback worth CHF 20 billion over the next three years. The fund retreated 1.5% in June (SPI -1.2%).

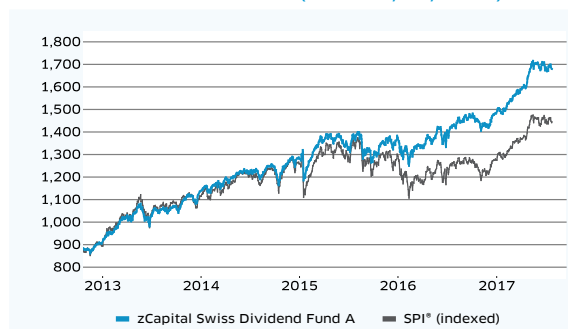
Profit-taking in large caps

We took profits in Novartis and Nestlé following strong price gains. On the other hand, we took advantage of the dip in Roche's share price to build up our position. We increased our holdings in Sunrise, VAT Group, Adecco and LLB.

Normalisation of monetary policy

Our meetings with industrial companies confirmed that the global economy is in a healthy state. This opinion is also becoming increasingly shared by central bankers. For example, both the US Fed and the ECB talked about potential plans for winding down their aggressive monetary policy. The Fed has said it plans to start slimming down its balance sheet towards the end of the year. The ECB is likely to announce over the course of Q4 2017 the tapering of its bond-purchasing programme. Investors have become so used to cheap money that even the smallest change could upset the markets. For this reason, a further consolidation over the summer months cannot be ruled out.

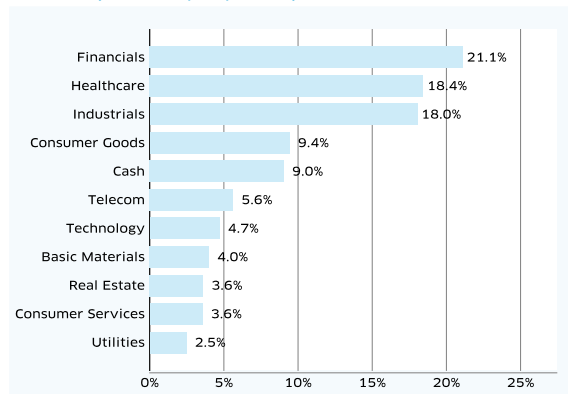
Performance since Launch (as of 25/07/2017)



Performance (as of 25/07/2017)

MTD (Fund / Benchmark)	0.2% / 0.4%
YTD	13.3% / 13.4%
1 year	17.6% / 14.5%
3 years p.a.	11.0% / 6.2%
Since launch p.a.	14.4% / 10.9%

Sectors (as of 25/07/2017)



Largest Positions (as of 25/07/2017)

1	Nestle	9.4%
2	Novartis	9.2%
3	Roche	9.2%
4	Swiss Re	4.5%
5	Swisscom	3.5%
6	Zurich Insurance Group	3.5%
7	ABB	3.3%
8	Logitech	2.9%
9	VAT Group	2.9%
10	Givaudan	2.8%
11	Kühne + Nagel	2.8%
12	Partners Group	2.7%
13	Adecco	2.4%
14	GAM	2.2%
15	Sunrise	2.1%

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 25/07/2017)

Net Asset Value	CHF 1,679.60 per Share A
Total Assets	CHF 397 m
Investment Exposure	91.0%
Number of Companies	35

Statistics 3 Years (as of 25/07/2017)

Volatility Fund p.a.	11.6%
Beta (current)	0.7
Dividend yield of invested companies *	3.4%
Large caps in percentage of portfolio	48.2%

* 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 30/06/2017.

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 30/11/2016	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 25/07/2017)

	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%	0.2%						13.3%

* since Launch date (22 October 2012)